

AUDIT & CORPORATE GOVERNANCE SCRUTINY COMMITTEE

MINUTES OF MEETING HELD ON WEDNESDAY, 28 JULY 2021

Present:

Councillor Martin E Thacker MBE JP (Chair) (in the Chair)
Councillor Michael Roe (Vice-Chair)

Councillor William Armitage
Councillor Pat Kerry
Councillor Kevin Tait

Councillor Stephen Clough
Councillor Gerry Morley

Also Present:

M Broughton Joint Head of Transformation and Organisation
J Dethick Head of Finance and Resources, Section 151 Officer
A Bashir
P Davis Senior Auditor - Internal Audit
D Stanton Governance Officer

AUD Apologies for Absence

16/2

1-22 Apologies for absence were received from Councillors N Barker and R Shipman.

AUD Declarations of Interest

17/2

1-22 Members were requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest, not already on their register of interest, in any item on the agenda and withdraw from the meeting at the appropriate time.

No declarations were made at this meeting.

AUD Minutes of Last Meeting

18/2

1-22 **RESOLVED** – That the Minutes of the meeting of the Audit and Corporate Governance Scrutiny Committee held on 28 April 2021 be approved as a correct record and signed by the Chair.

AUD Change in Order of Agenda Items

19/2

1-22 The Chair, in agreement with the other Members of the Committee, changed the order of the agenda items as set out within these Minutes.

AUD Performance Management - Quarter 1

20/2

1-22 The Committee welcomed the Improvement Officer to the meeting to report the Quarter 1 outturns for the Council Plan.

Out of the 81 targets: 50 (61%) were on track; 10 (13%) had been affected by Covid-19; 2 (3%) had been achieved; 3 (4%) were overdue; 1 (1%) had not been started; and 15 (19%) had been achieved previously.

The Committee commented that some of the targets had been reported in previous reports, and were concerned about the number of targets which had been affected by Covid-19. Members agreed that some targets seemed irrelevant to the Pandemic, such as target SER12 in respect of car parking, and stated they would like to see a reduction in Covid-19 affected targets as we moved to a post pandemic world.

RESOLVED – That quarterly outturns against the Council Plan 2019-2023 targets be noted.

**AUD
21/2
1-22** **Internal Audit Consortium Summary of Progress on the 2020/21 Internal Audit Plan**

The Senior Auditor presented a report which updated Members on the progress made by the Internal Audit Consortium in respect of the 2020/21 Internal Audit Plan.

The Committee discussed report reference number N018 in respect of Network Security and Policies and the reasonable assurance level given. Members were informed that there had been a National Cyber Security Audit following cyber-attacks on other local authorities, and although nothing of concern was raised, there were a number of recommendations that needed to be implemented to improve security further. The Committee noted that the Council had been accredited with a Public Services Network (PSN) Compliance Certificate.

The Joint Head of Transformation and Organisation commented that a report was due to be published in regards to the security issues at Redcar and Cleveland Borough Council. The Officer would bring the report and a supplementary document which outlined lessons learnt from the incident to better prepare us in the future. It was agreed that this would be added to the Committee's Work Programme.

RESOLVED – That the report be noted.

AUD **Risk Management**

22/2

1-22

The Committee received a report which updated Members of the current position regarding Risk Management arrangements and the Strategic Risk Register as at July 2021.

Members discussed risk reference STR14 (cyber security) which had recently been added to the Strategic Risk Register, and the steps the Authority was taking to ensure it was secure from cyber criminals. The Committee enquired about training given to staff, and were informed that employees were given training on data protection and security during their induction.

The Committee raised concerns that area of risk reference STR10 in respect of safeguarding did not cover its wide ranging and complex nature. It was stated, for example, that issues such as radicalisation were not mentioned. Members agreed that more needed to be done to manage the risk, and as

such requested a more comprehensive assessment be brought back to the Committee later in the Municipal Year and added to the Work Programme.

RESOLVED – That the Committee notes the report and the Strategic Risk Register as at July 2021.

AUD **Finance Management Code**

23/2

1-22

The Head of Finance and Resources and Section 151 Officer presented a report which informed the Committee of the requirements of the CIPFA Financial Management Code.

Members had a wide ranging discussion on the recommendations raised which were being implemented during 2021/22. The Committee requested that regular updates be provided during the course of the Municipal Year in respect of recommendation 2 (benchmarking).

The Committee enquired about benchmarking arrangements, and the most appropriate way of drawing comparisons with similar local authorities. Several formats involving seven key areas were discussed which included graphical demonstrations.

RESOLVED – That the Committee note the publication of the Financial Management Code.

AUD **Financial Outturn 2020-21**

24/2

1-22

Members received a report which informed the Committee of the contents of the Financial Outturn 2021/22 which would be presented to Cabinet at its meeting on 29 July 2021.

The Committee discussed table 6 of the report, in particular, efficiencies identified and the budget shortfall. Members expressed concern in regards to the projected budget shortfall, and agreed that they would like to see an action plan which outlined how the Council intended to meet the shortfall. The Head of Finance and Resources and Section 151 Officer agreed to bring an action plan to the Committee's December meeting.

RESOLVED – That the Committee note the report and make any comments that they believe to be appropriate with regards to the attached report as presented to Cabinet on 29 July 2021.

AUD **Corporate Debt Q1 2021-2022**

25/2

1-22

The Committee considered a report which provided a summary of the corporate debt position as at 30 June 2021.

The Committee noted the debt owed to the Council, and heard that some debt had not been written off due to changes to housing benefit and universal credit by the Department for Work and Pensions.

Members enquired about the number of cases of overpaid housing benefit.

The Head of Finance and Resources and Section 151 Officer agreed to bring a report to the Committee at a future meeting which outlined overpaid housing benefit.

RESOLVED – That the Committee note the report concerning the Council's corporate debt position as at 30 June 2021.

AUD **Corporate Work Programme 2021-2022**

26/2

1-22

The Chair requested that additional items be placed on the Committee's Work Programme as discussed in the meeting. The additional items included reports on the Council's IT security, safeguarding, benchmarking, projected budget shortfall, and overpaid housing benefit.

RESOLVED – That the report be noted

AUD **Forward Plan of Executive Decisions**

27/2

1-22

RESOLVED – That the Forward Plan of Executive Decisions be noted.

AUD **Matters of Urgency**

28/2

1-22

No urgent items were discussed at the meeting.

AUD **Date of Next Meeting**

29/2

1-22

The next meeting of the Audit and Corporate Governance Scrutiny Committee will be held on 22 September 2021.

AUD **Audit Progress Report - Mazars**

30/2

1-22

The Committee considered a report from Mazars which provided an update on their responsibilities as the Council's external auditors.

RESOLVED – That the report be noted.

AUD **Exclusion of Public**

31/2

1-22

RESOLVED - That the public be excluded from the meeting during the discussion of the following item of business to avoid the disclosure to them of exempt information as defined in Paragraph 3, Part 1 of Schedule 12A to the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006).

AUD **Sharley Park Leisure Centre**

32/2

1-22

The Joint Head of Transformation and Organisation was present at the meeting to update the Committee on the proposed redevelopment of Sharley Park Leisure Centre.

RESOLVED – That the Committee note the update on Sharley Park redevelopment.

