

Notice of Audit and Governance Committee



Date: Thursday, 26 October 2023 at 6.00 pm

Venue: Committee Room, First Floor, BCP Civic Centre Annex, St Stephen's Rd, Bournemouth BH2 6LL

Membership:

Chairman:

Cllr M Andrews

Vice Chairman:

Cllr E Connolly

Cllr J Beesley

Cllr B Castle

Cllr A Chapmanlaw

Cllr R Herrett

Cllr M Phipps

Cllr J Salmon

Cllr C Weight

All Members of the Audit and Governance Committee are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to view the live stream of this meeting at the following link:

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=5594>

If you would like any further information on the items to be considered at the meeting please contact: Democratic Services on 01202 096660 or email democratic.services@bcpcouncil.gov.uk

Press enquiries should be directed to the Press Office: Tel: 01202 118686 or email press.office@bcpcouncil.gov.uk

This notice and all the papers mentioned within it are available at democracy.bcpCouncil.gov.uk

GRAHAM FARRANT
CHIEF EXECUTIVE

18 October 2023

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app

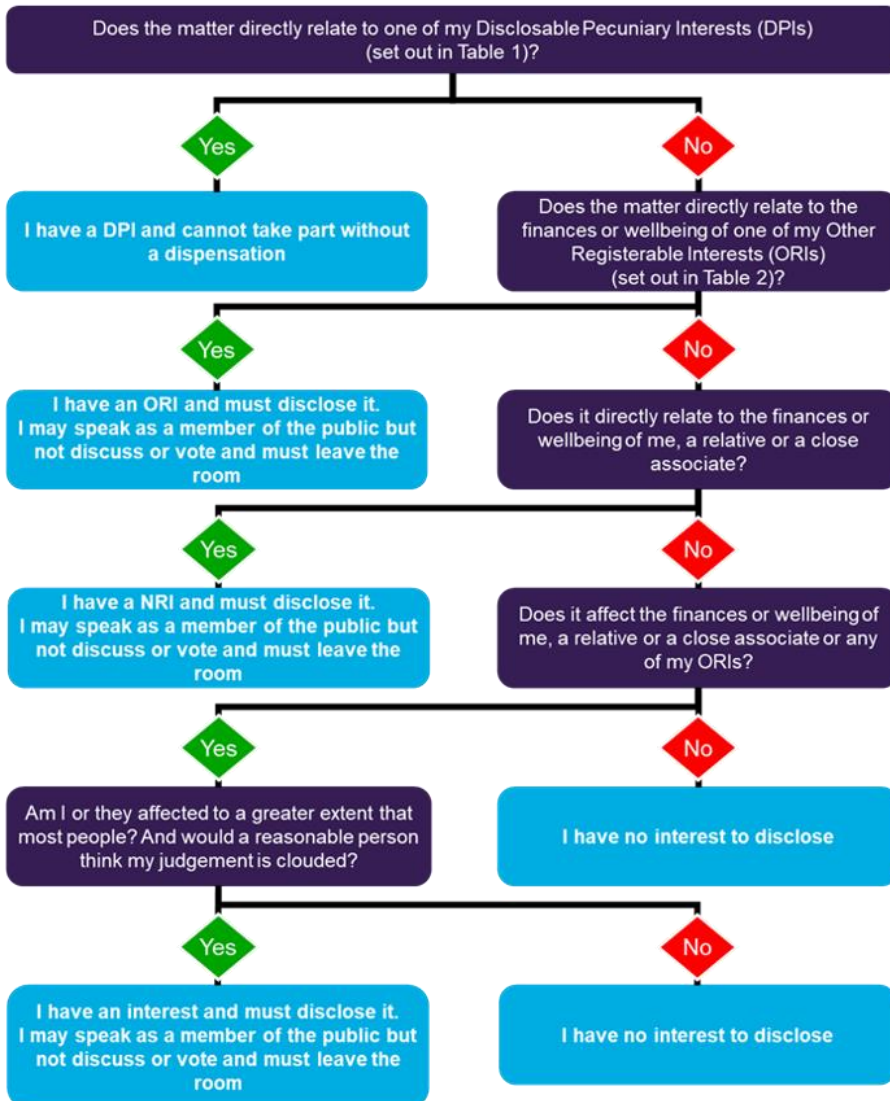


Maintaining and promoting high standards of conduct

Declaring interests at meetings

Familiarise yourself with the Councillor Code of Conduct which can be found in Part 6 of the Council's Constitution.

