

Audit and Governance Committee

A meeting of Audit and Governance Committee was held on Monday, 25th November, 2019.

Present: Cllr Barry Woodhouse (Chairman), Cllr Lauriane Povey (Vice Chair), Cllr Chris Barlow, Cllr Chris Clough, Cllr Ross Patterson, Cllr Maurice Perry, Cllr Mick Stoker,

Officers: Andy Bryson, Andrew Barber, Derek Macdonald (F&BS), Sarah Whaley (A,D&ES)

Also in attendance: Gareth Roberts (Mazars), Cllr Luke Frost

Apologies:

**AGC
30/19** **Evacuation Procedure**

The Evacuation Procedure was noted.

**AGC
31/19** **Declarations of Interest**

Councillor Barry Woodhouse declared a personal non prejudicial interest in relation to item, 'External Audit Progress Report' as the report referred to the 2018/19 Teachers Pension Return of which Councillor Woodhouse was in receipt of.

**AGC
32/19** **Minutes from the Audit and Governance Committee which was held on 23rd September 2019.**

Consideration was given to the draft minutes of the Audit and Governance Committee meeting which was held on the 23rd September 2019 for approval and signature.

RESOLVED that the minutes be approved and signed as a correct record by the Chairman.

**AGC
33/19** **External Audit Progress Report**

Consideration was given to the External Audit Progress Report, the purpose of which was to provide the Audit Committee with a report on progress in delivering Mazars responsibilities as Stockton Borough Councils external auditors.

This was Mazars first progress report in respect of the 2019/20 audit year.

Since the Committee last met Mazars had continued with their regular meetings with senior management and review of agenda papers and minutes, to inform Mazars risk assessments for their 2019/20 audit.

Mazars would present their Audit Strategy Memorandum to the Committee for discussion at its next meeting.

Mazars planned work was on track, and there were no significant matters

arising from their work that they were required to report at this stage.

In terms of Certification of Claims and Returns, Mazars confirmed that since the Audit Progress Report the 2018/19 Teachers Pension Return and Housing Benefit Subsidy Claim had been signed off.

RESOLVED that the report be noted.

**AGC
34/19**

Internal Audit Progress Report 2019-2020

Consideration was given to a report which provided members with an update of the work carried out by the Internal Audit Section and the progress made against the Audit Plan 2019/20.

The main topics discussed were as follows:

- Since the report there had been a further nine audits completed.
- Steady progress was being made on the Audit Plan even though the Audit Team were one member of staff down.
- In terms of priority there were critical audits around the Globe Restoration Project which had been added to the Audit Plan.
- Questions were raised as to whether Councillors had raised questions on issues that affected their wards or other areas of responsibility. Officers confirmed no questions had been raised.
- In terms of the current vacancy, Officers confirmed that they would know closer to the end of the year if the post was to be filled.

RESOLVED that the report be noted.

**AGC
35/19**

Treasury Management Strategy Mid Year Report

Consideration was given to a report which informed Members of the performance against the treasury management and prudential indicators set in the Treasury Management Strategy approved by Council in February 2019.

The main topics discussed were as follows:

In Year Borrowing;

The Council had not borrowed for a number of years, however as at the 30th September 2019 the Authority held £77.19m of loans which was an increase of £30m since 31st March 2019.

Members' attention was drawn to the letter received from HM Treasury which stated that interest rates were to be increased by 1% for new loans from the Public Works Loan Board (PWLB), on top of usual lending terms.

Members requested that Officers monitor the rates of interest issued by the PWLB, in terms of them moving the goal posts on existing borrowing, as they had changed the law regarding fixed interest rates on student loans.

Treasury Investment Activity;

It was highlighted to Members that there was an option to diversify investments to try and generate income which could give 3.5 - 4% returns, in addition to long term investments. This was just an option at the moment which the Authority had not yet embarked upon.

Gareth Roberts from Mazars explained to Members that the Authority could not borrow to invest.

In terms of compliance the Finance Manager reported that all treasury management activities undertaken complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

In terms of the outlook for future interest rates, the Councils treasury advisor Arlingclose expected the Bank Rate to remain at 0.75% for the foreseeable future, however there remained substantial risks to this forecast, dependent on Brexit outcomes and the evolution of the global economy.

RESOLVED that the report be noted

**AGC
36/19**

Strategic Risk Register Update

Consideration was given to the Corporate Risk Register update report.

