

MINUTES of the meeting of the **AUDIT AND GOVERNANCE COMMITTEE** held at 10.00 am on 12 July 2023 at Surrey County Council, Council Chamber, Woodhatch Place, 11 Cockshot Hill, Reigate, Surrey, RH2 8EF.

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

Elected Members:

(Present = *)

- * Victor Lewanski (Chairman)
- * Richard Tear (Vice-Chairman)
- * Stephen Cooksey
- * Joanne Sexton
- * Ayesha Azad
- * Helyn Clack
- * Terry Price (Independent Member)

Members in Attendance

David Lewis (Cobham) - Cabinet Member for Finance and Resources

35/23 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

There were none.

36/23 MINUTES OF THE PREVIOUS MEETING - 5 JUNE 2023 [Item 2]

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

37/23 DECLARATIONS OF INTEREST [Item 3]

There were none.

38/23 QUESTIONS AND PETITIONS [Item 4]

There were none.

39/23 RECOMMENDATIONS TRACKER AND WORK PLAN [Item 5]

Key points raised in the discussion:

1. No comments were made.

RESOLVED:

1. Monitored progress on the implementation of recommendations from previous meetings (Annex A).
2. Noted the work plan and any changes to it (Annex B).

Actions/further information to be provided:

None.

40/23 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2022-23 [Item 6]**Witnesses:**

Russell Banks - Orbis Chief Internal Auditor

David John - Audit Manager

Anna D'Alessandro - Director of Corporate Finance and Commercial

Key points raised during the discussion:

1. The Orbis Chief Internal Auditor introduced the report and noted that it had three main purposes: firstly, to summarise all the internal audit work delivered over the 2022/23 audit year; secondly, to use that information to provide an overall internal audit annual opinion on the Council's governance, risk management and internal control arrangements, Reasonable Assurance had been provided; thirdly, to provide Members with detail on internal audit performance for the year. Seven audits received Partial Assurance, none received Minimal Assurance; there had been a general improvement on the previous two years. Follow-up audits were conducted and had shown an improvement in control. Details of the amendments made to the audit plan were included and reflected the Council's changing risk profile. He noted the positive independent assessment of the Council's internal audit performance by the Chartered Institute of Internal Auditors. The report set out the scores of Internal Audit Performance Indicators and other work including around the Digital Business and Insights Programme support.
2. A Committee member noted that a substantial amount of resource had been dedicated to the LGPS Pension Administration audit, recognising its historical control weaknesses. She asked what improvement programme had been put in place including risk mitigation. The Audit Manager noted that there were 100 days dedicated within the audit plan for pension administration work and supporting the Pension Turnaround Programme, reviewing systems and addressing emerging risks. Recognising the historical control weaknesses, internal audit worked closely with the new management and restructured service. He noted a recent Substantial Assurance opinion provided to the LGPS Pension performance follow-up audit from Partial Assurance, findings were reported to the Surrey Local Pension Board.
3. Adding to the above point the Director of Corporate Finance and Commercial noted that the Pension Administration Service had been on a substantial improvement journey since June 2020 when it restructured. The transformation system was not simple as Surrey disaggregated from other pension funds. She now received few cases of escalation from the Section 151 Officer. She praised the work of the team and noted that she had regular conversations with the Head of Change Management, an upcoming programme was around embracing digitalisation regarding the Surrey Pension Fund. The Vice-Chairman commended that improvement work and thanked the Director of Corporate Finance and Commercial, and her team for their work.
4. A Committee member asked how Members and the public could access the additional audits that were undertaken in the year. The Orbis Chief Internal Auditor explained that every piece of work that internal audit produced was reported to the Committee in a summarised format including sufficient information. He noted that specific reports could be formally requested.
5. Responding to a Committee Member's query, the Orbis Chief Internal Auditor noted that the definitions of the four audit opinions were included on pages 37-38.

6. The Chairman asked when the follow-up audits would start regarding the audits with Partial Assurance opinions and when those would be reported to the Committee. The Audit Manager clarified that those follow-up audits were scheduled in the current audit plan and would be reported to the Committee in due course. Work had started on Home to School Transport, Children's Management of Complaints Process - quarter 2, Social Value in Procurement - quarter 4 and Tree Management was planned to start soon following a catch up with the service.
7. The Chairman requested a staffing update. The Orbis Chief Internal Auditor noted that recruitment remained a challenge, two new members of staff had recently been recruited and four posts were being advertised. It was difficult to recruit experienced qualified auditors from outside the organisation and therefore there was heavy investment on training up entry level staff. External support was also provided from contractors.

RESOLVED:

1. Noted the work undertaken and the performance of Internal Audit in 2022/23 and the resultant annual opinion of the Chief Internal Auditor;
2. Determined that there were no matters that the Committee wished to consider for inclusion in the Council's Annual Governance Statement; and
3. Considered that the Council's arrangements for internal audit had proved effective during 2022/23.

Actions/further information to be provided:

None.

41/23 COUNTER FRAUD ANNUAL REPORT 2022/23 [Item 7]

Witnesses:

Simon White - Audit Manager – Counter Fraud
Russell Banks - Orbis Chief Internal Auditor

Key points raised during the discussion:

1. The Audit Manager – Counter Fraud introduced the report and noted that the Counter Fraud Partnership Team's work contributed towards the internal audit opinion. There had been 169 investigative days in 2022/23, exceeding the 150 day contingency so some days had been borrowed from Internal Audit's contingency. Regarding the reactive work completed last year, 33 allegations had been received compared to 22 in the previous year. That increase reflected a wider awareness within the authority about reporting counter fraud allegations and financial irregularity. Of those allegations, 25 were raised by Council management, that was broken down by directorate and fraud type enabling the tracking of the fraud landscape. Proactive work was also undertaken and that included fraud awareness around the risks faced by individual teams and the organisation such as the bank mandate fraud. He noted that data was submitted to the Cabinet Office regarding the biennial National Fraud Initiative (NFI) and the most recent matches in January 2023 were being reviewed. The team liaised regionally and nationally with partners to address emerging risks.
2. A Committee member referred to the Hinchley Wood Primary School fraud case, whereby the individual was able to inflate their salary and he asked whether a check was being done across all schools in Surrey to make sure that all the business managers were on the right salary level. The Audit Manager –

- Counter Fraud noted that there were lessons learned from that case, as schools were being audited those would be picked up; he was unaware that a check had been done across all schools and would follow that up.
3. A Committee member asked what the outcome was of the Surrey Fire and Rescue Service (SFRS) Suspension Risk Assessment independent review, she presumed that during the time the individual was awaiting conviction they were innocent until proven guilty. The Orbis Chief Internal Auditor explained that the piece of work reviewed the process within the organisation by which those decisions were taken. Gaps had been identified in the process and recommendations were made for improvement. He noted that the risk assessment uses all the relevant facts in specific instances to make a judgement that protected the organisation, the individual and the public. The Audit Manager – Counter Fraud noted that guidance on the Intranet listed misconduct behaviour that should be taken into consideration regarding a possible suspension.
 4. A Committee member noted that one of the key controls in fighting fraud was having a strong culture in place - staff being vigilant to the threat of fraud - and she asked which measure had been the most effective and how that could be harnessed further. The Audit Manager – Counter Fraud noted that confidential reporting policies such as whistleblowing were effective, an asset was the Council's twenty-four hour manned confidential reporting hotline which was external and independent, conversations could be had to tease out more detail.
 5. The Chairman asked what would happen if the team did not receive the allegations, would the fraud never be identified. The Audit Manager – Counter Fraud noted that irregularities or allegations received were less in the second half of the year, the quieter summer months provided an opportunity to focus on the proactive work such as fraud awareness, meeting with teams to understand their fraud risks and the mitigations to put in place. There was a long wish list of proactive work to be undertaken such as using data more effectively, monitoring telephone and IT usage; that work needed to be balanced with the reactive work.
 6. The Chairman noted that quite a few employees tended to resign before the process concluded, he asked whether the Council could seek redress regarding those employees or once they left, the process could not be taken any further. The Audit Manager – Counter Fraud noted that if it was a criminal matter, then referrals could be made to Surrey Police, referrals could also be made to professional bodies, which had their own disciplinary process. Investigations and follow-up actions were costly, the priority was safeguarding public funds, removing wrong individuals from the organisation quickly and effectively.
 7. The Chairman referred to the NFI and asked whether any Blue Badge fraud cases had been identified. The Audit Manager – Counter Fraud noted there were 6,000 non-creditors, a lot of that would be Blue Badge related and work was underway with the Blue Badge team. There was an opportunity to be more proactive against such fraud once the new central parking enforcement team was embedded.
 8. A Committee member presumed that once the cases via the NFI were collated and reviewed, that the Committee would receive a summary within the annual report of the major areas. The Audit Manager – Counter Fraud noted that there would be an NFI results section in next year's annual report, following the review of the 6,000 non-creditor data matches received in January 2023. The bulk of the cases related to Blue Badge and concessionary travel, within that there would be some employee referrals which would be focused on.

RESOLVED:

That the Committee noted the fraud activity completed during 1 April 2022 to 31 March 2023.

Actions/further information to be provided:

1. A8/23 - The Audit Manager – Counter Fraud will find out whether a check had been undertaken across all schools in Surrey to make sure that all the business managers were on the right salary level.
2. A9/23 - The Audit Manager – Counter Fraud will ensure that next year's Counter Fraud Annual Report includes an NFI results section summarising the major areas identified in the cases.

42/23 UPDATE ON THE SURREY FORUM AND THE FOUR ASSOCIATED STRATEGIC PARTNERSHIP BOARDS [Item 8]**Witnesses:**

Nicola Kilvington - Director – Corporate Strategy and Policy

Key points raised during the discussion:

1. The Director – Corporate Strategy and Policy introduced the update report and noted that her team provided the secretariat function for the Surrey Forum and worked with the other teams who supported the four associated Strategic Partnership Boards. She noted that Health and Wellbeing Board was a long-standing statutory committee which followed specific governance arrangements whilst the Surrey Forum, One Surrey Growth Board, Greener Futures Board, and Thriving Communities Board were non-statutory informal bodies. She explained that one of the overarching purposes of the Forum and boards were that they were an engagement mechanism for the Leader and the Cabinet providing opportunities for the Council to share emerging strategies with partners and vice versa.
2. A Committee member noted that the Forum and boards were a mystery to many Members, he asked whether the agendas, minutes and membership lists could be made available to all Members. The Director – Corporate Strategy and Policy explained that the Health and Wellbeing Board met in public and governance information was available on the Council's website. She noted that the One Surrey Growth Board published information on its website including its membership. She would follow-up the Member's request concerning the Forum and non-statutory boards, liaising with the chairs.
3. The Chairman noted that he could not see what the Forum and non-statutory boards did as there were no terms of reference or action plans. The Director – Corporate Strategy and Policy noted that the Forum and each of the boards were set up differently, the Health and Wellbeing Board had a publicly available delivery plan via the Surrey Health and Well-being Strategy. The other boards did not have funding attached to them, they were set up on behalf of the Leader and the Cabinet and had a convening role discussing shared ambitions and engaging with partners, they were not delivery boards and so did not have action plans.
4. The Vice-Chairman presumed that the value of the Forum and boards was their engagement with others and the dissemination of the Council's message across organisations. The Director – Corporate Strategy and Policy noted that the Forum and boards were well-attended, and partners welcomed hearing the Council's strategies and vice versa. Many of the challenges faced by residents

- required cross organisational working, the Forum and boards strengthened relationships.
5. A Committee member understood that when Forum and non-statutory boards were set up, they were reported to the Council through the Cabinet reports. She noted that Cabinet Member Briefings to Council frequently included updates from the Forum and boards; Cabinet Members could provide further information. The Director – Corporate Strategy and Policy confirmed that Cabinet Member Briefings referenced the Forum and boards, the strategies discussed by the Forum and boards were agreed by the Cabinet and Cabinet reports included an engagement section. She would check whether there had been a report to the Council on the Forum and non-statutory boards collectively.
 6. A Committee member highlighted that the Forum and boards had district and borough council representatives, twin-hatters would have access to further information on the input provided by their district or borough council.

RESOLVED:

1. Recognised the contribution that the Strategic Partnership Boards (SPBs) make to partnership collaboration in pursuit of the Community Vision 2030.
2. Acknowledged the critical role played by the County Council in convening the SPBs, in a spirit of place and system leadership.
3. Acknowledged and supported the work of the SPBs and the achievements of all partners engaging with them.

Actions/further information to be provided:

1. A10/23 - The Director – Corporate Strategy and Policy will liaise with the chairs of the Surrey Forum and the non-statutory boards: One Surrey Growth Board, Greener Futures Board, and Thriving Communities Board, asking whether the agendas, minutes and membership lists could be made available to all Members.
2. A11/23 - The Director – Corporate Strategy and Policy will check whether there had been a report to the Council on the establishment of the Surrey Forum and non-statutory boards collectively.

