

Audit and Corporate Governance Committee – Meeting held on Thursday, 8th March, 2018.

Present:- Councillors Chohan (Vice-Chair), Brooker, Coad, Amarpreet Dhaliwal (in the Chair from Minute 36 onwards), Arvind Dhaliwal, Nazir and Usmani.

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

Parish Council Representative: Parish Councillor Jackson (Colnbrook with Poyle)

Independent Person: Dr Lee (Observer)

Apologies for Absence:- Parish Councillor Gahir

PART 1

35. Election of Chair

The Committee was invited to make nominations for the position of Chair for the remainder of the 2017/18 municipal year. Councillor Amarpreet Dhaliwal was proposed by Councillor Brooker and this nomination was seconded by Councillor Nazir.

Councillor Amarpreet Dhaliwal was unanimously elected as Chair of the Committee for the 2017/18 municipal year.

Resolved - That Councillor Amarpreet Dhaliwal be elected Chair of the Audit and Corporate Governance Committee for the 2017/18 municipal year.

(Councillor Amarpreet Dhaliwal in the chair for the remainder of the meeting)

36. Declarations of Interest

Councillor Arvind Dhaliwal declared that Councillor Amarpreet Dhaliwal was his son.

Councillor Amarpreet Dhaliwal declared that he was a Local Authority appointed Governor at Khalsa Primary School.

37. Minutes of the Last Meeting held on 14th December 2017

Resolved – That the minutes of the meeting held on 14th December 2017 be approved as a correct record.

A Co-Opted Member queried Minute 31: Internal Audit Progress Report – Amey Contract Management in that details relating to the legal opinion

sought, where the £2m overspend had occurred and whether those funds were ring fenced were not recorded. It was clarified that an overview of the discussion that took place was minuted and no formal actions had been agreed. The Service Lead, Governance informed the meeting that the information requested would be circulated to Committee Members.

38. Governance Review

The Service Lead Governance informed the Committee that Council, at its meeting in December 2017, resolved that the Committee undertake a review of the Council's governance arrangements. It was proposed that the areas of the Council's governance arrangements appropriate for review include:

- The Council's Constitution generally.
- The process for the appointment of Head of Paid Service.
- The process for Members' access to information and to Council documents.
- The use by Members and Officers or former officers of the rights to request information under the Freedom of Information Act 2000 or the Data Protection Act 1998.
- The culture of behaviours by members and officers and how to promote desired behaviours and to imbed them.

A Member expressed concern regarding potentially restricting the number of requests from individuals in relation to Freedom of Information (FOI) enquiries. It was explained that a number of individuals were using the FOI practice as an illegitimate and distractive tactical ploy in connection with perceived grievances with the Council or individual officers and or designed to try and cause undue embarrassment and to side step the requirements relating to members' right to information and documents in the Local Code Governing Relations between Members and Council Employees. It was noted that the Monitoring Officer decided whether a FOI request was deemed as vexatious and that a register was maintained of requests that were refused. Individuals concerned would be written to and an explanation given as to why that particular request had been refused.

Resolved – That details of the report be noted and the approach to the Governance Review, as set out in the report, be agreed.

39. Schedule of Activity - Councillors' Code of Conduct

Committee Members were updated on activity undertaken by the Council's Monitoring Officer in relation to the Councillors Code of Conduct. A summary of outstanding complaints and proposed action for their resolution was provided. Whilst it was acknowledged that the Council's Independent Person (IP) had not been kept abreast of matters previously, the Service Lead Governance, who had recently been appointed as the Council's Deputy Monitoring Officer, had met with the IP to appraise him of outstanding complaints and actions taken / proposed. Details of outstanding and ongoing complaints were summarised.

It was queried whether Committee Members and specifically Co-Opted Members, would be held accountable for potential financial risk relating to the complaints. It was explained that any reports referred to the Determinations Sub-Committee would include information relating to financial implications.

A Member expressed concern regarding the increase in the number of overall complaints received and was informed that the information provided related to complaints that had been outstanding for a period of time, which were now being dealt with in consultation with the Independent Person.

Resolved – That details of the report be noted.

