

Runnymede Borough Council

STANDARDS AND AUDIT COMMITTEE

30 May 2019 at 7.30pm

Members of the Committee Present: Councillors M Nuti (Chairman), J Sohi (Vice- Chairman), M Adams, D Anderson-Bassey, B Clarke, M Cressey, S Dennett, R Edis, and J Wilson

Members of the Committee absent: Councillor M Harnden, Mr J Healy and Mr M Litvak (Independent persons)

40 FIRE PRECAUTIONS

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

41 MINUTES

The Minutes of the meeting of the Committee held on 29 January 2019 were confirmed and signed as a correct record.

42 APOLOGIES FOR ABSENCE

Apologies for absence were recorded for Councillor M Harnden and there were no items of business for the Independent persons.

43 BDO EXTERNAL AUDIT PLAN 2018/19

The Committee was presented with the Council's new External Auditor's (BDO), audit plan for the year ending 31 March 2019. The plan was summarised by BDO's Engagement Partner who confirmed that a representative from BDO planned to attend all the scheduled meetings of the Committee in future. Members welcomed this.

The scope of the audit was set in accordance with the Local Audit and Accountability Act 2014. This included auditing the financial statements, reviewing the arrangements to secure value for money through the economic, efficient and effective use of resources and where appropriate, exercising the auditor's wider reporting powers and duties.

Members noted the executive summary on Materiality and were content with the auditor's proposal to set the trivial level for reporting misstatements at 2% of materiality with a cap of 3.7%. Equally the audit strategy and approach to risk management and risk ratings were accepted, taking into account the significant risks of management override of controls, revenue (and expenditure) recognition, property and investment and pension liability as well as all the 'normal' risk ratings attached to other areas of the Council's operations.

The Committee was advised that BDO planned to bring the results of the audit to the scheduled meeting of the Committee on 23 July 2019.

44 INTERNAL AUDIT PROGRESS REPORT FOR OUTSTANDING RECOMMENDATIONS

The Committee reviewed the 9 outstanding recommendations from completed audits, noting that 36 recommendations had been implemented and 4 were no longer applicable. The outstanding recommendations concerned data quality, day centres, the Depot, GDPR, risk management and sheltered accommodation.

TIAA were asked to identify which outstanding items could be removed from the list and which were sufficiently serious and should be investigated further. The Committee expressed disappointment that recommendations were not being implemented in a timely manner and requested that in future Corporate Heads with outstanding items and or recommendations not implemented within 3 months of the target date would be invited to address the Committee to provide an update and/or an explanation. Members were advised that one of the items pertaining to the day centres had now been resolved. With regard to GDPR, Officers reported that the issue was not one of not being compliant with GDPR but one of updating references to GDPR on contract paperwork which had not yet been completed owing to staff shortages.

The Committee agreed that the process of asking Corporate Heads to account for their areas should be referred to the Human Resources Member Working Group to contribute to their consideration of new management targets and the forthcoming appraisal scheme. It was also suggested that some form of financial sanction should be applied to Corporate Heads responsible for unimplemented recommendations in their service area.

45 INTERNAL AUDIT PROGRESS REPORT 2018/19

The Committee noted progress with the 2018/19 audit plan, noting a number of changes to the agreed plan.

Members were advised that most planned audits were underway and that 8 audits had been completed and issued since the last meeting. A further 6 audits had been issued in draft form. No priority 1 recommendations had resulted from the completed audits and Members reviewed the priority 2 recommendations issued in respect of Community Transport, ICT Change Management and ICT Mobile Device Security and Management. With regard to these some concern was expressed that Auditees had disagreed with a recommendation and asked that the ICT Mobile Device security and management report be referred to the Digital Transformation Member Working Group. Officers were asked to provide an update on the recommendation to the meeting of the Committee on 23 July if not resolved.

Officers were pleased to report that the Addlestone One 'lessons learned' Audit was complete and had been issued and it was planned to consider it at the meeting of the Committee on 23 July 2019. [subsequently it was agreed to defer to the September 2019 meeting, owing to Officer availability.]

