

Audit and Corporate Governance Committee – Meeting held on Thursday, 19th September, 2019.

Present:- Councillors Sabah (Chair), Wright (Vice-Chair), Ali (left at 7.15pm), D Parmar, S Parmar and Plenty.

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

Independent Person (Observer) Dr Lee

Also present under Rule 30:- Councillor Swindlehurst

Apologies for Absence:- Councillor Akram and Parish Councillors Brooker and Escott

PART 1

15. Declarations of Interest

None were declared.

16. Minutes of the Last Meeting held on 30th July 2019

In relation to Minute 3 (Audit & Risk Management Update – Quarter 1 2019/20), Mr Zafar reiterated his disagreement about the decision to close the matter regarding the Council's historic contract with Slough Enterprise Limited and asked that this be recorded.

Resolved – That the minutes of the meeting held on 30th July 2019 be approved as a correct record.

17. Risk Management Update - Quarter 2 2019/20

The Committee considered a report on the Corporate Risk Register. The register was reviewed monthly, including by the Corporate Management Team and the Audit & Risk Board.

Members discussed a number of the identified risks. It was noted that the risks arising from the 'termination of the Arvato contract' were being managed and it was anticipated that the risk would be removed following completion of the transfer on 1st November 2019. Queries were raised about the progress of implementing actions for other risks including co-ordinating responsibility for regular safety checks in properties. Assurance was provided that the relevant checks were taking place continuously and the residual risk priority was low. At the conclusion of the discussion, the Corporate Risk Register was noted.

Resolved – That the Quarter 2 Risk Management Update, including the Corporate Risk Register, be noted.

18. Audit and Risk Management Update - Quarter 2 2019/20

The Service Lead Finance updated the Committee on the progress of finalising draft internal audit reports and implementing internal audit recommendations.

The report listed six “assurance” internal audits that remained in draft at 31st August, however, the Officer confirmed that a further two – Council Buy-Back and Fire Safety – had been finalised since the report was published. The Whistleblowing audit was also due to be finalised imminently. A Member queried the reasons for the delay in finalising the other reports and these were explained in each case. Internal audit and management sought to take time to refine the recommendations to ensure they were realistic and would achieve the desired outcome. It was also noted that the schools audits were signed off by them and auditors, therefore the Council could not directly control the timescales.

The progress of implementing actions following internal audit reports was monitored and 92% of ‘high’ and ‘medium’ risk recommendations over the past two years had either been completed or were in progress. It was noted that the implementation percentage rate was an improvement on the historic position.

Clarification was sought on the definition and process for audits with a ‘no assurance opinion’, as these were of particular concern to the Committee. It was responded that ‘no assurance’ meant that there were significant gaps in the control framework that needed to be addressed. In such cases that Committee would receive a full update of the actions in the meeting following such an audit opinion being issued and Members would want to be assured that management had taken the necessary action to address the weaknesses identified by internal audit.

The Appendices set out the progress of implementing each ‘high’ and ‘medium’ recommendation in more detail. The table had been revised to make it easier for the Committee to track the action taken. Members asked a number of questions about specific actions including several ‘medium’ actions arising from the Neighbourhood ASB Enforcement audit. It was agreed that further information would be provided on how many staff had been provided the training referred to in the report which was designed to ensure more consistent understanding and application of the policy. A question was asked about the controls and publication of data from the use of purchasing cards. The Service Lead confirmed that statements were regularly received and checked against valid expenditure and that certain expenditure, such as hotels, was blocked and would require separate approval. Information showing the use of the cards was published quarterly. At the conclusion of the discussion, the report was noted.

Resolved – That details of the Risk Management Update for the 2nd Quarter 2019/20 be noted.

19. Internal Audit Progress - Quarter 2 2019/20

The Internal Audit Assistant Manager summarised the Internal Audit Progress Report.

As noted in the previous item, two of the three draft reports from the 2018/19 Internal Audit Plan that had been in draft at the time the report was produced – Whistleblowing and Council Buy Backs – had now been finalised. The only audit from the 2018/19 plan not yet finalised was the Housing Revenue Account. In terms of the 2019/20 the Committee noted that five reports had been finalised since the previous meeting including Fire Safety and Major Infrastructure Projects. No changes were being proposed to the audit plan for the year.