40. Schedule Of Activity: Local Government and Social Care Ombudsman - Complaints, Findings and Recommendations

The Deputy Monitoring Officer provided the Committee with details on complaints to the Local Authority and Social Care Ombudsman and subsequent findings and recommendations since March 2017. The majority of complaints related to housing matters and the Committee were informed that a review of procedures meant that decisions were now being made on a sounder basis. It was requested that further details regarding the complaint relating to Special Educational Needs, including the detailed Decision Notice and the procedure/policy of the Children's Services Trust for dealing with such cases and lessons learnt, to be circulated to Committee Members.

Resolved – That details of the report and the Council's actions consequent upon the Ombudsman's findings and recommendations, as set out in the report, be noted.

41. Schedule of Activity: Registration of Members with the Information Commissioner's Office and Inspection and Report by the Investigatory Powers Commissioner's Office

The Service Lead, Governance, summarised the activity undertaken by the Council in relation to the registration of Members with the Information Commissioner's Office and findings of an inspection and report by the Investigatory Powers Commissioner's Office (IPCO).

It was summarised that the ICO had advised that elected Councillors who processed personal data electronically, ie casework on behalf of constituents, were required to have their own registration under the terms of the Data Protection Act 1998. Registration for individual Councillors was done on an annual basis and the current fee was £35. Following consultation with the Monitoring Officer and Group Leaders, all current Members have been registered individually with the ICO in respect of their constituency work to ensure compliance by them with the Data Protection Act 1998 and all Members had been notified accordingly.

Details of the inspection carried out by the IPCO towards the end of 2017 were summarised for the Committee and related to reports and judicial

observations made regarding a safeguarding case concerning vulnerable persons involving the Council. It was noted that the Council may have inadvertently engaged in unauthorised covert surveillance in relation to that matter. Members were informed that actions had been taken by the Council and that an improvement plan had been drawn up based upon the report's recommendations, which would ensure that awareness was maintained through out the Council's teams of how similar situations should be dealt with in the future. A Member requested that the Committee be provided with a copy of the Council's Covert Surveillance Policy and Register/Log of Activities (anonymised) carried out using this Policy. It was agreed that this would be circulated to the Committee.

Resolved – That details of the report be noted.

42. Schedule of Activity: Whistleblowing Complaints

The Committee were updated on the activity undertaken by the Council's Monitoring Officer in relation to complaints received under the Confidential Whistleblowing Code. It was noted that since the previous update in October 2017, two complaints had been received. One raised no concerns meriting further investigation and the second was pending investigation.

Resolved – That details of the report be noted.

43. Audit and Risk Management Update Quarter 4 2017/18

The Service Lead, Finance reported on progress made on finalising draft Internal Audit reports and implementation of recommendations. It was noted that the number of implemented recommendations remained at 67% as reported to the previous Committee. There were currently 4 High Recommendation Actions that remained outstanding compared to 9 at the last Committee.

It was highlighted that the Corporate Risk Register had been updated and actions to be taken and by whom were identified.

A Member expressed concern in relation to the outstanding recommendations, specifically Chalvey Early Years and asked what more could be done in term of ensuring that these were completed as soon possible. The Director of Finance and Resources informed the Committee that a letter, on behalf of the Chair of the Committee, could be sent to the Headteacher of Chalvey Early Years Centre requesting an explanation as to why audit actions remained outstanding and raising the possibility of attendance at a future meeting.

Resolved - That details of the Internal Audit Reports and implementation of recommendations and the Corporate Risk Register be noted.

44. Information Governance and Business Continuity Update

Members were reminded that at its meeting in December 2017, an update on Information Governance Audit Actions and Business Continuity had been requested. The Committee were reminded that no assurance had been provided in the original Information Governance Audit carried out in December 2016 and Business Continuity in June 2016. The Service Lead, IT & Digital, and the Business Continuity and Response Manager updated Members on the progress of implementing the respective action plans following both audits.

The importance of information governance had further increased with the introduction of the General Data Protection Regulations in May 2018 and a significant amount of work had been undertaken in strengthen processes and working practices as well as address weaknesses identified in the original audit. The Internal Auditors had revisited the audit in November 2017 and a partial assurance opinion had been provided. The current position was that only two medium priority actions remained outstanding and they were now due to be completed by July 2018. The Council was required to have a robust Business Continuity Plan in place and an action plan had been developed, however, implementation was behind schedule. This was attributed to the senior management restructure and the reliance on arvato for some of the IT related elements of the plan.

