



**MINUTES of
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
14 JANUARY 2021**

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, J V Keyes, S P Nunn, N G F Shaughnessy and W Stamp
In Attendance	Councillor C Morris

177. 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. Finally, she asked Officers and Councillors in attendance to introduce themselves.

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

178. APOLOGIES FOR ABSENCE

There were no apologies for absence.

179. MINUTES OF THE LAST MEETING

RESOLVED by assent that the Minutes of the meeting of the Committee held on 26 November 2020 be approved and confirmed.

180. 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.

181. PUBLIC PARTICIPATION

No requests had been received.

182. VERBAL UPDATE FROM THE DIRECTOR OF RESOURCES

The Director of Resources updated the Committee on the External Audit fee situation. As a result of the substantial increase in audit fees for 2021/22 (in relation to the 2020/21 accounts) and following discussions with the External Auditors it had been agreed to refer the issue to the Public Sector Audit Appointments Limited (PSAA) for review. The response, due by the end of January 2021, will then be discussed with the external auditors. It was noted that due to pressures in the audit market and increased audit requirements, both the government and the PSAA have stated that audit fees for Local Government will increase.

183. INTERNAL AUDIT REPORT:- PROGRESS, SECTOR UPDATE, FOLLOW-UP OF RECOMMENDATIONS, WORKFORCE MANAGEMENT AUDIT AND INFORMATION MANAGEMENT AUDIT

The Committee considered the report of the Director of Resources and associated appendices that covered six reports from the Internal Auditors BDO LLP, the *Internal Audit Progress Report; Sector Update; Follow-up of Recommendations Report; Workforce Management and Information Management Audits*.

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

With reference to the Progress report he said that, in addition to the two audits on today's agenda, work was finalised supporting Officers on the new leases accounting standard. Overall progress was good despite delays as a result of Covid, five out of eleven pieces of work completed, two other audits underway and on track to provide the internal audit opinion within the normal timescales. The Sector Update report was self-explanatory, and the Follow-up of Recommendations report had one outstanding recommendation. This related to climate change and waste strategy which had been delayed due to operational pressures.

In response to a question on the moderate assessment of the Safeguarding Audit at the last committee he said that the auditors were content that this was an appropriate assessment level. They identified overall reasonable processes in place and a number of mitigating controls to ensure no abuses take place. It was noted that following this meeting an update would be circulated to Members on the detailed timetable for delivery of the Safeguarding recommendations.

The Audit Manager then presented the two audits. The *Workforce Management* audit level of assurance was substantial on both design and effectiveness. The auditors had looked at the Workforce Management Audit strategy and plan which aligned with both the Medium-Term Financial Plan and IT Strategy and was on track to achieve the objectives outlined in the Council's Corporate Plan. The People Workforce Development Plan was supported by action plans covering recruitment/resourcing, retention, learning and development and employee engagement, all monitored by the Human Resources Service Plan. The auditors found that there was an action plan in place to address issues raised in response to the staff survey and an updated plan will be produced in February 2021, monitored by the Corporate Leadership Team (CLT).

Overall there was clear direction and appropriate oversight of the workforce strategy and appropriate response to COVID issues, hence the substantial assurance level.

The *Information Management* audit level of assurance was moderate on both design and effectiveness. The purpose of the audit was to assess the design and effectiveness of the Council's information management controls and processes for the storage, retention and destruction of paper documents to support compliance with the Council's document retention schedule and current legislation.

The auditors noted that the Council had identified, and recorded assets and a detailed information Asset Register was in place. There were appropriate controls to ensure information was only accessed where there was a valid business need and a Document Retention Schedule was in place in line with current legislation and statutory requirements, together with defined procedures for the destruction of documents.

The auditors identified two medium level findings 1) that document retention and data protection policies were out of date at the time of the audit but have now been updated and approved by the Strategy and Resources Committee in November 2020, which included a refresh of digital records, and 2) that responsibility of information asset owners had not been defined but will be covered through the annual review of the Asset Register this year.

