



**West
Northamptonshire
Council**

Audit and Governance Committee

Minutes of a meeting of the Audit and Governance Committee held at The Jeffery Room, The Guildhall, Northampton on Wednesday 14th June 2023 at 6 pm.

Present: Councillor Cecile Irving-Swift (Chair)
Councillor Charles Manners (Vice-Chair)
Councillor Jamal Alwahabi
Councillor Alan Chantler
Councillor Stephen Clarke
Councillor Keith Holland-Delamere
Councillor Mark Hughes
Councillor Sam Rumens
Substitute: Councillor Sally Beardsworth (for Councillor Rosie Humphreys)

Apologies for
Absence: Councillor Rosie Humphreys

Substitutions:
Councillor Sally Beardsworth (for Councillor Humphreys)

Officers: Martin Henry, Executive Director of Finance
Audra Statham, Assistant Director Finance
Jen Morris, Head of Audit and Risk
Sarah Hall, Deputy Director of Law and Governance
Scott Peasland, Audit Manager
Luiza Morris-Warren, Assistant Director for Customer and Corporate Services,
Anthony Giles, EHC Officer
Bellinda Cotton, Data Protection Officer
Marina Watkins, Democratic Services

Ciaran McLaughlin, Grant Thornton (GT) – Remote
Paul Harvey, Grant Thornton (GT) - Remote
Mark Rutter, Ernst & Young (EY) - Remote

22. **Minutes**

RESOLVED: That the Minutes of the Audit and Governance Committee held on 1st March 2023 be approved and signed as a correct record.

22. **Declarations of Interest**

None advised.

23. **Chair's Announcements**

The Chair thanked Councillors John Shephard, Jake Roberts and Danielle Stone for their work on the Committee over the last two years. The Chair welcomed Councillors Mark Hughes, Sam Rumens and Keith Holland-Delamere who had joined the Committee.

24. **Local Government Ombudsman report**

The Assistant Director of Customer and Corporate Services outlined the report regarding the Ombudsman findings that had been received in March, which detailed a number of improvements to be made. The Committee was asked to note that the required steps had been taken and improvements put in place.

In response to a question, the EHC Officer advised that barristers were only used for the SEND (Special educational needs and disabilities) tribunals. The Deputy Director of Law and Governance added that the approach had recently been changed, with a member of the Legal team being used instead, although a barrister may be used in the future in certain circumstances.

It was noted that the Ombudsman's findings were indicative of a national issue caused by a lack of resources. The case under discussion had also brought to light further similar cases. In order to address the issues, there was to be an expansion of SEND places across the area. The team also met on a regular basis to discuss the cases of children without school placements.

The area did experience a high level of complaints due to the nature of the work.

The Chair proposed that the word 'accepted' in the recommendation be changed to 'implemented', which was agreed by the Committee. The recommendations submitted in the report were agreed.

RESOLVED: The Council has fully implemented the recommendations identified to remedy the complaint. The Audit and Governance Committee is asked to note the findings of the report and the remedial actions put in place by the service following the publication of the report.

25. **Information Governance Report**

The Data Protection Officer outlined the report which was the first to be presented to the Committee and therefore included two years' worth of figures. It was proposed that the report be submitted to Committee on a quarterly basis going forward.

In response to questions, the following points were made:

- A restructure of the team was taking place along with a benchmarking exercise to ascertain the appropriate level of resources needed
- Freedom of Information requests had increased in terms of complexity, which took a great deal of time to work through and redact
- More information was to be put on the website which would save time in the future as well as aid transparency

- It was suggested that putting all information online may not be beneficial to all, as many people were unable to access the internet. Consideration would be given as to how information could be shared
- Consideration could be given to the implications of providing the option to print information for residents at Council Hubs. It was noted that the option to have printed material posted out was already offered. Some requested documents could be very large which could cause difficulties
- The barriers to providing data included a busy and pressured workforce, where responding to an FOI was not a key priority but was a statutory function.
- Additional staff had been requested for six months to assist the team during the restructure.

The Committee accepted the recommendation within the report.

RESOLVED: That the Committee accept the Information Governance update.

26. **Update on Governance**

The Deputy Director of Law and Governance advised the Committee that a number of governance reports would be submitted to the Committee going forward, including an annual RIPA (Regulation of Investigatory Powers Act 2000) report. The Governance working group was working to embed good governance across the authority.

There would be a future report on ethical governance indicators and research was ongoing into indicators that would show the ethical health of the Council. It was important that any indicators used were meaningful and easy to collate.

A report would also be compiled into the large number of companies operated by the Council. A Brief summary on RIPA would be provided to each meeting of the Committee.

The Chair advised that the Annual Governance report would be considered at the next meeting of the Committee and that the Chief Executive and Leader had been invited to attend and answer any questions.

The legal team was undergoing a restructure and taking on new staff. It was anticipated that the team would be in place by the end of the year.

In response to a question regarding audit and performance management, the Head of Audit and Risk advised that the audit team could take action by supporting and developing controls in services.

RESOLVED:

The Committee noted the verbal update.

27. **Internal Audit Plan 2023-24**

The Head of Audit and Risk outlined the report. It was noted that the counter fraud work undertaken was mostly reactionary, with high risk areas identified.