Members were concerned about the apparent issues between the Council and arvato in relation to Business Continuity. It was noted that back up servers were in place and full disaster recovery test had been done. However, in view of the risk to services and the importance of business continuity it was agreed that the Chairman would be updated in two weeks time regarding obtaining the Business Continuity and Disaster Recovery Plans from arvato.

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

Resolved – That details of the Information Governance Audit Actions and Business Continuity be noted.

45. Internal Audit Strategy 2018/21

The Head of Internal Audit summarised the key elements of the Internal Audit Strategy 2018-2021 that set out the schedule of audit activity in the next three years including the Internal Audit Plan for 2018/19.

The strategy was developed around the Council's objectives and the Corporate Risk Register to ensure audit coverage reflected the authority's priorities and strategic risks. Audits were planned on Financial Planning and Budgetary Control and Parish Council Governance. As part of the Council's commitment to strong governance, the Committee was informed that the breadth of audit activity proposed was extensive and went beyond statutory requirements.

Members discussed several issues including the additional resources required to support the high level of audit activity and the progress on several specific areas of audit including Contract Management which would focus on Osborne and Buoygues in 2018/19 and arvato in 2019/20. The Director of Finance & Resources commented that governance was a priority for the corporate management team and the necessary resources would be made available to support delivery of the Internal Audit Strategy. Members discussed the Digitalisation audit planned for 2019/20 within the wider context of the digital strategy and transformation programme that had recently begun. It was agreed to bring a high level summary of the overarching strategy on CRM and transformation to the next meeting of the Committee.

The Committee approved the Internal Audit Strategy 2018-2021.

Resolved – That the Internal Audit Strategy 2018-2021 and the Internal Audit Plan 2018/19 be approved.

46. Internal Audit Plan 2017/18 Progress Report

The Head of Internal Audit updated the Committee on the progress made in implementing the 2017/18 Internal Audit Plan.

Two follow up reports from the 2016/17 Internal Audit Plan that were in draft form at the time of preparing the report had been completed. In relation to the 2017/18 plan, seven reports had been finalised since the last meeting of the Committee and the assurance opinions were noted. The findings would be considered in forming the end of year opinion and it was noted that there was generally a lower number of qualified opinions compared to 2016/17 with some significant areas of improvement in governance.

The Committee welcomed the improvements that were reported and asked how officers were held to account on completing the action plans following an audit. In response, it was noted that timescales for completion were put on management actions and implementation was subject to follow up and reviewed by the corporate management team.

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

Resolved – That details of the Internal Audit Plan 2017/18 Progress Report be noted.

47. Grant Claims and Returns Certification 2016/17

The Committee received a report from the external auditor, BDO, summarising the main issues identified during the audit of Grant Claims and Returns Certification 2016/17. The report summarised the main issues found during the certification and the Committee noted that a qualified opinion had been issued in relation to Housing Benefit Subsidy and the qualification issues and observations were noted.

Resolved – That details of the report be noted.

48. Audit Plan 2017/18

The Committee received the Audit Plan from BDO which set out the key components of the audit for the year ending 31 March 2018. Members considered the key audit risks that included preparation of the financial statements and expenditure and funding analysis and change in the directorate structure.

The proposed fee for 2017/18 was £162,858. The Director of Finance & Resources commented that the fee for 2016/17 was still under discussion with BDO as an additional £60,000 was proposed to be charged arising from the audit of the financial statements and use of resources. The Committee discussed the complaints handling process and then noted the report.

Resolved – That details of the report be noted.

49. Faster Close Project Plan

The Committee considered a report from BDO on the Faster Close Project Plan. The Council's audit had not been completed in time for the national deadline of 30th September in the past two years and from 2017/18 the deadline for the preparation of the draft financial statements would be 31 May, a month earlier than previously. It was important that a plan was therefore in place to address historic weaknesses and achieve the faster close timetable.

A detailed timeline had been agreed with the Council and the auditors for the provision of information for the audit and the Committee would receive progress updates at future meetings. The Committee welcomed the arrangements that had been made to improve the timeliness of the audit process and agreed to receive a further report at the next meeting.

Resolved – That details of the Faster Close Project Plan be noted.

50. Members Attendance Record 2017/18

Resolved – That details of the Members Attendance Record 2017/18 be noted.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.30 pm)