



AUDIT AND GOVERNANCE COMMITTEE

MEETING : Monday, 20th November 2017

PRESENT : Cllrs. Gravells (Chair), Melvin (Vice-Chair), Stephens, Morgan, Wilson, H. Norman and Smith

Others in Attendance

Darren Gilbert, KPMG LLP
Jonathan Lund, Corporate Director
Greg Maw, Financial Services
Theresa Mortimer, Head of Audit, Risk and Assurance
Jon Topping, Head of Policy and Resources
Simon Byrne, Democratic and Electoral Services Officer

APOLOGIES : Cllrs.

29. DECLARATIONS OF INTEREST

29.1 There were no declarations of interest.

30. MINUTES

30.1 The minutes of the meeting held on 18 September 2017 were approved and signed by the Chair as a correct record.

31. PUBLIC QUESTION TIME (15 MINUTES)

31. There were no public questions.

32. PETITIONS AND DEPUTATIONS (15 MINUTES)

32. There were no petitions or deputations.

33. AUDIT AND GOVERNANCE COMMITTEE ACTION PLAN

33.1 The Committee considered the Action Plan and comment was invited.

33.2 The Head of Policy and Resources provided an update on item 20 of the Action Plan regarding liability on the part of the contractor in

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relation to the data breach. Having sought legal advice, it was held that it would not be advantageous to pursue the case at this time.

33.3 An update on the progress of the implementation of the Performance Management Framework was also provided.

33.4 The Head of Policy and Resources advised that revised service plans had been developed and were at the final review stage. He further informed the Committee that the Performance Management System was to be updated accordingly, that system training had been held and that the Performance Management Framework was subject to quarterly monitoring.

34. STRATEGIC RISK REGISTER

34.1 The Committee considered the report of the Head of Audit, Risk and Assurance regarding the Strategic Risk Register Update who provided an overview of the report, highlighting key areas.

34.2 Councillor Stephens was advised that 'Uncertainties arising from the UK leaving the EU' was removed as a specific strategic risk as it was more appropriate that risks be monitored across a number of areas.

34.3 Councillor Stephens enquired what the reporting mechanism for complaints was and was advised by the Corporate Director that, in his capacity as Monitoring Officer, a single annual monitoring report would be brought before the Committee. This would be reported in January 2018 and would include both Ombudsman related complaints as well as statistical data. In response to a query from the Vice-Chair, the Corporate Director further advised that succession planning was covered by the register.

34.4 The Corporate Director confirmed to Councillor Stephens that policies undertaken in response to complaints would be highlighted in the report.

35. ANNUAL AUDIT LETTER 2016/17

35.1 The Chair welcomed Darren Gilbert of KPMG who presented the Annual Audit Letter 2016/17 and comment was subsequently invited.

35.2 Councillor Morgan asked for clarification of the status of the Barton and Tredworth Development Trust and whether there could be an update on any monies outstanding. The Head of Policy and Resources confirmed that an update would be circulated to Members.

35.3 The Vice-Chair enquired as to whether the Culture Board appeared in the Audit letter and the Corporate Director advised that, as it was a separate entity, it would not.

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- 35.4 Councillor Stephens queried how the Council monitors the accounts of external bodies. In relation to the Culture Board, the Corporate Director reiterated that, as a charitable trust, it was a separate legal entity. He advised that a cash grant, as well as a sum to be paid in kind, had been made to launch the trust and that this had been matched by the Arts Council.
- 35.5 Councillor Stephens stated that oversight was necessary if the Council has made a financial contribution to an outside body. The Chair further enquired as to how outside bodies were dealt with following a contribution and that it might be appropriate to expect oversight of accounts on a longer term basis.
- 35.6 The Corporate Director advised that conditions such as account oversight can be attached to grant funding and that relevant monitoring reports would be considered by the Cabinet. It was agreed that a briefing note would be provided on how outside bodies' accounts are dealt with by the Council.
- 35.7 The Committee noted that it was evident that there was significantly much better financial monitoring that previously and the Committee wished to extend their thanks to the finance team for their diligent work.
- 35.8 **RESOLVED –**
- (1) That the Annual Audit Letter 2016/17 be noted, and
(2) That a briefing note on external bodies be provided to the Committee.

36. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) - ANNUAL REVIEW OF PROCEDURAL GUIDE

- 36.1 The Head of Policy and Resources introduced the report on the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 (RIPA) and informed the Committee that there had been no use of RIPA.
- 36.2 He further advised that the new guidance was on the basis of legislative changes and that the Head of Communities had been made an additional Authorising Officer.
- 36.3 **RESOLVED –** That the Audit and Governance Committee note the report.

