

MINUTES of the meeting of the **AUDIT & GOVERNANCE COMMITTEE** held at 10.30 am on 29 January 2021, Remote.

These minutes are subject to confirmation by the Committee at its next meeting.

Elected Members:

Mr David Harmer (Chairman)
Mr Keith Witham (Vice-Chairman)
Dr Peter Szanto
Mr Stephen Spence
Mr Stephen Cooksey
Mrs Victoria Young

Members in Attendance

Becky Rush, Cabinet Member for Resources and Corporate Support

1/21 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

There were none.

2/21 MINUTES OF THE PREVIOUS MEETING - 26 NOVEMBER 2020 [Item 2]

The Minutes were approved as an accurate record of the previous meeting.

3/21 DECLARATIONS OF INTEREST [Item 3]

There were none.

4/21 QUESTIONS AND PETITIONS [Item 4]

There were none.

5/21 RECOMMENDATIONS TRACKER [Item 5]

Declarations of interest:

None

Witnesses:

None.

Key points raised during the discussion:

1. The Chairman noted that there were no updates to the Committee's Action Tracker.
2. A Member of the Committee asked whether it would be appropriate for the Committee to receive a briefing from the recently appointed Cabinet Member for Resources and Corporate Support. The Chairman agreed for the suggestion to be considered however noted that the Audit and Governance Committee was not a scrutiny committee.

Action/Further information to note:

A1/21 - To considered whether it would be appropriate for the Audit and Governance Committee to receive a briefing from the recently appointed Cabinet Member for Resources and Corporate Support.

RESOLVED:

The Committee noted the actions tracker.

6/21 TREASURY MANAGEMENT STRATEGY STATEMENT 2021/22 [Item 6]

Declarations of interest:

None

Witnesses:

Mark Hak-Sanders, Strategic Finance Business Partner

Anna D'Alessandro, Director – Corporate Finance

Key points raised during the discussion:

1. Officers introduced the report a provided a brief summary. Members noted the purpose of the Treasury Management Strategy was to set out a prudent strategy for the council's cash balances, to set a strategy against borrowing costs and to provide an external economic context. Members went on to note details of the strategy which are outlined within the report.
2. Members noted that the Resources and Performance Select Committee had also considered the content of the report and asked whether it was appropriate to reconsider and streamline the decision making process. The Committee discussed the potential of holding a joint meeting between both the select committee and Audit and Governance Committee. Officers highlighted that the relevant select committee had the responsibility to scrutinise and the Audit and Governance Committee had delegated approval to consider the Treasury Management Strategy by the County Council. Officers went to confirm that they would consider how the whole process could be more efficient.
3. Members noted that the excess money over the money market fund limit, set by last year's strategy, was temporarily held in a current account. Officers stated that next year it was proposed to hold all excess money within a money market fund. Members went to note that this was due to some alternative areas to hold the money being subject to negative interest rates.
4. Members asked for clarification on whether the council was in a position to take advantage of long-term rates before they increased. Officers stated that potential actions were always being considered with Arlingclose and that the council's strategy did allow for the council to enter into long-term debt at any point during the year.
5. Officers highlighted that, when benchmarking average borrowing costs against other local authorities, the council had done well in terms of interest costs by not locking into long-term interest rates. It was further noted that the council was currently satisfied with its balance between long and short term debt.

Action/Further information to note:

None.

RESOLVED:

The Audit and Governance Committee approved the Treasury Management Strategy Statement (TMSS) for 2021/22 including the Prudential Indicators.

7/21 RISK MANAGEMENT UPDATE [Item 7]

Declarations of interest:

None

Witnesses:

Mary Buxton, EY

Ross Tudor, EY

Anna D'Alessandro, Director – Corporate Finance

Key points raised during the discussion:

1. The representatives introduced the item and provided a presentation based on the slides included in the meeting's agenda. Members noted details related to:
 - a. A risk management project update and next steps
 - b. The strategic risk register
 - c. The risk culture survey
 - d. The role of the Audit and Governance Committee when managing risk
2. The Committee asked for an explanation on where EY felt the biggest risks were located in the council. Officers stated that the biggest risks were strategic risks and therefore cut across multiple services. Further to this, EY stated that they were keen to ensure a framework was in place to allow services across the council to identified and address risks.
3. The Committee discussed the potential risk of a complete cyber-systems failure and whether it was worth considering the threat in the current piece of work. EY stated that they had recognised the general theme of cyber-risk and more work was being done to identify specific risks within it and how they should be prioritised.
4. The Committee asked whether EY had identified a culture of avoiding high risk decisions within services. EY explained that there was an upcoming session to consider the council's risk tolerance and appropriate next steps. EY stated that they were not yet in a position to give their view on the council's risk tolerance.
5. Members noted that in comparison to other organisations the response rate of the survey was good.
6. The Director – Corporate Finance explained that there was ongoing work with the council's Corporate Leadership Team to create a strategic risk register.
7. EY highlighted the risk agenda and key risk management questions outlined at the end of the slideshow.

Actions/ further information to be provided:

None.

Resolved:

The committee considered the contents of the report and confirmed they were satisfied with the progress made so far.

8/21 COUNCIL EXECUTION OF CONTRACTS - PROCUREMENT RULES [Item 8]

Declarations of interest:

None

Witnesses:

Paul Evans, Director – Law and Governance

Key points raised during the discussion:

1. The Director – Law and Governance provided an overview of the report which recommended that the Committee agreed to recommend to Council that paragraph 2.7.a of the Council's procurement rules be amended at column I (contracts over £500k and over £1 million) from "Over £500k: Sealed as a deed via Legal Services" to "Over £500k: executed by authorised signatory in legal services or by seal as determined by Legal Services".
2. A Member of the Committee stated that they fully supported the proposed as the current process seemed outdated. Officers went on to confirm that the process of checking the contract for issues would not be changed.

Actions/ further information to be provided:

None.

Resolved:

The Committee agreed to recommend to Council that paragraph 2.7.a of the Council's procurement rules be amended at column I (contracts over £500k and over £1 million) from "Over £500k: Sealed as a deed via Legal Services" to "Over £500k: executed by authorised signatory in legal services or by seal as determined by Legal Services".

9/21 REPORT OF THE MEMBER CODE OF CONDUCT WORKING GROUP [Item 9]

Declarations of interest:

None

Witnesses:

Paul Evans, Director – Law and Governance

Key points raised during the discussion:

1. The Director – Law and Governance provided an overview of the report and the work of the Member Code of Conduct Working Group.

Actions/ further information to be provided:

None.

Resolved:

1. The Committee approved:
 - (1) The revised Councillor Code of Conduct.
 - (2) The amendments to the Arrangements for Dealing with Allegations of Breaches of the Councillor Code of Conduct.
2. That the revised Councillor Code of Conduct comes into force at the next Council AGM following a Council election.

10/21 DATE OF NEXT MEETING [Item 10]

The date of the meeting was as 23 March 2021.

Meeting ended at: 11.35 am

Chairman