The Committee was reminded that quarterly reports on the Corporate Risk Register were presented for the purpose of reviewing the key risks that had been identified as having the potential to deflect services from achieving their objectives over the next 12 months and beyond. They also set out the actions being taken to ensure that the risks, and possible adverse outcomes, were minimised.

As a reminder, risks were scored on a scale of one to five for both 'impact' and 'likelihood'. The scores were multiplied to generate a total score and any risks with a score of 15 or above were included in detail in the update. All other risks on the strategic risk register were reported in summary detail only.

The main topics discussed were as follows:

Members' attention was drawn to Appendix B which showed the Committee an example of what the risk register would look like going forward. The report aimed to give additional detail and an insight into what was happening in each area.

Members welcomed the change in the report however still felt that tighter controls were still required in terms of the last box 'owner and target date', as this was still showing ongoing dates rather than specific dates.

The Audit and Risk Manager explained that the risk register was more closely linked to the Council Plan and the outcomes to the Council Plan outcomes.

The controls would be the results of audit work carried out and there would be audit recommendations with owner and implementation dates within the section 'Required Actions'.

Members requested a presentation of the new risk register in order they understood it better. It was agreed a 1 hour workshop be carried out for Audit and Governance Members after the next Audit and Governance Committee meeting which was scheduled for the 10th February 2020.

RESOLVED the report be noted.

**AGC
37/19** **Health and Safety Report**

This report detailed the regular non-responsive services provided by the Council's Health and Safety Unit to monitor, improve and to ensure compliance of the health, safety and well-being control environment for the period 1st July 2019 – 30th September 2019.

This detail encapsulated the regular, non-responsive activity of the Health and Safety Unit, and accident and assault statistics:

1. Health and Safety Training
2. Health and Wellbeing Update
3. Premise Audit Findings
4. Construction (Design and Management) Regulations 2015
5. School's Educational Residential Visits
6. Employee Protection Register Activity
7. Accidents Reported
8. Physical Assaults Reported
9. Verbal Assaults Reported

The main topics discussed were as follows:

- Brief discussion took place around verbal assaults and whether any Councillors had reported any directed at them personally. The Health and Safety Manager informed the Committee that there had been a period a number of years ago where one Councillor had been on the receiving end of verbal assaults, however nothing had been reported since.
- Questions and concerns were raised in relation to the number of physical assaults reported from Children's Services in terms of the increase from the previous period of 2 incidents to 11 in the current reporting period.

The Health and Safety Manager informed Members that the 11 reported physical assaults within Children's Services occurred in respite care for children with complex and special educational needs, where occasional demonstrations of behaviours were recorded as assaults.

The workforce were encouraged to record and to report such behaviour in order to ensure that both the children and staff were adequately supported and safeguarded.

The Health and Safety Manager informed Members that whilst a small number of the reported physical assaults occurred in Primary Schools, the majority reported occurred within the Pupil Referral Unit.

Members were also informed that a package of support was provided to schools, including termly safeguarding training which included health and safety and the use of restraint policy to supplement school's own health and safety training.

Members requested that assault data be broken down to categorise single or multiple person assaults.

The Health and Safety Manager informed members that the subjective data recorded on notification of assault forms did not capture this level of detail.

Analysis of hot spots within data was carried out to identify the need for any additional resources, individually or organisationally.

Members asked if comparative data could be looked at from neighbouring authorities within the Tees Valley to give the data some context. The Health and Safety Manager informed Members that the data collected was incomplete, due to the academisation of educational establishments.

Although the Health and Safety Team did not benchmark with other authorities in terms of data comparison, they would look to see what they could get hold of and report back.

RESOLVED that the report be noted

**AGC
38/19**

Audit and Governance Committee Annual Report

Members were presented with a report which informed the Committee of the work of the Audit and Governance Committee during the period 1st October 2018 to 30th September 2019.

The Annual Report produced by the Chairman of the Audit and Governance Committee had been prepared in accordance with the "Audit Committees, Practical Guidance for Local Authorities" produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2018.

The report demonstrated how the Audit and Governance Committee had fulfilled its key functions and how it was fully committed to helping to improve the Council's governance and control environments.

Members noted the report however the Chairman requested that Members contact him prior to the next scheduled meeting of the Audit and Governance

Committee should they have any further comments / queries.

RESOLVED that the report be noted.

**AGC
39/19**

Work Programme

The Work Programme was noted.