

Audit and Standards Committee

Meeting held 30 July 2020

NOTE: This meeting was held as a remote meeting in accordance with the provisions of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

PRESENT: Councillors Sioned-Mair Richards (Chair), Simon Clement-Jones (Deputy Chair), Angela Argenzio, Adam Hurst, Mohammed Mahroof, Josie Paszek and Alison Howard (Independent Co-Opted Member)

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1. APOLOGIES FOR ABSENCE

1.1 There were no apologies for absence submitted to the meeting. The Chair wished to say a few words and pay tribute to Councillor Pat Midgley who had recently passed away. Councillor Midgley would be sadly missed.

2. EXCLUSION OF THE PRESS AND PUBLIC

2.1 The Chair stated that the report and appendices at agenda item 9 (Strategic Risk Management) (See minute no. 10 below) were not available to the public and press because they contained exempt information described in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) relating to the financial or business affairs of any particular person. Accordingly, the public and press would be excluded from the meeting during consideration of that item of business.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest made.

4. MINUTES OF PREVIOUS MEETING

4.1 **RESOLVED:** That, the minutes of a meeting of the Committee held on 23rd January 2020 were approved as a correct record.

4.2 The Chair of the committee agreed that Councillor Argenzio update the Committee on a recent webinar – ‘CIPFA- Audit in a time of Covid’ that she and the co-opted member Alison Howard recently attended.

4.3 The webinar took place on 24th June 2020 and lasted approximately two hours, it was organized by CIPFA and was very topical and well run. Deadline had shifted for financial deadlines and it was expected that a report would be provided on the impact of Covid 19 in the Annual Governance statement. The session also looked

at the challenges of remote working and how fraud and error checks were going to be dealt with.

- 4.4 It was advised that the Q&A's would be circulated to the Committee around the webinar and this would be provided as a supplement at the next meeting.

5. 2019/20 UNAUDITED STATEMENT OF ACCOUNTS

- 5.1 Dave Phillips, Head of Strategic Finance attended the meeting to present the report.

- 5.2 The purpose of the report was to provide Members of the Committee with a summary of the 2019-20 Unaudited Statement of Accounts and explain the core statements and a number of the key notes to the accounts.

- 5.3 A full set of the unaudited accounts was now available on the Council's website and a full set of the final audited accounts would be presented to the Committee on 26th November 2020.

- 5.4 The report also set out the approval process for the Statement of Accounts and the Audit and Standards Committee's role in this process. It was explained that The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 had implemented new deadlines by amending the Accounts and Audit Regulations 2015.

- 5.5 The revised deadlines applicable to local authorities were as follows-
- No later than 31 August 2020-Unaudited accounts to be certified by the Executive Director of Resources,
 - July-Oct 2020 – The Statement of Accounts was subject to audit by the Authority's auditors, Ernst and Young, and their findings would be reported to the Committee in November 2020. During this time there was a period where the public could inspect the accounts and related documents (Tuesday 1 September 2020 to Monday 12 October 2020)'
 - No later than 30 November 2020 – Accounts to be re-certified by the Executive Director of Resources,
 - No later than 30 November 2020 – The Committee would consider and approve the Statement of Accounts'
 - No later than 30 November 2020 – Publish on the Council's website along with any certificate, opinion or report issued by the auditor.

- 5.6 Dave Phillips, Head of Strategic Finance advised that the Council's position was satisfactory and an underspend had been reported. It was advised that the cost of Covid was currently over £80m, but this impacted mainly from 2020/21 onwards, not 2019/20, but the pressures on the Council going forward were great.

- 5.7 It had been a challenging time pulling the accounts together from home, however the team had managed to get the accounts ready at the beginning of July.

- 5.8 Ruth Matheson, Finance Manager, advised the Committee that the Members would

be given a first look at the accounts to review and ask questions, subject to the external audit by Ernst and Young. Training would be offered to Members and Officers would also provide some assistance.

- 5.9 Members asked questions around the officers' remuneration note and could the rise in pay be explained.
- 5.10 Dave Phillips advised that this was cumulative impact of annual pay rises of up to 2% that had been given in the last few years, and these rises had an effect on the staff pay banding increments. It was confirmed that the increases were not the result of additional senior staff being employed. Councillor Josie Paszek requested that an explanatory note be added to the report to explain this.
- 5.11 Councillor Clement-Jones asked for confirmation whether the pandemic had impacted upon the Council's reserves.
- 5.12 Dave Phillips explained that the Council's reserves were likely to be adversely impacted by the costs of Covid, but that available reserves were sufficient to meet the impact in the short-term. However, in the medium term, if further Central Government support for Covid costs and lost income was not forthcoming, then the Council's financial position would become very challenging.
- 5.13 Councillor Angela Argenzio requested that an explanation be supplied behind the movements of the surpluses and adjustments that were shown at Appendix 5- Expenditure and Funding Analysis Statement. Dave Phillips advised that this would be supplied.
- 5.14 Councillor Mohammed Mahroof commented on the high salaries of the Chief Executive and Executive Directors. It was suggested that the Council benchmarked with other local authorities to see where Sheffield was at in terms of chief officer salaries. Councillor Mahroof asked how many officers from the BAME community were in the top pay brackets and requested that this information be shown in the report. Gillian Duckworth, Director of Legal and Governance explained that information relating to BAME would be found in the Council's performance monitoring reporting which did not currently get reported to the Audit and Standards Committee, however the Committee could be provided with this if necessary.
- 5.15 **RESOLVED:** that, (1) The Audit and Standards Committee notes the core statements and the key notes to the Unaudited Statement of Accounts for 2019/20 and,
(2) independent training be provided to the Committee.