43/23 DRAFT STATEMENT OF ACCOUNTS 2022/23 [Item 9]

Witnesses:

Barry Stratfull - Chief Accountant
 Nikki O'Connor - Strategic Finance Business Partner
 Paul Evans - Director of Law and Governance

Key points raised during the discussion:

1. The Chief Accountant introduced the report and noted that in line with the Accounts and Audit Regulations 2015 the Council was required to publish its Statement of Accounts and have those audited. Reverting to pre Covid-19 timescales the deadline for draft accounts was 31 May and the deadline for publishing audited accounts was 30 September. The Council's draft Statement of Accounts 2022/23 was published on 20 June, delayed due to audit delays in previous years' accounts and availability of third party information. The Statement of Accounts provided a summary of the Council's financial transactions for the year and the financial position as of 31 March 2023.

2. Responding to a Committee member's query, the Chief Accountant noted that the date of 20 July 2023 in the report was incorrect, the draft Statement of Accounts was published on 20 June 2023.
3. The Chairman requested an update on the Surrey Pension Fund 2022 triennial valuation regarding the 2021/22 Statement of Accounts. The Chief Accountant explained that the impact of the triennial valuation on the Council's pension fund liability was deemed to be material. Officers had reviewed the revised actuary reports and the changes required to the 2021/22 Statement of Accounts had been sent to Grant Thornton, he noted that any changes would not affect the balances at the end of 2022/23 in terms of the pension fund but would affect the opening balances and possibly the in year movements on the pension fund.
4. Adding to the above point, the Strategic Finance Business Partner was hopeful that the 2021/22 Statement of Accounts would be signed off soon, as a result there were likely to be some changes to the 2022/23 draft Statement of Accounts around opening balances and movement between the year. Any changes would be reported to the Committee. Regarding the triennial valuation, there was a proposed way forward, she and the Section 151 Officer responded to the questions asked by Grant Thornton about their view on whether the triennial valuation made a material impact - treated as a post balance sheet event - the accounts had been reissued and queries finalised.
5. A Committee member asked for detail around the work to improve financial resilience regarding the Council's reserve position which had reached a sustainable level. The Strategic Finance Business Partner noted that officers and Members had worked hard on the Council's financial resilience in recent years, particularly since 2018 in response to the Chartered Institute of Public Finance and Accountancy (CIPFA) report. Specifically, in 2018 the Council had very low reserve levels both in comparison to similar authorities and in relation to the size of the Council's budget. Since then, the level of reserves has increased and budgets have been set without reliance on reserves to balance the position. The unearmarked reserve level was now circa 15% of the Council's net revenue budget. The appropriateness of the level of reserves was assessed at least annually in relation to the risk environment as part of the budget setting process.
6. Responding to the Committee member's query, the Chief Accountant confirmed that the Council's gross expenditure of just over £2 billion included the schools grant as well. The Committee member noted that it would be helpful to make that point as the Council did not have direct control over that grant, decisions were taken by the Surrey Schools Forum. The Strategic Finance Business Partner noted that would be reflected in the final version.
7. Responding to a Committee member's query, the Director of Law and Governance confirmed that a six-month update on the Annual Governance Statement was scheduled for November. Referring to the Draft Annual Governance Statement 2022/23 included within the item's annex, the Committee member queried whether the correct year for the 'action to be taken during 2022/23' should be 2023/24 and the Director of Law and Governance confirmed that the correct date was 2023/24. The Strategic Finance Business Partner noted that the version of the draft Annual Governance Statement included within the item's annex was not the final draft version under item 11, she noted that draft Statement of Accounts on the Council's website would be updated to include the final draft Annual Governance Statement.
8. The Chairman noted that in the past the Committee would go through the Narrative Report within the Statement of Accounts, he asked Committee members to feedback any queries on that in due course.

RESOLVED:

Considered the draft 2022/23 statement of accounts.

Actions/further information to be provided:

1. A12/23 - The Chief Accountant will include a note in the final version of the Statement of Accounts 2022/23 explaining that the schools grant is included in the Council's gross expenditure of just over £2 billion.
2. A13/23 - The Chief Accountant will ensure that the draft Statement of Accounts 2022/23 on the Council's website would be updated to include the final draft Annual Governance Statement 2022/23.
3. A14/23 - Committee members will feedback any queries on the Narrative Report within the Statement of Accounts in due course.

