

Runnymede Borough Council

STANDARDS AND AUDIT COMMITTEE

24 July 2018 at 7.30pm

Members of the Committee Present: Councillors M G Nuti (Chairman), D E Anderson-Bassey (Vice-Chairman), M D Cressey, J R Furey, Mrs Y P Lay, P J Taylor and A P Tollett

Members of the Committee absent: Councillors A Alderson, S L Dennett and P Snow and Mr J Healy and Mr M Litvak (Independent persons)

172 FIRE PRECAUTIONS

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

173 MINUTES

The Minutes of the meeting of the Committee held on 5 June 2018 were confirmed and signed as a correct record.

174 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A Alderson, S L Dennett and P Snow. There were no items of business for the Independent persons.

175 EXTERNAL AUDIT INTERNATIONAL STANDARDS ON AUDITING (ISA) 260 REPORT

The Committee noted the annual report by the Council's External Auditors (KPMG).

Members were advised that the report gave an unqualified opinion on the authority's financial statements and the value for money assessment. KPMG had examined those risks which were considered significant. These were:

- valuation of land and buildings
- investment properties
- pension assets and liabilities
- faster close
- fraud risk from revenue recognition
- fraud risk from management override of controls

KPMG reported there were no significant issues or concerns arising but agreed to clarify a point raised with regard to investment properties. It was reported that KPMG's key judgements in the following areas were balanced which was positive:

- Land and buildings and investment properties
- PPE: HRA assets
- Pension liability

KPMG had given a rating of 'cautious' with regard to NNDR provisions. This was because a number of NHS trusts had initiated court action with regard to the legality

of business rates paid. However, it was not known whether this would be relevant locally, hence the prudent judgement at this stage. Officers confirmed that the issue of Business Rates Retention was an on-going concern for which provision had also been made.

In respect of the audit opinion on Value for Money, KPMG had looked at the authority's delivery of budgets. Whilst they raised no significant issues, the Committee was concerned by the estimated underspend of approximately £95k becoming an outturn of an overspend of £688k. Some Members considered that more control needed to be exercised and as a result fewer supplementary estimates would be submitted to Committee for approval. Officers agreed to re-circulate the list of variances from the May 2018 outturn report.

The Committee discussed the potential implications of negative Revenue Support Grant but were assured that the Council was taking this risk into account when setting budgets.

KPMG had followed up on previous recommendations, both of which had been implemented with no new recommendations being made. Two minor adjustments to the financial statements had been agreed.

Officers agreed to update the Committee at the next meeting in September with regard to Section 106 monies, the split with Surrey County Council and the deadlines to utilise such funding agreements. Officers would confirm which the decision making Committee was with regard to this issue.

The Chairman thanked KPMG for attending the meeting to present their report. The Corporate Director of Resources and his team were also thanked for their work.

176 INTERNAL AUDIT PROGRESS REPORT 2018/19

The Committee noted progress with 2018/19 Internal Audit plan. TIAA had completed two audits in the following areas: Commercial Property Redevelopment and Addlestone Town Centre Redevelopment. Both had received a substantial evaluation with no recommendations. TIAA were currently examining the five following areas: Business Continuity, HR – Recruitment, Building Services, the Runnymede Travel Initiative and Community Grants.

The Committee appreciated the additional column on the progress chart against the 2018/19 plan to show when the service area was last audited. TIAA agreed to include in their next progress report the start dates, anticipated and actual end dates for each audit in the 2018/19 programme.

The Committee did not think it productive for a service area to be able to ask for an audit to be postponed more than once. Therefore, TIAA were also asked to indicate how many audits had been postponed and the number of postponements for each business centre. Finally, TIAA were requested to provide an annual comparisons audit at the next meeting in September showing if services audited had either improved or worsened since their last audit.

The Chairman thanked TIAA for their Internal Audit work and reminded the Committee that TIAA would give the first half of their training session on how to conduct an audit at the next meeting in September. This would be followed up at the November meeting with a practical session auditing a service area to be confirmed.

177 COMPLAINTS AND COMPLIMENTS 1 APRIL – 31 MAY 2018

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

Members noted that there had been 12 formal complaints recorded and 7 compliments between 1 April and 31 May. It was noted that only 2 complaints had been upheld. For the year ending 31 May 2018, there had been 100 complaints and 53 compliments. Every ward was represented as were all business centres and it was appreciated that front line services received more attention, both positive and negative.

The Committee discussed how long data should be kept for in order to better analyse trends and common themes. It was acknowledged that information should not be retained for longer than necessary. The Committee agreed that if anonymised, it would be appropriate to amend the document retention schedule with regard to complaints and compliments to retain information for a maximum of 5 years instead of 2 maintaining anonymity with regard to the matters reported to the Committee to comply with the Data Protection requirements. This would then cover for example a change programme or re-organisation and indicate whether or not it had been successful.

Officers agreed to record a letter of thanks reported by Councillor Mrs Lay from the Friends of the Hythe.

178 ADDLESTONE ONE RISK REGISTER – UPDATE

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

Officers reported that the vast majority of potential risks identified at the onset of the Addlestone One project had been eliminated. The remaining risks were discussed and Officers agreed to adjust the risk register to separate out one of the items discussed at the meeting.

Progress with letting the retail units was noted and the Committee was invited to attend the workshop at 6.30pm prior to the Corporate Management Committee on 26 July on Addlestone One for a fuller briefing.

Officers were requested to log all the closed risks to identify 'lessons learned' to be applied to future projects. The Committee was assured that mitigation measures were in hand and part of the daily monitoring of the project.

Chairman

(The meeting ended at 8.40pm)