Before the meeting, read the agenda and reports to see if the matters to be discussed at the meeting concern your interests



What are the principles of bias and pre-determination and how do they affect my participation in the meeting?

Bias and predetermination are common law concepts. If they affect you, your participation in the meeting may call into question the decision arrived at on the item.

Bias Test

In all the circumstances, would it lead a fair minded and informed observer to conclude that there was a real possibility or a real danger that the decision maker was biased?

Predetermination Test

At the time of making the decision, did the decision maker have a closed mind?

If a councillor appears to be biased or to have predetermined their decision, they must NOT participate in the meeting.

For more information or advice please contact the Monitoring Officer
(susan.zeiss@bcpcouncil.gov.uk)

Selflessness

Councillors should act solely in terms of the public interest

Integrity

Councillors must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships

Objectivity

Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias

Accountability

Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this

Openness

Councillors should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing

Honesty & Integrity

Councillors should act with honesty and integrity and should not place themselves in situations where their honesty and integrity may be questioned

Leadership

Councillors should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs

AGENDA

Items to be considered while the meeting is open to the public

1. Apologies

To receive any apologies for absence from Councillors.

2. Substitute Members

To receive information on any changes in the membership of the Committee.

Note – When a member of a Committee is unable to attend a meeting of a Committee or Sub-Committee, the relevant Political Group Leader (or their nominated representative) may, by notice to the Monitoring Officer (or their nominated representative) prior to the meeting, appoint a substitute member from within the same Political Group. The contact details on the front of this agenda should be used for notifications.

3. Declarations of Interests

Councillors are requested to declare any interests on items included in this agenda. Please refer to the workflow on the preceding page for guidance.

Declarations received will be reported at the meeting.

4. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the Meeting held on 07 September 2023.

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5. Public Issues

To receive any public questions, statements or petitions submitted in accordance with the Constitution. Further information on the requirements for submitting these is available to view at the following link:-

<https://democracy.bcpccouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&info=1&bcr=1>

The deadline for the submission of public questions is 3 clear working days before the meeting.

The deadline for the submission of a statement is midday the working day before the meeting.

The deadline for the submission of a petition is 10 working days before the meeting.

6. External Auditor – Audit Progress & Sector Update

Grant Thornton, as the Council's appointed External Auditors, have produced a report (Appendix A) which provides an update to Audit & Governance Committee on their progress to date in delivering their responsibilities.

13 - 30

The report includes an update on their 2021/22 audit work. Key points of

note are:

- **Financial Statements Audit 2021/22** – Grant Thornton are aiming to present a draft Audit Findings Report for 2021/22 to the November meeting of the Audit & Governance Committee and issue their opinion by the end of November 2023.
- **Value for Money 2021/22 & 2022/23** – Regular meetings have been set up with the Chief Executive, Director of Finance and Cabinet Portfolio holder responsible for finance to discuss progress against the recommendations made in their Auditor’s Annual Reports for 2021/22 and 2022/23, as well as other recent external reports and emerging issues.

The report also includes a summary of emerging national issues and developments that may be relevant to the Council.

7. Treasury Management Monitoring update for Quarter 2 2023/24 31 - 40

The report sets an economic update with a Quarter 2 performance for 2023/24 which forecasts an underspend of £730k due to the increase in interest rates, an improvement from the £665k reported in Quarter 1. The report also details the Council’s borrowing which stood at £258m and investments at £69m.

8. Risk Management – Corporate Risk Register Update 41 - 76

This report updates councillors on the position of the council’s Corporate Risk Register. The main updates are as follows:

- CR4 – Loss or disruption to IT Systems and Networks from cyber attack – The score of this risk has been updated;
- CR14 – Continuity of Public Health arrangements for health protection – The risk has been updated and consideration will be given in the next quarter to its continuation as a Corporate Risk
- No new risks were added;
- No risks were removed during the quarter.

