

Corporate Governance and Audit Committee

Monday, 14th December, 2020

PRESENT: Councillor A Scopes in the Chair
Councillors J Bentley, P Harrand,
J Illingworth, P Grahame, M Harrison,
J Taylor, P Truswell and B Garner

53 Appeals Against Refusal of Inspection of Documents

There were no appeals against the refusal of inspection of documents.

54 Exempt Information - Possible Exclusion of the Press and Public

There were no items identified where it was considered necessary to exclude the press or public from the meeting due to the confidential nature of the business to be considered.

55 Late Items

There were no late items of business identified.

56 Declaration of Disclosable Pecuniary and Other Interests'

There were no declarations of disclosable pecuniary interest made at the meeting.

57 Apologies for Absence

There were no apologies for absence.

58 Minutes of the Previous Meeting

RESOLVED – That the minutes of the previous meeting held on 23rd November 2020 were accepted as a true and correct record.

59 Matters Arising from the Minutes

Annual Assurance Report on Planning Decision Making and Enforcement Arrangements (Minute No.35 referred) – In providing an update, it was reported that further discussions had taken place with the Chief Planning Officer and it was now expected that the draft protocol would be circulated for consultation towards the end of January 2021. In relation to the same item it was agreed that the Chair would make a referral to the Scrutiny Board (Infrastructure, Investment and Inclusive Growth) in respect of planning dispensations for development on green space.

Internal Audit Report and Opinion 2019/20 (Minute No.48 referred) – In respect of the request for further information on: Anti-fraud and corruption and completed audit reviews with limited assurance (Further narrative). It was reported that the information had recently been circulated to Members.

Approval of Annual Governance Statement (Minute No.49 referred) – It was reported that following confirmation of the proposed amendment to key action 4 with the Monitoring Officer, Chief Finance Officer and Chief Executive, the Annual Governance Statement had been signed off by both the Leader and the Chair. The AGS would be published alongside the audited statement of accounts in due course. A review of the action plan supporting the AGS had been undertaken and all actions were on track at the current time.

Approval of the Audited Statement of Accounts and Draft Audit Report (Minute No.50 referred) – It was reported that a verbal update would be provided later in this meeting.

60 Annual Business Continuity Report

The Director of Resources and Housing submitted a report which sought to provide assurances relating to the adequacy of internal Business Continuity Management (BCM) controls currently in place in the council.

Addressing the report the Chief Officer Strategy & Policy (Resources & Housing) explained that business continuity management (BCM) was a process that helps manage risks to the smooth running of an organisation or delivery of a service, ensuring continuity of critical functions in the event of a disruption, and effective recovery afterwards. Members were informed that those processes had never been tested so much in the past few months with the onset of the Covid-19 pandemic and the ongoing implications of Brexit. Council services continued to operate effectively, with significant amounts of work being delivered on-line by staff working from home, and other service delivery taking place with PPE and other Covid-secure measures always in line with relevant guidance and infection control advice.

Commenting on the business continuity plans prior to Covid-19, Members queried if the plans in place had met the needs of the pandemic or whether and to what extent they required change.

In responding Chief Officer Strategy & Policy, said it was good that plans were in place, but it had inevitably been necessary to adapt them, as issues such as covid-secure environments and social distancing were new challenges. It was proposed that a review of Business Continuity Plans, and learning, would be undertaken in 2021.

Members noted that due to recent changes in pension legislation, a large number of the Council's workforce had left the authority as part of the Early Leavers Initiative, with more due to leave over the next few months. Members queried if sufficient processes were been introduced so that members of the

public and elected Members could be redirected to the appropriate officers taking over the leavers responsibilities.

It was acknowledged by officers that a large number of staff were leaving, including some at short notice. However, it was noted that many lines of communication for Councillors and members of the public remained the same, although a further reminder would be issued about “Insite” being up to date.

It was reported that the Council had developed the Supporting Futures toolkit. This covers Personal development, change, wellbeing and service review support, along with details on our Managing Staff Reductions (MSR) policy and redeployment process.

Members queried the timescale for the roll out for Microsoft Teams, it was understood this would soon be happening.

Members were informed that it was anticipated that Microsoft Teams would be rolled out in February/ March 2021.

Commenting on the selection of video conferencing platforms, one Member expressed the view that interaction with the public was very important and did these systems meet the needs of the people we serve.

The Chief Officer Strategy & Policy, said a number of video conferencing platforms had been tested; Skype, Public-I, Teams and Zoom and it was judged that Teams was the preferred option for most scenarios, but that Zoom licences were being used for Members.

In terms of the selection process, the Chair said it would be useful to know who’s responsible for making such decisions and what processes had been gone through.

The Chief Officer Strategy & Policy undertook to circulate a note of the governance arrangements for selecting such systems to Committee Members in due course.

