

## **Minutes of the meeting of Audit and governance committee held at Online meeting on Tuesday 16 March 2021 at 10.15 am**

**Present:** Councillor Nigel Shaw (chairperson)  
Councillor Christy Bolderson (vice-chairperson)

**Councillors:** Dave Boulter, Peter Jinman, Diana Toynbee and Yolande Watson

**Officers:** Acting Deputy Chief Executive, Acting Deputy Chief Executive (S151) and Interim Head of Legal Services, Head of Corporate Performance, Assistant Director, All Ages Commissioning

### **48 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Bob Matthews.

### **49 NAMED SUBSTITUTES (IF ANY)**

There were no named substitutes.

### **50 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **51 MINUTES**

#### **RESOLVED:**

**That the minutes of the meeting held on 26 January 2021 be confirmed as a correct record and signed by the chairman.**

### **52 QUESTIONS FROM MEMBERS OF THE PUBLIC**

There were no questions from members of the public.

### **53 QUESTIONS FROM COUNCILLORS**

There were no questions from councillors.

### **54 CORPORATE RISK REGISTER**

The head of corporate performance presented the report, the details of which are outlined in the agenda pack.

The committee discussed the report and the following points were raised.

1. The new risk management framework still needed to be embedded and training rolled out to heads of service and service managers. It will take further time to embed and for the treatment of risks to become consistent across the council.

2. There will always be red risks but the framework had been written so that the immediate risks will “bubble” to the top. The real test will be how dynamic the risk registers are. South West Audit Partnership (SWAP) confirmed the risk register for Herefordshire is probably very similar to other councils.
3. There should be changes in the longstanding risks once the framework has been further embedded and mitigation actions are taken.
4. There would be some risks which are inherently red as they could not be mitigated for or control actions put in place.
5. The committee requested that wording in connection with risks [EP19 and EP23] on the economy and place directorate risk register be reviewed to better reflect the risk.
6. It was noted that the escalation and de-escalation was working
7. The issue of aggregation of risk was raised, This was specifically around when a number of similar risks either across directorates or in directorates could be combined in order to become one risk on the corporate risk register. It was explained that the corporate centre would consider the key elements and the committee would be interested to see how this develops.
8. It was requested that when changes were made to the risk registers that they were highlighted in the commentary.

The assistant director, all ages commissioning, was present and provided an update on the following adults and wellbeing risks:

1. Continuing Health Care Funding (CHC) - Work had been undertaken with the Clinical Commissioning Group (CCG) and NHS partners in connection with CHC funding. Two cases which had previously been deemed not to meet the CHC funding criteria had now been successful. This was good news for the individuals concerned, together with the council. Work would continue to review previous requests for CHC funding using a third party who was an ex-CHC assessor. This should lead to the identity of further individuals who are entitled to the CHC funding. It was anticipated that in the longer term, the council may be able to offer a service for self-funders. It was confirmed that the council did offer a brokerage service for self funders.
2. TalkCommunity – the benefits of TalkCommunity were noted. There were currently 18 TalkCommunity Hubs with plans for up to 50. TalkCommunity had been the bedrock of the council’s Covid-19 response. TalkCommunity was reliant on volunteers so there was a risk to the council. However the mitigation was the recruitment of further volunteers. The ethos was community support and the evidence base showed that Herefordshire had a good community support across all communities.
3. Integrated Care System (ICS) – it was noted that the adults and wellbeing scrutiny committee were due to receive a paper on the ICS at its meeting scheduled for 24 March. All members were encouraged to read the report and appendices as it outlined the nature of the White Paper, the opportunities and risks for Herefordshire. There would be a transition ICS from April 2022 with a formal body in place from April 2023 which would be a system-wide approach to social care

**RESOLVED that**

- a. That the wording for EP19 [planning applications validating and registering in time] and EP23 [planning applications at committee against officer recommendation] be reworded to appropriately reflect the risks.
- b. That consideration be given to the inclusion of a risk in connection with the River Lugg position statement which may mean that there is a potential impact of disproportionate housing allocation in certain parts of the county.
- c. Consider how corporate centre will look at the aggregation of similar risks in or across directorates.
- d. Changes in the risk registers to be highlighted to aid the committee in identifying when changes have been made.

## 55 PROGRESS REPORT ON 2020/21 INTERNAL AUDIT PLAN

SWAP presented the report, the details of which are outlined in the agenda pack.

