



**MINUTES of
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
26 NOVEMBER 2020**

PRESENT

Chairman	Councillor Mrs J C Stilts
Vice-Chairman	Councillor K W Jarvis
Councillors	Mrs P A Channer, CC, M S Heard, M W Helm, A L Hull, S P Nunn, N G F Shaughnessy and W Stamp
Substitute Councillor	Mrs M E Thompson
In Attendance	Councillors M F L Durham, CC, C Mayes, C Morris and N J Skeens

104. CHAIRMAN'S NOTICES

The Chairman welcomed everyone to the remote meeting, held under new regulations which came into effect on 4 April 2020 in response to the COVID-19 pandemic. She took Members through some general housekeeping issues, together with the etiquette for the meeting and then asked Officers present to introduce themselves.

This was followed by a roll call of Committee Members present.

105. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor J V Keyes. In accordance with notice duly given Councillor Mrs M E Thompson was in attendance as a substitute for Councillor J V Keyes.

106. MINUTES OF THE LAST MEETING

RESOLVED that the Minutes of the meeting of the Committee held on 24 September 2020 be approved and confirmed.

107. DISCLOSURE OF INTEREST

Councillor Mrs P A Channer, CC, declared a non-pecuniary interest as a Member of Essex County Council in relation to any items on the agenda pertaining to that organisation.

108. PUBLIC PARTICIPATION

No requests had been received.

109. INTERNAL AUDIT REPORTS - PROGRESS; FOLLOW-UP OF RECOMMENDATIONS; SAFEGUARDING AND CIPFA CODE PREPAREDNESS

The Committee considered the report of the Director of Resources and associated appendices that covered four reports from the Internal Auditors BDO LLP, the *Internal Audit Progress Report; Follow-up of Recommendations Report; Safeguarding Audit* and *CIPFA Code Preparedness*, all as at November 2020.

The Chairman introduced the report and deferred to the Internal Auditors to present the detail. The Internal Audit Partner then presented the Progress and Follow-up of Recommendations reports.

He drew Members attention to page 19 of the Progress report that listed the planned work for the remainder of the financial year which he reported would be completed within the normal timeframes. Other ongoing work included training for staff on fraud risk assessment and training had been also been scheduled in for the new lease standard IFRS16 compliance. He advised that should the introduction of the standard be put back a year the time allocated would be used for other key work. With reference to the Follow-up of Recommendations report he said he was very pleased with progress. There was only one recommendation outstanding that of Climate Strategy which would be completed next month.

The Internal Audit Manager then took the Committee through the Safeguarding Audit. She reported that the final assessment was moderate in both design and operational effectiveness. It was noted that good controls were in place, a new lead officer for safeguarding had been appointed and the role was defined in the safeguarding policy. All other related roles were properly defined, new starters were DBS checked with appropriate procedures and training in place. Improvements required included better controls around contractors and volunteers working for the Council and secure storage of safeguarding documentation. It was noted that the Management Action Plan would address the improvements required.

The Chairman moved the recommendations in the report and these were seconded by Councillor Nunn.

In response to questions raised Officers reported as follows:-

- that the audit had been a good benchmarking exercise that enabled the Council to strengthen its safeguarding procedures. That the Council took its safeguarding responsibilities very seriously and work was now underway to create an approved list of contractors with a built in agreement where all on the list had undertaken the necessary/appropriate DBS checks. This would also apply to volunteers and the information would be held centrally on a secure network.

- that the Lead Specialist on Safeguarding would check with the auditors to determine if they had included staff checks around allegations and look into the procedure for DBS checks for Members and report back.
- that Member training was now being rolled out supported by partners at Chelmsford City Council.
- that Internal Audit were content with the moderate assessment as there was good practice evidenced but also areas for improvement which would now be addressed through the new Management Action Plan.
- that FreshService was the chosen secure network for safeguarding documentation as it accommodated safeguarding triggers.
- that although the completion timeline was end of next year there would be an interim progress update report for consideration by the committee. It was noted that the long lead in for completion would allow time to embed the new system and ensure it was working. The progress update report would provide a detailed breakdown of the timescale.

The Internal Audit Manager then presented the CIPFA Code Preparedness report. She informed the Committee that the assessment was substantial on both design and overall effectiveness. The Council was prepared for the code with one area requiring strengthening that of service plans. It was noted that some service plans did not clearly state how they relate back to the themes as set out in the Council's Corporate Plan. However, it was envisaged that these would be addressed in the review currently underway on Corporate Plan Objectives.

