



AUDIT AND GOVERNANCE COMMITTEE

MEETING : Monday, 18th January 2016

PRESENT : Cllrs. Llewellyn, Hobbs, Taylor, Patel and Hampson

Others in Attendance

Jon Topping, Head of Finance

Terry Rodway, Audit, Risk and Assurance Manager

Sadie Neal, Head of Business Improvement

Atika Tarajiya, Democratic and Electoral Services Officer

APOLOGIES : Cllrs. Gravells and McLellan

49. DECLARATIONS OF INTEREST

There were no declarations of interest.

50. MINUTES

RESOLVED:

That the minutes of the meeting held on 23 November be approved and signed by the Chair as a correct record.

The Chair referred to item 46 (Strategic Risk Register) in the minutes of the last meeting querying whether Councillor Norman (Cabinet Member for Performance and Resources) had discussed the resilience of the senior management structure with Officers.

Councillor Norman confirmed that he had discussed the issue with the Managing Director, who has assured him that the Risk Register was regularly reviewed by the senior management team, noting that it was likely that a review of the current structure would take place following the formal resignation of the Corporate Director. The Audit, Risk and Assurance Manager commented that this item was scheduled for discussion at the senior management team meeting on the 19 January 2016.

51. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

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52. PETITIONS AND DEPUTATIONS (15 MINUTES)

There were no petitions or deputations.

53. CHANGE TO ORDER OF PROCEEDINGS

The Chair agreed to amend the order of proceedings to consider agenda item 14: Council IT: Lessons Learned ahead of agenda item 6.

RESOLVED:

That the order of proceedings be amended to allow agenda item 14 to be considered ahead of agenda item 6.

54. EXCLUSION OF THE PRESS AND PUBLIC

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 to be transacted or the nature of the proceedings, that if members of the press and public are present during consideration of this items there will be disclosure to them of exempt information as defined in Schedule 12A of the Local Government Act 1972 as amended.

55. COUNCIL IT- LESSONS LEARNED

The Head of Business Improvement highlighted key areas of the report acknowledging that since the security breach in July 2014, there has been major improvements in the Council's IT infrastructure. She noted that the Council were working with the PSNA and Civica to achieve PSN accreditation commenting that there were no outstanding actions identified from the breach.

In response to the Chair's query of whether a communication channel had been established with the ICT Working Group, Councillor Taylor, a member of the group, confirmed that the group were regularly updated and consulted on IT developments and proposals.

RESOLVED:

That the report be noted.

56. AUDIT AND GOVERNANCE COMMITTEE ACTION PLAN

RESOLVED: That the exclusion of the press and public be discontinued to allow members of the public and press to be present during consideration of the remainder of the agenda.

The Committee considered the Action Plan

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The Audit, Risk and Assurance Manager explained that the Minute 17 was still on track for implementation in March 2016 commenting that the Minute 28 and 31 were now complete and would be deleted from the action plan.

In response to the Chair's query regarding the proposed EPOS system for the Guildhall, the Head of Finance reported that the contract for the new system was due to be signed this week and the implementation date remained on course for March 16.

57. KPMG ANNUAL REPORT ON GRANTS AND RETURNS WORK 2014/15

Darren Gilbert, KPMG reported that the return of the Housing Benefit Subsidy Audit was unqualified but had required adjustments to the final figures. He advised the Committee that the Pooling of the Housing Capital Receipts Audit return was qualified as some historical records had not been able to be located, noting that this was an issue that had been identified in numerous authorities and was predominantly due to the age of the records required. He acknowledged that the City Council had a good track record of handling housing benefit claims, commenting that he was unsure if the City Council would be requested to provide additional information to evidence the qualified audit.

RESOLVED:

That the report be noted

58. INTERNAL AUDIT PLAN 2015/16 - MONITORING REPORT

The Audit, Risk and Assurance Manager highlighted key areas of the report acknowledging that the non-achievement of the target number of completed Audits was predominantly due to a vacancy in the Audit and Assurance Team. He reported that arrangements had now been made to utilise contract staff who were now on-site, working on completing the outstanding audits.

The Chair questioned what action could be taken, should the high priority recommendations outlined in appendix 2 of the report not be implemented at the Guildhall. The Audit Risk and Assurance Manager advised that a further follow-up audit would be carried out approximately three months after the agreed date of implementation to test if the recommendations had been implemented. If the recommendations have not been implemented then this would be reported to Audit & Governance Committee. The Head of Finance reported that each Service area had monthly meetings scheduled with Finance Officers to ensure that outstanding commitments were reviewed.

In response to a query from Councillor Patel regarding the term "nominal value invoices" used in the commentary of the Commercial Rents Audit in appendix 1 of the report, the Audit, Risk and Assurance Manager explained that this referred to outstanding wayleaves and easements debts which were typically of a value of less than £5, noting that the recommendation was to focus on debts of a more significant value.

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In response to Councillor Patel's query of the largest debt owed to the Council, the Audit, Risk and Assurance Manager advised that this information would be obtained from Civica and reported back to the Committee.

RESOLVED:

That the audit work undertaken to date, and the assurance given on the adequacy of internal controls operating in the systems be endorsed.

59. BUSINESS RATES POOLING ANNUAL REPORT

The Head of Finance highlighted the key areas of the report advising that a new pool had been set up to exclude Tewkesbury Borough Council to prevent the pool for sustaining further losses as a result of successful appeals from Virgin Media.

The Chair noted that the forecast for the forthcoming year was positive acknowledging that the Council had been aware of the risks when initially forming a combined pool.

RESOLVED:

That the 2014/15 outturn position and performance of the Gloucestershire Business Rates Pool be noted.

60. ANNUAL STANDARDS REPORT

The Audit, Risk and Assurance Manager summarised the key areas of the report advising Members that it was the recommendation of the Monitoring Officer to consider altering the timing of the report in future years to coincide with LGO Annual report on Local Government Complaints and thereby combine the two reports.

RESOLVED:

- (1) That the contents of the report be noted and
- (2) The Annual Standards Report of the Monitoring Officer be presented together with LGO Annual report on Local Government Complaints in future years.

61. LOCAL GOVERNMENT OMBUDSMAN DECISIONS

The Audit, Risk and Assurance Manager summarised the key areas of the report advising the Committee that in both cases referenced in the report action had been taken to address the findings in each case.

The Chair commented that in both cases there was a theme of lack of timely communication which would need to be addressed.

With reference to the second case referred to in the report, Councillor Hobbs commented that Officers should utilise standard wording within template letters to inform chargepayers of the appeals procedure. He queried whether this had been

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implemented as part of the lessons learnt. The Audit, Risk and Assurance Manager confirmed that he would go back and enquire whether this had been done.

RESOLVED:

- (1) The contents of the report be noted;
- (2) It is satisfied that appropriate steps have been taken to address the findings in each case and that no further action needs to be taken by the Council.

62. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME

The Committee considered the Work Programme.

The Audit, Risk and Assurance Manager advised the Committee that the next meeting on the 14th March 2016 would be his last, and that the report on the Internal Audit Plan 2016/17 would be presented by the new Head of the Internal Audit & Risk Management Shared Service.

RESOLVED that the work Programme be noted.

63. DATE OF NEXT MEETING

Monday 14th March 2016 at 6:30pm.

Time of commencement: 6.30 pm hours

Time of conclusion: 7.06 pm hours

Chair