

## Minutes of the Audit and Standards Committee Meeting held on 2 December 2019

Present: Martyn Tittley (Chairman)

### Attendance

Derek Davis, OBE	Paul Northcott
Colin Greatorex	Susan Woodward
Carolyn Trowbridge (Vice-Chairman)	Alastair Little
Bernard Williams	Ann Edgeller
Jill Hood	David Williams

**Also in attendance:** Councillor Mike Sutherland (Cabinet Member for Finance) Robert Salmon, Lisa Andrews, Debbie Harris, John Tradewell, Ann-Marie Davidson, Steve Clarke (Ernst and Young, External Auditors)

**In attendance for part of the meeting:** Becky Lee (item 5), Lee Wells (item 11), John Henderson and Ian Turner (item 13), Andrew Gordon and Peter Hampton (item 12), Sarah Bentley (Item 10)

**Apologies:** Victoria Wilson and Jonathan Price

### PART ONE

#### 118. Declarations of Interest

Cllr Susan Woodward declared an interest in report item 10, Internal Audit Report – Countryside Estate, Deer Callout Service (Limited Assurance) as she was a Member of the Chasewater Friends.

Councillor Alastair declared an interest in report item 10, Internal Audit Report – Countryside Estate, Deer Callout Service (Limited Assurance) as he was a Shot Gun Certificate holder.

#### 119. Minutes of the Meeting held on 14 October 2019

**RESOLVED:** That the Minutes of the meeting held on 14 October 2019 were approved as a correct record and signed by the Chairman.

#### 120. Report of those Charged with Governance (ISA 260)

Steve Clarke introduced the report from Ernst and Young summarising the key findings which covered the 2018/19 financial year. The report identified the following significant risks:

- Delivery of a medium term sustainable financial plan.
- Use of NEXXUS Ltd to provide adult social care placement services for the Authority.

- Implementation of special educational needs reforms, and specifically the report issued following the joint Ofsted and CQC inspection.

The areas of Audit Focus were:

- Risk of fraud in revenue and expenditure recognition – capital receipts flexibility
- Misstatements due to fraud or error
- Valuation of land and buildings
- Pension Liability Valuation.
- IFRS 9 financial instruments
- IFRS 15 - Revenue contracts with customers
- Accounting for the PFI waste scheme

Members welcomed the report which had flagged several themes which had not been visible to them previously.

There was concern that several Elected Members had failed to complete the Declaration of Interest forms. The Chairman agreed to speak to those members individually and asked Officers to name the individuals in future years.

With regard to gaps in the budget under the 'Value for money risks' heading, Members were reminded that the report did not include end of year figures which would improve the final position.

Following a question on identified errors and the transfer of controls to schools on academisation, reassurance was given that improved communication would help to alleviate the issue. There was a specific issue when applications came at the end of the financial year and deadlines for signing off accounts and dealing with leases were tight.

The risk of working with partners and other third parties had been raised in the report. Members asked what the authority could do to reduce the risks associated with partners. The Committee were informed that each partnership was different and reviewed on a regular basis. However, the issue would be looked at to see if there was a corporate approach that could be developed.

**RESOLVED:**

- a) That the report be received.
- b) The Chairman agreed to speak to those Elected Members who had not yet completed the Declarations of Interest Forms, encouraging them to do so.
- c) In future, Elected Members who did not complete the Declarations of Interest Forms should be named.

**121. Health, Safety and Wellbeing Performance Report 2018/19**

The Council's Health, Safety and Wellbeing Manager provided the Committee with an overview of the Health, Safety and Wellbeing performance of the County Council during 2018/19 together with the work plan and key achievements during the period.

Members felt that the development of the Mindkind campaign had been particularly successful and wanted to congratulate the working group on all their hard work in setting up and launching the project.

A question was asked on the violence and aggressive behaviour recorded figures and if this was against employees and what action was taken to deter it happening in future. It was reported that the violence was generally from service users or their families or challenging behaviour in schools from those children who needed extra support. There was also better recording of incidence, which enabled officers to provide support where needed.

Officers were congratulated on their work around the Menopause policy and training on terrorism.

A question on staff health and safety was raised and how unions or other interested parties were involved. Members were informed that both officers and unions could request any items to be considered by the Health and Safety Committee, findings would be used to inform policy.

The success of MindKind would be evaluated when two years data was available. Targets for improvement could then be set to enable further development. Every incident was reviewed, and this had led to confidence in the process and encouragement to use the system to record more incidents.

With regard to the consultancy service, questions were asked on the retendering of Occupational Health systems; the timelines involved; the anticipated improvements; and if a Cost Benefit Analysis could be carried out. Officers informed the Committee that a scoping exercise had been completed to establish what was available in the market place. A Cost Benefit Analysis would be completed after this had been established.

**RESOLVED:**

- a) That the report be received.
- b) That the 2019/20 Work Plan be agreed.
- c) That the Committee write to the Officer working group congratulating them on the setting up and launch of the Mindkind project.

**122. Internal Audit Plan 2019/20 - Update**

The Committee was informed that the annual audit plan approved by the Committee in June 2019 continued to be reviewed to ensure that areas originally included remained relevant and reflected the risk profile of the organisation.

At the time of reporting the team remained on schedule to meet its key performance targets. The Chief Internal Auditor gave the Committee an update on progress against the 2019/20 audit plan and referred to the 2 additional audits that had been requested in-year and the six audit reviews that had been cancelled. As an update to the report, the Chief Internal Auditor stated that the number of recommendations that were now overdue totalled 188 recommendations with no high level recommendations overdue.

The Committee felt that this positive report was due to the hard work of the Officers and the Chairman's diligence.

**RESOLVED:**

(a) That the progress against the 2019/20 Internal Audit Plan and the amendments to the original plan, including those audits which have been cancelled since its approval in June 2019, be noted.

(b) That the progress on the implementation of high level recommendations made since the implementation of the Audit Management System including electronic recommendation tracking in May 2016, be noted.

**123. Forward Plan 2019/20**

The Committee were reminded that the next meeting of the Committee would be on 28 January 2020. The current list of report items to be considered was listed in the report.

**RESOLVED:** That the Forward Plan be noted.

**124. Exclusion of the Public**

**RESOLVED:** That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of schedule 12A of the Local Government Act 1972 indicated below.

The Committee proceeded to consider the following items:

**125. Exempt Minutes of the Meeting held on 14 October 2019**

**RESOLVED:** That the Exempt Minutes of the meeting held on 14 October 2019 be confirmed as a correct record and signed by the Chairman.

**126. Internal Audit Report - Countryside Estate - Deer Callout Service - (Limited Assurance)**

(Exemption Paragraph 3)

**127. Update on Data Centre Environmental and Physical Security Controls - Implementation of Previous Recommendations**

(Exemption Paragraph 3)

**128. Update on Approved Mental Health Professionals - Implementation of Previous Recommendations**

(Exemption Paragraph 3)

**129. Strategic Property Governance and Asset Management 2019/20**

(Exemption Paragraph 3)

**Chairman**