The Chairman then put the recommendations to the Committee and they were agreed by assent.

RESOLVED that the Committee considered, commented and approved the:

- (i) Internal Audit Progress Report - November 2020 at appendix 1;
- (ii) Follow-up of Recommendation Report – November 2020 at appendix 2;
- (iii) Safeguarding Audit – November 2020 at appendix 3;
- (iv) CIPFA Code Preparedness – November 2020 at appendix 4.

110. EXTERNAL AUDIT REPORT

The Committee considered the report of the Director of Resources that provided the Council's External Auditor with the opportunity to report the key findings of their audit to those charged with governance, prior to issuing their opinion on the 2019/20 Statement of Accounts. The Final Report for the year ended 31 March 2020 (2019/20) was attached at appendix 1.

The Chairman introduced the report and deferred to the External Auditor to present the detail. He reported that all work recorded as outstanding in the report had now been

completed and that the external auditors would be issuing a clean, unqualified opinion on the accounts. He said he would present a summary audit letter outlining all work undertaken at a future meeting.

The Chairman moved the recommendation in the report and this was seconded by Councillor Nunn.

In response to a query around valuations and management revisiting the letter of engagement the external auditor said that from an audit perspective the valuations were a significant risk. However, he understood that officers had met with the valuers to review the process. He concluded by saying he had made some recommendations around this area and would pick these up with officers during the course of the next audit.

The Director of Resources added that he fully supported the external audit recommendations and that he had met with the valuers. An approval timetable had been agreed that ensured sufficient checking time was built into the process and expectations were clear on both sides. The valuations for this year had already been submitted to the valuers.

There being no further queries the Chairman put the recommendation to the Committee and it was agreed by assent.

RESOLVED that the report of the external audit at appendix 1 was noted.

111. STATEMENT OF ACCOUNTS - 2019/20

The Committee considered the report of the Director of Resources that presented for approval the Statement of Accounts for 2019/20, which included the Annual Governance Statement, at appendix 1.

The Chairman drew Members attention to the Supplementary Pack that had been circulated on the day that superseded the original papers for this item of business. She then deferred to the Director of Resources to present the detail.

He took the Committee through the key changes in the supplementary pack which changed the recommendations in the report to approve the statement of accounts as the external auditor report was now included with the clean opinion. He reported the main highlights on appendix 1 and said that the audit demonstrated there was a good foundation in key financial controls. Improvements flagged were around an improved template for displaying the accounts and an improved process around valuations. He reminded Members that a timetable had already been established around valuations and reported that a new template was being worked on.

The Chairman moved the recommendations as set out in the report and these were seconded by Councillor Jarvis.

Councillor Nunn thanked the Director and his team for their work in preparing the accounts and the reassurances provided. Councillor Stamp echoed these comments and said that the team should be commended for their work.

There being no further queries the Chairman put the recommendations to the Committee and they were agreed by assent.

RESOLVED

- (i) That the Statement of Accounts for 2019/20, including the Annual Governance Statement, at appendix 1 be approved.
- (ii) That the letter of representation at appendix 2 be approved.

112. QUARTER 2 REVIEW OF CORPORATE PERFORMANCE

The Committee considered the report of the Director of Strategy, Performance and Governance that required the Committee to undertake a quarterly review of the Thematic Strategies performance, as assurance that performance was being managed effectively to achieve the corporate outcomes as set out in the Council's Corporate Plan 2019 - 2023, and for recommended changes and improvements to be reported to the Strategy and Resources Committee later in 2020. Appendix 1 to the report provided an overview of performance as of the end of Quarter 2 (July - September 2020).

The Chairman introduced the report and deferred to the Programmes, Performance and Governance Manager to present the detail. She took the Committee through the report noting that there were measures which were not performing as expected which was largely down to the impact of COVID on how the Council delivered services or where officer resources had been diverted.

She drew Member's attention to section 3.3 of the covering report that contained a summary table highlighting for each of the three themes the number of measures on track or otherwise. It was noted that appendix 1 contained the full set of data and supporting plans to assist in the monitoring and delivery of the strategies. New activity taking place, not originally in the Corporate Plan included:- Virtual Fitness, Grow your own vegetables, Direct engagement with those in 'isolation' risk group for COVID that far surpassed the original target of people expected to reach, an increase in channel shift and conversations with eighty businesses as part of the COVID response.