There being no further comment the Chairman moved the recommendations in the report and they were seconded by Councillor Nunn. She 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 - December 2020 at **APPENDIX 1**;
- (ii) Internal Audit Sector Update – January 2021 at **APPENDIX 2**;
- (iii) Follow-up of Recommendation Report – December 2020 at **APPENDIX 3**;
- (iv) Workforce Management Audit – November 2020 at **APPENDIX 4**;
- (v) Information Management – December 2020 at **APPENDIX 5**.

184. BALANCE SCORECARD EXCEPTIONS REPORT

The Committee considered the report of the Director of Strategy, Performance and Governance that required the Committee to be given visibility of any identified Balance Scorecard key performance indicators (KPI) that have met their threshold, supported by an action plan to ensure targets were met. This provided assurance that operational performance was being managed proactively and effectively.

The Chairman introduced the report and deferred to the Programmes, Performance and Governance Manager to present the detail. The Manager took the Committee through the report that built further on the Council's performance insight, providing the operational exceptions in addition to the corporate outcomes reported quarterly to the Committee. She advised that internally the Extended Leadership Team reviewed a monthly performance dashboard that covered financial, operational, customer,

organisational and statutory performance indicators. It was noted that a full copy of this was available on the Members' SharePoint.

This report aimed to draw Members' attention to the exceptions, where, as a Council, there was either underperformance or performance that surpassed targets. She referred to section 3.5 of the covering report where areas of underperformance were highlighted, along with their associated management response and action. These were impacted by the changes brought about by the pandemic and wider economic issues, but the reporting provided the opportunity to track the extent of the impact and account for this in the medium term financial strategy.

She then drew Members' attention to section 3.6 of the covering report where areas of overperformance were highlighted around channel shift and website feedback. It was noted that work continued around digital improvements, a website refresh and moving processes online, and, in addition, these indicators were likely to have been impacted by the pandemic and general customer move to online transactions.

Councillor Nunn observed that given the current difficult climate the hard work by Officers and performance levels achieved were remarkably good. In response to a question regarding phone contact performance the Manager said that the contact statistic of over 90% related to channel shift only. She added that going forward phone contact data would be included. Councillor Heard observed that 90% online contact was a great achievement given the demographic of the district.

There being no further comment the Chairman then moved the recommendations in the report and they were seconded by Councillor Helm. She then put the recommendations to the Committee and they were agreed by assent.

RESOLVED

- (i) That the committee reviewed and commented on exceptions to service reporting provided in the report;
- (ii) That Members confirmed they were assured through this review, Operational performance was being managed effectively.

185. ANNUAL GOVERNANCE STATEMENT ACTIONS UPDATE

The Committee considered the report of the Director of Strategy, Performance and Governance that updated the Committee on the actions identified in the 2019/20 Annual Governance Statement (AGS).

The Chairman introduced the report and deferred to the Programmes, Performance and Governance Manager to present the detail. The Manager took the Committee through the report and advised that although there were no significant areas of Governance concerns, some aspirational actions around best practice for future Governance had been identified in the annual governance statement.

She reminded Members that the Annual Governance Statement was approved as part of the Annual Statement of accounts at Council on 13 December 2020, although it was separately approved by Performance Governance and Audit Committee on 30 July

2020. It was noted that this was the first time the Committee had received an update on the Annual Governance Statement actions and that this would be reported quarterly going forwards as agreed at the July 2020 meeting.

The Manager drew Members' attention to the table at section 3.4 of the covering report that contained details of the actions taken and a commentary on their progress. She advised that depending on levels of progress, some actions would also be included in the 2020/21 Annual Governance Statement.

Councillor Nunn, noting the reference in the report around monitoring the impacts of Covid, observed that it was crucial to assess this as having to redirect support to deal with the additional demands of Covid-19 would have a knock-on effect resourcing other elements of the service. The Manager concurred and said that there would be significant focus on this area in the next iteration of the AGS.

There being no further comment the Chairman moved the recommendation in the report and it was seconded by Councillor Helm. She then put the recommendation to the Committee and it was agreed by assent.

RESOLVED that the Committee reviewed the AGS action table and updates and challenged where appropriate.

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

The Chairman reported that the issue of setting up a Working Group for the Performance, Governance and Audit Committee would form part of the agenda for a future meeting. She concluded by thanking Officers for their reports and all in attendance for their contributions.

The meeting closed at 2.36 pm.

MRS J C STILTS
CHAIRMAN

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