In discussion of the item, the following points were noted:

1. A copy of the strategic partnerships internal audit was requested.
2. That the Brexit preparedness audit had taken place in December and it had been decided that there was no need for a separate risk register and the risks would now be inserted into the relevant risk registers.
3. It was also anticipated that the Covid-19 risk register would be also be absorbed into the relevant risk registers as there was a move to business as usual.
4. With regard to the strategic partnerships framework, there was a query over whether the committee should have more oversight. It was further noted that the need to review the partnership framework in July 2019 had been identified and work would now commence which would include who should have oversight (audit and governance committee, a councillor or another committee).
5. With regard to the commercial property / rents audit, it had already been flagged that there was a need for improvement which was underway and would be concluded within the financial year. This was linked to how the council collected rents. It was stated that it had been a difficult financial year and there had been an increase in the level of arrears. Further work was required in connection with the provision for doubtful and aged debtor reports to be more robust. The year end outturn position would contain a clear statement around this year. The council only wrote off debts in exceptional circumstances and did work with organisations and / or individuals.

### **RESOLVED that**

- (a) performance against the approved plan was reviewed; and
- (b) there was consideration of the assurances provided.

## 56 INTERNAL AUDIT 1ST QUARTER PLAN 2021-22 AND INTERNAL AUDIT CHARTER

SWAP presented the report, the details of which are outlined in the agenda pack.

During discussion of the item, the following points were made:

- There had been an impact on the plan and officers.

- Changes had been made due to Covid-19 but internal audit would be able to provide assurance.
- There will be continuing grant funding audit work and a request for the council to carry out different duties.
- It was anticipated that with a quarterly audit plan, changes would continue to be reported to the committee.
- The annual plan did give an overview of the coverage and level of assurance which would be provided through the year. It was also reported that an annual plan would be produced which would act as a back stop.
- SWAP agreed that a forward plan of internal audits over the financial year would be appended to the quarterly reports.
- It was confirmed that the climate change task and finish group recommendations would form part of the background work in connection with the climate change audit.

**RESOLVED that**

- (a) the proposed 1st quarter internal audit plan 2021 was reviewed; and**
- (b) the internal audit charter be approved.**

**57 RE-THINKING GOVERNANCE WORKING GROUP PROGRESS UPDATE**

The democratic services manager presented the report, the details of which are outlined in the agenda pack.

During the committee's discussion of the item, the following points were raised:

- Engagement with parish councils had been discussed but they were a separate legal entity. The constitution structure would need to ensure that the role of parish councils was enhanced and not inhibited.
- There will be constitutional and operational changes.

Councillor Yolande Watson left the meeting at 1227 hrs.

**RESOLVED THAT**

**The re-thinking governance working group further consider parish councils and the role that they play.**

**58 LOCAL GOVERNMENT ASSOCIATION (LGA) MODEL CODE OF CONDUCT**

The monitoring officer presented the report, the details of which are outlined in the agenda pack

During the discussion of the item, the following points were raised:

- Under the proposed changes, there would be a requirement to declare membership of the council's outside bodies.

- The wording with regard to following the advice of the chief executive, chief executive and monitoring officer was considered prescriptive and it was suggested that “taking due notice of the advice” may be more appropriate.
- With regard to access to information and confidentiality, this was far reaching and if there was a public interest test this should be outlined in the document.
- There was a specific code for members of the public engaging with the council. There would need to be clarity as to whether the code of conduct applied to non statutory co-optees, members of task and finish groups or of a protocol would need to be developed.
- It was noted that there may be difficulty for members with regard to the bias and pre-determination section. There was case law developing in this area and it was a growing trend with other councils. Bias was a legally defined term but the monitoring officer may be able to look at the wording. It was a matter of when a council decision was being taken, that members had listened, participated and voted with an open mind. If members could not do this with an open mind, then they should not participate. The committee suggested that training on this issue would be appreciated.

**RESOLVED that**

- a) **The committee reviewed the LGA model code of conduct;**
- b) **Agreed in principal the proposed changes to the Herefordshire Council Code;**
- c) **Agreed to consult with all members of this council, together with all parish and town councils about the proposed changes.**

**59 COMMITTEE EFFECTIVENESS REVIEW WORKING GROUP**

The chairperson introduced the report.

It was noted that members of the committee were consulted on 8 January 2021.

It was noted that under the CIPRA guidance, oversight of the treasury management function should be a function of the audit and governance committee. Currently full Council review the strategy and there is annual training for all members so that they have a good understanding of treasury management. It is a decision of Council as to where treasury management sits. This issue would be considered by the re-thinking governance working group.

It was further noted that when trying encouraging people to stand as councillors, then an indication of the number of training days should be highlighted.

SWAP offered to ascertain what feedback other council obtained with regard to the effectiveness of their committees.

**RESOLVED that:**

- a) **The committee commented on the effectiveness review carried out by the working group; and**
- b) **The re-thinking governance consider the outcome of the effectiveness review as part of their work in connection with the enhanced hybrid cabinet model.**

**60 WORK PROGRAMME UPDATE**

The committee’s updated work programme was presented.

**RESOLVED That the work programme be agreed.**

**61 2021/22 MEETING DATES**

The 2021/22 committee meeting dates were agreed.

The meeting ended at 1.27 pm

Chairperson