44/23 EXTERNAL AUDIT PLAN 2022/23 [Item 10]**Witnesses:**

Barry Stratfull - Chief Accountant
 Ciaran McLaughlin - Grant Thornton
 Nikki O'Connor - Strategic Finance Business Partner

Key points raised during the discussion:

1. The Chief Accountant introduced the report which provided an update on the external audit process underway by Grant Thornton. He highlighted that actions were being taken to ensure improvements and learn from the 2021/22 process, acknowledging the national issues and the Council had tried to build in better quality reviews and working papers, providing training across the organisation to make the audit process smoother for Grant Thornton.
2. The Grant Thornton representative noted that the external audit plan was indicative as the planning work was underway. He noted that it was his seventh year in producing the plan. He noted that the four significant audit risks were: Management over-ride of controls, Valuation of land and buildings, Valuation of investment properties, Valuation of pension fund net liability; the presumed risk of fraud in income recognition was not considered to be a significant risk. Two other risks were identified: Fraud in expenditure recognition and the Accuracy and presentation of the Private Finance Initiative schemes. The Group audit was also reviewed and had a higher materiality than had been applied to the Council, reliance was placed on the work undertaken by the auditors of Halsey Garton. There were no areas of concern regarding the update on progress against prior year audit recommendations. He explained the three types of materiality, regarding trivial matters any trend with minor errors such as around senior officer remuneration or the audit fee would be reported to the Committee.
3. The Grant Thornton representative noted the IT audit strategy. He explained that the planning work to date regarding the Value for Money (VfM) arrangements had not identified any significant weaknesses; a separate report to be provided to the Committee following the completion of the audit. Regarding the Audit logistics and team, there was an additional person in the team to strengthen the work and meet the completion date. He referred to the calculation of the proposed audit fees. He confirmed Grant Thornton's independence from the authority, that had been approved by Public Sector Audit Appointments (PSAA).
4. A Committee member highlighted the misspelling of indicative, the report was titled 'indictive'. He welcomed the audit plan as the Committee had been waiting

since March for it. He asked whether the Committee would receive a final audit plan in due course, he noted he had never seen an indicative audit plan before. The Grant Thornton representative noted that he would only provide the Committee with a revised plan if their audit planning work found anything that changes the current approach. He noted that the audit planning work would conclude within the month, to be followed by sample selection and testing. He confirmed that there was a team in place on site until the completion of the audit scheduled for the end of September. The External Audit Update Report was scheduled for November which would include a separate report on VfM arrangements.

5. Regarding the audit fees the Committee member welcomed the detailed calculation of the proposed fee, however he noted that the fee that the Council was paying for 2021/22 was significantly higher than that. He noted that the original proposed fee last year was around £200,000 so there had been a 50% overspend, he asked who had the responsibility for agreeing that overspend and he asked who the contract was with. The Grant Thornton representative noted that the contract was with PSAA, it had the ultimate approval of any audit fee following agreement by the Council's Section 151 Officer. The Committee member asked whether PSAA had approved the proposed audit fee for 2022/23, the Grant Thornton representative would follow that up and he clarified that the Council was party to that contract as it signed up to being part of the PSAA arrangements. The Strategic Finance Business Partner noted that if the Council was to appeal the fee that would be done through PSAA.
6. The Committee member asked whether Grant Thornton was satisfied that it had the capacity to deliver the audit in accordance with the timescale set out in the audit plan. The Grant Thornton representative confirmed that there was sufficient capacity in his audit team to complete the work on time, providing that they receive the right working papers and do not find any error or issues; the 2021/22 accounts would be signed by then too.
7. The Vice-Chairman sought assurance on the team that would deliver the work. The Grant Thornton representative explained that as well as the four people listed in the report, there were four additional team members working on the audit. There was sufficient resource and work had been scheduled to be completed promptly. He noted the national discussions around potential changes to the level of work required around Property, Plant and Equipment and net pensions liabilities.
8. The Cabinet Member for Finance and Resources referred to the transition from Grant Thornton to Ernst Young. He asked whether any transition arrangements were built into the audit plan going forward or was there a clean stop at the end of Grant Thornton's contractual period. The Grant Thornton representative noted that at the end of the audit there was a handover process built in. He explained that the contract between Grant Thornton and PSAA included provisions for supplying information to the incoming auditor, Ernst Young would receive copies of the latest audit findings report, have access to review Grant Thornton's files to look at the work undertaken and could ask the team questions during their planning process.
9. The Chairman noted the fluidity of the audit plan based on what happened last year.

