

## Minutes of a meeting of the Governance and Audit Committee held on Tuesday, 24 January 2017 in Committee Room 3 - City Hall, Bradford

Commenced      11.00 am  
Concluded        11.45 am

**Present – Councillors**

CONSERVATIVE	LABOUR	LIBERAL DEMOCRAT
M Pollard	Thornton Swallow Farley	J Sunderland

**Councillor Thornton in the Chair**

**33. DISCLOSURES OF INTEREST**

- (1) Councillor Pollard disclosed an interest in Minute 36 as he was a governor of a school that was part of a multi academy trust.
- (2) In the interest of transparency all those who were Members or beneficiaries of the West Yorkshire Pension Fund disclosed an interest.

**Action: City Solicitor**

**34. MINUTES**

**Recommended –**

**That the minutes of the meeting held on 1 December 2016 be signed as a correct record (previously circulated).**

**35. EXTERNAL AUDIT PROGRESS REPORT 2016/17 - AUDITS OF CITY OF**



## **BRADFORD METROPOLITAN DISTRICT COUNCIL AND WEST YORKSHIRE PENSION FUND**

The report of External Audit (**Document “X”**) updated the Committee on progress with the 2016/17 audits and highlighted key emerging national issues which may be of interest.

Members were informed that the Audit Strategy Memoranda would be reported at a subsequent Committee meeting which would set out the significant risks that had been identified for the audits, for both the opinion on the statement of accounts as well as the value for money conclusion, and the approach to the audits.

As part of the audit, External Audit needed to understand how the Governance and Audit Committee, as those charged with governance, gained assurance over management processes and arrangements:

- to prevent and detect fraud; and
- to comply with applicable law and regulations.

The report asked questions about the above arrangements and requested the Committee to provide a response by the end of March 2017.

It was reported that some matters of governance interest were also highlighted in the report which included CIPFA’s new guidance on understanding Local Authority Financial Statements. Members were informed that the revised publication updated previous CIPFA guidance designed to make the complex financial statements required for local authorities more understandable.

### **Resolved-**

- (1) That the External Audit Progress Report was considered.**
- (2) That a response be provided to External Audit by the end of March 2017 to questions about the arrangements to prevent and detect fraud and to comply with applicable law and regulations.**

**Action: Strategic Director, Corporate Services**

## **36. ANNUAL GOVERNANCE STATEMENT 2015/16**

The Strategic Director, Corporate Services submitted **Document “Y”** which reviewed progress on the significant governance concerns reported in the Council’s Annual Governance Statement 2015-16, concluding that positive progress was being made.

It was reported that the CIPFA/Solace framework “Delivering good governance in



Local Government” had been revised and would need to be considered by this Committee at some point in the near future.

Members commented on the following issues:

- The governance challenge relating to Improving Educational Attainment did not mention the progress on academy trusts.
- Some of the progress in the appendix was not up to date.
- In relation to Safeguarding of vulnerable children; how was the increase in referrals of vulnerable children being dealt with?
- The report needed to mention the Councils relationship with the West Yorkshire Combined Authority.
- There were no details of the structure for overseeing alternative service delivery models such as outsourced services, joint ventures, partnerships etc.
- Needed to look at Contract Procedures Compliance and whether contracts were being reported to Overview and Scrutiny Committee’s.
- The report needed to be more challenging on the issues faced by the Council.

In response to the comments made by Members it was stated that they would be taken on board for future reports.

#### **Resolved-**

- (1) That the information contained in the report and the progress made in addressing the significant governance challenges was reviewed.**
- (2) That the further actions planned be endorsed.**
- (3) That a further report be presented to the Committee on Contract Procedures Compliance including reporting to Overview and Scrutiny Committees.**
- (4) That the Council’s overseeing of alternative service delivery models (outsourced services, joint ventures, partnerships etc) be reviewed and included in the Governance Statement to ensure the services were running well and were value for money.**

**Action: Strategic Director, Corporate Services**



### **37. APPOINTMENT PROCESS FOR THE COUNCIL'S EXTERNAL AUDITORS FOR 2018/19**

The Strategic Director, Corporate Services submitted **Document "Z"** which explained to the Committee the options available for the appointment of the Council's external auditor from the 1<sup>st</sup> April 2018. There were three options that the Council could adopt. Whilst this was a decision for Council, the Committee had a key role in respect of managing the relationship with the Council's external auditors. The report presented the Committee with the advantages and disadvantages of each option and the opportunity to make a recommendation to Council of the Committee's preferred option.

It was reported that if Members were minded to pursue Option 3 (opt-in to a sector led body) the PSAA (Public Sector Audit Appointments Limited) would require formal acceptance by 9 March 2017.

There was a discussion on the benefits of having a regional auditor for West Yorkshire.

#### **Resolved –**

- (1) That the Committee recommends Option 3 (detailed in Document "Z") as its favoured option to the February meeting of Council, for their consideration as to the appointment process for the Council's external audit from 2018/19.**
- (2) That the PSAA (Public Sector Audit Appointments Limited) be requested to see if they could arrange a regional appointment if possible through their procurement and for the Strategic Director Corporate Services to consult with colleagues, across West Yorkshire, to ascertain if they were in favour of such an arrangement.**

**Action: Strategic Director, Corporate Services**

Chair

**Note: These minutes are subject to approval as a correct record at the next meeting of the Governance and Audit Committee.**

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER

