

TEWKESBURY BOROUGH COUNCIL

**Minutes of a Meeting of the Audit and Governance Committee held remotely on
Wednesday, 16 December 2020 commencing at 2:00 pm**

Present:

Chair
Vice Chair

Councillor V D Smith
Councillor H C McLain

and Councillors:

C M Cody, P A Godwin, D W Gray, P D McLain, H S Munro and P E Smith

A&G.34 ANNOUNCEMENTS

- 34.1 The Chair advised that the meeting was being held under the emergency provisions of the Coronavirus Act 2020 and, specifically, the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020. The meeting was being broadcast live via the internet, it was not being recorded by the Council but, under the usual transparency rules, it may be being recorded by others.

A&G.35 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

- 35.1 Apologies for absence were received from Councillor L A Gerrard. There were no substitutions for the meeting.

A&G.36 DECLARATIONS OF INTEREST

- 36.1 The Committee's attention was drawn to the Tewkesbury Borough Code of Conduct which was adopted by the Council on 26 June 2012 and took effect from 1 July 2012.
36.2 There were no declarations of interest on this occasion.

A&G.37 MINUTES

- 37.1 The Minutes of the meeting held on 4 November 2020, copies of which had been circulated, were approved as a correct record.

A&G.38 AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

- 38.1 Attention was drawn to the Audit and Governance Committee's work programme, circulated at Pages No. 7-12, which Members were asked to consider.
- 38.2 The Head of Corporate Services advised that the internal audit team had been redeployed to help with the administration of business grants so, in terms of the internal audit monitoring report proposed for March, this was unlikely to happen. Internal audit work remained suspended and, depending on the status of the team, it may not be achievable to set up a new plan for April – September 2021. In addition, the Internal Audit Quality Assurance and Improvement Programme due for consideration in March may have to be deferred. In light of the annual update on safeguarding arrangements being considered at the current meeting rather than in July 2020 when originally programmed, it maybe that the annual reporting would be amended from July each year to December each year but the Head of Community Services would be consulted in that regard. Finally, Members were advised that, in the absence of an internal audit opinion, a management assurance report would be provided in March or July to indicate how risks and the internal control environment had been managed during the COVID-19 Pandemic.
- 38.3 The Chair thanked the Head of Corporate Services for his update and indicated that he understood the crucial work the Internal Audit team was undertaking on business grants. Accordingly, it was

RESOLVED That the Audit and Governance Committee Work Programme be
NOTED.

A&G.39 ANNUAL AUDIT LETTER 2019/20

- 39.1 Attention was drawn to Grant Thornton's annual audit letter for 2019/20, circulated at Pages No. 13-27, which summarised the key findings arising from the work that had been carried out for the year ended 31 March 2020. Members were asked to consider the annual audit letter.
- 39.2 The representative from Grant Thornton explained that the report was provided annually following the conclusion of all audit work and summarised the work taken in response to the audit opinion, the majority of the report covered things that had already been presented to the Committee but she made particular reference to Page No. 15 which set out the key elements of the work of external audit including materiality; financial statements opinion; whole of government accounts; use of statutory powers; value for money arrangements; and certification. Pages No. 17-20 detailed the significant risks identified for Tewkesbury Borough Council and the work done against those. Pages No. 23 and 24 covered the value for money risk reporting. Pages No. 25 and 26 confirmed the final proposed fees for audit which included an additional amount which had been in the audit plan, the majority of which was due to work undertaken as a direct result of the impact of the COVID-19 Pandemic. There had also been additional technical work for two adjustments that had been identified in the accounts and the additional fee for that recognised the time taken to undertake the work and consult with colleagues where necessary.
- 39.3 The Chair thanked the representative for her report. He appreciated the extra work that had been undertaken throughout this difficult year and that additional costs had been kept as low as possible. In terms of 'raising the bar', a Member questioned whether this was set by materiality and if that had not changed why the underlying amount of work had changed. In addition, he questioned whether something unexpected had been found in the pensions valuation audit. In response, the Grant Thornton representative explained that raising the bar was something that had been at the forefront of auditors minds; the Financial Reporting Council (FRC) had

reviewed the work Grant Thornton did and had found that whilst it provided safe opinions there was more that could be done. The work was not specifically set just around materiality but, whilst that may not have changed, the methods by which information was tested had changed so there were additional elements to be taken into account. Greater testing provided more assurance to the Council. In terms of pensions work, the McCloud judgement had put in additional liabilities to pensions and that work was above what had been involved when the scale fee had been submitted – again, this followed FRC recommendations. The scale fees were set a long time ago and this was one of the reasons the Redmond Review had been looking at audit fees and ensuring they actually covered the resources which were now needed to undertake audits.

- 39.4 In response to a query as to whether the additional £7,000 in external audit fees was reasonable, the Head of Finance and Asset Management advised that, in the circumstances, he did feel they were reasonable and in fact they had been greatly reduced by Grant Thornton.

- 39.5 Accordingly, it was

RESOLVED That the Grant Thornton Annual Audit Letter 2019/20 be **NOTED**.

A&G.40 MONITORING OF SIGNIFICANT GOVERNANCE ISSUES

- 40.1 The report of the Borough Solicitor, circulated at Pages No. 28-32, attached, at Appendix 1, a table which incorporated the significant governance issues identified in the Council's Annual Governance Statement and the action to be taken to address them. Members were asked to consider the information set out in the Appendix and to review the progress against the actions.

- 40.2 The Borough Solicitor indicated that the Annual Governance Statement had been approved by the Audit and Governance Committee at its meeting on 4 November 2020, and the table at Appendix 1 advised of progress on the specified actions by 1 December 2020 to enable the Committee to monitor progress on them as required. Three of the actions had deadlines in 2021 but progress on them was documented. One of the actions – Administration of Discretionary Housing Payments – had been due for completion in December 2020 following internal audit recommendations. Whilst two elements had been progressed limited progress had been made on the independent verification check due to resources being redeployed to support the COVID-19 response – that would be picked up in quarter three as long as resources allowed.

- 40.3 Accordingly, it was

RESOLVED That the progress against actions in terms of significant governance issues be **NOTED**.

A&G.41 COUNTER FRAUD UNIT UPDATE

- 41.1 The report of the Head of Finance and Asset Management, circulated at Pages No. 33-38, provided the Committee with assurance over the counter fraud activities of the Council. Members were asked to note the report and make its comments as necessary.

- 41.2 The Counter Fraud Unit Manager advised that the report provided the six monthly update against the work plan and Members were reminded that the plan was likely to change as a consequence of the workstreams created by the COVID-19 Pandemic. The Counter Fraud Unit had been supporting those workstreams in relation to fraud risk and abuse, most significantly in relation to the business grants – this would continue, as required, as more grant schemes were implemented;

currently eight transactions were being reviewed to verify eligibility. As a dedicated investigatory support service, the Counter Fraud Unit undertook a wide range of enforcement and investigation work according to the requirements of each partner Council; this included criminal investigation and prosecution support for enforcement teams, investigations into staff/Member fraud and corruption, or tenancy and housing fraud investigation work. Prosecutions for fraudulent attempts had also been discussed but the team was mindful that in quarter one of next year it would get the national fraud data for checking. A summary of the reactive work of the Counter Fraud Unit was provided at Paragraph 2.3 of the report and included Council Tax Reduction Scheme activities as well as the commencement of a review of the housing list.

- 41.3 A Member noted that, in terms of the work on the housing list, of 147 matches, eight applicants had been removed; he questioned whether this was higher due to the COVID-19 Pandemic or if that was a normal amount to find. In response, the Counter Fraud Unit Manager advised that the national data matching exercise was a huge piece of work that was done annually. The Council Tax checks were also done annually but the housing list checks were carried out every other year. The numbers were usually around the same for all of the partner Councils and the number of anomalies were also similar; this was a really good data cleansing exercise. The COVID-19 grants work was obviously a new exercise and would be a significant piece of work due to the number of grants paid nationally. Referring to the case heard in the Magistrates Court in respect of a fraudulent claim for Council Tax support, a Member questioned who covered the costs for the action. In response, the Counter Fraud Unit Manager advised that this was dealt with by the Crown Prosecution Service as it was a joint case with the Department for Work and Pensions. However, the Counter Fraud Unit always put in a schedule for investigatory costs and asked for them to be paid – usually the minimum amount of costs was agreed if it was a capital fraud as the person was on benefits. In response to a query regarding the charity exemption review, the Counter Fraud Unit Manager advised that this was to ensure the rules about the value of charitable goods in stores versus what was being sold were being adhered to as that dictated the amount of relief applied.

- 41.4 The Chair thanked the Counter Fraud Unit for its work at this difficult time and, it was

RESOLVED That the Counter Fraud Unit update be **NOTED**.

A&G.42 ANNUAL UPDATE ON THE COUNCIL'S SAFEGUARDING ARRANGEMENTS

- 42.1 The report of the Head of Community Services, circulated at Pages No. 39-75, provided the Committee with an update on how the Council was fulfilling its safeguarding responsibilities and Members were asked to consider the content of the annual report as well as to note the Section 11 assurance submission.
- 42.2 In introducing the report, the Head of Community Services explained that there had been significant changes to the landscape of children's safeguarding in recent years and the report and appendix set out the arrangements for the Council and how it fulfilled its duties in terms of both children and adult safeguarding as well as the new methodology for Councils in providing assurance of safeguarding; Appendix 2 showed the old reporting system, Appendix 3, the new arrangements and Appendix 4 set out the actual submission for this year. In terms of safeguarding in Tewkesbury Borough, 15 cases had been raised internally by Officers over the last year and of those only two had been referred to the safeguarding unit at the County Council. Two cases had been referred to Gloucestershire Constabulary, one to the mental health crisis team and two to adult social care; the remaining cases had been dealt with in-house via multi-agency meetings with partners. It was felt that 15 cases having been raised demonstrated that staff had a good understanding of their

- safeguarding responsibilities which was great news.
- 42.3 The Chair welcomed the Business Manager for the Safeguarding Children Executive to the meeting to provide an update and to advise of the developments which were taking place. The representative explained that the legislation for safeguarding children had changed in 2018 when the primary responsibility had been moved from the County Council to a collective, shared and equal responsibility across all partner agencies. The arrangements had been published in April 2019 in the 'Working Together' document which could be found on the Gloucestershire Safeguarding Children Executive's website. The local arrangements intended to achieve collective effectiveness of local child safeguarding; the effective sharing of information to facilitate more accurate and timely decision-making; the statutory duty for child safeguarding practice reviews and child death reviews being met; the setting out and monitoring of multi-agency policies and procedures; schools and agencies being held to account under Section 11 of the Children Act 2004 and Section 175 of the Education Act 2002; and multi-agency learning being promoted and embedded. The structural architecture of safeguarding in the County was now different than it was 12-months ago, with the initial change over from the Children's Safeguarding Board to the Safeguarding Children Executive having been relatively soft and it had taken a year to really understand what the future for safeguarding ought to be. The structure had been approved in November and set out the intention that the Safeguarding Children Executive would become the Safeguarding Children Partnership Executive. The other major development was that over the last 18 months the Executive had worked closely with the District Safeguarding Network and had formed a sub-group of the safeguarding structure which would be held to account by the Executive and would have administrative support. Under the old arrangements the local board would have had an independent Chair but the new regulations did not have that requirement. The first Section 11 process under the new arrangements had been undertaken the previous day and had been very successful. An effective partnership would have wide and active engagement in multi-agency safeguarding arrangements with the right shared priorities; agencies understanding their respective roles and thresholds; support and challenge within the multi-agency system; continuous learning and development; an environment in which effective multi-agency practice could flourish; good systems for information sharing, which professionals were confident and knowledgeable about; and effective, ambitious child-focussed leadership within and across partners. In terms of the local arrangements for independent scrutiny, this would provide independent, objective scrutiny of the effectiveness of multi-agency arrangements to safeguard and promote the welfare and wellbeing of all children in Gloucestershire. The county had an independent scrutineer as well as a Lay Member and independent reviewers were utilised for child safeguarding practice reviews and multi-agency audit. Further exploration on the 'voice of the child' would be a focus in 2021.
- 42.4 Members thanked the representative for his thorough presentation and felt there was a lot of cohesive work ongoing which was great news. In response to a query regarding timings, the representative explained that the reviews used to be bi-annual but, since the Section 11 process had come into the business unit, it would be undertaken annually and it was anticipated it would also be themed.
- 42.5 Having considered the report and information provided, it was
- RESOLVED** That the contents of the annual report on the Council's safeguarding arrangements and the Section 11 assurance submission be **NOTED**.

A&G.43 FOOD STANDARDS AGENCY AUDIT

- 43.1 The report of the Principal Environmental Health Officer, circulated at Pages No. 76-103, summarised the key findings of the food standards agency audit and outlined the actions that would be taken by the Community Services Team to address the Food Standards Agency requirements. Members were asked to consider the audit report, at Appendix 1 to the report, and the action plan as set out at Appendix 2 to the report.
- 43.2 The Committee was advised that the Food Standards Agency undertook periodic audits of local authorities to determine performance against the framework agreement and the Food Law Code of Practice. In October 2019, the Agency had undertaken an audit of the Council's performance with respect to approved food establishments – those that required specific approval from the Council in order to place their products on the market and display a unique identification mark which was issued by the Council – those establishments were often high risk and complex and the inspecting Officers had to demonstrate stringent requirements in terms of competence and experience. The Council currently had eight approved premises including a large dairy, a meat products manufacturer and an international shellfish exporter. It was understood that there had been a significant delay between the date of the audit and the presentation of the current report; however, this was due to the fact that the final report was not received from the Food Standards Agency until 16 January 2020 and there had then followed a number of events including flooding and the COVID-19 outbreak which had hampered the ability of the team to present the report at an earlier opportunity.
- 43.3 The positive observations from the audit included the development of a service plan which followed the guidance in the framework agreement; the development and implementation of an Officer competency matrix system in accordance with the Code of Practice; the development and implementation of locally documented procedures for approval of establishments which followed the Code of Practice; completion by Officers of the required hours of continuous professional development; establishment of file checks that appropriate interventions had been conducted in accordance with relevant guidance; investigation and appropriate follow-up of a complaint against an approved establishment; formal enforcement action being taken against an approved establishment; and food premises file records being accurate, easily retrievable and a representation of good practice. Areas for improvement were also identified and included a recommendation that the service plan should include a comparison of the resources required to deliver the plan against the resources available and identify any resulting shortfall; the Scheme of Delegation must provide senior Officers with the power to sign-off the annual food service plan; Officers authorisations should specify necessary restrictions to reflect Officers' training, qualifications and experience; a documented procedure should be developed and implemented to ensure the food database was accurate, reliable and up to date; the compliance of establishments and their systems should be assessed to the legally prescribed standards and microbiological testing should be carried out in accordance with Regulation (EC) 2073/2005; and the Council should update its internal monitoring procedures to consider the full range of food enforcement activities carried out and develop a risk-based internal monitoring approach.
- 43.4 In response to a Member's query about the length of time between inspections and the time taken for the report to get to the Council, the Principal Environmental Health Officer explained that, generally, audits were undertaken once every five years depending on the submitted performance figures; authorities which were behind in their inspections were prioritised for audit. In terms of microbiological testing, businesses were still operating and there were no concerns about public health as Officers were happy with their hygiene and structure. No inspections had

