

## **AUDIT PANEL**

**28 September 2021**

**Commenced:** 14:00

**Terminated:** 15:10

**Present:** Councillors Naylor (Chair), Costello, Fitzpatrick, Kitchen, Owen, Sharif,

Councillor Warrington (Observer)

**In Attendance:**

Sandra Stewart	Director of Governance and Pensions
Kathy Roe	Director of Finance
Caroline Barlow	Assistant Director of Finance
Heather Green	Finance Business Partner
Wendy Poole	Head of Risk Management and Audit Services

**Apologies for Absence:** Councillor Boyle

### **15. DECLARATIONS OF INTEREST**

To receive any declarations of interest from Members of the Panel.

### **16. MINUTES**

The Minutes of the meeting of the Audit Panel held on the 27 July 2021 were approved as a correct record.

### **17. 2021/22 CAPITAL MONITORING REPORT - AS AT MONTH 3**

Consideration was given to a report of the Director of Finance, this monitoring report focused on the budget and forecast expenditure for full approved projects in the 2021/22 financial year.

The Assistant Director of Finance reported that the approved budget for 2021/22 was £68.234m (after re-profiling approved at Outturn) and current forecast for the financial year was £66.123m. There were additional schemes that had been identified as a priority for the Council, and where available, capital resource had been earmarked against these schemes, which would be added to the Capital Programme and future detailed monitoring reports once satisfactory business cases had been approved by Executive Cabinet.

It was stated that the current forecast was for service areas to have spent £66.123m on capital investment in 2021/22, which was £2.111m less than the current capital budget for the year. This variation was spread across a number of areas, and was made up of a number of over/underspends on a number of specific schemes (£1.848m) less the re-profiling of expenditure in some other areas (£0.263m).

### **RESOLVED**

**That Audit Panel Note the following:**

- (i) The forecast outturn position for 2021/22 as set out in Appendix 1.**
- (ii) The re-profiling of budgets into 2022/23 as set out on page 4 of Appendix 1.**
- (iii) The funding position of the approved Capital Programme as set on page 9 of Appendix 1.**
- (iv) The changes to the Capital Programme as set out on page 10 in Appendix 1**
- (v) Note the updated Prudential Indicator position set out on pages 11-12 of Appendix 1, which was approved by Council in February 2021.**

## **18. MONTH 3 INTEGRATED FINANCE REPORT**

Consideration was given to a report of the Director of Finance. The report detailed the financial monitoring for the 2021/22 financial year, reflecting actual expenditure to 30 June 2021 and current forecasts to 31 March 2022.

Members of the Panel were advised that At Period 3, Council Budgets were facing significant pressures which were not directly related to the COVID-19 pandemic, with significant forecast overspends in Adults and Children's Social Care being the main contributors to a net forecast overspend of £6.850m. This position was after taking account of forecast underspends in some areas, and additional COVID related income in excess of forecast COVID costs. There was an underlying forecast 'Non-COVID' deficit of £8.238m.

It was stated that Children's Social Care and Adults were the greatest areas of concern with forecast overspends of £5.678m (Children's) and £2.234m (Adults).

In regards to the Tameside and Glossop CCG, the CCG was reporting an overspend of £519k which related to reimbursable COVID expenses for which a future allocation increase would be received.

The Director of Finance led a discussion on non Covid related pressures effecting services and budgets.

### **RESOLVED**

**That the Audit Panel note the following:**

- (i) The forecast outturn position and associated risks for 2021/22 as set out in Appendix 1 and detail for Council budgets as set out in Appendix 2; and**
- (ii) The reserve transfers set out on pages 27-28 of Appendix 2.**

## **19. CIPFA FINANCIAL MANAGEMENT CODE**

Consideration was given to a report of the Director of Finance, which informed Members of the contents of the new CIPFA Financial Management Code and provided an assessment of the Council's current levels of compliance, and any areas for further development and improvement.

The report explained how the Financial Management code provided guidance for good and sustainable financial management in local authorities, giving assurance that authorities were managing resources effectively.

Members were advised that the first year of compliance for the GM code was 2021/22 however, CIPFA had recognised the extraordinary burden being placed on Local Authorities since the beginning of the COVID pandemic. It was explained that in a statement issued on 11 February 2021 a proportionate approach was encouraged, meaning that in practice adherence to some parts of the Code would demonstrate a direction of travel rather than full compliance from 1 April 2021.

