

Minutes of a meeting of the Governance and Audit Committee held on Thursday, 25 November 2021 in Ernest Saville Room - City Hall, Bradford

Commenced 10.40 am
Concluded 12.00 pm

Present – Councillors

LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT
Tait Thornton Godwin	Pollard	Reid

Councillor Tait in the Chair

26. DISCLOSURES OF INTEREST

In the interests of transparency all those who were Members of the West Yorkshire Pension Fund disclosed an interest.

Action: City Solicitor

27. MINUTES

Resolved –

That the minutes of the meeting held on 23 September 2021 be signed as a correct record.

28. INSPECTION OF REPORTS AND BACKGROUND PAPERS

There were no appeals submitted by the public to review decisions to restrict documents.

29. MINUTES OF WEST YORKSHIRE PENSION FUND BOARD HELD ON 22

JUNE 2021 & 14 SEPTEMBER 2021

The role of the Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 is to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme.

The Director of West Yorkshire Pension Fund submitted **Document “O”** which reported on the minutes of the WYPF Pension Board meetings held on 22 June and 14 September 2021.

A Member sought clarification on the quorum and attendance of Members on the WYPF Local Pension Board.

Resolved-

That the minutes of the West Yorkshire Pension Fund Pension Board meetings held on 22 June and 14 September 2021 were considered and noted.

30. UPDATE ON COMPLAINTS PERFORMANCE AND ACTIVITY

The Director of Finance and IT submitted **Document “P”** which presented an update on the Council wide complaint handling performance and activity outcomes, for Quarter 1 and Quarter 2 of the current financial year, to assure the Committee that the Council's complaint handling arrangements were improving and that progress was being made on implementing identified key improvement actions.

In response to Members questions it was reported:

- that the Council was contracted to a bespoke Complaint handling system until Summer 2022; the Council was running two complaints systems RESPOND and CIVICA – RESPOND for statutory complaints and CIVICA for corporate complaints. This was being reviewed to consider factors such as functionality of systems and if data could be transferred.
 - 3 permanent staff had been appointed to improve resources to support and drive improved Council wide complaint handling performance; Current agency staff would be finishing on 31 December 2021.
 - Changes to the operating model for handling complaints needed to be rolled out in all areas.
 - If a complaint was able to be resolved early ie in 48 hours it was classed as a pre-complaint, otherwise it would be classed as a formal stage 1 complaint.
 - All complaints can escalate (if there is a next stage) or go to the Ombudsman.
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- Services had different complaints processes for example, Adult Social

Care and Public Health Complaints had 1 Stage – there was no stage 2; Corporate, Place and Children’s Services had 2 stages of complaint, and Children’s Services also had a stage 3.

A Member suggested a satisfaction survey after the event, which could involve some sort of elected Member oversight.

Resolved -

- (1) That the performance improvements detailed within Document “P” be noted and that the ongoing improvement actions be supported.**
- (2) That the 2021/22 full annual performance report is submitted to the Committee in Spring / Summer 2022.**

Action: Director of Finance and IT

31. INTERNAL AUDIT PLAN 2021/22 - MONITORING REPORT AS AT 30 SEPTEMBER 2021

The Director of Finance and IT submitted **Document “Q”** which monitored the progress made by Internal Audit against the Internal Audit Plan for 2021/22 as at 30 September 2021.

It was reported that at the current time, Internal Audit had no evidence to indicate that the Council’s internal control framework, risk management and governance processes were not effective.

Clarification was sought on the audit opinion relating to direct payments and it was reported that there had been system and process changes since the direct payments audit concluded in June 2021.

Resolved -

- (1) That the anticipated coverage and changes of Internal Audit work during the year be endorsed.**
- (2) That Internal Audit be requested to monitor the control environment, risk management and governance arrangements and continues to assess areas of control weakness and the ability of management to deliver improvements to the control environment when required.**

Action: Director of Finance and IT

32. TREASURY MANAGEMENT MID-YEAR REVIEW UP TO 30 SEPTEMBER 2021

The Director of Finance and IT submitted **Document “R”** which reported on the Council’s Treasury Mid-Year Review up to 30 September 2021.

The mid-year report had been prepared in compliance with CIPFA’s Code of Practice on Treasury Management, and covered the following:

- An economic update for the first half of the 2021/22 financial year.
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy.
- The Council’s capital expenditure, as set out in the Capital Strategy, and prudential indicators.
- A review of the Council’s investment portfolio for 2021/22.
- A review of the Council’s borrowing strategy for 2021/22.
- A review of any debt rescheduling undertaken during 2021/22.
- A review of compliance with Treasury and Prudential Limits for 2021/22.

It was reported that a new potential source of borrowing was now available for Local Authorities the UK Infrastructure Bank. The Bank was able to lend to Councils for infrastructure and climate change schemes with a value of over £5million at a rate of gilts plus 60bp.

With this in mind it was recommended that the Council add the UK Infrastructure Bank to its list of approved sources of borrowing.

In response to Members questions it was reported that Covid had had an impact on some capital projects being delayed; the need and the right time to borrow was constantly examined; the Authority had 5 LOBO (Lender Option Borrower Option) loans.

Resolved -

That the details in paragraph 3 of Document “R” be noted (UK Infrastructure Bank) and the report be referred to the 14 December 2021 Council meeting for adoption.

Action: Director of Finance and IT/Governance, Scrutiny and Members Support Manager

33. AUDIT COMPLETION REPORT 2020/21 - AUDIT OF CITY OF BRADFORD METROPOLITAN DISTRICT COUNCIL

The External Auditor presented **Document “S”** which summarised the findings from the audit of the City of Bradford Metropolitan District Council for the year ended 31 March 2021.

The External Auditor reported that subject to the satisfactory completion of the

outstanding work, and based on the areas of completed work to date, the Auditors anticipated issuing an unqualified opinion on the Council's Statement of Accounts.

Members were informed that the WYPF Audit Completion Report was largely complete. It would be signed off when the Bradford Audit Completion report was signed off and some remaining issues addressed. Any amendments and disclosures would be included in an Audit Letter due to be issued on the 30 November 2021, when the Accounts were due to be signed off.

It was reported that subject to the satisfactory conclusion of the remaining audit work the Auditors:

- Anticipated issuing an unqualified opinion, without modification, on the financial statements.
- Anticipated having no significant weaknesses in arrangements to report in relation to the arrangements that the Council had in place to secure economy, efficiency and effectiveness in its use of resources.
- The Auditors had not yet received instructions from the National Audit Office in respect of the work on the Council's Whole Government Accounts submission – work was unable to commence in this area until such instructions had been received.
- The 2014 Act requires an elector, or any representative of the elector, to be given the opportunity to question the Auditors about the accounting records of the Council and to consider any objections made to the accounts – no objections or questions from local electors had been received.

It was reported that all outstanding matters in Section 2 of the report had now been completed apart from the IT General Controls; work on significant findings was also complete.

Clarification was sought on the impact of Covid relating to the valuation of land and buildings. It was reported that the main impact had occurred in 2020, with less volatility in 2021.

Resolved-

That the Committee:

- **noted the contents of the Audit Completion Report prior to approving the Statement of Accounts and**
- **approved the letter of representations requested at Appendix A.**

34. STATEMENT OF ACCOUNTS 2020/21

The 2020-21 Statement of Accounts (SOA) had been externally audited and were now presented to the Committee for approval. The External Auditor (Mazars) had reported their findings in a separate Audit Completion Report.

Members considered that report before considering the SOA.

The Director of Finance and IT submitted **Document “T”** which presented the 2020-21 audited Statement of Accounts (Appendix A) and summarised the key financial points.

Members sought further clarification in relation to the Council and Business Rates collected by the Council, the shortfall, and the compensation arrangements in place.

Resolved-

That the 2020-21 Statement of Accounts be approved and signed by the Chair of the Committee.

Action: Director of Finance and IT

35. MINUTES OF WEST YORKSHIRE PENSION FUND JOINT ADVISORY GROUP HELD ON 29 JULY 2021

The Council’s Financial Regulations required the minutes of meetings of the WYPF be submitted to this Committee.

In accordance with this requirement, the Director of West Yorkshire Pension Fund submitted **“Document “U”** which reported on the minutes of the meeting of the WYPF Joint Advisory Group held on 29 July 2021.

Resolved –

That the minutes of the West Yorkshire Pension Fund Joint Advisory Group held on 29 July 2021 were considered.

36. EXCLUSION OF THE PUBLIC

Resolved –

That the public be excluded from the meeting during the consideration of the items relating to minutes of the West Yorkshire Pension Fund Investment Advisory Panel meeting held on 29 July 2021 because the information to be considered was exempt information within paragraph 3 (Financial or Business Affairs) of Schedule 12A of the Local Government Act 1972. It was also considered that it was in the public interest to exclude public access to this item.

37. MINUTES OF WEST YORKSHIRE PENSION FUND INVESTMENT ADVISORY PANEL HELD ON 29 JULY 2021

The Council's Financial Regulations required the minutes of meetings of the WYPF to be submitted to this Committee.

In accordance with this requirement, the Director of West Yorkshire Pension Fund submitted **Not for Publication Document "V"** which reported on the minutes of the meeting of the WYPF Investment Advisory Panel held on 29 July 2021.

Resolved –

That the minutes of the West Yorkshire Pension Fund Investment Advisory Panel held on 29 July 2021 were considered.

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