RESOLVED:

Approved the 2022/23 Audit Plan.

Actions/further information to be provided:

1. A15/23 - The External Audit Update Report scheduled for November will include a separate report on the Value for Money (VfM) arrangements.
2. A16/23 - The Grant Thornton representative will confirm whether PSAA has approved the proposed audit fee for 2022/23.

45/23 2022/23 DRAFT ANNUAL GOVERNANCE STATEMENT [Item 11]**Witnesses:**

Paul Evans - Director of Law and Governance

Key points raised during the discussion:

1. The Director of Law and Governance introduced the report and noted that it formed part of the draft Statement of Accounts 2022/23, it was a culmination of a review of different governance processes and outlined activity that took place over the last year and planned activity. The Internal Audit team undertook a spot test on some of the governance systems and there was input from the Council's statutory officers, including the Chief Executive and the Section 151 Officer.
2. The Director of Law and Governance highlighted key pieces of work undertaken, and the service-specific governance arrangements and how they might impact on overall organisational assurance; for the first time the concerns in relation to Special Educational Needs provision were included. He noted the conclusion from the Orbis Chief Internal Auditor who provided Reasonable Assurance whereby the Council had an 'adequate and effective framework of governance', however there needed to be a continued focus on the communication and training of those governance systems across the organisation. An update was scheduled for November on the progress against the actions regarding the improvement activity.
3. The Chairman noted that the report was thorough covering the areas he expected to see, whilst including a few different areas compared to last year.

RESOLVED:

1. Reviewed the contents of the draft Annual Governance Statement (Appendix A) to satisfy themselves that the governance arrangements were represented correctly; and
2. Commended the draft Annual Governance Statement for publication with the council's Statement of Accounts.

Actions/further information to be provided:

None.

46/23 WHISTLEBLOWING ANNUAL REPORT [Item 12]**Witnesses:**

Bella Smith - Head of Insight, Programmes and Governance
 Simon White - Audit Manager – Counter Fraud
 Paul Evans - Director of Law and Governance

Key points raised during the discussion:

1. The Head of Insight, Programmes and Governance introduced the report and provided assurance that her governance team monitored whistleblowing cases closely following a due process. She noted that the Council was required to have a whistleblowing process, the Council contracted an external provider Navex Global which provided an impartial way for people to report whistleblowing, some other local authorities had internal whistleblowing processes.
2. The Head of Insight, Programmes and Governance highlighted that the Council had low numbers of cases proportionate to the size of the organisation. Fifteen whistleblowing cases had been reported compared to twelve last year, the slight increase was thought to be due to greater awareness of the policy via communications campaigns; communications were a key focus and the policy would be promoted via the induction pack for new employees. The largest Directorate Children, Families and Lifelong Learning (CFLL) had the highest number of cases. The types of allegations were broken down and historically bullying and harassment had been the major issue, however there had been zero cases reported. She noted that SFRS next year would be reported separately from the Chief Executive Office Directorate. Whistleblowing cases in 2018/19 were higher due to the restructure in CFLL, however many of those cases were in fact grievances. She was liaising with counterparts at Hampshire County Council to work out how they tracked their grievances as they reported a low number of cases; an update on the comparison with other councils would be included in next year's report.
3. A Committee member asked whether whistleblowing was generally reported anonymously, as opposed to when reporting a grievance or a complaint. The Head of Insight, Programmes and Governance noted that was correct, that was the reason for having an external provider so people can remain anonymous, updates were provided after 14 days, after 28 days and at the end of the case.
4. The Vice-Chairman asked whether existing employees alongside new employees would be asked to sign the Code of Conduct too; he asked for that to be a recommendation. The Head of Insight, Programmes and Governance noted that was the plan going forward, it was to be reviewed again in the autumn ensuring that it was as succinct as possible. She noted that it would be difficult to do, however some smaller local authorities did that annually.
5. A Committee member referred to the benchmarking exercise with similar sized local authorities and asked whether there were any other reasons for their low number of cases other than underreporting. The Head of Insight, Programmes and Governance noted that the obvious reason in the case of Hampshire County Council would be that there were no cases to whistleblow, taking into consideration its size that was strange. The Audit Manager – Counter Fraud added that of those local authorities, the Council was the only one with an external hotline and that might affect the number of cases reported.
6. The Chairman queried whether whistleblowing activity was reviewed by a group of Members apart from the report to the Committee, the Head of Insight, Programmes and Governance noted that it was not reviewed elsewhere.
7. A Committee member presumed that the whistleblowing and grievance policies applied only to people directly employed by the Council, therefore anyone working indirectly for the Council through a contractor was unable to use those. The Head of Insight, Programmes and Governance explained that the whistleblowing policy applied to Council officers, people contracted to work for the Council through third parties as well as teachers; whilst the grievance