It was further explained that an assessment of compliance with the standards in the FM code has been undertaken and was summarised in Appendix 1. This assessment concluded that the Council was compliant with minimum standards set out in the FM Code but had identified some areas for further improvement over the course of the next 12 months. An action plan was attached to the report at Appendix 2.

### **RESOLVED**

**That Members of the Panel note the report and endorse the improvement actions identified in the self-assessment against the Code requirements.**

## **20. AUDIT PANEL FORWARD PLAN AND TRAINING**

Consideration was given to a report of the Director of Finance / Assistant Director of Finance. The report set out the updated forward plan and training programme for the Audit Panel for 2021/22 and 2022/23.

Members were advised that to assist the Audit Panel with delivering its terms of reference, officers have prepared the updated work plan for 2021/22 and 2022/23, which set out the areas that should be considered by the Audit Panel. The work plan outlined in Appendix 2 had been updated to remove July 2021 and include November 2022.

It was stated that an update had been made to an item that should have been reported in September 2021, regarding the NAFN Data and Intelligence Services Annual Report and this had been moved to November as the published Annual Report was not yet finalised which formed part of the update. Also an update report regarding the appointment of External Auditors from 2023/24 had been added to November 2021.

An amendment had also been made to move the Annual Governance Statement and Audited Statement of Accounts for 2020/21 and associated External Audit Reports and Training to the meeting in November as the external audit of the accounts was not expected to be completed before the meeting in September.

It was explained that the forward plan also identified proposed training for the coming year. Members of the panel were asked to consider whether any additional items or training were required, with reference to the core functions listed above and the CIPFA Position Statement: Audit Committees in Local Authorities and Police 2018.

### **RESOLVED**

- (i) That the Audit Panel Approve the updated work programme, including training, as set out in Appendix 2; and**
- (ii) Note the core functions outlined in Section 2 of the report and the CIPFA Position Statement: Audit Committees in Local Authorities and Police 2018 and consider whether any further training would be beneficial for the Audit Panel.**

## **21. DATA PROTECTION/INFORMATION GOVERNANCE UPDATE REPORT**

Consideration was given to a report of the Director of Finance / Head of Risk Management and Audit Services. The report provided an update on Data Protection / Information Governance across the Council and presented some key documents for approval.

The Head of Risk Management and Audit Services advised that attached at Appendix 1 was an update on the existing Data Protection/Information Governance Policy. This had been refreshed to clarify the principles of data protection and the various roles and responsibilities across the Council. The definitions relating to personal and special category data had been expanded to incorporate the various formats in which data could be held. The policy also now set out the key data protection principles set out in UK GDPR and the responsibilities placed on the Council as an organisation.

It was explained that further detail had been added around the issues of data/information sharing and the need to consider fully the risks of all data processing activities, including conducting a Data Protection Impact Assessment where necessary to minimise the risk to the data subjects involved, the Council's customers, residents and service users. The policy now set out the rights of data subjects, in particular Subject Access Requests, and the obligations placed on the Council.

It was stated that the Data Protection/Information Governance Conduct Policy attached at Appendix 2 had been refreshed to clarify the principles of data protection and the various roles and responsibilities across the Council. It now reflected the current legislative and regulatory guidance

and better communicates the role of the Information Governance Team and the internal procedures it has put in place.

The Head of Risk Management set out the updated Data Sharing Code of 2021, which had been written to give individuals, businesses and organisations the confidence to share data in a fair, safe and transparent way in this changing landscape. This code was aimed at giving practitioners the practical steps they need to take, to share data while protecting people's privacy. It was reported that the Code of Practice was laid before Parliament on 18 May 2021 for 40 Sitting Days. Information from the ICO suggested that this period had now elapsed and the code would shortly be issued by the Information Commissioner. The report proposed the adoption of the Data Sharing Code as detailed in the report.

#### **RESOLVED**

**That the Audit Panel note the report and the following be approved:**

- (i) The Data Protection/Information Governance Policy attached at Appendix 1.**
- (ii) The Data Protection/Information Governance Conduct Policy attached at Appendix 2;  
and**
- (iii) The adoption of the Data Sharing Code of Practice detailed in Section 3.4 of the report.**

#### **22. URGENT ITEMS**

There were no urgent items.

**CHAIR**