Appendix A to the report summarised the key findings of audits completed where partial or no assurance reports had been issued. These were the audits on Conflicts of Interest and Cash Handling Arrangements. A Member expressed concern about the finding that the auditors had been unable to obtain declaration of interest forms for 17 of 20 senior officers and asked what action was being taken to address this weakness. It was responded that the issue was not non-compliance from individual members of staff, but it was a control issue with the process. Since the report had been issued, forms had been sent to all Service Leads to complete and compliance was already therefore significantly higher than at the time of the audit. The Agresso system would be used in future to record any interests and this would strengthen the process. As a partial assurance opinion had been issued the management actions would be included in next year's audit plan and progress would be monitored and checked. The register of Members' interest was maintained by the Monitoring Officer and published on the Council's website.

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

Resolved – That the Internal Audit Progress Report be noted.

20. External Audit Update Report

Julie Masci, the Engagement Lead at the Council's external auditors, Grant Thornton, provided an update on the progress of the audit of the financial statements. Detailed progress was set out on pages 22 to 24 of the Supplementary Agenda.

At the previous meeting in July, the Committee had been informed that the audit had been delayed, primarily due to a shortage of a suitable experienced auditors. The Council had published its unaudited accounts by the statutory deadline of 31st July 2019. The auditors had started on site on 16th July however the delivery of the audit had been further delayed by issues with the production of working papers which had resulted in a slippage in the timetable with regards to Income and Expenditure testing. Most of the issues had been overcome and Grant Thornton were confident of completing the audit by the revised timescale and it was anticipated the audited financial statements

would be presented to the Committee for approval at the meeting in December 2019. If work progressed more quickly an extraordinary meeting could be convened to approve the statements. The update was noted.

Resolved – That the External Audit Update report be noted.

21. LGA Governance Review Proposal

The Service Lead Governance informed the Committee that one of the outcomes of the Local Government Association (LGA) Corporate Peer Challenge carried out in February 2019 was that a further governance review be carried out.

The Peer Review stated that it was satisfied that the Council's governance had become more effective following the internal review undertaken in 2018. The new review would seek to ensure that a corporate governance model of the highest standard was embedded and that further improvements to governance and behaviours was made. The process would be that the Council would carry out a self-assessment of its current governance model followed by a visit from the peer review team in December 2019.

Members asked about a number of issues including the reasons for the further review and the timetable for the self-assessment. It was responded that the Corporate Peer Review concluded that the current governance arrangements were generally 'transactional' and that whilst the policy and procedures were satisfactory more could be done to embed good practice and ensure that the culture and practices were in line with the Council's values. The report was noted.

Resolved – That details of the LGA Governance Review be noted.

22. Work Programme 2019/20

Members considered the work programme for the remainder of the following year.

A query was raised about how the Committee carried out the duty set out in the terms of reference to monitor councillors performance. It was noted that the definition of performance had historically been defined as attendance at meetings, however, it was recognised that this was narrow and did not reflect the wide range of activity undertaken by Members. It was suggested that areas such as casework and attendance at other committees, outside bodies, working groups etc could be included in future reporting. It was agreed that the Chair, Councillor Plenty and any other committee members with ideas to contribute would give further consideration to how this activity could be better reported and that a report would be provided to a future meeting.

The following items were also agreed:

- The external audit report to be added to the December 2019 meeting.

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- Report on the outcomes of the LGA Governance Review be added to the work programme for March 2020.
- It was suggested that a update on the Council's revenue position be received in December 2019, following the LGA Review of Slough Children's Service Trust's financial position.

With these additions noted, the work programme was agreed.

Resolved – That the Committee's Work Programme for 2019/20 be agreed, subject to the additions above.

23. Exception Reporting to Overview and Scrutiny Committee

The Committee was reminded that this was a standing agenda item to provide a formal mechanism to refer relevant matters to the Overview & Scrutiny Committee. No matters were referred.

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

24. Members Attendance Record 2019/20

Resolved – That the Members' Attendance Record 2019/20 be noted.

25. Date of Next Meeting - Thursday 12th December 2019

The date of the next meeting was confirmed as 12th December 2019.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 7.31 pm)