

Minutes of a meeting of the Governance and Audit Committee held on Thursday, 20 July 2023 at 10.30 am in Committee Room 1 - City Hall, Bradford

Commenced 10.30 am
Concluded 11.55 am

Present – Councillors

LABOUR	CONSERVATIVE	GREEN
Tait Thornton Godwin	Felstead	Hickson

Councillor Tait in the Chair

76. DISCLOSURES OF INTEREST

No disclosures of interest in matters under consideration were received.

77. INSPECTION OF REPORTS AND BACKGROUND PAPERS

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

78. MINUTES

The minutes of the meeting held on 15 June 2023 were approved subject to the amendments made to the resolution in item 70 Statement of Accounts.

Resolved –

That the resolution relating to item 70 Statement of Accounts be rescinded and amended to:

- That the 2021-22 Statement of Accounts be approved, and the Committee gives delegated authority for subsequent signing off the accounts to the Chair of the Committee and the Section 151 officer, accompanied with a follow up audit letter with remaining matters;
- That the adoption of Capital Receipts of £3m benefit to the reserves which was agreed by Department for Levelling up, Housing and Communities (DHLUC) be noted and that this adjustment to the

- accounts be approved;
- That the application of the amended MRP policy adopted by the Full Council in February 2023 be applied to the 2021-22 accounts and prior years which would benefit reserve levels and that this adjustment be approved and audited.

ACTION: Director of Finance and IT

79. CORPORATE INVESTIGATIONS UNIT PERFORMANCE AND ACTIVITY REPORT FOR THE FINANCIAL YEAR 2022/23

The Director of Finance and IT submitted a report “**Document H**” which presented the Council’s Corporate Investigation Unit (CIU) latest performance information to provide assurance that the Council’s counter fraud arrangements were affective.

The Council has a duty to protect the public purse and is committed to a zero-tolerance approach to fraud, theft, corruption (including bribery), or any other financial irregularity committed against the organisation. A Cabinet Office report released in January 2023 confirmed that Fraud is estimated to account for 40% of all crime committed across the UK and is a long-standing threat to public services. The Council recognises that each pound lost to fraud represents a loss to the public purse and reduced the Council’s ability to provide services to people who need them.

According to the recent Government Report, released in May 2023, titled ‘Fraud Strategy – Stopping Scams and Protecting the Public’, Fraud was by far the most common crime and additionally, as it was known to be funding other serious crimes, it posed a significant threat to people, prosperity, and the security of the UK.

Members sought further clarification on the contents of the report which included the time taken to recover financial losses.

In response to a members question it was reported that the majority of increase in prosecution was related to the misuse blue badge scheme.

Members were keen to understand the referrals that led to investigations. In response, the officer referred to the charts on page 12/13 of the report which provided details of referrals received in the past 4 years, referral source and allegation type. Further details were provided around investigations on page 14/15 of the report where charts gave details on the number of investigations carried out by CIU in the past 4 years.

Members sought further clarification on the process of prosecution. In response to this, the officer reported that the Council would normally only consider instituting criminal proceedings when the loss or potential loss to the Council exceeded £5000 and both the Evidential Test and Public Interest tests were satisfied. The Council would only institute criminal proceedings for the offence of wrongful use of a Disabled Persons Badge where the offence had not been admitted at an

interview under caution or the mitigation offered had not been accepted by the Council.

Resolved –

That the activity and performance carried out by the Corporate Investigations Unit as detailed in report Document “H” be noted.

ACTION: Director of Finance and IT

(Harry Singh/Tracey Banfield - 07582 101209 / 07582 102740)

80. INTERNAL AUDIT ANNUAL REPORT 2022/23

The Director of Finance and IT submitted a report **Document “I”** which reviewed the service Internal Audit had provided to the Council during the financial year 2022/23.

In particular Members are advised of the following: -

- Internal Audit completed 69% of the 2022/23 audit plan which was below the target of 90%. This was due to Internal Audit capacity being less than planned due to delayed recruitment and staff sickness, changes in service management and services prioritising support to be given to Bradford Children and Families Trust
- Internal Audit’s Client satisfaction identified that 100% of the respondents said that the “recommendations were useful and realistic” and believed that the audit was “of benefit to management.”
- 100% of all high priority recommendations made from the work undertaken were accepted by management.

Members sought further clarification in relation to Fundamental Systems at paragraph 2.3 of the report.

In response to the above the Head of internal Audit reported Fundamental financial systems are those that are material to the Council and have a significant impact on the Council's internal control systems and the Council's accounts. The officer added that the review of these systems provided assurance relating to the main systems operating within the Council and remained a significant part of the audit plan. It was important that agreed Audit Recommendations were implemented to ensure the control environment of the Council was resilient. Internal Audit would undertake an exercise in the summer of 2023 to assess the level of implementation across the Council and report back to the Governance and Audit Committee in the half year monitoring report in November.

A member of the committee was keen to understand if the Governance and Audit

Committee would receive any reports from the Children's Trust and if it would have the correct governance and audit procedures. The member of the committee also suggested inviting the Trust to the committee to provide updates.

In response to this, the officer reported that the Children's Trust would have its own audit committee.

Resolved –

That the work carried out by Internal Audit during 2022/23 as detailed in “Document “I” be recognised and supported.

(Mark St Romaine – 01274 432888)

81. INTERNAL AUDIT CHARTER

The Director of Finance and IT submitted a report **Document “J”** which provided an update on the Internal Audit Charter for approval by the Governance and Audit Committee.

In June 2023 the Internal Audit Service underwent an external assessment by CIPFA to test its compliance with the Public Sector Internal Audit Standards. A number of recommendations were made that related to the Internal Audit Charter which was last updated in January 2019. This report updated the Internal Audit Charter with these recommendations for approval by the Governance and Audit Committee.

The External assessment recommended the following: -

- It was good practice to present the full charter to the Governance and Audit Committee on an annual basis.
- The Internal Audit Charter does not define the term Senior Management.
- The Internal Audit Charter should outline the differences between assurance and consultancy services.

These changes had been incorporated into an amended Internal Audit Charter Appendix 1, specifically paragraphs (1.6.2, 5.2.1 and 10.1.1) of the report.

Members of the Committee commended the extensive report which provided a useful overview of the of the Internal Audit Charter.

Resolved –

That the revised Internal Audit Charter as detailed in “Document “J” be approved.

(Mark St Romaine – 01274 432888)

82. EXCLUSION OF THE PUBLIC

83. MINUTES OF WEST YORKSHIRE PENSION FUND (WYPF) INVESTMENT ADVISORY PANEL HELD ON 27 APRIL 2023

The Council's Financial Regulations requires 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 **Not for Publication Document "K"** which reported on the minutes of the meeting of the WYPF Investment Advisory Panel held on 27 April 2023.

Resolved -

That the minutes of the West Yorkshire Pension Fund Investment Advisory Panel held on 27 April 2023 were considered and noted.

(Euan Miller - 01274 434517)

Chair

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

THIS AGENDA AND ACCOMPANYING DOCUMENTS HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER