

**GOVERNANCE, AUDIT AND PERFORMANCE COMMITTEE held at ZOOM
on THURSDAY, 22 OCTOBER 2020 at 7.00 pm**

Present: Councillor E Oliver (Chair)
Councillors G Bagnall, G Driscoll (Vice-Chair), M Foley,
V Isham, R Jones, A Khan, S Luck and J De Vries

Officers in attendance: R Auty (Assistant Director - Corporate Services), C Edwards (Democratic Services Officer), C Gibson (Democratic Services Officer), P Hardy (Electoral Services Manager), R Millership (Assistant Director - Housing, Health and Communities) and A Webb (Director - Finance and Corporate Services).

GAP14 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from the Chief Executive who was on leave.

Councillor Luck declared a non-pecuniary interest in Agenda Item 7 as Ward Councillor for Debden and Wimbish.

GAP15 MINUTES OF THE PREVIOUS MEETING

With reference to Minute GAP11, Paragraph 4, the Director – Finance and Corporate Services said that BDO, the External Auditor, had provided a clarification in respect of the question asked by Councillor Bagnall about who audited the internal auditor. BDO had stated that “BDO do not audit the internal auditors. They may occasionally seek to place reliance on certain areas, but they don’t rely on systems work and do not audit Internal Audit arrangements or compliance with Internal Audit standards. BDO certainly provide no mandated feedback nor is there any reference in any of their opinions. Internal Audit should be subject to periodic external (peer) review of their compliance with Internal Audit Standards, but external audit would not do that.”

The minutes of the meeting held on 10 September 2020 were approved and would be signed by the Chair as a correct record at the next opportunity.

GAP16 INTERNAL AUDIT FUTURE SERVICE PROVISION

The Director – Finance and Corporate Services gave a summary of the report, which detailed a proposed way forward following the retirement of the Audit Manager on 6 November 2020. He said that the preferred option was to enter into a partnership with another council and that three expressions of interest had been received in writing with three different models offered. The Council was looking initially at an interim arrangement until the end of the financial year that would then evolve into a formal partnership from 1 April 2020. He said that a decision would be taken by the end of October 2020.

In response to questions raised about remaining staff and the budget, the Director – Finance and Corporate Services indicated that this was not a money exercise and that the levels of qualified staff being offered by potential partners was most relevant and that the audit coverage should be adequate to fulfil the Internal Audit Annual Plan.

The Chair noted the report.

GAP17 EU EXIT

The Assistant Director – Corporate Services gave a summary of the report, which detailed the potential issues and risks facing the Council with regard to the end of the EU Exit transition period. The Assistant Director – Housing, Health and Communities outlined her responsibilities as the Council's lead officer for EU Exit. She said that she chaired an internal officer group and they had been looking at amongst other items detailed, issues relating to data management, procurement, potential fuel and labour shortages as well as working with local businesses.

The Chair asked if there were enough staff working in this area.

The Assistant Director – Housing, Health and Communities said that there was sufficient staff currently but that a bid for further funding had been submitted to the Government to support the Council's Border Control Point responsibilities.

Councillor Bagnall asked what level of checks were currently undertaken on any food consignments and also raised the issue of the current lack of detail in respect of risk impact assessments in that a table of risks should be in place..

The Assistant Director – Housing, Health and Communities said that all documentation was checked and a 10% physical check was made at the Border Control Point. She acknowledged the need to firm up on risks and said this would be taken to the next officer group meeting.

In response to a question from Councillor Luck, the Assistant Director referred to there being a national shortage of Environmental Health Officers (EHOs). She said that the Council was short of qualified staff, that the current EHO training programme was a long process and that this was an area that the Government was reviewing.

The Chair thanked the Assistant Director – Housing, Health and Communities.

GAP18 LOCAL GOVERNMENT OMBUDSMAN REPORT 2019/20

The Assistant Director – Corporate Services gave a summary of the report, which included the annual review letter from the Local Government Ombudsman that summarised the complaints relating to the Council's services dealt with by the Ombudsman's office for the year ended 31 March 2020. The report also

detailed the complaints and compliments received by the Council in the same period.

He said that in last year's report relating to 2018/19 two cases had been highlighted that appeared in the Ombudsman Annual Review 2019/20 letter where the Council had been found at fault. Both cases related to the Planning Service and had resulted in the Council paying out £7,034 in compensation. A further four complaints had been received during 2019/20 and all had been closed after initial enquiries.

The Assistant Director – Corporate Services also referred to Appendix B of the report that showed the number of complaints received by the Council during the 2019/20 period. He said that 16 of 106 complaints had been upheld and that this information had been reviewed quarterly by the Council's Corporate Management Team, in order to share any lessons learnt.

Councillor Bagnall referred to Appendix B of the report and asked whether there was a particular pattern of complaints in Planning.

The Assistant Director – Corporate Services said that people were frequently unhappy with planning decisions and referred to the numbers of cases upheld. In response to a follow-up question from Councillor Bagnall, he said that Members would be provided with more details on complainants' cases in future where these complaints were upheld after internal investigation.

Councillor Jones commented that although the 100% implementation of recommendations from the Ombudsman indicated that the Council had done well, there was still a preference not to have to reach that point in the process in the first place.

The Chair noted the contents of the Ombudsman's annual review letter and the position with regards to complaints and compliments for the year ended 31 March 2020.

GAP19 DISTRICT-WIDE COMMUNITY GOVERNANCE REVIEW OF PARISH COUNCILS

The Electoral Services Manager gave a summary of the report, which looked to progress a Community Governance Review of parish boundaries and electoral arrangements. The report proposed a timetable and terms of reference. A full review was proposed after the May 2021 elections and would be concluded for any parish boundary changes to be reflected in the revised register of electors which had to be published on 1 December 2021.

The Electoral Services Manager responded to a question from Councillor Bagnall about what could be done prior to the initial commencement stage of the timetable being 1 June 2021 by stating that information would be sent to Parish Councils ahead of Christmas 2020 and that Parishes had already shown an interest.

He also responded to a question from Councillor Foley about the possible changing nature of how people voted, particularly with the likelihood of more postal voting, by stating that planning arrangements were already in place for the elections due on 6 May 2021 and that the opportunities for postal voting would be well publicised. He said that in light of the pandemic there might be alterations made to the emergency proxy voting processes.

The Chair thanked the Electoral Services Manager for his report. He asked whether there was any dissent to the recommendation for approval. There was unanimous approval.

The Committee approved the terms of reference and timetable of a district-wide community governance review of parishes, as set out in Appendix A. This to include the scheduling of an extraordinary meeting of the committee (if necessary) to enable the review to be concluded before publication of the revised register of electors on 1 December 2021.

GAP20 ARMED FORCES COVENANT TRUST GRANT IN RESPECT OF DEBDEN VILLAGE HALL

The Director – Finance and Corporate Services gave a summary of the report that had been prepared by the Chief Executive following Members' requests at the previous meeting. The report related to a grant received by the Council from the Armed Forces Covenant Trust (AFCT) for Debden Village Hall Trust (DVHT) to build a new hall. He outlined the history of the grant that had initially been dealt with by the previous Chief Executive. He said that it was clearly inappropriate for the Council to have paid the grant over in full to the DVHT in 2015. He then took questions.

Councillor Khan expressed concerns about the delay in the sign-off of the annual accounts.

The Director – Finance and Corporate Services said that this matter had no relevance to the accounts sign-off as it was a contingent liability.

Councillor Khan said that money had been sent out and that due process had not been followed. He said there should be an extraordinary meeting arranged to discuss this item. He asked specific questions as to when the current Chief Executive became aware of this situation and when the Director – Finance and Corporate Services was informed.

The Director – Finance and Corporate Services said that he could not answer precisely when the current Chief Executive had become aware of this but referred to Paragraphs 10 and 11 of the report in that he presumed that the current Chief Executive would have been aware of this situation in 2017. He said that in February 2020 he was informed that the project had reached a point where the AFCT were likely to request repayment of the grant monies due to lack of progress and he ensured that contingent liability provision was made, as would be reported in the statement of accounts. He said that the requirement at

the time was for the grant less reasonable expenses to be repaid. The contingent liability sum referred to the whole grant.

In response to a further question from Councillor Khan in respect of audit trail timelines, the Director – Finance and Corporate Services said that he believed that the AFCT had requested repayment of the grant but that extensions had subsequently been granted with the latest extension being made in June 2020.

Councillor Khan expressed his concerns that due process had clearly not been followed and requested that the Chief Executive be asked to appear before the Committee to provide an explanation.

The Chair said that the next meeting of the Committee was scheduled for 30 November 2020 when the Chief Executive would be in attendance for the accounts sign off and whether the Committee would want the matter deferred until then.

Councillor Khan referred to the fact that the auditors had refused to sign off the accounts, not because of this issue, but because of an investigation. He asked whether this investigation was internal or being carried out by an external authority.

The Director – Finance and Corporate Services said that he had replied to an email from Councillor Khan on this matter and that he could not go into any further detail.

At this point he read out the following statement:

“As you will be aware from the email I sent earlier this month, we are unable to present and sign off the annual accounts tonight.

I can confirm that to the best of my knowledge the financial audit of the accounts is complete and no material issues have arisen.

Our auditors BDO have received information that they say is relevant to their consideration of the Annual Governance Statement and arrangements for use of resources. Until this matter is resolved, BDO is unable to issue their opinion on the Accounts, as the opinion includes the Annual Governance Statement.

The deadline for sign-off is 30 November and we are still working towards meeting that date.

Unfortunately I am not able to give you any more information nor answer any questions relating to this matter.”

Councillor Khan said that he was not asking for details but whether the investigation was being carried out internally by the Council or by an external authority and whether the auditor had sought professional advice on this subject.

The Director – Finance and Corporate Services said that he was unable to say anything further in response to the first question and he confirmed that the

Auditor had taken advice from appropriate lawyers and the National Audit Office, who had confirmed the position currently being taken.

A proposal was made to bring this item to the meeting on 30 November 2020 but a point of order was accepted to take further questions first.

The Director – Finance and Corporate Services responded to various questions raised by Councillors Bagnall and Jones. He said that the Council were to originally administer the grant but the whole amount had been handed over and that some monies had already been spent. He said that the decision to recall the grant rested with the AFCT and that any reasonable expenses would be deducted. He re-affirmed that the reason for the contingent liability item appearing in the accounts was because the AFCT had signalled their intention to recall the grant monies in February 2020. He said that regular reports had been received from Debden Parish Council and the latest report had been submitted to the AFCT. He had met with the Chief Executive of the AFCT the previous day and the AFCT was considering their response to the latest update from the Parish Council.

The Director – Finance and Corporate Services said that the most recent extension had been given to 30 September 2020 and the wording from the AFCT that related to the 30 September cut-off was that they would expect to see that construction of Debden Village Hall had commenced in a substantial and irretrievable way by no later than 30 September 2020. The other term they had used was substantial and irremediable progress.

The Chair at this point said that he recognised that this item was not owned by the Director – Finance and Corporate Services and that the questions should be addressed to the Chief Executive. He said that this could probably be addressed at the meeting on 30 November 2020.

Councillor Luck, as the Ward Councillor was given an opportunity to speak. He said that he had been responsible for initiating the grant application and that it had been a goodwill gesture from the Ministry of Defence in light of Carver Barracks being positioned in Debden Parish. He explained that Debden Parish Council were the custodian trustees of the Debden Village Hall Trust. A consortium comprising Debden Village Hall Trust, Debden Parish Council and the then Chief Executive of Uttlesford District Council had signed up to the grant application to the Ministry of Defence. He said that there had been difficulties with the involvement of two charities; The Village Hall, administered by the Trust was sited on the Recreation Ground that was administered by the Recreation Ground Trust, where the Parish Council were also custodian trustees. The New Village Hall Group as the steering group had been trying to tie up loose ends and Debden Parish Council had been reluctant to incur costs. They had consulted with the village and now, in addition to the grant monies, had authority to borrow £400k to build the hall.

Councillor Luck said that he was being told that works would start in January 2021. He said that he would be happy to be involved, as the Ward representative, to work with Councillor Jones, as the Council's covenant representative alongside the Chief Executive and engage with the grant provider

to make sure that Councillor Khan's enquiries were satisfied. He said that he personally accepted the report that stated there had been error and he was pleased that the lessons learnt had been outlined.

Councillor Foley asked for some clarification as to when the mistakes were made.

The Director- Finance and Corporate Services said that the original mistake happened in 2015 when the money had been handed over and that in 2017 the Chief Executive had stated in the report that the Council had the opportunity to correct the mistake but had decided that it did not want to confuse things at that time by asking for the return of grant monies.

There was then further discussion whether to hold a special meeting ahead of the next formal meeting on 30 November 2020 and the general view of Members was that the Chief Executive should be available to take questions at a future meeting prior to the Accounts sign-off meeting.

Councillor Khan said that he considered that any motion should reflect the Committee's dissatisfaction with what had been heard at the meeting. An alternative view was expressed by Councillor Foley that the Committee had been concerned rather than dissatisfied with details provided.

The Chair proposed the following motion that was seconded by Councillor Foley.

The report will be noted but the Committee have concerns with the detail of the report that we have heard tonight. We thank the Director – Finance and Corporate Services for his contribution. However, there is a need to have a further meeting with the Chief Executive when she returns from leave and prior to the Accounts sign-off.

A recorded vote was taken. The motion was approved unanimously.

The meeting closed at 8:17pm.