

Audit and Corporate Governance Committee – Meeting held on Thursday, 20th September, 2018.

Present:- Councillors Amarpreet Dhaliwal (Chair), Sarfraz (Vice-Chair), Ali, Minhas, Nazir and Plenty

Co-Opted Independent Members: Mr Sunderland and Mr Zafar,

Parish Council Representative: Parish Councillor Gahir (Wexham Court)

Independent Person: Dr Lee (Observer)

In attendance: Parish Councillor Bedi (Colnbrook with Poyle)

Apologies for Absence:- Parish Councillor Jackson

PART 1

15. Declarations of Interest

None were received.

16. Minutes of the Last Meeting held on 18th July 2018

Resolved – That the minutes of the meeting held on 18th July 2018 be approved as a correct record.

17. Audit and Risk Management Update - Quarter 2 2018/19

The Committee was provided with an update on the progress of finalising the draft Internal Audit reports and implementation of the recommendations.

The Children's Centres, Priory School and Overview and Scrutiny Effectiveness reports had all been finalised. The percentage of completed actions had risen from 45% in the last quarter to 48%. A Member requested an update on the status of the Council Tax audit, which had been due to be finalised in December 2017. The Service Lead Finance informed the Committee that this report was close to being finalised and that the delay had been due in part to the need to work with arvato to set up the systems necessary to implement some of the recommendations.

Members asked about the status of several overdue high and medium audit actions as set out in Appendix 1 to the report. These included actions for which a responsible officer was not stated; the reasons why the actions from the procurement audit were only partially completed; and the progress of implementation on the Matrix temporary agency staff and the housing allocations audits. The Service Lead commented that a more detailed report would be brought to the next meeting on the outstanding actions to update on

progress. It was noted that further progress had been made on the implementation of several actions since the reporting period and that in the case of the Matrix audit the recommendations would be taken forward into the new contract to be introduced next year. There was a discussion about the relationship with arvato, which was a common factor in several audits, and the engagement and scrutiny arrangements, including regular reporting to Members at the Overview & Scrutiny Committee were noted.

The Committee requested that the format of Appendix 1 to the report be updated to include a 'person responsible' for audit actions and further columns inserted to show 'start date' and 'revised date' for the recommendations. At the conclusion of the discussion, the report was noted.

Resolved – That progress on finalising the draft Internal Audit reports and implementation of Internal Audit recommendations be noted.

18. Internal Audit Progress Report

The Committee considered the latest Internal Audit Progress Report that summarised delivery against the Internal Audit Plan for 2018/19 and any remaining audits from the 2017/18 plan.

The report stated that three assurance reports remained in draft from the 2017/18 plan, although it was noted that the Priory School audit had since been finalised. Three reports in the 2018/19 plan had been finalised since the July meeting – Temporary Accommodation, Children's Centres and Governance – Overview & Scrutiny Committee Effectiveness. A partial assurance opinion had been issued on the Temporary Accommodation audit at a time of significantly rising demand on the service. The Committee considered the pressures on the service, noting that the number of families in temporary accommodation had trebled in the past two years to more than 450, and it was noted that the Council had invested more resources to address the issues. In response to a question it was confirmed that the Council was meeting the target of completing assessments within the required period.

In relation the audit of Governance – Overview and Scrutiny Effectiveness audit it was noted that a reasonable assurance opinion had been issued and it was agreed that a copy of the report be circulated to members of the Overview & Scrutiny Committee.

At the conclusion of the discussion, the report was noted.

Resolved – That the Internal Audit Progress Report be noted.

19. External Audit Fee Letter

The Engagement Lead from Grant Thornton, Julie Masci, introduced the External Audit Fee Letter which set out the planned audit fee for 2018/19.

Audit and Corporate Governance Committee - 20.09.18

The Council's scale fee under the Public Sector Audit Appointments Ltd arrangements was £98,193 for 2018/19. Any variations to the fee to reflect any additional audit work would be reported to the Committee. The audit timetable was also summarised. The External Audit Fee Letter was noted.

Resolved – That details of the External Audit Fee letter be noted.

20. External Audit Progress Report

Julie Masci and Sophie Morgan-Bower from the Council's external auditor, Grant Thornton, introduced the Audit Progress Report and Sector Update for the year ending 31st March 2019. It would be the first year for which Grant Thornton would undertake the Council's audit having succeeded the current auditor BDO.

The work on the 2018/19 audit was underway and progress as at September 2018 included a detailed audit plan setting out the approach to the audit of the Council's financial statements for 2018/19 and the scope of work to assess Value for Money and certify appropriate Council claims and returns. The Committee looked forward to working with Grant Thornton in the future.

Resolved – That details of the External Audit Progress Report be noted.

21. Audit Completion Report

The Engagement Lead for the current external auditor BDO, Janine Combrinck, introduced the updated Audit Completion Report relating the 2017/18 external audit.

It was noted that BDO had not been able to complete their audit by the statutory deadline of 31 July 2018, mainly due to unresolved issues on the valuation of land and buildings and the late provision of group accounts for the consolidation of James Elliman Homes Limited. The audit work had now been substantially completed but at the time of drafting the report the Council still needed to process an adjustment arising from the use of incorrect floor sizes in the valuations provided by the external valuer. Ms Combrinck stated that the impact of this outstanding matter was material and adjustments needed to be made before the accounts could be signed off.

