



AUDIT AND GOVERNANCE COMMITTEE

MEETING : Monday, 17th September 2018

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

Others in Attendance

Corporate Director

Head of Policy and Resources

Accountancy Manager

Group Manager, Audit Risk Assurance

Democratic and Electoral Services Officer

APOLOGIES : Cllr Stephens

18. DECLARATIONS OF INTEREST

18.1 There were no declarations of interest.

19. MINUTES

19.1 The minutes of the meeting held on the 23rd July 2018 were approved as a correct record and signed by the Chair.

20. PUBLIC QUESTION TIME (15 MINUTES)

20.1 There were no public questions.

21. PETITIONS AND DEPUTATIONS (15 MINUTES)

21.1 There were no petitions or deputations.

22. EXCLUSION OF THE PRESS AND PUBLIC

22.1 **RESOLVED:-** That the press and public be excluded from the meeting during the following item of business on the grounds that it is likely, in view of the nature of business transacted or the nature of proceedings, that if members of the press or public are present during the consideration of the item there will be disclosure to them of exempt information as defined in

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Paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended.

23. AMEY STREET CARE CONTRACT UPDATE

It was agreed by the Chair that this item would be discussed prior to agenda item 6.

23.1 The Committee considered the report from the Corporate Director regarding the update on the Amey Street Care contract.

23.2 **RESOLVED:-**

(1) That the recommendations in the exempt report be approved.

(2) That the Amey Contract be brought before Committee for discussion at an appropriate time.

24. AUDIT AND GOVERNANCE COMMITTEE ACTION PLAN

The Chair welcomed back the Press and Public.

24.1 The Chair welcomed Councillor H. Norman, the new Cabinet Member for Performance and Resources and thanked the previous Cabinet Member for Performance and Resources, Councillor D. Norman MBE for his attendance on the Committee.

24.2 The Committee considered the Action Plan.

24.3 Councillor Haigh questioned the context to the Action Plan regarding the DHP spend and Benefit Accuracy rates from other districts. The Head of Policy and Resources replied that the action points had been requested by Committee at the previous meeting following reports regarding the DHP allocation spend and the Council's Benefit Accuracy Rates. He further stated that he would provide the Committee with the total budget for DHP allocation for 2018/19. He commented that the Council were on course to spend all of the allocation by the end of the financial year.

24.4 Councillor Haigh further questioned whether the DHP application process could be simplified and whether the requirement of the 13 week period before reapplication could be changed. The Head of Policy and Resources replied that DHP was not designed to be a reoccurring benefit thus the 13 week time period before a resident can reapply was necessary.

24.5 In response to a query regarding the complex nature of DHP application process from Councillor Haigh, the Head of Policy and Resources stated that the process was currently under review by the Intelligent Client Officer and the Housing Team, with the aim of making the process online in the future.

24.6 The benefit accuracy rates from other local authorities were discussed and the Committee were happy with the comparative performance.

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24.7 The Chair advised that the Internal Auditors had previously recommended the simplification of the DHP application process which was why the statistics had come before the Committee.

24.8 **RESOLVED:-**

(1) That the Audit and Governance Committee note the Action Plan.

(2) That the 2018/19 DHP allocation total be made available to the Committee.

25. INTERNAL AUDIT ACTIVITY PROGRESS REPORT 2018/19

25.1 The Committee considered the report on Internal Audit Activity Progress for 2018/19. The Committee were informed that on report pack page 38 an update was required in relation to the 2017/18 Special Investigations referral within Place. The report should have read 'resignation of a member of staff' instead of 'dismissal of'.

25.2 The Group Manager, Audit Risk Assurance drew the Committee's attention to the audit of Network Access Controls. She explained that the limited control assurance level was relevant to the Network Access Controls specific audit scope only as it did not provide opinion on the wider ICT processes and controls in place at the Council.