She concluded by saying that the performance team would be feeding into the wider review taking place on Corporate Plan objectives to ensure appropriate performance reporting would be produced as part of the review.

The Chairman moved the recommendations in the report and these were seconded by Councillor Heard. There being no further discussion the Chairman put the recommendations to the Committee and they were agreed by assent.

RESOLVED

- (i) That Members reviewed the information as set out in this report and appendix 1 with priority focus given to the Strategic Outcome level performance.
- (ii) That Members confirmed they were assured through this review that corporate performance is being managed effectively.

113. QUARTERLY REVIEW OF CORPORATE RISK

The Committee considered the report of the Director of Strategy, Performance and Governance that required the Committee to undertake a quarterly review of the Corporate Risk Register as assurance that the corporate risks were being managed effectively. Appendix 1 was attached to the report for this purpose.

The Chairman introduced the report and deferred to the Programmes, Performance and Governance Manager to present the detail. She took the Committee through the report that covered Quarter Two risk (July-September 2020) together with a summary of risk direction and changes since Quarter One as follows:-

- Risk 26 – Failure to deliver Channel Shift- this had seen a decrease in score due to the increase in Channel Shift in response to COVID.
- Risk 25 – Failure to deliver Transformation programme Finances due to commercial income targets not met as a result of COVID.

Three risks had been recommended for closure:-

- R12 as the new committee structure was in operation since October 2019,
- R24 as staff had been working remotely, agilely and digitally since March 2020 and
- R26 as Channel Shift had delivered beyond expectations, with the majority of contact driven online.

The Manager concluded by advising that the Corporate Leadership Team continued to monitor and review risks during the emergency pandemic. In addition, operationally, there was a further level of monitoring risks removed from the Corporate Register through the balance scorecard report.

The Chairman moved the recommendations in the report and these were seconded by Councillor Helm.

Councillor Channer asked when the vacancy on Risk 23- Financial Resource and Process would be filled and what impact that would have on the risk level. The Director of Resources said that the vacancy had been recruited to and was now subject to references. He advised that it would be best to wait until the resource had been embedded to determine the impact on the risk.

Councillor Heard noted the reduction in risks and thanked the officers involved for their good work.

The Chairman put the recommendations to the Committee and they were agreed by assent.

RESOLVED

- (i) That Members noted the change in scoring in this report, to reflect recent policy updates;

- (ii) That Members reviewed the Corporate Risk Register in appendix 1 and provide comment and feedback for consideration;
- (iii) That Members were assured through this review that corporate risk and is being managed effectively;
- (iv) That Members challenged risk where the Committee felt that the Council's corporate goals may not be achieved.

114. SECTION 106 UPDATE REPORT AND THE FIRST MALDON DISTRICT COUNCIL INFRASTRUCTURE FUNDING STATEMENT

The Committee considered the report of the Director of Strategy, Performance and Governance that provided an update to Members on progress with S106 service delivery, as indicated at the June meeting of the Performance and Governance and Audit Committee. A draft Infrastructure Funding Statement (IFS) was attached for Members consideration as appendix 1.

The Chairman introduced the report and deferred to the Director of Strategy, Performance and Governance to present the detail. The Director advised that the report provided an update on the S106 service delivery to date and at appendix I the draft Infrastructure Funding Statement (IFS). This was the first time Maldon District Council had completed an IFS which was due for submission on 31 December 2020. The Committee was being asked to delegate sign-off responsibility to both the Director of Strategy Performance and Governance and the Chairman of this Committee. He reported that a lot of work had been done to reconcile the S106 activity and that members would be updated by way of the website and through a member workshop early in the New Year

Councillor Mrs Channer expressed concerns regarding the sign-off arrangements given the importance of the document. She felt it was intrinsically linked to a suite of documents including the Infrastructure Delivery Plan. In response the Director of Strategy Performance and Governance said that the statement itself was a factual high level statement of work to date and that full details would be reported back to a future committee. He advised that all changes to the Infrastructure Delivery Plan would be reported through the Strategy and Resources Committee. It was noted that the website would reflect the links to all related documents.

Councillor Stamp concurred with Councillor Mrs Channer regarding the importance of the statement and proposed that the sign-off be extended to include the Leader of the Council and the leaders of the other main parties. This was seconded by Councillor Mrs Channer.

The Chairman put the recommendations, including the revised recommendation (ii) to the Committee and they were agreed by assent.

RESOLVED

- (i) Members noted the content of this report, the format and layout of the Draft Infrastructure Statement (IFS)

- (ii) Members accepted the need for further preparation work on the content of the IFS and agreed that the final version be signed of by the Leader of the Council, the leaders of the main parties, the Director of Strategy, Performance and Governance, in consultation with the Chairman of Performance, Governance and Audit Committee and duly submitted by the Director of Strategy, Performance and Governance.

115. HEALTH AND SAFETY UPDATE - QUARTER 2

The Committee considered the report of the Director of Service Delivery that provided an update on health and safety statistics and activity during quarter 2 (1 July 2020 to 30 September 2020).

The Chairman introduced the report and deferred to the Director of Service Delivery. He took the Committee through the headline issues around accident statistics and instances of unacceptable behaviour. He reported that a lot of activity had taken place towards the end of this reporting period around staff training and introduced the Lead Countryside and Coast Co-Ordinator to update Members on some of the activity in more detail.

The Lead Countryside and Coast Co-Ordinator reported that an IOSH (Institution of Occupational Safety and Health) Working Safely course had been delivered to the Parks, Cemeteries and Maintenance teams on 8 and 15 October 2020; all staff in Facilities, Maintenance and Parks had undergone Hand, Arm Vibration training at the beginning of December; in the new year an external contractor would provide training on risk assessments and more complex method statement training for onsite arrangements, a new suite of operating procedures had been commissioned along with best practice guidance around cemeteries work and memorial safety testing had taken place week commencing 21/12/2020. In response to a query he advised that whilst dedicated first aid training was provided to specific office staff all parks staff were trained in first aid as a matter of course.

There being no further discussion the Chairman moved the recommendation and they were seconded by Councillor Nunn. She then put the recommendations to the Committee and they were agreed by assent.

RESOLVED

- (i) To note the accident and incident statistics; and,
- (ii) to note the health and safety activity for quarter 2.

116. APPOINTMENT OF REPRESENTATIVES ON LIAISON COMMITTEES/PANELS

The Committee considered the report of the Director of Strategy, Performance and Governance that reminded Members of the existing representatives on Liaison Committees/ Panels and for new appointments to be made for 2020/21. The Chairman introduced the report and deferred to the Director of Strategy, Performance and Governance to present the detail. He advised that following the reset

of Committees at the annual Council there was now a need for Committees to appoint to Outside Bodies and Liaison Panels as appropriate.

The Chairman moved the recommendation in the report and this was seconded by Councillor Nunn.

Councillor Nunn then proposed the nominations for Maldon Citizen's Advice Bureau as Councillors Mrs P A Channer, K W Jarvis and N G F Shaughnessy. Councillor Mrs Channer asked that Councillor J V Keyes replace her as a nominee These were duly seconded.

Councillor Mrs P A Channer proposed Councillors A L Hull and J V Keyes as the nominations for the Maldon District Museum Liaison Committee and this was duly seconded.

The Chairman noted that she was the nominated representative on the Parish Clerk's Forum as Chairman of the Performance, Governance and Audit Committee. This was seconded. The Chairman then noted that the nominees for the River Crouch Coastal Community Team (Management Team) was the Chairman and Vice-Chairman of the Performance Governance and Audit Committee. This was seconded.

The Chairman then put the recommendation with the duly seconded aforementioned nominations to the Committee and they were agreed by assent.

RESOLVED that the committee appointed representatives to the outstanding bodies as detailed below, for the remainder of the municipal year, to May 2021.

Body	Appointed to May 2021
Maldon Citizens Advice Bureau Liaison Committee	Councillors K W Jarvis, J V Keyes and N G F Shaughnessy
Maldon District Museum Liaison Committee	Councillors A L Hull and J V Keyes
Parish Clerk's Forum	Councillor Mrs J C Stilts, Chairman of the Performance, Governance and Audit Committee
River Crouch Coastal Community Team (Management Team) NB: This body aligns with both the PGA and Strategy & Resources Committees	Councillor Mrs J C Stilts, Chairman and Councillor K W Jarvis, Vice-Chairman of the Performance, Governance & Audit Committee

117. ANY OTHER ITEMS OF BUSINESS THAT THE CHAIRMAN OF THE COMMITTEE DECIDES ARE URGENT

The Chairman thanked Members for their contributions and Officers for their hard work.

The meeting closed at 3.31 pm.

MRS J C STILTS
CHAIRMAN

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