The Internal Audit plan did not cover a whole year in order to allow for some flexibility. It was useful to work with services undergoing change as it allowed the team to have input on control and risk implications from an early stage. The plan included audits of maintained schools and the audit would start with those schools most in need as identified by the Schools Engagement team. The number of audit days identified in the plan was achievable and would provide the level of assurance required.

The Internal Audit Charter demonstrated how the service linked back to the Corporate Plan.

During the discussion, the following points were raised:

- When an audit was classed as 'limited assurance', control weaknesses had been identified. Audit would work with the service area to address the issues. A further audit may be carried out if considered necessary
- The cost of temporary accommodation was a policy issue. The Executive Director of Finance advised that the matter was being looked into
- The IT follow ups referred to the two limited assurance reports previously referred to committee. Meetings were held regularly with the service areas and there was on-going follow-up.
- The contract for the new telephony system had been signed today
- Achieving carbon neutrality was one of the Councils objectives and the Audit team would provide an advisory role.
- There was some distinction between the role of audit and the role of scrutiny. The sustainability agenda was a key area and linked to many other strategies such as transport. It was therefore useful for Audit to have some oversight
- The Chair highlighted that the Audit team provided a new and more proactive way of working. The traditional audit work was still on-going

The Chair thanked the Head of Audit and Risk and the Audit team for their work.

The Committee accepted the recommendation within the report.

RESOLVED: That the Committee approves the plan.

28. **Internal Audit progress report**

The Head of Audit and Risk advised that a full report would be submitted to the next meeting of the Committee. Work was on-going to finalise the audits though it was likely that a couple would slip. The Committee would then be asked permission to carry over the audits into the new year.

In response to questions, the Head of Audit and Risk undertook to provide a written response to Councillors regarding Licensing.

The Council had taken part in a day of national action around the use of blue badges. Enforcement Officers and the Police worked together around the town centre. Work was carried out with the blue badge team to tighten controls.

The recommendations submitted in the report were agreed.

RESOLVED: That the Committee endorses the position.

29. **Audit and Governance Committee Annual report 2022-23**

The Executive Director of Finance presented the Annual report of the Committee which would be submitted to Council at the September meeting.

RESOLVED:

That the Committee agrees the Audit and Governance Committee Annual report for 2022-23

30. **Annual Audit report (WNC) 2021-22 (Grant Thornton)**

Ciaran T McLaughlin of Grant Thornton presented the annual report for 2021-22 which covered the Value for Money work for WNC and Northamptonshire Pensions Fund.

It was very pleasing to note that no significant weaknesses had been identified, particularly considering it was the first year of the authority.

A number of improvements had been recommended, but overall, the audit was very positive.

The Chair thanked Ciaran for meeting with the Chair and Vice-Chair of Committee and the Executive Director of Finance and Assistant Director for Finance.

The recommendations submitted in the report were agreed.

RESOLVED: That the Committee notes the external auditor's annual report on West Northamptonshire Council for the financial year 2021-22

31. **External Audit Progress report (Grant Thornton)**

Paul Harvey of Grant Thornton presented the external audit progress report which outlined the plan for the year. The aim was for the final opinion to be published in December. The Housing Benefit audit had been delayed.

It was pleasing to note the reference to climate change in the conclusion.

The recommendations submitted in the report were agreed.

RESOLVED: That the Committee notes Grant Thornton's Audit Progress report and Sector Update.

32. **External Audit Progress Report (Ernst Young)**

Mark Rutter of EY updated the committee on the progress of the external audit. The NBC 2021 audit had been concluded in April and would be submitted to the July meeting of the committee. With regards to the NCC audit, some information was still awaited such as Covid grants and some group reporting.

The Assistant Director Finance was very pleased to see the NBC accounts finalised, and NCC accounts were close to completion.

In response to a question, the Executive Director of Finance advised that any Section 106 agreement or CIL money that was unspent at NBC would move to WNC and spent in the area that was originally agreed.

The recommendations submitted in the report were agreed.

RESOLVED: That the Committee notes EY's External Audit Progress Report.

33. **Update on Budget Setting and Revenue and Capital Medium Term Capital Programme**

The Executive Director of Finance updated the committee on the budget setting and medium term capital programme. The Committee were reminded of the £27million shortfall in 2022/23, where management action was quickly taken to address the situation. The current outturn was showing a very small overspend. Further details would be provided to the July Cabinet meeting.

For the 2023-24 financial year significant pressure was currently not being reported in most services apart from in Children's services. It was hoped that the cost of living situation settled.

RESOLVED: That the Committee noted the update on Budget Setting and Capital Medium term Capital Programme

34. **Work Programme**

The Executive Director of Finance presented the work programme and advised that the NBC annual audit would be presented to the July meeting of the Committee.

In response to questions regarding workforce capacity and in particular the planning service, the Executive Director undertook to discuss the issues with HR and update the committee at a future meeting.

RESOLVED: That the work programme be noted

35. **Exclusion of the Press and Public**

RESOLVED:

That under Section 100A of the Local Government Act 1972, the public and press be excluded from the remainder of the meeting for the following item(s) of business on the grounds that, if the public and press were present, it would likely be that exempt information falling under the provisions of Schedule 12A, Part 1, Paragraph 3 would be disclosed to them, and that in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

36. **Exempt Appendices to Internal Audit Update report**

The Head of Audit and Risk advised that the appendices were related to item 10 on the agenda. In future, the intention was to redact information and keep the reports in public session.

The meeting closed at 8.07pm

Chair: _____

Date: _____