

**Audit and Corporate Governance Committee – Meeting held on Thursday, 13th December, 2018.**

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

Co-Opted Independent Members: Mr Sunderland and Mr Zafar

Parish Council Representative: Parish Councillor Bedi (Colnbrook with Polye)

**Apologies for Absence:-** Councillor Minhas and Dr Lee (Independent Person)

**PART 1**

**31. Declarations of Interest**

None were received.

**32. Minutes of the Last Meeting held on 20th September 2018**

**Resolved –** That the minutes of the meeting held on 20<sup>th</sup> September 2018 be approved as a correct record.

**33. Risk Management Update Quarter 3 2018/19**

The Director, Finance and Resources, reported on details of the risk Management Update for Quarter 3 2018/19 and highlighted the corporate risk actions completed since the last meeting and progress made on the risk management action tracker. It was noted that the Corporate Risk Register (CRR) had been updated to include details of action required and the individual responsible and that Internal Audit were of the opinion that this had strengthened the financial framework greatly.

The Chair welcomed the new report format and stated that the information was now being reported in a clear and meaningful format; clearly indicating a timeline for actions to be implemented and who the responsible officers for doing so were.

Responding to a query as to how confident officers were in maintaining the CRR as an up to date document it was reported that monthly meetings were held to review and update the register.

Following information received at the July Committee meeting on the issue of the indexation provisions in the Council's contract with Slough Enterprise Limited (formerly known as Slough Accord Limited), a Co-Opted Independent Member queried as to why this significant risk was not included within the CRR. The Director, Finance and Resources explained that the matter was an issue for the Council and not a risk and that any monies recovered would be

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additional revenue to the Council. The Committee agreed that an update be submitted to the March Committee regarding the issue.

### **Resolved –**

- a) That the report be noted.
- b) That the updated Risk Management Strategy be approved.
- c) That an update report on the Indexation Provisions in the Council's contract with Slough Enterprise Limited be submitted to the March meeting.

### **34. Internal Audit Update - Quarter 3 2018/19**

The Director, Finance and Resources, provided the Committee with an update on the progress of finalising draft internal audit reports and progress of the implementation of recommendations.

The percentage of completed actions since the last quarter had risen from 48% to 53%. Members were reminded that Internal Auditors conducted a quarterly follow up audit to review progress made by the Council to implement the previously agreed management actions and that following the most recent review, an opinion of "little progress" had been issued. It was noted that the matter had been reported to the Corporate Management Team and Members were assured that implementation of recommendations remained a high priority for the Authority.

Concern was expressed that little or no progress had been made on completed actions and that a strategic approach was necessary to ensure that recommendations were implemented within the agreed timeframe. It was explained that the risks and actions were discussed at directorate meetings and that the Risk and Insurance Officer attended these meetings to monitor their progress and implementation. It was also brought to Members attention that setting a realistic timetable for officers to complete actions was important to avoid targets being recorded as not completed within the agreed time period.

**Resolved –** That details of the Quarter 3 Internal Audit Update be noted.

### **35. Internal Audit Progress Report - Quarter 3 2018/19**

The Internal Audit Assistant Manager provided the Committee with a summary update on progress made on reports that had been finalised in the 2018/19 Internal Audit Plan. Ten reports had been finalised since the meeting held in September 2018, the majority of which had received a positive assurance.

A summary, including medium and high priority management actions agreed from finalised 2018/19 reports, which resulted in a negative opinion, together with implementation dates, were outlined. In particular, the key findings of the audit undertaken relating to Claycotts School, which had received a partial

assurance, were highlighted and the key findings of the review related to compliance with finance policies, pay variations and recruitment. In response to the potential impact that these findings could have on the quality of education received by pupils, Members were informed that although it was difficult to ascertain what, if any, direct impact the audit findings would have, the school had agreed to implement the changes recommended following the audit. It was noted that the Local Authority had no control over the school's budget or financial and control framework.

It was noted that a number of additional reports had also been issued in draft as part of the Internal Audit Plan for 2018/19, which included Adult Social Care – Management of Income, Health and Safety, Conflicts of Interest and Property Services/Neighbourhood Services Building Maintenance.

**Resolved** – That details of the Internal Audit Progress Report Quarter 3 be noted.

### **36. Review of Closure of Accounts 2017/18**

The Service Lead, Finance, reminded the Committee of the issues raised in the completion of the 2017/18 Statement of Accounts and the measures that had been taken since to ensure that the deficiencies had been addressed and removed from future audits.