been undertaken between March and September but since then all had returned satisfactory samples which was good news. In terms of receipt of the audit report, the Head of Community Services confirmed that it was not unusual for the Food Standards Agency to take three months to produce its report and then, following that, the current meeting was the first opportunity Officers had to update Members given the workloads identified in terms of flooding and the COVID-19 Pandemic. A revised set of targets for the action plan would be agreed with the Head of Community Services and relayed to the Food Standards Agency and, in addition, the Head of Corporate Services advised that when the Internal Audit team was back up and running this would be built into the audit programme and reported through Committee.

- 43.5 The Chair recognised that the areas for improvement were fairly minor and in general the report demonstrated a good position statement. Accordingly, it was
- RESOLVED** That the audit report provided by the Food Standards Agency, as set out at Appendix 1, and the Council's action plan, attached at Appendix 2, be **NOTED**.

A&G.44 CORPORATE RISK REGISTER

- 44.1 The report of the Head of Corporate Services, circulated at Pages No. 104-122, attached the corporate risk register for consideration. Members were asked to consider the risks contained within it and the assurance that the risks were being effectively managed.
- 44.2 Members were advised that the register was usually presented at each meeting of the Audit and Governance Committee; however, reporting in 2020 had been deferred as a result of the Council's response to the COVID-19 Pandemic. The register itself was a useful tool to demonstrate that corporate risks were being considered and managed. Paragraph 3.1 of the report summarised the key actions that had arisen since the register was last presented to the Committee and included risks such as financial sustainability – pre-COVID the Council had faced significant financial challenges and those had been compounded by the Pandemic; cyber security – training and a new firewall had been implemented and an assessment was being undertaken on cyber security arrangements; emergency planning – the planned test exercise had been superseded by a real-life exercise in the form of the COVID-19 Pandemic and a lessons learnt exercise would be undertaken in due course; the waste service – a decision would be made on the extension of the Ubico contract; Brexit – an internal risk assessment was being done to show how it may impact on the Council and the Local Resilience Forum was looking at the wider impact on the county; the Garden Town – the planning application for the Ashchurch bridge had not been presented to Planning Committee as intended and there was concern from Members about the project which would need to be kept under review; and delivery of priorities – this was a new risk which it was important Members were aware of.
- 44.3 In terms of the Garden Town project, many Members had expressed concern about it and it was felt assurance needed to be provided that the risks were being managed effectively. It was agreed that one of the team would be asked to attend the Audit and Governance Committee in March. In response to a query about how the Council could plan effectively for Brexit, the Head of Community Services explained that Officers were taking the approach of considering the worst case scenario; there was also a need to consider planning for concurrent emergency events and there was quite a lot of work being undertaken in that regard in terms of COVID secure rest centres for flood victims etc.

44.4 A Member referred to the outcome of the recent inquest into the death of Ella Kissi-Debrah, whereby air pollution had been found to have made a material contribution to her death, and questioned whether this would have a significant impact on the Council's action on air quality and whether that would be included in the risk register. In response, the Head of Community Services confirmed that monitoring was undertaken as a matter of course and, prior to the COVID-19 Pandemic, Officers had planned real-time monitoring and the possible removal of the air quality management area in Tewkesbury Town. The team would now be looking at the guidance from the Department for Environment, Food and Rural Affairs (DEFRA) following the inquest to understand the implications on the Borough. Another Member questioned whether the actions taken in respect of cyber security would be enough or whether further work needed to be done. In response, the Head of Corporate Services confirmed that cyber security was never something that could be complete. The Council had undertaken its assessment against the ISO001 standard which had shown some new policies were required which was being undertaken and updates would be provided through the Lead Member briefings. It could certainly not ever sit on its laurels in this regard.

44.5 Accordingly, it was

RESOLVED That the risks contained in the corporate risk register, and the assurance that those risks were being effectively managed, be
NOTED.

The meeting closed at 3:20 pm