

Audit & Governance Committee

Meeting of held on Thursday, 19 January 2023 at 6.30 pm in Council Chamber, Town Hall,
Katherine Street, Croydon, CR0 1NX

MINUTES

Present: Olu Olasode (Independent Chair);
Councillor Matt Griffiths (Vice-Chair);
Councillor Claire Bonham, Sherwan Chowdhury, Patricia Hay-Justice,
Endri Llabuti and Nikhil Sherine Thampi

Also Present: Councillor Mark Johnson

Apologies: Councillor Simon Brew

PART A

23/22 **Disclosure of Interests**

There were no declarations of interest in relation to any agenda items.

24/22 **Minutes of the Previous Meeting**

The minutes of the meeting held on 24 November 2022 were approved by the Committee as an accurate record of proceedings.

25/22 **Minutes of Previous General Purposes and Audit Committee Meetings**

Councillor Hay-Justice abstained from agreeing the minutes.

The remaining members of the Committee approved the minutes of the following General Purposes and Audit Committee meetings:

- 10 June 2021
- 16 September 2021
- 20 October 2021
- 25 November 2021
- 16 February 2022 as accurate records of the proceedings.

26/22 **Urgent Business (if any)**

At the request of the Committee, the Corporate Director of Resources and Section 151 Officer provided an update on the current progress concerning the Section 114 Notice.

The Council was involved in ongoing discussion and working collaboratively with central government departments. It was awaiting a response on proposed plans to lift the S114 measures. The anticipated approach to achieving a balanced budget would be through a combination of potentially a higher council tax increase than the Referendum limit, a proposal to write off a proportion of debt and capitalisation directions.

In response to questions from members, Officers advised the likelihood of the debt write off was not yet known. The outcome of the proposals would be brought to Council on 1 March 2023. It was noted that spend control panels continued and had been in place since the first Section 114 notice was issued.

The Committee queried the impact of the Section 114 Notice on the Council's Pensions, HRA and Affordable Homes budgets. Officers explained that those budgets were protected to ensure continued function, the Pension Fund and HRA were healthy, and reporting would be brought to Committee soon.

The Committee requested an update on work with the Improvement Panel. Officers explained this continued to be collaborative and useful in identifying issues, and that the Improvement Panel recognised the scale of the requirement to reduce the budget so significantly.

The Committee raised concerns about staff morale following the S114 announcement. Officers explained that it was initially met with some frustration; however, a transparent approach had been taken and staff were now supportive of constructive steps to find solutions.

It was noted that the Committee would continue to receive updates concerning the S114 Notice and members could raise key areas with Officers to seek assurances and request reporting. A S114 Notice update report and presentation would be brought to the next Committee meeting on 2 February 2023.

27/22

My Resources - Oracle Cloud Fusion

Jane West, Corporate Director of Resources and Section 151 Officer, gave a presentation of the report for members. It was noted that Oracle was not currently being used to its full potential and Croydon was conducting a value assessment with Oracle and Mastek ahead of recommissioning the software in 2 years' time.

In response to questions officers explained some funds remained in the initial project budget. Any changes with cost implications recommended through the value assessment would be considered on an individual business case basis. Officers also explained the approach was now more business- and user-led, to improve usage, reduce externally held data and work through issues with business teams collaboratively. Part of the value assessment would look at Oracle's capacity to connect with other council IT systems more effectively.

In response to questions officers explained that increased utilisation of the system would support the mitigation of risk and improve data discipline. A key aim of the value assessment was to improve the reporting produced by Oracle, enabling future decision-making to be based on reliable data. Officers also explained that Oracle was widely used by other local authorities. Croydon remained part of an historical network which shared best practice through which there may be an option for adoption of a shared support service in the future.

Members asked how the current risk of unreliable data was being mitigated. Officers explained that Internal Audit regularly provided advice on data input but there were areas where improvements could be made.

In response to questions Officers confirmed there had been a significant training roll out over the last year to support budget managers. The Committee noted teams such as HR and Finance would likely receive the most push back from staff who should be using the self-service capabilities. Officers agreed to raise the issue of increased training and support for these teams with the steering group.

In response to questions Officers noted the importance of all teams having a financial focus and greater understanding of the need to ensure money is well spent. Culture change was noted in social care teams supported by the implementation of the placement panel process. Data improvement was expected to further support this.

In response to questions Officers explained the structure of the programme delivery team and noted the corporate memory of longstanding officers involved in the programme. Officers also confirmed Oracle's support function was included in the current contract and confirmed feedback was sought by all module owners from key users across the council as part of the relaunch process.

The Committee requested additional staff training be included in 'way forward' plans. In response to questions Officers confirmed that the system would provide clear and easy-to-interpret data.

RESOLVED,

to:

1. Note the current status and known issues as regards My Resources and its adoption in the Council;
2. The planned approach and way forward; and,
3. The updated Audit Action Plan.

28/22

Annual Governance Statement

Stephen Lawrence-Orumwense, Director of Legal Services and Monitoring Officer (MO), gave a presentation of the report for members.

In response to questions officers highlighted the report refers to the Council's position in 2021 and whilst the current MO inherited a draft, a significant amount of due diligence was required to complete the report. Internal Audit is currently working towards the 2022 Annual Governance Statement (AGS) action plan.

Members raised concerns about the level of scrutiny in the Corporate Directors' Assurance Statement process. Officers explained the process required transparency and there was triangulation through the Assurance Statement process and additional testing undertaken by Internal Auditors.

The Committee requested updates on progress against Governance recommendations made. Officers noted the historical nature of the report and current collation of an updated action plan to be brought to committee soon.

RESOLVED,

to:

Note the draft AGS 21/22 and the Action Plan.

29/22

Update on the Whistleblowing Policy and Procedure

Stephen Lawrence-Orumwense, Director of Legal Services and Monitoring Officer, gave a presentation of the report for members.

In response to questions officers advised the report had come to Committee for review and comments with the approval process to be explored and brought back to the committee.

It was noted that 3 Whistleblowing disclosures had taken place since July 2022. Members requested benchmarking against the incidences of whistleblowing disclosures at other Local Authorities. Officers confirmed this would be considered in future reporting.

Members noted it would be useful to have the amendments to the policy highlighted in the report.

In response to questions officers explained that the success of the process would continue to be measured through reporting to the Committee. Disclosures were anticipated to increase as work around this developed and best practice at other Councils would be considered.

Members requested assurances around the level of resources available to thoroughly explore whistleblowing cases and asked whether outsourcing had been considered. The committee noted the importance of ensuring the anonymity of staff who reported issues.

In response to questions officers confirmed all instances were registered in a tracker. Officers also explained there was a good level of staff awareness of the process following an internal campaign in May 2022 and the inclusion of Whistleblowing procedures in staff inductions.

The Committee asked whether support was available from the Local Government Association in relation to the AGS, Whistleblowing procedures and Council Assurance Framework. Officers confirmed Croydon had previously worked closely with the LGA on the Council's Assurance Framework development.

RESOLVED, to:

1. Consider and comment on the Council's Whistleblowing Policy and Procedure and the minor amendments made; and,
2. To note recent whistleblowing disclosures received and action taken.

30/22

Council Assurance Framework

RESOLVED, to note the Council's Assurance Framework.

The meeting ended at 8.45 pm