6. REVIEW OF THE MEMBERS CODE OF CONDUCT

- 6.1 Gillian Duckworth, Director of Legal and Governance attended the meeting to present the report.

- 6.2 The purpose of the report was to provide the committee with an amended Code of Conduct and Councillor Complaints Procedure taking into account recommendations from the Audit and Standards Committee on 24th October 2019 arising from the ethical standards workshop held with the Committee Members on the 26th September 2019 which considered the report by the Committee on Standards in Public Life dated January 2019 and to consider whether the committee should provide a response to the LGA consultation on the Code of Conduct.
- 6.3 Gillian Duckworth apologised for the delay with this report which had been postponed due to a heavy agenda in January and also the delays caused by Covid.
- 6.4 The report included the amended Code of Conduct and Complaints Procedure following the ethical standards workshop which considered 15 areas of best practice against the current practice of the Council.
- 6.5 Following the workshop the best practices/current practices were put into a traffic light system so that it was clear where the Council needed to improve.
- 6.6 Taking this into account changes were made to the Code of Conduct as outlined in appendix A the report. Revisions were also made to the complaints procedure in line with the best practice recommendations; this was outlined in appendix B to the report.
- 6.7 The Committee also considered the LGA consultation. The LGA have committed to reviewing the current model member code of conduct, as recommended by the Committee on Standards in Public Life's report into Ethical Standards. It is the intention that the LGA would create additional guidance, working examples and explanatory text alongside the draft model code of conduct and they were asking for comments on the consultation draft.
- 6.8 A link to the LGA consultation pages had been sent to all Members and the Council's Monitoring Officer (Director of Legal and Governance) wished to provide a response to the consultation in consultation with the chair of the Audit and Standards Committee in order to reflect the views of the committee.
- 6.9 Councillor Simon Clement-Jones asked if all Parish Councils had been invited to the workshop and whether they had contributed to the comments.
- 6.10 Gillian Duckworth confirmed that all Parish Councils were invited to attend the workshop. Ecclesfield Parish Council contributed to the comments and get training from the City Council. Stocksbridge and Bradfield Parish Councils use the Association of Parish Councils for their training.
- 6.11 Councillor Angela Argenzio asked how the Council ensures that new Councillors receive the appropriate training.
- 6.12 Gillian Duckworth advised that all Councillors are notified of training, the group whips are also made aware of any training needs. It was also advised that cross-

party training would be useful.

- 6.13 Councillor Mohammed Mahroof commented that members needed support for social media and asked what was available in terms of training.
- 6.14 Gillian Duckworth confirmed that the Council provided social media training and information governance training and if members had any particular needs or requests for training then they should contact Democratic Services.
- 6.15 The Committee were advised that Democratic Services would look to ensure that all mandatory training is offered to members. Members are also encouraged to complete the LGA training modules and also to interact with officers around their individual personal development.
- 6.16 Councillor Sioned-Mair Richards requested that the response submitted to the LGA Consultation should be a cross party response
- 6.17 **RESOLVED:** that (1) the Committee accepts the proposed changes to the Code of Conduct and the Procedure for Dealing with Complaints regarding City, Parish and Town Councillors and Co-Opted Members for approval and forward to full Council for adoption and:-

(2) the Monitoring Officer submits a response to the LGA Consultation, in consultation with the Chair Councillor Sioned-Mair Richards, Deputy Chair Councillor Simon Clement-Jones and Councillor Angela Argenzio to ensure a cross party response.

7. WORK PROGRAMME

- 7.1 Gillian Duckworth, Director of Legal and Governance, presented the report which gave an outline of the Committee's work programme.
- 7.2 It was suggested that the Code of Corporate Governance be added to the work programme for the October 2020 meeting.
- 7.3 It was confirmed that a report on Counter Fraud/Covid – What's being done, will be added to a future meeting.
- 7.4 **RESOLVED:** That; including the changes above, the work programme be approved.

8. DATES OF FUTURE MEETINGS

- 8.1 It was noted that meetings of the Committee would be held at 5.00pm on:-

Thursday 15th October 2020
Thursday 26th November 2020
Thursday 21st January 2021

Thursday 18th February 2021 (additional meeting, if required)
Thursday 18th March 2021 (additional meeting, if required)
Thursday 15th April 2021
Thursday 10th June 2021
Thursday 29th July 2021

9. EXCLUSION OF THE PRESS AND PUBLIC

- 9.1 **RESOLVED:** That the public and press be excluded from the meeting before discussion takes place on the following item of business (Strategic Risk Management) on the grounds that, if the public and press were present during the transaction of such business, there would be a disclosure to them of exempt information as described in paragraph 3 of Schedule 12A to the Local Government Act 1972, as amended.

10. STRATEGIC RISK MANAGEMENT

- 10.1 Helen Molteno, Finance Manager, attended the meeting and presented the report.
- 10.2 The purpose of the report was to provide an update to the Committee on the corporate risk management programme in the Council during the Covid 19 pandemic.
- 10.3 **RESOLVED:** That the current assessment of the Council's risk management arrangements be note.