Material updates to the risks are summarised at section 8.

9. Appointment of Independent co-opted members to Audit & Governance (A&G) Committee 77 - 82

Although not a legislative requirement, best practice and a ‘2022 position statement’ by the Chartered Institute of Public Finance & Accountancy (CIPFA) endorsed by the Department for Levelling Up, Housing and Communities recommend that audit committees in local government should include at least two co-opted independent members.

Previous BCP Council Audit & Governance (A&G) Committee and Council meetings agreed the in-principle decision to recruit two co-opted independent members to the BCP Council A&G Committee.

A number of local decisions were agreed which enabled a suitable recruitment process, through open advertisement, to the BCP Council A&G Committee.

The recommendations in this report endorse then approve the decisions

made by the selection and recruitment panel, which was Councillors Andrews, Herrett and Chapmanlaw respectively.

Full Council need to approve the appointment of co-opted members to a BCP Council committee.

10. Governance of Corporate Health & Safety and Fire Safety	83 - 90
<p>This report details progress made on the delivery of Health & Safety and Fire Safety governance arrangements for BCP Council and highlights:</p> <ul style="list-style-type: none">• Implementation of the Governance framework continues to be embedded and is working effectively.• Reporting to the Health and Safety and Fire Safety Board continues on a quarterly basis and has generally good attendance.• Some operational service issues have arisen, including HSE improvement notices, these have been successfully resolved. <p>The Corporate H&S Team is currently one FTE advisor short of full establishment.</p>	
11. Emergency planning and business continuity annual update	91 - 100
<p>Emergency planning and business continuity are statutory duties for BCP Council. Activity over the reporting period has been about continuing to build capability and put plans in place in line with higher risks, local and national learning, and nationally-driven priorities and workstreams such as planning for a national power outage. This report sets out the activities undertaken to achieve this and also highlights the challenges arising.</p>	
12. Internal Audit - 2nd Quarter, 2023/24, Audit Plan Update	101 - 162
<p>This report details progress made on delivery of the 2023/24 Audit Plan for the period July to September (inclusive) 2023. The report highlights that:</p> <ul style="list-style-type: none">• 4 audit assignments have been finalised, including 1 'Partial', 2 'Reasonable' and 1 'Consultancy' audit opinions;• 27 audit assignments are in progress, including 7 at draft report stage;• £12.7M of grant expenditure has been certified, as required by the issuing Government department, as meeting grant conditions;• Internal Audit issued a report on seafront pop-up activity, incorporating 'Bayside' restaurant making 18 recommendations. The Director of Commercial Operations has led on implementing recommendations and has finalised other investigatory work.• For a breach of Financial Regulation, previously reported to this Committee, an investigation has concluded and the Director of Commercial Operations has taken action in line with the disciplinary policy and procedures;• Three apprentices have been successfully recruited, however, the resignation of an auditor means that there will be further impact on the delivery of the audit plan; <p>6 'High' priority audit recommendations have not been implemented by the original target date. Explanations from respective Directors appear reasonable and revised target dates have been agreed.</p>	

[NOTE: Should the Committee wish to discuss the detail within the Confidential Appendix of this report, the meeting will be required to move into Confidential (Exempt) Session]

13. Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2022/23

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This report details counter fraud work carried out by Internal Audit to provide assurance on the Council's response to combating fraud and corruption.

Internal Audit have investigated all allegations of suspected fraud or financial irregularity in a proportionate manner.

Six formal whistleblowing referrals for the Council were received and investigated by Internal Audit during 2022/23.

[NOTE: Should the Committee wish to discuss the detail within the Confidential Appendix of this report, the meeting will be required to move into Confidential (Exempt) Session]

14. Forward Plan - Refresh for the 2023/24 municipal year

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This report sets out the list of reports to be considered by the Audit & Governance Committee for the 2023/24 municipal year in order to enable it to fulfil its terms of reference.

No other items of business can be considered unless the Chairman decides the matter is urgent for reasons that must be specified and recorded in the Minutes.