On the issue of benchmarking, Members queried if there was any interaction with the West Yorkshire Combined Authority (WYCA) on this issue.

The Chief Officer Strategy & Policy, said there was a lot of engagement with WYCA on matters such as Transport, Economy and Skills and a good deal of liaison in respect of the Covid-19 pandemic and through the Local Resilience Forum which operates at a West Yorkshire level. It was also reported that in terms of risk management there were regular meetings with WYCA on joint matters.

Commenting on the Business Continuity Plans (Currently 82 across the five council directorates), the Chair suggested it would be useful to understand how one such a plan worked in a particular service area.

In responding the Chief Officer Strategy & Policy, said an example of a Business Continuity Plan would be circulated to Committee Members.

The Chair thanked officers for their attendance and contributions.

RESOLVED –

- (i) To accept the assurances contained in Appendix No.1 of the submitted report, that the business continuity arrangements are fit for purpose, up to date, are routinely complied with, have been effectively communicated and are monitored.
- (ii) That the governance arrangements for selecting video conferencing systems would be circulated to Committee Members in due course.
- (iii) That an example of a Business Continuity Plan be circulated to all Members of the Committee.

61 Internal Audit Update Report September to November 2020

The Chief Officer Financial Services submitted a report which provided a summary of the Internal Audit activity for the period September to November 2020 and to highlight any significant failings or weaknesses.

The Head of Audit explained that 10 assurance reports had been issued within the reporting period, all reports were positive with no follow up action required.

Referring to the Flood Alleviation Scheme Stage 1, and a review into its operational readiness, the Head of Audit said that having completed the review, an overall opinion of Good Assurance on the controls in place to prepare for and respond to potential flooding incidents had been provided.

Members were informed that the review did not look in detail at the technical specification or operation of the FAS, as external expertise had been commissioned to provide appropriate support in these areas. It was reported there were currently no plans to carry out a review of the second stage of the scheme.

Councillor P Truswell, speaking as Chair of Scrutiny Board (Infrastructure, Investment & Inclusion Growth) said his Scrutiny Board were carrying out work on the Food Risk Management Plan and requested that further details of the review be made available to the Board.

The Head of Audit confirmed the requested information would be made available to the Scrutiny Board, and copied to all Members of this Committee.

Referring to Counter Fraud and Corruption, the Head of Audit reported that arrangements were been made to deliver an anti-fraud workshop to Elected Members in the New Year.

Members welcomed the delivery of an anti-fraud workshop, the Chair commenting that it would be a useful upskill.

The Head of Audit confirmed there are no issues identified by Internal Audit in the September to November 2020 Internal Audit Update Report that would necessitate direct intervention by the Corporate Governance and Audit Committee.

The Head of Audit informed Members that work on the 2021/22 internal audit plan had commenced, and that a risk based approach was being taken. Members were asked to contact the Head of Audit with details of any suggested areas that could be considered for inclusion in the plan.

The Chair thanked officers for their attendance and contributions.

RESOLVED –

- (i) To receive the Internal Audit Update Report covering the period from September to November 2020 and note the work undertaken by Internal Audit during the period covered by the report.
- (ii) To note that there have been no limitations in scope and nothing had arisen to compromise the independence of Internal Audit during the reporting period.
- (iii) To supply to Scrutiny Board (Infrastructure, Investment & Inclusion Growth) details of the review into the Flood Alleviation Scheme Stage 1

62 Annual Assurance Report on Corporate Performance Management Arrangements

The Committee received Annual Assurance Report on Corporate Performance Management Arrangements.

The report sought to provide assurances on the effectiveness of the council's corporate performance management arrangements. Members noted this report forms part of the body of evidence the Committee is able to take into account in order to approve the next Annual Governance Statement.

This item was the subject of a separate Working Group held on 30th November 2020 when Members discussed the submitted report in detail.

The Chair tabled the notes of the Working Group setting out details of Members' consideration of the matters raised.

Members confirmed that the notes of the Working Group represented a true reflection of the discussion.

The Chair thanked officers for their attendance and contributions and invited Members to agree the report recommendation.

RESOLVED –

- (i) That the notes of the Working Group held on 30th November 2020 be accepted as a true reflection of the discussion.
- (ii) To accept the assurances contained in Appendix No. 1 of the submitted report, together with providing key forms of assurance on the robustness of the authority's corporate performance management arrangements.

63 Leeds City Council Readiness for PSN Submission

The Committee received a report by the Data Protection Officer which provided an update on Leeds City Council's readiness for Public Services Network (PSN) compliance submission.

The report assured Members that the Cyber Team had made considerable progress at an operational level to complete tasks and work-streams required for PSN compliance. However, due to competing priorities and the Covid-19 pandemic some compliance projects had slipped, which put the Council at risk of non-compliance.

