

## Corporate Governance and Audit Committee

Monday, 18th March, 2024

**PRESENT:** Councillor M France-Mir in the Chair  
Councillors G Almass, J Dowson, H Bithell,  
C Hart-Brooke, J Heselwood and P Wray

**INDEPENDENT MEMBER:** L Wild

### 71 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

### 72 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

### 73 Late Items

There were no formal late items. However, there was supplementary information in relation to Agenda Item 10 – which was the Statement of Accounts for 2021/22. This was published and circulated to Members alongside the Agenda.

### 74 Declaration of Interests

No declarations of interests were made at the meeting.

### 75 Apologies for Absence

Apologies for absence were received from Cllrs Robinson and Firth.

### 76 Minutes of the Previous Meeting - 12th February 2024

**RESOLVED** – That the minutes of the previous meeting held on 12<sup>th</sup> February 2024, be approved as a correct record.

### 77 Matters Arising From The Minutes

It was noted that information requested in relation to the item on IDS had been provided to Members.

## 78 Grant Thornton Final Accounts 2021-22 and Final ISA 260 Report

The report of the Chief Finance Officer presented the final audited statement of accounts for 2021/22 and Grant Thornton's final report of their audit findings.

The Head of Finance provided the Committee with the following information:

- The covering report set out the significant amendments that have been made to the accounts since the original draft accounts were approved in July 2022. It was noted that any events that occur up until the point Grant Thornton authorise the accounts may require further changes.
- Since the agenda was published the Council had been made aware of an increase to Grant Thornton's audit fee. Therefore, the relevant disclosure note in the final published accounts will be amended to show this increase.
- There had been minor wording changes and presentation changes identified by the Council and Grant Thornton, but there were no substantive changes in comparison to the version of the accounts that had been circulated to the Committee. To date the Council were unaware of any further events that could cause changes to the Statement of Accounts.
- Appendix 1 to the report is the Management Representation Letter which Grant Thornton request is provided at the close of the audit each year. It was noted that officers had reviewed the wording of the letter and they were unaware of any reasons why the letter should not be signed on behalf of the Council.

Grant Thornton presented their audit report providing the following information to the Committee:

- The final ISA 260 report had been provided to Members as supplementary information. Two interim versions of the ISA 260 report had been presented to the Committee at previous meetings. Therefore, attention was focused on the executive summary to aid the updates that had occurred since the previous version submitted to the Committee in November 2023. It was noted that all updates were presented in green text.
- A number of adjustments to the accounts had been identified mainly around key risk areas of valuation of property, plant and equipment and pensions. It was noted that whilst significant in terms of value they did not impact on the usable reserves of the Council or the Medium-Term Financial Strategy.
- It was noted that the level of engagement since the last meeting in February had been good with all working together to clear the residual areas of the audit that had been outstanding. Therefore, the audit fieldwork had been concluded and this could be presented as a final report. Grant Thornton wished to maintain the level of engagement seen in the last few weeks until the end of September for the 2022/23 audit process. They thanked the team for the level of engagement over the past few weeks.

- The accounts have now been updated and adjustments agreed and were being cleared internally within Grant Thornton around the technical review, and the audit quality team. They were working through the completion steps and expected to sign off before the end of the month.

The Chair thanked all the officers involved and Grant Thornton for getting the 2021/22 accounts to this point to be signed off.

**RESOLVED –**

- To receive the audit report of the Council's external auditors on the 2021/22 accounts and to note that there are expected to be no unadjusted audit differences to the accounts.
- To consider the updated 2021/22 Statement of Accounts, and to approve these as the Council's final audited accounts for the year. To authorise the Chair to acknowledge this approval on behalf of the Committee by signing the appropriate section within the Statement of Responsibilities on page 1 of the accounts.
- For the Chair to sign the management representation letter on behalf of the Corporate Governance and Audit Committee.

**79 Internal Audit Plan 2024-25**

The report of the Senior Head of Internal Audit, Corporate Governance and Insurance provided Members with assurances over the approach to Internal Audit Planning for 2024-25, outlining the ways in which the process is risk-based and satisfies regulatory requirements.

The Head of Finance - Internal Audit provided the following information to the Committee:

- It was noted that the report was different to last year's report, rather than developing a list of audits for the year for approval, Internal Audit had sought to adopt a more agile approach.
- The report set out the statutory obligations and immediate priority commitments for approval. It was acknowledged that some of these would be ongoing throughout the year, such as the core business transformation work and counter fraud work. It was noted that progress on these would be reported in the update report in June along with planned activity for the next period for approval and subsequent updates reports would also follow this format.
- It was recognised that in regularly reporting on the audit planning activity, they would be able to highlight clearer links between emerging organisational priorities, changes in recognition of risks at a corporate and directorate level and internal audit activity.
- The Internal Audit Charter had been updated to reflect the additional responsibilities of the Chief Audit Executive and how independence would be maintained when reviewing areas, they are responsible for. Section 10 on reporting had also been updated to reflect the more agile approach to the work and acknowledged that a traditional report was

not always issued with an assurance opinion, and it included the recommendation tracking process.

Members were of the view that the agile approach to working was good and that regular updates on risks were welcome going forward. It was noted that Internal Audit had put together a list of all the areas to audit and there were some key prioritisation criteria that could be shared with the Committee.

It was acknowledged that the areas amended had been discussed in Committee. It was the view that it was a credit to the team that these areas had been considered and changed to reflect the discussions.

