

Brighton & Hove City Council

Audit & Standards Committee

4.00pm 25 January 2022

Council Chamber, Hove Town Hall

Minutes

Present: Councillor Yates (Chair) Hugh-Jones (Group Spokesperson), Meadows, Moonan, Peltzer Dunn and Shanks

Part One

31 PROCEDURAL BUSINESS

31a Declarations of substitutes

31.1 There were none.

31b Declarations of interests

31.2 There were none

31c Exclusion of the press and public

31.3 In accordance with Section 100A of the Local Government Act 1972 ("the Act"), the Committee considered whether the public should be excluded from the meeting during consideration of any item of business on the grounds that it is likely in view of the business to be transacted or the nature of the proceedings, that if members of the public were present during it, there would be disclosure to them of confidential information as defined in Section 100A (3) of the Act.

31.4 **RESOLVED** - That the public are excluded from the meeting from items listed on Part 2 of the agenda.

32 MINUTES

32.1 **RESOLVED** – That the minutes of the previous meeting held on 28 September 2021 be approved as the correct record.

33 CHAIR'S COMMUNICATIONS

33.1 There were none.

34 CALL OVER

34.1 The following items on the agenda were reserved for discussion:

- Item 37: Strategic Risk Focus Item
- Item 38: Internal Audit and Counter Fraud Progress Report 2021/22

34.2 The Democratic Services Officer confirmed that the items listed above had been reserved for discussion and that the following reports on the agenda with the recommendations therein had been approved and adopted:

- Item 39: Procurement and Appointment of External Auditors
- Item 40: Annual Review of Standards-related matters including Member Complaints

35 PUBLIC INVOLVEMENT

35.1 There were none.

36 MEMBER INVOLVEMENT

(b) Member Questions

(1) Expenses

36.1 Councillor Meadows read the following question:

“During the past year there have been reports and commentary in the local press concerning the appropriateness of Brighton and Hove City Councillors’ expense claims. This has led to loss of confidence among members of the public in the Council. In order to restore public confidence, will the Chair initiate an Audit of Councillors’ Dependent Carer Allowance expenses claimed, including for the financial years ending 5 April 2020 and 5 April 2021?”

36.2 The Chair provided the following reply:

“Thank you for your question.

Officers have confirmed that appropriate systems and processes are maintained for considering and determining applications for member allowances. These arrangements are as provided for in the Member Allowances Scheme which forms part of the Council’s Constitution.

I have been reassured that the correct process is followed to ensure that all applications for allowances are routinely checked against relevant criteria before any monies are paid out. I have not seen any evidence to demonstrate that correct processes has not been followed in this area.

In the absence of that, no grounds have been established for a review of this area and I’m not minded to agree to the request that the officer resource which is already committed to working on identified risks is diverted away from that.

There will be a report to committee on this when the budget situation is clearer for next year. Simply the raising of concerns in the press without any form of evidence that the scheme hasn’t been followed doesn’t warrant an audit. What we will need to see in order to take anything forward would be evidence that the scheme of Members allowances had not been followed. We can then say that as a result, the Constitution is being ignored and

we can take action either through the Monitoring Officer if it's a question of the Council's Constitution over through Audit if it's a financial matter. So the evidence is the critical thing here and peoples worries and concerns in the case of Internal Audit is a secondary factor to whether any demonstrable or difference has been identified".

36.3 Councillor Meadows put the following supplementary question:

"Is this part of the coalition that the public hear about where Labour support the Greens and cover for the Green Administration?"

36.4 The Chair provided the following reply:

"No. You asked me as Chair of the Committee a question. I've answered it. I saw, as I've said, no evidence. Just going out there and saying bad things about people just because we don't like doesn't make them bad people and doesn't make it wrong and doesn't make it true. Truth requires evidence and it needs to be demonstrated. If you bring forward evidence, I'm completely prepared to consider the alternatives and the alternative routes. I'm ruling nothing out, I'm saying there's no evidence".

(d) Notices of Motion

(1) Council placement of homeless people and rough sleepers

36.5 Councillor Meadows moved the following Notice of Motion:

This Council:

- a) Notes that Housing Committee has reported receiving Government funding totalling £21,272,376 million to address homelessness and rough sleeping (see link 1);
- b) Has placed homeless people and rough sleepers in accommodation without adequate support, including:
 - i. At Kendal Court, significant failings of the Council have been identified in an Independent Report titled 'Returning to Kendal Court', September 2021 (see link 2)
 - ii. At Eastbourne, there have sadly been a number of fatalities in out-of-area placements;
- c) Further notes, that a resident fleeing from unsafe accommodation provided by Brighton & Hove City Council in Eastbourne, pitched a tent at Old Steine Gardens for several weeks to escape the situation;
- d) Calls on Audit & Standards Committee to commission a report to audit all Government funding received to tackle homelessness and rough sleeping through the pandemic.

36.6 Councillor Peltzer Dunn formally seconded the Notice of Motion.

36.7 The Chair put the Motion to the vote that failed.

37 STRATEGIC RISK FOCUS REPORT: SR30, SR25, SR10, SR18 AND SR32

37.1 The Committee considered a report of the Executive Lead Officer, Strategy, Governance & Law that provided detail on the actions taken and future actions to manage each strategic risk.

