



## **AUDIT AND GOVERNANCE COMMITTEE**

**MEETING** : Monday, 8th September 2014

**PRESENT** : Cllrs. Wilson (Chair), Hobbs (Vice-Chair), Noakes, Haigh, McLellan and Taylor

### **Others in Attendance**

Darren Gilbert, KPMG LLP

Tara Westcott, KPMG LLP

Sue Mullins, Head of Legal and Policy Development (GCC)

Jon Topping, Head of Finance (GCC)

Stephanie Payne, Audit, Risk Management and Value for Money Officer (GCC)

Wendy Jones, Customer Services Manager (GCC)

Ruth Aldridge, Head of Human Resources and Organisational Development (GCC)

**APOLOGIES** : Cllr Llewellyn

### **21. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **22. MINUTES**

The minutes of the meeting held on 26 June 2014 were approved as a correct record and signed by the Chair.

### **23. PUBLIC QUESTION TIME (15 MINUTES)**

There were no public questions.

### **24. PETITIONS AND DEPUTATIONS (15 MINUTES)**

There were no petitions or deputations.

### **25. UPDATE ON PAYROLL CONTRACT SLA**

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The Committee considered an update on the Council's payroll service from the Council's Head of Human Resources and Organisational Development. The Committee was further advised that a payroll review was currently underway, the outcome of which would be known in December 2014.

The Committee discussed the following matters.

The Chair queried whether a control was in place regarding a management review of exception reports. The Head of Finance advised that checks were being carried out and that in the future all necessary control procedures would be in place.

Councillor Haigh queried whether Officers were satisfied that payments were being made correctly and referred to an example of a Member who had received incorrect remuneration. The Head of Human Resources and Organisational Development responded that she was not aware of any major issues and that the case of the elected Member in question had been brought to her attention and dealt with.

**RESOLVED** – that the update be noted.

**26. COMPLAINTS POLICY**

The Committee considered a report produced by the Council's Customer Services Manager which set out a revised Corporate Complaints Policy for endorsement by the Committee prior to its approval by a meeting of Full Council on 25 September 2014.

The Committee discussed the following matters:-

- Clarification was provided on 'Net Consent'.
- The Chair queried how anonymous complaints were dealt with. The Committee was informed that these were processed as service requests and were not ignored.
- The Chair asked how complaints against the Council's partners and contractors would be monitored. The Committee was informed that this function would be carried out by the Head of Business Improvement and Performance.
- Councillor Hobbs requested that the confidentiality of complaints should be given more prominence in the documents. This was accepted.
- An incorrectly aligned bullet point was identified for correction.
- Councillor Haigh requested that the 'Have your Say' leaflet be amended to reflect the fact that equality information collected would be processed separately to the feedback information.

**RESOLVED TO RECOMMEND TO COUNCIL** – that the revised Complaints Policy be approved subject to the amendments identified by the Audit and Governance Committee.

**27. ANNUAL COMPLAINTS MONITORING**

The Committee considered a report produced by the Council's Monitoring Officer which set out statistics relating to complaints and compliments received by the City

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Council between April 2013 and March 2014 and complaints made to the Local Government Ombudsman relating to the Council during the same period. The Head of Legal and Policy Development in her capacity as Monitoring Officer summarised the headlines of the report.

The Committee discussed the following matters.

- It was noted that compliments to the Council had increased. The definition of a 'compliment' was explained.
- Councillor Haigh asked for more detailed information regarding complaints about Amey. Councillor Hobbs indicated that this information was made available to the Streetcare Working Party.
- Clarification was sought by Councillor Hobbs on the difference between complaints relating to 'Regeneration Services' and 'Planning'. It was noted that the complaints logged by Customer Services on 'Planning' related to complaints about service delivery and not complaints about planning applications.
- Councillor McLellan queried if responses to complaints had led to any change in Council policies or procedures. The Customer Services Manager responded that this was often the case. Councillor McLellan suggested that this information should be reflected in future reports and this was agreed by the Committee.
- Councillor Hobbs questioned whether it would be more appropriate for the report to be examined by the Overview and Scrutiny Committee in future. The Head of Legal and Policy Development commented that the matter fell within the terms of reference for the Audit and Governance Committee.
- Clarification was sought by Councillor Taylor on the definition of 'unjustified complaints' relating to the Development Control Service. The Customer Services Manager explained the type of complaints that came within this category.

### **RESOLVED**

- (1) that the report be noted.
- (2) That future reports should provide information on when action on a complaint had led to a change in Council policy or procedure.

## **28. AUDIT AND GOVERNANCE COMMITTEE ACTION PLAN**

The Committee considered the City Council's updated Action Plan. It was noted that the fixed asset register referred to at item 21 had gone live in July 2014 and that the Action Plan would be updated accordingly.

**RESOLVED** – that the Action Plan be noted.

## **29. EXTERNAL AUDIT ISA 260 REPORT (KPMG)**

The Committee considered a report produced by KPMG which summarised the key issues identified by KPMG during the audit of the City Council's financial statement for 2013/14 and provided the auditors' assessment of the Council's arrangements to secure value for money in its use of resources.