There was some discussion about the forthcoming Local Plan audit. Members raised concerns about the process that had been followed and its consequential effect on the content of the plan. TIAA were asked to circulate the draft terms of reference to the Committee for comment with an invitation to Members to meet with TIAA to discuss. Members were advised that issues arising from audits should be referred to the relevant service committee to resolve.

46 INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2018/19

The Committee received TIAA's Annual Assurance report for 2018/19 showing an overall assurance of 'satisfactory'. This demonstrated that in TIAA's opinion, the Council's risk management control and governance processes were adequate and effective.

Officers reported this was a positive report where all audits had an assurance opinion of either 'substantial' or 'reasonable.' There were no 'urgent' recommendations, 13 'Important' and 24 'routine'. These were Directed and Compliance related, with none pertaining to Operational or operational issues. In terms of suggesting improvement to operational effectiveness, 11 such recommendations were made.

TIAA and RBC staff were thanked for their contribution to the positive outcome expressed in the report.

47 ANNUAL GOVERNANCE STATEMENT 2018/19

The Committee noted the Annual Governance Statement for 2018/19. This had been drafted in accordance with the Nolan principles. Officers reported the main outcomes in respect of the Council's activities; namely major, long term 'place shaping' regeneration projects in Addlestone and Egham, a new leisure centre and investment in property and assets, currently suspended pending clarity with regard to commercial rents and partnership working with Surrey County Council.

Members welcomed the strengthening of governance arrangements and were pleased to note no allegations of financial irregularities involving Members or Officers.

The Committee noted a review of the companies owned by the Council and were pleased to be advised that the same codes of conduct applied to the company directors.

Officers highlighted areas of the Corporate Business Plan in respect of partnership working with other local authorities in Community Services and Safer Runnymede and the benefits of 'Applied Resilience', the employee led 'mutual' with Spelthorne Borough Council in the area of civil emergencies. The new corporate structure, reducing the size of the Corporate Leadership Team was also noted along with the introduction of new Member Working Groups to support the objectives of focussing management attention on performance and budget management. The more commercial focus of the Council was welcomed.

The functions of the Standards and Audit Committee and the roles of internal and external audit were noted as well as the action plan attached to the Annual Governance Statement. The plan identified 4 issues: Partnership Working, Business Continuity Planning, Egham Gateway West and Commercial Property Rents. Members approved the actions taken and planned to execute in 2019/20.

Officers invited comments from any Members wishing to do so on the Annual Governance Statement prior to the Statement of Accounts being signed.

48 COMPLAINTS AND COMPLIMENTS – QUARTER 4, 2018/19

The Committee was updated on both the complaints and compliments registers for the period January – March 2019, including the year end results. There had been 11

formal complaints, the majority of which had not been upheld and 13 compliments received in Quarter 4 of 2018/19. The compliments were mainly for front line staff in Refuse and Recycling.

Officers confirmed that 1 complaint had been upheld and resolved satisfactorily.

Members also reviewed ward based information and were assured that if major issues occurred in their wards the Monitoring Officer would advise them accordingly within the restrictions of GDPR.

Members were advised that the list of overdue complaints (since August 2017) had increased slightly to 14. The Committee was disappointed that clearing these had not proven successful so far and instructed Officers to investigate the outstanding complaints and refer to the Committee any that remain unresolved by the meeting of the Committee on 23 July.

49 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.

The Director of Commercial Services was not able to attend the meeting and his apologies for absence were noted. He had however briefed the Chairman of the Committee on progress and Members were pleased that 'Nandos' were now included in the development. Another high profile outlet had completed the 'legals' process and a number of other retailers were looking very positive.

Members discussed a recent incident of anti-social behaviour in the development which had been investigated swiftly and were encouraged by the reported number of residential flats sold to date.

It was noted that Officers planned to submit the 'lessons learned' audit report to the meeting of the Committee on 23 July for discussion with the Director of Commercial Services and other relevant Officers. [see note under item regarding the Internal Audit Progress Report].

At the close of the meeting, the Chairman announced that Members would be advised of an Audit training Programme in due course and Members were reminded of their invitation to a Finance Briefing for all Councillors on 12 June 2019 and Treasury Management training in October/November 2019. Officers from BDO were thanked for their attendance and their future involvement in the Committee's work.

Chairman

(The meeting ended at 8.40 pm)