SR30 Not fulfilling the expectations of residents, businesses, government and the wider community that Brighton & Hove City Council will lead the city well and be stronger in an uncertain environment.

SR25 Insufficient organisational capacity or resources to deliver all services as before and respond to changing needs and changing circumstances.

SR10 Corporate information assets are inadequately controlled and vulnerable to cyber-attack.

37.2 In response to questions from Councillor Shanks, the Chief Executive explained that the expectation from residents to deliver services digitally was becoming incrementally important and that presented both challenge and opportunity with an officer group tasked with ensuring greater join up within service delivery as that developed. The Director Human Resources & Organisational Development responded that recruitment was an area of challenge and a specific officer post had been put in place to assist with recruitment in Adult Social Care & Health. Both the apprenticeship and trainee scheme had been very successful.

37.3 In response to a question from Councillor Moonan, it was explained that the intention of merging three risks into SR13 would widen the focus for each but that could be reviewed. The Director Human Resources & Organisational Development explained that the audit of PDP's had found that a proportion were completed but not logged centrally which was an area to improve communication on. The staff survey had found that 79% of staff had a PDP every six weeks and improvements to this would be sought and monitored.

37.4 In response to question from Councillor Hugh-Jones, the Chief Executive clarified that government was currently working on the legislation relating to the Integrated Care System and intensive discussion were underway between the council and the NHS in carrying out the preparatory work and mapping out the process. The Assistant Director Housing Management responded that the Warmer Homes Strategy was a retrofit programme and the council was putting in additional capital funding. The Greater Brighton Economic Board had also established the Retrofit Task Force and work was ongoing to see how those could act as a catalyst for boosting local employment.

37.5 **Resolved-** That the Audit & Standards Committee:

- 1) Note the SRR detailed within Table 1 of this report.
- 2) Note Appendix 1 the CAMMS Risk report with details of the five SRs and actions taken ('Existing Controls') and actions planned.
- 3) Note Appendix 2 which provides:

- i. a guide on the risk management process;
 - ii. guidance on how Members might want to ask questions of Risk Owners, or officers connected to the strategic risks; and
 - iii. details of opportunities for Members, or officers, to input on Strategic Risks at various points and levels.
- 4) Make recommendations for further action(s) to the relevant council body.

38 INTERNAL AUDIT AND COUNTER FRAUD QUARTER 2 PROGRESS REPORT 2021/22

- 38.1 The Committee considered a report of the Chief Finance Officer that provided an update on all internal audit and counter fraud activity completed during quarter 2 (2021/22), including a summary of all key audit findings. The report also includes an update on the performance of the Internal Audit service during the period.
- 38.2 In response to a question from Councillor Peltzer Dunn, the Audit Manager explained that Internal Audit had been ambitious in some of its recent audits by using data analytics to access the entire organisation and so get a big picture perspective. It appeared that there was a lot of procurement activity across the organisation that wasn't captured centrally nor was it easy to extract this information from the council's financial systems and in turn, this impacted best judgement on an assessment of the value of that spend. The Audit Manager added that actions had been agreed with the Procurement service, but many hundreds of staff undertook procurement matters and there was a wider action to disseminate knowledge and skills as well as having the systems to collate all of this information. Some actions identified were straightforward however, others would require investment in the council's information systems. The phase 2 part of the audit was in the final stages of completion.
- 38.3 Councillor Peltzer Dunn expressed his concern with the findings of the audit and believed a report should be submitted to the next committee responding to the issues. Other committee members similarly expressed concerns and endorsed the request for a report to the next meeting.
- 38.4 **Resolved-** That the Committee note the report and consider any further action required in response to the issues raised.

39 PROCUREMENT AND APPOINTMENT OF EXTERNAL AUDITORS

- 36.1 **Resolved-** That Audit & Standards Committee:
- 1) Notes the requirements relating to the appointment of an External Auditor to the Council for the 2023/24 audit.
 - 2) Notes the letter of invitation from PSAA for the Council to opt-in to the national scheme for auditor appointments (Appendix 1).
 - 3) Recommends that Council formally agree to opt-in to the national scheme and adopt PSAA as the appointing person for the Council for the appointment of auditors for the period 2023/24 to 2027/28.

- 4) Recommends that the Council delegates to the council's Chief Finance Officer the authority to take all steps necessary or incidental to give effect to the decision in para 2.3 above.

40 ANNUAL REVIEW OF STANDARDS-RELATED MATTERS, INCLUDING MEMBER COMPLAINTS

- 36.1 **Resolved-** That the Members of the Committee which has delegated responsibility for oversight of member conduct note the contents of this Report and refer it to full Council for its consideration.

41 ITEMS REFERRED FOR COUNCIL

- 41.1 There were none.

42 ITEMS FOR THE NEXT MEETING

- 42.1 The Chair requested an update on the phase 2 audit work relating to the minimal assurance assigned to procurement matters as well as an additional report from the Chief Finance Officer on actions that had been undertaken, actions due to be taken and any gaps.

- 42.2 The Committee agreed with the request.

The meeting concluded at 5.30pm

Signed

Chair

Dated this

day of