

Runnymede Borough CouncilSTANDARDS AND AUDIT COMMITTEE5 June 2018 at 7.30pm

Members of the Committee Present: Councillors M G Nuti (Chairman), D E Anderson-Bassey (Vice-Chairman), M D Cressey, Mrs L M Gillham, Mrs Y P Lay, P Snow, P J Taylor and A P Tollett and Mr J Healy (Independent Person)

Members of the Committee absent: Councillors S L Dennett and J R Furey and Mr M Litvak (Independent person)

59 FIRE PRECAUTIONS

The Chairman read the procedures to be followed in the event of fire or other emergency.

60 NOTIFICATION OF CHANGE TO COMMITTEE MEMBERSHIP

The Group mentioned below had notified the Chief Executive of their wish that the change listed below be made to the membership of the Committee. The change was for a fixed period ending on the day after the meeting and thereafter the Councillor removed would be reappointed.

<u>Group</u>	<u>Remove From Membership</u>	<u>Appoint Instead</u>
Runnymede Independent Residents' Group	Councillor A Alderson	Councillor Mrs L M Gillham

The Chief Executive had given effect to this request in accordance with Section 16(2) of the Local Government and Housing Act 1989.

61 MINUTES

The Minutes of the meeting of the Committee held on 30 January 2018 were confirmed and signed as a correct record.

62 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors S L Dennett and J R Furey.

63 INTERNAL AUDIT PROGRESS REPORT

The Committee noted progress with both the 2017/18 and 2018/19 Internal Audit plans. Since the last meeting, TIAA had completed audits in the following areas: Day Centres, the Depot, Housing Rents, Benefits and Council Tax Support, Council Tax, Accounts Receivable (Debtors), Income – cash and Bank, Main Accounting, Non Domestic Rates and Treasury Management.

Members were pleased to note that all areas had received either a 'substantial' or 'reasonable' appraisal, demonstrating that good systems of checks and balances

were in place. In addition, it was reported that the audits for Commercial Property Rents and Addlestone One had also achieved a 'substantial' assurance. Officers confirmed that as well as the most recently completed audit report on Addlestone One being circulated to Members, a full update on progress with the project itself would be submitted to the next meeting of the Committee.

TIAA had a number of audits in progress. These were for HR –Recruitment, Building Services, the Runnymede Travel Initiative, Community Grants and three ICT related audits.

The Committee reviewed the priority 2 recommendations with regard to the DSO and Accounts Receivable and were satisfied that those recommendations had been accepted by the relevant Officers.

Officers agreed to adapt the table in the appendix to show when an area had last been audited.

64 ANNUAL INTERNAL AUDIT ASSURANCE REPORT

The Committee was presented with TIAA's Annual Internal Audit Assurance report for 2017/18.

Members were pleased to be informed that in the Auditor's opinion, the Council had effective risk management control and Governance processes; achieving a 'satisfactory' score from the 26 audits that had been conducted during the year. There were no 'limited' or 'no' assurance outcomes and no 'urgent' recommendations arising from those audits.

Only three audits had been cancelled in 2017/18. These were for Community Transport, Housing Enforcement and Sheltered Centres. However, Members were advised that all of these would take place in 2018/19; they had only been delayed at the request of the service heads, owing to factors beyond their control including sickness absence of key Officers, vacancies and conflicting priorities.

The Chairman thanked TIAA for their continued work with the Council.

65 KPMG AUDIT PLAN FOR THE STATEMENT OF ACCOUNTS 2017/18

The Director of Resources presented, on their behalf, KPMG's External Audit Plan for 2017/18.

KPMG had identified the following areas as having significant risks for the Council: Valuation of land and buildings, owing to the Council's extensive portfolio, pension liabilities and 'Faster Close'. This referred to the timetable for the production of the Council's financial statements being brought forward to 31 May 2018 and the final accounts having to be signed by 31 July 2018, which was two months earlier than in 2017.

In respect of the Value for Money audit, KPMG identified that with ever decreasing funding from Central Government, delivering the Council's budgets was a significant risk.

Officers confirmed that KPMG had recently lost all its Local Government contracts. It was anticipated that the final audit would be finalised in July. Unfortunately, Officers had not been contacted by KPMG for some time although they had completed most

of the audit up to 31 December 2017. The Committee instructed the Director of Resources to send a further reminder to KPMG and to keep them informed of any progress or issues of concern.

When the audit was complete Officers would arrange for Members to meet with KPMG in a closed meeting.