37. TREASURY MANAGEMENT PERFORMANCE 2017/18 SIX MONTHLY UPDATE

- 37.1 The Committee considered the report of the Cabinet Member for Performance and Resources which updated Members on Treasury Management activities for the period April 1st to September 30th.

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37.2 The Accountancy Manager provided an update on investment balances and long term investments. He further advised that the Council had remained within Treasury and Prudential limits.

37.3 Councillor Stephens enquired whether there would be a need to draw further funds to fulfil planned investment projects and requested clarification of the role of the CCLA Property Investment Fund. The Head of Policy and Resources stated that monies were available for capital works and was flexible for use. He clarified that the CCLA Property Investment Fund is specifically for Churches, Charities and Local Authorities and that the Council's investment in this fund was a long term ambition to deliver further finance.

37.4 **RESOLVED** – That the Committee note the report.

38. REVIEW OF AUDIT RISK ASSURANCE SHARED SERVICE

38.1 The Committee considered the report of the Head of Audit, Risk and Assurance who provided an update on the achievement of business case objectives. She advised that all objectives had been met.

38.2 Councillor Morgan shared his view that it was evident Gloucester City Council is considered a good partner. He commended the work of the Internal Auditors' work and the Chair thanked the team for their hard work.

38.2 **RESOLVED** – That the Audit and Governance Committee considers that the Audit Risk Assurance Shared Service has made a positive contribution to the Council's overall governance and control arrangements.

39. PREPAREDNESS FOR THE INTRODUCTION OF UNIVERSAL CREDIT ACROSS THE CITY

39.1 The Committee considered the report of the Head of Policy and Resources in relation to preparations for the introduction of Universal Credit in the City.

39.2 Councillor Stephens stated that it was positive that preparatory work was currently underway and that a briefing will be provided for Members in January 2018. He further stated his view that it was important residents received information and sign-posting where necessary.

39.3 The Vice-Chair queried whether there were concerns, on the part of officers, with the roll out. The Head of Policy and Resources replied that, given the City would be the last district in the county to roll out Universal Credit, the Council was in a good position to learn from challenges experienced in other districts. He also informed the Committee that Civica had implemented the service for the Forest of Dean and good information sharing was available.

39.4 He further advised, in response to a query from Councillor Stephens, that the project plan ensured that all key stakeholders would be communicated in advance of Universal Credit's implementation.

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39.5 **RESOLVED-** That the Audit and Governance Committee note the report.

40. GOVERNANCE ARRANGEMENTS ON PROPERTY INVESTMENT STRATEGY

40.1 The Committee considered the verbal update of the Head of Policy and Resources on the governance arrangements on the property investment strategy.

40.2 He informed the Committee that the first board meeting had been postponed in order to await the contents of the Chancellor of the Exchequer's Financial Statement. He further advised that the Council was in the process of the procurement exercise so when properties are available, the Council would be fully prepared.

40.3 **RESOLVED** – That the Committee note the update.

41. OFFICERS' CODE OF CONDUCT LIMITED ASSURANCE FOLLOW UP

41.1 The Committee consider the report of the Corporate Director in relation to the follow up of the Officer's Code of Conduct.

41.2 The Corporate Director updated the Committee on actions taken in relation the key recommendations made in the Officers' Code of Conduct internal audit report. He advised that six recommendations had been made as had significant corrections to the Code.

41.3 He further highlighted that arrangements had been made and communicated regarding gifts and hospitality. It was stated that it was a reflection of the move from an ad-hoc system to a service based approach.

41.4 **RESOLVED** – That the Audit and Governance Committee note the report.

42. INTERNAL AUDIT ACTIVITY 2017/18 - PROGRESS REPORT

42.1 The Committee considered the Internal Audit Activity Progress Report 2017/18 by the Head of Audit, Risk and Assurance.

42.2 **RESOLVED** – That the Audit and Governance Committee note the report.

43. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

43.1 The Committee considered the Audit and Governance Work Programme and the Chair invited comment and suggestion.

43.2 Councillor Stephens shared his view that it would be appropriate to examine the system of Discretionary Housing Payments given there appeared to be an underspend. It was further suggested that the Overview and Scrutiny Committee examine this also. It was agreed that Democratic Services would liaise with the Internal Audit team to timetable this appropriately.

43.2 **RESOLVED** – That the Work Programme be noted.

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44. DATE OF NEXT MEETING

Monday 22nd January 2018 at 6.30pm in the Civic Suite, North Warehouse.

Time of commencement: 6.30 pm hours

Time of conclusion: 7.40 pm hours

Chair