25.3 Councillor Wilson asked for clarification in relation to recommendation 3 of the report. The Group Manager, Audit Risk Assurance confirmed that management have provided assurance to Internal Audit (through the Network Access Controls internal audit report management responses and other verbal assurance) that all raised recommendations have been immediately progressed and resolved. Based on this, the recommendation to Committee is that senior management Committee attendance would not be required and that a follow up Network Access Controls internal audit is added to the 2019/20 Internal Audit Plan.

25.4 In response to a query from the Vice-Chair regarding the absence of checks on Members personal driving licenses and vehicles, the Head of Policy and Resources explained that the Council's motor policy would cover an incident involving a Councillor if one were to occur.

25.5 **RESOLVED:-**

(1) The Committee accept the progress made against the Internal Audit Plan 2018/9;

(2) The Committee accept the assurance opinions provided in relation to the effectiveness of the Council's control environment comprising risk management, control and governance arrangements as a result of the Internal Audit activity completed to date; and

(3) The Committee agreed that senior management attendance at the next meeting of Committee in relation to the Network Access Controls limited assurance is not required and the Network Access Controls be added to the Internal Audit Plan 2019/2020.

26. BUSINESS RATES POOLING UPDATE REPORT FOR 2017/18

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- 26.1 The Committee considered the report which detailed the 2017/18 outturn of Gloucestershire Business Rates Pool. The Committee heard that the outturn for 2017/18 was positive with Gloucester City Council receiving £650,000 as a result of the Pool.
- 26.2 The Chair noted that the report was positive and thanked the Head of Policy and Resources for his report.
- 26.3 Councillor Wilson noted Gloucestershire had been successful in their application to be a 100% Business Rates Pilot for 2018/19, he queried what the course of action would be after the pilot finished. In response the Head of Policy and Resources stated that the City Council was currently looking into bidding for a 75% Business Rates scheme, however if they were not successful in this bid, the Business Rates would return to the current 50% scheme.
- 26.4 Councillor Haigh questioned what the risks would be in relation to the 75% scheme. She noted that if NHS Trusts were to be classified as charitable bodies there would be a decrease in income due to the mandatory charitable business rates relief. She questioned what safeguards were in place to protect against businesses backdating appeals on rateable values, after the successful appeal by Virgin Media in 2014/15.
- 26.5 The Head of Policy and Resources replied that there was risk with increasing the percent of Business Rates Pool income. He stated there was also risk in relation to Brexit as the effect on the Business Rates Pool income was unknown. He reported, however, that even with the worst case scenario it was more beneficial for the City Council to be a part of the 75% Business Rates scheme.
- 26.6 **RESOLVED:-** The Audit and Governance Committee note the 2017/18 outturn position and performance of the Gloucestershire Business rates Pool.

27. ANNUAL AUDIT LETTER 2017/18

- 27.1 The Head of Policy and Resources passed on Darren Gillbert's apologies and presented the report on his behalf. He further stated that the KPMG team passed on their thanks to the Audit and Governance Committee as this was to be the last item from KPMG.
- 27.2 The Committee were informed that report summarised the outcome from KPMG's audit work for 2017/18, which was discussed in detail at the July Committee.
- 27.3 The Chair thanked Darren Gillbert and the KPMG team for their work as the Council's external auditors.
- 27.3 **RESOLVED:-** That the Annual Audit Letter 2017/18 to be noted.

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28. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

28.1 The Committee considered the Audit and Governance Work Programme.

28.2 The Chair commented that it would be beneficial for the Committee to review the Amey Street Care Contract to assess what lessons have been learnt and apply those lessons to future contracts the Council enters into.

28.3 **RESOLVED:-** That the Audit and Governance Committee note the work programme.

29. DATE OF NEXT MEETING

29.1 19th November at 6:30pm in the Civic Suite, North Warehouse.

Time of commencement: 6.30 pm hours

Time of conclusion: 7.17 pm hours

Chair