66 ANNUAL GOVERNANCE STATEMENT 2017/18

Members noted the Annual Governance Statement for 2017/18 which had recently been approved by Corporate Management Committee. In 2019 this report would be presented to the Committee before Corporate Management Committee's meeting in May.

The Committee reviewed the principles on which the Annual Governance Statement was based. These complemented those as set out in the Council's Code of Conduct for Members, made under the Localism Act 2011.

Officers highlighted changes to the statement from the previous year; for example the whistleblowing incident which had led to a revision of the procedures for dealing with potential financial irregularities, the transfer of Commercial Rents to the Commercial Services team along with replacement software provided by Concerto to manage rent reviews and an update on the Council owned companies.

Officers confirmed that Councillor Maddox was now the Chairman of the Board and non-executive Director of RBC Investments (Surrey) Limited. A meeting for Members as shareholders thereof would be arranged to receive the annual report.

With regard to the principle of Developing the Council's capacity, Members requested a full list of Safer Runnymede's contracts to emphasise the positive attributes of the Council and its work in partnership with third parties.

67 COMPLAINTS AND COMPLIMENTS 1 JANUARY – 31 MARCH 2018

The Committee received its regular report on Complaints and Compliments that had been recorded centrally with the Corporate Head of Law and Governance.

There had been an increased number of both complaints and compliments since the last meeting and Members were advised that only 4 complaints were outstanding and of the 30 received, 8 had been upheld and 1 partly upheld.

Front line services continued to attract more complaints and compliments. It was pleasing to note the number of compliments received for refuse and recycling. The compliments recorded demonstrated that the public appreciated being able to speak to staff and being dealt with in person.

Members raised some specific issues regarding training which Officers would discuss separately. It was suggested that Customer Services should have a 'frequently asked questions' page for the public to refer to as well as their own list which it was confirmed was updated regularly and supported by regular meetings with back office staff to ensure Customer Services Advisors were well informed about all the service areas they covered. The Committee was assured that Customer Services was fully staffed.

Members requested that the Communications team set up a 'rolling stream' of good news stories on the website to promote the Council more effectively.

The Committee looked forward to some further detail being provided at the next meeting looking at issues raised by Ward so that themes and trends could be identified.

68 COMPLAINTS ABOUT COUNCILLORS 2017/18

The Committee noted the annual report on Complaints recorded about Councillors.

There had been an increase on the previous year; with five complaints being recorded. Two complaints had been resolved satisfactorily; however, three had been referred for investigation and were ongoing.

Officers advised the Committee that there was no set budget for engaging the services of an external independent investigator or what their fee should be set at. Therefore, a request for a set budget for investigations would be submitted for the next financial year.

The Chairman thanked the Independent persons for their role in advising the Monitoring Officer and Deputy Monitoring Officer. Mr Healy, in return, confirmed that the procedure for dealing with complaints was operating well.

69 CHAIRMAN'S ANNOUNCEMENTS

The Chairman took the opportunity to discuss with the Committee his ideas for taking the Committee forward in 2018/19. These included a training programme for Members in audit related matters so that they would be better equipped to take a more active role in reviewing the audits that TIAA conducted as well as having an input into the annual audit plan. The objective was to draw up a formal procedure for the Committee with regard to its terms of reference.

The Chairman also proposed seeking training for Members on Value for Money, Sustainability and change management with regard to finance, structures and Governance.

In addition, the Committee intended to commission more in depth audits of selected areas in the Council. For example the Local Plan, Commercial Purchasing, Cyber/GDPR issues and the Whistleblowing Policy. It was suggested that rolling reviews might be appropriate for some service areas and the auditor confirmed that these were in place for some high profile areas such as Addlestone One.

The Committee was also keen to look at other areas such as the Council's use of consultants, project management and other relevant areas such as departmental budgets and maintenance expenditure to examine whether value for money was being demonstrated. The Chairman confirmed that a proper procedure would be produced for this.

With regard to the Local Plan, some concern was raised that the Standards and Audit Committee should not duplicate work currently being undertaken by the Overview and Scrutiny Select Committee, nor should it put undue pressure on the Planning Department which was duly noted.

Members of the Committee welcomed the opportunity for training in the areas discussed. The auditor confirmed that TIAA were preparing an appropriate training session shortly to include how they went about conducting an audit from start through to the final report, recommendations and any follow up audits to ensure that recommendations that had been accepted were implemented.

In response to a specific enquiry, the Committee was directed to the Member Officer Protocol and advised to seek advice from the Monitoring Officer for further information.

Chairman

(The meeting finished at 8.55 pm)