Members noted that a new governance structure for Security, Compliance and Information Management had been developed and implemented. This new structure required more work to ensure it was embedded and that all reporting and escalations go through the correct channels.

Referring to paragraph 3.3 of the submitted report, Members requested if the referred to correspondence with the Cabinet Office, could be shared with the Committee.

Officers confirmed the requested correspondence would be circulated to Members of the Committee.

This item was the subject of a separate Working Group held on 30th November 2020 when Members discussed the submitted report in detail.

The Chair tabled the notes of the Working Group setting out details of Members' consideration of the matters raised.

Members confirmed that the notes of the Working Group represented a true reflection of the discussion.

The Chair thanked officers for their attendance and contributions and invited Members to agree the report recommendation.

RESOLVED –

- (i) That the notes of the Working Group held on 30th November 2020 be accepted as a true reflection of the discussion.
- (ii) To note the assurance provided in the submitted report and request the Data Protection Officer to provide an update report in relation to the Council's PSN application at the next meeting.
- (iii) To note the outstanding concerns in relation to the Council's position in respect of compliance and request the Chief Digital Information Officer to provide an update report in relation to operational and project arrangements to ensure compliance.
- (iv) To circulated to Members of the Committee correspondence with the Cabinet Office referred to in the submitted report
- (v) To request that the Data Protection Officer brings a further report to Committee in February detailing the risks and responses in relation to data adequacy in respect of Brexit

64 Applications Portfolio Programme - Update on Access Project

The Committee received a report by the Director of Resources and Housing which provided an update on the progress made on eradicating Microsoft (MS) Access 2003 from the network to enable LCC to maintain their current PSN Compliance Certificate.

The report sought to provide assurance that this project continued to be Prioritised, the Corporate Leadership Team (CLT) were aware of the project and received regular updates, with escalation routes established.

Members were informed that risks were been managed, with remediation monitored by the Access Project Board.

This item was the subject of a separate Working Group held on 30th November 2020 when Members discussed the submitted report in detail.

The Chair tabled the notes of the Working Group setting out details of Members' consideration of the matters raised.

Members confirmed that the notes of the Working Group represented a true reflection of the discussion.

The Chair thanked officers for their attendance and contributions and invited Members to agree the report recommendation.

RESOLVED –

- (i) That the notes of the Working Group held on 30th November 2020 be accepted as a true reflection of the discussion.

- (ii) That the contents of the report be noted and to support the actions contained in Appendix No.1 of the submitted report.

65 Approval of the Audited Statement of Accounts and Grant Thornton Draft Audit Report

In providing an update Mr Gareth Mills (Grant Thornton) explained that completion of their ISA260 report had been delayed due to a number of outstanding issues including; the accounting treatment for Merrion House and the ongoing lease arrangements and further clarification on the Value for Money Section (VFM). It was suggested that a further update would be sought with a view to this committee approving the final report at its next meeting on 8th February 2021. It was explained that due to the Coronavirus pandemic and the need for remote working, many other Local Authorities would not be in a position to complete their ISA260 reports until the New Year.

In offering comment the Chair sought further clarification around risk for post balance sheets events and also “hot review files”

In responding Mr Mills said post balance sheet events take into account any significant events up to the point of sign off. The VFM Section is a going concern within the budget together with any other material issues that may arise. There was regular engagement with the Chief Officer Financial Services on issues such as budget setting.

On the issue of “hot review files” Mr Mills said that the Grant Thornton technical team were broadly satisfied on the issues raised other than Merrion House.

The Chair made reference to the financial difficulties experienced by Croydon Council suggesting such matters attracted significant public attention.

The Chief Financial Services Officer said it was important to start financial planning at an early stage, make decisions on robust financial information and maintain a robust position.

Members questioned if Leeds City Council had any financial investments with Croydon Council.

In responding the Chief Financial Services Officer said LCC had no financial investments with Croydon Council, it was however, understood the West Yorkshire Combined Authority (WYCA) had made a loan to that authority. Inter-authority lending was considered to be secure and there was no reason to believe that the loan from WYCA would not be repaid when it was due.

The Chair thanked Mr Mills for his attendance and contributions and said he looked forward to seeing Mr Mills at the meeting in February.

RESOLVED – That the update from the External Auditors, Grant Thornton be noted

66 Work Programme

The City Solicitor submitted a report which set out the ongoing Work Programme for 2020/21.

Following discussions earlier in the meeting, Members requested if the following reports could be added to the Work Programme for February 2021

- External Audit – Final 2019/20 ISA260
- Data Adequacy Implications of Brexit

RESOLVED – That with the inclusion of the above, the draft work programme be approved and that all items should be considered in full Committee on 8th February 2021.

67 Date and Time of Next Meeting

RESOLVED - To note that the next meeting will take place on Monday, 8th February 2021 at 10.00am (Remote Meeting – Zoom)