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The Committee acknowledged the efforts of KPMG and Council staff in ensuring the successful completion of the recent audit. KPMG indicated that they were proposing to issue an unqualified judgement on the City Council's financial status.

Councillor Noakes enquired if this judgement would have an effect on the audit fee set by KPMG in March 2014. KPMG indicated that whilst the fee for the current year would not be reduced it was anticipated that a re-assessment would lead to the fee being reduced next year.

Councillor Hobbs asked if any action had been taken to reduce the NDR deficit. The Head of Finance explained that the intention was to have a zero balance on the account and outlined the factors which made this assumption difficult. KPMG commented that many other authorities found themselves in this position and that it was not an area of concern.

The Chair complimented the Finance Team on the outcome.

**RESOLVED**

- (1) That the ISA report to those charged with governance be noted; and
- (2) That the continued improvements made since the previous external audit process be noted.

**30. TECHNICAL UPDATE (KPMG)**

The Committee considered a technical update produced by KPMG which provided Members with an overview of KPMG's progress in delivering their responsibilities and which also highlighted the main technical issues which were impacting on local government.

**RESOLVED** – that the update be noted.

**31. AUDITED STATEMENT OF ACCOUNTS**

The Committee considered the City Council's 2013/14 Audited Statement of Accounts.

**RESOLVED** – that the Statement of Accounts be noted.

**32. INTERNAL AUDIT PLAN 2014-15 - MONITORING REPORT**

The Committee considered a monitoring report produced by the Council's Audit, Risk and Assurance Manager which informed Members of the audits completed as part of the approved Internal Audit Plan 2014/15.

The Committee discussed the following matters:-

- The Chair queried the position on Docks Catering. The Audit, Risk Management and Value for Money Officer responded that there had been progress with the original recommendations and two had been fully implemented. The Docks Catering service had now installed a till and the

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responsible officer had confirmed that the remaining recommendations should be in place from September 2014. The Chair requested that a further follow up be completed and reported back to Committee. The Audit, Risk Management and Value for Money Officer confirmed that results would be reported back to the Committee in January 2015.

- Councillor McLellan sought clarification on the potential for fraudulent claims in the section on Council Tax Relief. The Audit, Risk Management and Value for Money Officer agreed to provide this information to the Committee separately.
- Councillor Haigh referred to the section on Members' Allowances and commented that it was important that these matters were noted and acted upon. The Audit, Risk Management and Value for Money Officer replied that she was confident from the assurances of the Democratic and Electoral Services Manager that the necessary controls would be in place. A follow up audit would be carried out, the results of which would be reported to the Committee in January 2015.

**RESOLVED** – that the audit work undertaken to date and the assurance given on the adequacy of internal controls operating in the systems audited be endorsed.

**33. ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2014-15 - UPDATE**

The Committee considered a report produced by the Council's Head of Finance on behalf of the Corporate Governance Group which informed them of action taken on the Annual Governance Statement Action Plan 2014-15.

The Committee requested that the information contained in Appendix A1 'Peer Review Action Plan' be reformatted into a document which had a 'RAG' style format and which clearly evidenced which actions had been completed. It was agreed that the relevant officer would be present at the next meeting of the Committee to answer any queries. In the absence of this data the Committee was unable to endorse the document and resolved to defer the item to the next meeting.

**RESOLVED** – that the Annual Governance Statement Action Plan 2014-15 be deferred to the next meeting of the Committee on 13 November 2014.

**34. BUSINESS RATES POOLING REPORT 2013-14**

The Committee considered a report produced by the Council's Head of Finance which informed Members of the outturn position for the year 2013-14 for the Gloucestershire Business Rates Pool.

**RESOLVED** – that the report be noted.

**35. TREASURY MANAGEMENT UPDATE - QUARTER 1 REPORT 2014/15**

The Committee considered an update produced by the Council's Head of Finance which gave an overview of the Council's treasury management performance for the first quarter of 2014/15.

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**RESOLVED** – that the report be noted and that no changes are required to the prudential indicators.

**36. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME**

The Committee considered its current work programme for the year 2014-15.

The Chair stated that the Committee would be considering a report on the email issues which the City Council had experienced in July 2014 and that in view of the ongoing Police investigation it was not clear when the report was available.

The Head of Policy and Development acknowledged that the Overview and Scrutiny had requested sight of the report and that it might be appropriate for that Committee to examine other aspects of the matter once Audit and Governance Committee had concluded its findings.

Councillors Haigh and Taylor remarked that it was important for the Audit and Governance Committee to have specialist technical advice when considering the future report on IT issues. The Head of Legal and Policy Development assured the Committee that this would be available.

Turning to page 1 of the work programme, Councillor Hobbs queried if there was any further training that the Committee might benefit from apart from the Standards Refresher training. The Committee agreed that training needs might be evaluated by looking ahead at future agendas.

**RESOLVED** – that the work programme be noted.

**37. DATE OF NEXT MEETING**

Thursday 13 November 2014 at 18.30 hours.

**Time of commencement: 18.30**

**Time of conclusion: 20.05**

**Chair**