The Committee were reminded that the 2017/18 Statement of Accounts were signed on 15<sup>th</sup> November 2018 and that the statutory deadline was 31 July 2018. Whilst some of the reasons for the late closure of the accounts were due to new audit issues that were not raised until the end of the audit, it was clear that there remained a number of areas where improvement was still required to ensure that the statutory deadline for closure of accounts was met. A planned programme of work was outlined to address issues raised and ensure that lessons were learnt and improvements made. Significant changes included maintaining an up to date Assets Register, improvements in IT, the use of CIPFA tools and training staff to make best use of the systems.

Whilst welcoming the changes that had been implemented to date, a number of Members and Co-Opted Members stated that they remained concerned in relation to the inefficiencies that remained in relation to the closure of the accounts and that some of the issues that had been identified had occurred on a year on year basis. It was agreed that details setting out the timetable for the closure of accounts 2018/19 would be brought to a future meeting to reassure Members that lessons had been learnt and the appropriate checks and balances had been identified to meet the statutory deadline for submission of the accounts.

**Resolved** –

- a) That details of the work done to date to improve the closure of accounts process be noted.

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- b) Details setting out the timetable for the closure of accounts 2018/19 to be considered at a future meeting.

### **37. Annual Audit Letter 2017/18**

The Director of Finance and Resources outlined details of the updated version of the Annual Audit Letter for Members information.

**Resolved** – That details of the Annual Audit Letter 2017/18 be noted.

### **38. External Audit Progress Report**

The Committee received details of the External Audit Progress Report and Sector Update. Ms Morgan-Bower, Engagement Manager, Grant Thornton, summarised the emerging national issues and developments that may be useful to the local authority. Specifically, details regarding the Future of Care Provision for Adult Social Care and the model adopted in Australia were outlined.

Progress made relating to the Financial Statements Audit was highlighted and an interim audit was scheduled to take place in early 2019. The interim visit would include a review of the Council's control environment and early substantive testing. It was confirmed that the statutory deadline for the External Audit opinion was 31 July 2019.

**Resolved** – That details of the report be noted.

### **39. Blind Donations and Sponsorships**

The Service Lead, Governance, reminded Members that Council meeting in April 2018 debated a motion relating to acceptance of blind donations by the Council. Although the motion was not carried, it was agreed that the matter would be referred to the Audit and Corporate Governance Committee.

Committee Members were informed very few local authorities had a specific policy in place relating to the acceptance of donations and sponsorships. It was explained that this was in part due to the fact there were a number of other policies in place which governed member behaviour and conduct such as the Councillors Code of Conduct, Anti-Bribery Policy, Anti-Corruption Policy and Whistleblowing Code.

Following a general discussion regarding the matter, a number of members were of the view that a further separate policy was not necessary given the low volume of sponsorship matters that the Council had to deal with. However, a Member stated that given the background and history of political turbulence in Slough, a policy would only assist and clarify matters and that it would be useful to have a policy in place for the future. The Committee agreed that the Service Lead, Governance be authorised to put together a policy and report to a future meeting.

**Resolved –**

- a) That details of the report be noted.
- b) That the Service Lead, Governance and Policy, be authorised to formulate a policy on Blind Donations.

**40. Members Attendance Record May 2018 to November 2018**

The Senior Democratic Services Officer outlined detail of the Members Attendance Record for the period May 2018 to November 2018. Following a general discussion regarding attendance at meetings and apologies received, it was agreed that Group Leaders would be reminded to ensure that any Members not able to attend a meeting, submit their apologies accordingly.

**Resolved –** That Members Attendance details at meetings for the period May 2018 to November 2018 be noted.

**41. Exception Reporting to Overview and Scrutiny Committee**

The Committee were reminded that this was a standing agenda item to provide a formal mechanism to refer relevant matters to the Overview and Scrutiny Committee.

**Resolved –** That no matters be reported to the overview and Scrutiny Committee arising from the agenda.

**42. Forward Work Programme 2018/19**

Details of the Work Programme for 2018/19 were considered and noted and it was agreed that a number of additional reports would be scheduled for the March 2019 meeting.

A Member also requested that an audit be carried out relating to arvato invoicing regarding allotments/parks/open spaces and the Committee agreed that this be undertaken.

**Resolved –** That details of the Work Programme be updated with the following items for March 2018 meeting.

- RIPA Update
- Policy on Blind Donations
- External Audit Plan
- External Audit Progress Report
- Amey Indexation Issue Update

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**43. Members Attendance Record**

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

**44. Date of Next Meeting - 7 March 2019**

The date of the next scheduled meeting was noted as 7<sup>th</sup> March 2019.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.00 pm)