**RESOLVED –**

- a) To review and approve the proposed Internal Audit Plan for 2024/25
- b) To review and approve the updated Internal Audit Charter which will be effective from 1<sup>st</sup> April 2024.

**80 Annual assurance report in relation to employment policies and employee conduct**

This report presented the Chief HR Officer's annual report to the committee concerning the Council's employment policies and practice. The report provided assurance to the Committee that employee conduct is properly managed, policies are regularly reviewed and employee conduct forms part of normal manager/ employee relations.

The Chief HR Officer highlighted the following information:

- It was noted that Appendix 1 provided a detailed account of the employment policies and practices, and this information had been shared and discussed at Strategy and Resources Scrutiny Board and Executive Board through 2023.
- The actions set out in the report were linked to the 5-year People Strategy which links to the organisational plan and the organisational values.
- There was a new recruitment and selection toolkit and guidance which was issued during the year. The Health, Safety and Wellbeing Policy had also been updated.
- It was acknowledged that there was an internal audit during 2023 on organisational culture and HR are working through the specific actions and recommendations from this.
- The staff survey had taken place in 2023. HR have shared the results of the survey throughout the organisation with actions developed at an organisational, team and individual level.
- There was also the survey of internal control which is important as it checks how well embedded the employment policies and procedures are across the organisation. Appendix 1 showed analysis from this survey.

Responding to questions from Members the following information was provided:

- The survey of internal control recommended that HR develop towards a consistent model for employment to ensure that the organisational values and behaviours are reflected. It was recognised that the organisation has several employment policies and there is a new framework that sets out the rolling programme of review over the next few years. It was noted that these have been RAG rated to identify those which are more critical. It was the view that it would take two to three years to embed the new framework. Members requested that the framework and the RAG rating be provided to the Committee.
- It was acknowledged that the policies and procedures of a contractual nature are reviewed in consultation with the trade unions.
- It was noted that some policies will need to be updated on a timeframe to reflect legislative changes (e.g. flexible working, family leave, carers leave). It was noted that the Employee Code of Conduct was close to being finalised and would be ready for the next meeting of Standards and Conduct Committee. Councillor Dowson the Chair of the Standards and Conduct Committee said that this Committee would meet as often as was necessary to review relevant policies.
- During the meeting last year on the annual report from HR, Members had raised concerns regarding formal and meaningful performance indicators especially in areas to illustrate that staff were doing a good job and providing services that were value for money. It was noted that the employment performance indicators are well established and are regularly presented to Scrutiny. It was also explained that for the first time there are explicit managerial expectations set out in the organisational plan which references performance management. There was also clear development and training provision for managers, including a new performance management toolkit developed to support managers. There had also been targeted HR intervention into areas of issue. However, it was the view that this report should go into more detail and should cover specific numbers of cases in this particular area. It was noted that this information could be provided to the Committee and the Committee requested that the information was sent to them.
- The survey of internal control provides some assurance and the outcome of the staff survey and interventions with managers. However, this can be worked on for future reports.
- Members requested that graphics in future reports should make the information clearer with keys when using colour schemes.
- It was recognised that there had been an increase in participation to the staff survey for those who work online and offline. A range of different interventions introduced at the time included drop-in sessions and workshops, paper copies of the survey and the use of a QR code so people could also use their own device to participate in the survey. The team found that direct engagement with managers to enable and encourage staff to complete the survey provided an increase in response rates.
- Members were advised that the links within the narrative of the report provided in depth information in the reports to Scrutiny Board and

Executive Board. Officers were asked to be mindful that when writing reports, they are not just for Elected Members but also for the public.

- It was noted that over 7,500 people engaged in the staff survey, and when compared to a similar sized organisation such as the NHS, the Council with a 50% response was higher than most comparable organisations. It was acknowledged that a dashboard was produced to inform what was happening at a local level. Members requested more comparison information in future reports.

**RESOLVED** – To receive the report and the attached Appendix 1 to provide key forms of assurance on the robustness of the Council's employment policies and procedures in place to manage employee conduct.

## **81 Corporate Governance and Audit Committee Work Programme 2024-25**

The report of the Director of Strategy and Resources presented the proposed work programme for the Corporate Governance and Audit Committee for the 2024-25 municipal year, setting out future business for the Committee's agenda, together with details of when items will be presented. The report also included the Member Development Plan for 2024-25 to provide all Members with core areas of knowledge in line with the guidance as detailed in the CIPFA Audit Committee – Practical Guidance for Local Authorities and Police 2022.

It was noted that the first meeting in the next municipal year would be in June. There would be the usual assurance update reports and also an opportunity to look at the Council's approach to transformation, firstly looking at the core business transformation.

The development programme for Members was attached to the report and would support the work programme.

Members were informed that the cycle of internal control and the way it is used in the annual assurance reports should enable Members to identify what has changed or is new. It was suggested that officers could be directed to detail changes in the 'refine and review' section of the report, enabling Members to focus their attention and questioning whilst still providing meaningful assurance that the system is working as it should be. Consideration would be given to reporting by exception.

**RESOLVED** – To:

- a) Approve the work programme and meeting dates at Appendix A; and
- b) Endorse the Member proposed development plan at Appendix B

## **82 Date and Time of Next Meeting**

**RESOLVED** – To note the next meeting of Corporate Governance and Audit Committee will be on Monday 24<sup>th</sup> June 2024, at 10.30am.

## **CHAIRS CLOSING COMMENTS**

The Chair thanked the Committee and wish everyone best wishes for the rest of the municipal year.

*Meeting concluded at 11:20.*