policy was only for Council officers. She noted that individual schools monitored their whistleblowing activity, her team received that information and themes could be picked up from several similar whistleblowing cases across multiple schools.

8. The Director of Law and Governance noted that it was identified that the Council could improve its whistleblowing arrangements by reporting to Members, as was being done so via the annual report to the Committee. He noted that officers met quarterly to review the whistleblowing cases and to provide assurance that it was an effective system in terms of the numbers received, comparing that with others. He noted the strong relationship between the number of whistleblowers and the effectiveness of the Council's communications throughout the year, noting that the rise in cases a few years ago was positive as it reflected the greater awareness of the policy; that continued to be monitored.
9. A Committee member asked how often the Council reaffirmed its whistleblowing policy via communications and what were the communication channels. The Director of Law and Governance noted that there was a quarterly communications programme, and one-off opportunities for reporting such as National Whistleblowing Day were factored into the communications plan.
10. A Committee member noted that as the whistleblowing policy was available to schools and contractors, then the current headcount figures in the table of around 10,000 employees would likely be more than doubled. She asked for those figures to be included, the Head of Insight, Programmes and Governance would do so. She also wondered whether the hotline was available to the borough and district councils. The Head of Insight, Programmes and Governance noted that the hotline was not offered to the borough and district councils.

RESOLVED:

1. Reviewed the contents of the Annual Whistleblowing report to satisfy themselves that the governance arrangements were operating effectively; and
2. Made the following recommendations for improvement:
 - That existing employees alongside new employees would be asked to sign the Code of Conduct too.
 - That the headcount figures regarding the whistleblowing cases be updated to include other employees such as those in schools and contractors.

Actions/further information to be provided:

1. A17/23 - The two recommendations for improvement made by the Committee will be incorporated into next year's Whistleblowing Annual Report.
2. A18/23 - The Head of Insight, Programmes and Governance will ensure that next year's Whistleblowing Annual Report includes the comparison of how other councils track their grievances as well as their whistleblower cases.

47/23 REVIEW OF BEHAVIOUR AND CULTURAL GOVERNANCE - UPDATE ON ACTION PLAN [Item 13]

Witnesses:

Paul Evans - Director of Law and Governance

Key points raised during the discussion:

1. The Director of Law and Governance introduced the report and noted that it was a six-monthly update report on the actions taken as requested by the Committee in January. He noted that at yesterday's Council meeting the delegation to the Committee to monitor and update the Risk Management Strategy was agreed. Regarding the Members and officers relationship he noted that engagement was underway and feedback would be reviewed particularly from Members in terms of how officers could more effectively work in a politically sensitive way.
2. The Director of Law and Governance noted that discussions were underway around the Constitution and Scheme of Delegation and the need to prioritise actions throughout the year, the Council received a report yesterday on the Report of the Constitution Review Group around amendments to Standing Orders which was approved. The report on whistleblowing formed part of the improvement work going forward together with the communications plan. Regarding scrutiny overview and improvement, there was training for select committee members and officers, scheduled to be completed by the end of July alongside the work on forward work programming and stakeholder engagement. The work on reviewing the effectiveness of Member development was also underway.
3. The Chairman noted that the annex highlighted the ongoing progress.

RESOLVED:

Reviewed actions taken by officers in response to the CfGS report and made no recommendations.

Actions/further information to be provided:

None.

48/23 DATE OF NEXT MEETING [Item 14]

The date of the next meeting of the Committee was noted as 13 September 2023.

Meeting ended at: 11.52 am

Chairman

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