The Committee discussed the improvements that had been made in the preparation of the accounts and the audit planning process to sign off the financial statements in a more timely manner than previous years. The Council's finance team and external auditor had worked hard to make improvements to the process but that fact the 2016/17 accounts had only been signed off in February 2018 impacted on the 2017/18 audit. In relation to finalising the accounts, Ms Combrinck stated that an action plan had been issued and the Council's response was awaited. The auditor had considered statutory action but the Council had satisfied them that sufficient progress was being made to enable the accounts to be signed off soon.

Audit and Corporate Governance Committee - 20.09.18

It was agreed that a summary report on the finalised financial accounts be circulated to the Chair and Committee Members when available; with an extraordinary meeting of the Committee to be arranged, if necessary, noting that the Committee had previously delegated authority to the Chair to sign the statements. The Committee confirmed that the 14 unadjusted errors identified that were not considered by the auditor to be material would remain unadjusted.

The Committee noted the updated Audit Completion Report and thanked Ms Combrinck and the rest of the BDO team for their work as the Council's external auditor in recent years.

Resolved –

- (a) That details of the report be noted;
- (b) That the 14 unadjusted audit differences within the report remain as unadjusted.

22. Schedule of Activity - Councillors Code of Conduct

The Service Lead Governance introduced a report that updated the Committee on the activity undertaken by the Council's Monitoring Officer in relation to the Councillors' Code of Conduct.

Items 1 to 13 in the table at paragraph 5.2 of the report summarised the present status of complaints since the previous report to the Committee in March 2018. The report confirmed that a significant number of matters had been concluded with no breach found or resolved with local resolution following consultation with the Independent Person. This included the backlog of complaints that had been awaiting resolution and it was envisaged that current and future matters would be concluded in a more timely manner. Items 14 to 16 were new complaints lodged since March 2018.

The Committee asked that the table include columns for the 'date received' and 'date resolved' to provide information on the timeliness of dealing with complaints. The Service Lead stated that this information would be provided for the new complaints from Item 14 onwards, although it was not available from some of the older complaints that were originally received by the previous Monitoring Officer.

At the conclusion of the discussion, the report was noted.

Resolved – That details of the report be noted.

23. Local Government and Social Care Ombudsman - Complaints, Findings and Complaints

The Service Lead Governance introduced a report that updated Members on two complaints to the Local Authority and Social Care Ombudsman, and any findings, since the previous report to the Committee in March 2018.

The Committee requested, and it was agreed, that in future the format of table to be revised to include columns with 'date received' and 'date resolved.' The report was noted.

Resolved – That details of the report be noted.

24. Schedule of Activity - Whistleblowing Complaints

The Service Lead Governance introduced a report that updated Members on the activity undertaken by the Council's Monitoring Officer in relation to complaints made under the Confidential Whistleblowing Code.

Details were provided of five complaints since the previous report to the Committee in March 2018 and an update on one complaint previously reported but not determined at that time. Two of the complaints, 2018/D and 2018/E, had not yet been determined and the outcome would be reported to a future meeting of the Committee. The report was noted.

Resolved – That details of the report be noted.

25. Exception reporting to O & S Committee

The Committee was informed that following the internal audit of Overview & Scrutiny Effectiveness it had been decided to add a standing item to future Audit & Corporate Governance Committee agendas to provide a more formal mechanism for the Committee to refer any relevant matters by exception to the Overview & Scrutiny Committee. It was agreed that there were no matters to report to Overview & Scrutiny arising from the meeting.

To further strengthen the working relationship between the two committees it was agreed that the Chair of the Audit & Corporate Governance Committee would be invited to attend quarterly meetings of Scrutiny Chairs and Vice-Chairs.

Resolved – That no matters be reported to the Overview & Scrutiny Committee arising from the agenda.

26. Forward Work Programme 2018/19

The Committee considered and noted the Work Programme for 2018/19. It was agreed that the Senior Democratic Services Officer would liaise with the external auditor, Grant Thornton, to schedule the reports relating the external audit and that the Work Programme be amended accordingly.

Audit and Corporate Governance Committee - 20.09.18

Resolved – That details of the Work Programme be noted.

27. Members Attendance Record 2018/19

Resolved – That details of the Members' Attendance Record 2018/19 be noted.

28. Date of Next Meeting - 13 December 2018

The date of the next scheduled meeting was noted as 13th December 2018.

29. Exclusion of the Press and Public

Resolved – That the press and public be excluded from the meeting during the consideration of the item in Part II of the agenda as it involved the likely disclosure of exempt information relating to the financial and business affairs of any particular person (including the authority holding that information) as defined in paragraph 3 of Part 1 the Schedule 12A the Local Government Act 1972.

Below is a summary of the matters considered during Part II of the agenda.

30. Part II Minutes - 18th July 2018

Resolved – That the Part II minutes of the meeting held on 18th July 2018 be approved as a correct record.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.15 pm)