

Runnymede Borough Council

STANDARDS AND AUDIT COMMITTEE

23 July 2019 at 7.30pm

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

Members of the Committee absent: Councillor B Clarke and Mr M Litvak (Independent person)

Councillor J Olorenshaw also attended the meeting.

149 FIRE PRECAUTIONS

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

150 CHAIRMAN'S ANNOUNCEMENT

Councillor Kusneraitis was welcomed to the Committee having recently replaced Councillor Dennett.

151 MINUTES

The Minutes of the meeting of the Committee held on 30 May 2019 and the Sub-Committee held on 1 July 2019 were confirmed and signed as correct records. Councillor Kusneraitis was asked to follow up a query he raised with regard to the Minutes of the Sub-Committee held on 1 July 2019 with Officers separately.

152 APOLOGIES FOR ABSENCE

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

153 INTERNAL AUDIT PROGRESS REPORT FOR OUTSTANDING RECOMMENDATIONS

The Committee reviewed the 3 outstanding recommendations from completed audits, noting that 6, previously reported as outstanding, had either been completed or deemed no longer applicable. The outstanding recommendations concerned GDPR, risk management and Independent Retirement Living. Officers reported that of these, one was in the process of being implemented and the other 2 had made progress but had a revised implementation date.

It was suggested that staff resources were currently insufficient to complete the recommendations of the GDPR audit. However, Officers were asked to provide an update to the meeting of the Committee in September.

154 INTERNAL AUDIT PROGRESS REPORT 2019/20

The Committee noted progress with the 2019/20 audit plan, and an update with regard to the 7 outstanding audit reports from the 2018/19 plan.

TIAA confirmed that from the 2018/19 programme, the Business Continuity and Housing Repair and Maintenance audits, which appeared as being in draft form on the appendix had now been finalised. It was hoped to report on the remaining audits (HR Recruitment and Housing Rents) at the next meeting. Final reports had been issued for the Yellow Buses, Budgetary Control and Addlestone One, the latter would be looked at in detail at the next meeting.

From the 2019/20 programme, three audits had been finalised for Car Parking, Data Quality and Freedom of Information. In addition, the Governance audit and Planning Enforcement audits had been released in draft for Management Comments and the Local Plan audit was in progress. This would be reported on at the next meeting. It was agreed that a six-week turnaround from initial findings to the final report being issued was the target for all but the most complex audits.

It had been agreed to carry forward the audit on Commercial Property Redevelopment to 2020/21 as it had been audited in the first quarter of 2019, although Members were keen for it still to be done as it fed into the work of the relevant Member Working Group, as did Commercial Rents, Addlestone One and Planning Enforcement. Members noted that some of those requested were in the programme. An audit on the Depot had been deferred due to operational staffing issues.

Members reviewed two priority 2 recommendations from the Data Quality Audit and Officers were asked to consider the relevant assistance that could be given by Digital Services with regard to software systems and data quality and also consider local global data standard issues.

Officers agreed to review time devoted to financial systems audits that might be directed elsewhere and report back to the Committee in due course.

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

Officers from the new external Auditors, BDO LLP, presented their first comprehensive Audit Completion Report (ISA 260 report to those charged with governance) on the Council's Statement of Accounts for the year ending 31 March 2019. This gave a positive opinion on both the accounts and their 'value for money' judgement. It was noted that BDO would issue an annual audit and inspection report for 2018/19 later in the year.

Officers from BDO reported that the audit had been conducted successfully and it was anticipated that an unmodified audit opinion and unqualified use of resources conclusion would be issued. It was noted that one or two matters were outstanding concerning Investment Property valuations and some testing and clearing issues but these were not considered to affect the overall positive results of the audit.

With regard to the audit risk overview, Officers from BDO had identified 2 errors that had been corrected with regard to PPE and investment property valuation and the pensions liability valuation. Points of discussion were to consider the impact of McCloud and GMP liabilities on pension liability and to confirm the appropriateness

of including the NHS appeals provision in the prior year which was considered very prudent. It was reported that management had made adjustments to the draft accounts that had reduced the Council's net assets by £1.757 million and decreased the surplus on the provision of services by £0.544 million. Officers would also report concerns raised with regard to the late notification of the liabilities with the Surrey Treasurers Association.

No issues had arisen with regard to financial reporting and BDO were content with the Annual Governance Statement. In respect of Management Override of Controls, Officers were pleased to report there was no indication of management bias in the accounting estimate, nor any unusual transactions which could be indicative of fraud.

BDO also reported favourably on the Council's systems with regard to Non Domestic Rates, Business rate appeals, non-collection of receivables, related party transactions, classification of financial instruments (IFRS 9) and revenue from contracts (IFRS 15).

With regard to control deficiencies and recommendations, two areas were highlighted. These were cash reconciliations and property valuations. In response, Officers confirmed that the Council was about to start the implementation of a new Income Management System and a review of the reconciliation processes to see how automation and streamlining could reduce what was currently a time consuming process. Some training of staff would be necessary to fulfil this objective. It was anticipated that improved communication with the external valuer and an adjustment in processes could assist more timely resolution of any issues arising.

Officers agreed to feedback comments raised by Members at the meeting to Corporate Management Committee later that week.

The Committee thanked BDO and RBC staff for their contribution to the positive outcome expressed in the report and looked forward to working closely with BDO in the future.

156 COMPLAINTS AND COMPLIMENTS – QUARTER 1, 2019/20

The Committee was updated on both the complaints and compliments registers for the period April – June 2019. There had been 19 formal complaints, the majority of which had not been upheld and 12 compliments received.

Officers reported that updated guidance had been issued to staff and after discussion with colleagues in Environmental Services and Housing only those complaints about contractors which overlapped with Council service provision would be included on the main register for greater accuracy. Members were assured however that contractors were being monitored carefully and a summary of such complaints would in future be reported annually. Staff had been asked to filter out complaints that were really service requests but maybe the wrong form had been used. More signposting on the Council's website had been added to assist internal and external users of the website.

Members were advised that the list of overdue complaints (since August 2017) had reduced from 14 to 9 and thanks were expressed to the new Corporate Head of Environmental Services who had, with colleagues, been proactive in resolving issues in his area.

The Committee were appreciative of additional information provided about how policies and procedures could be examined for improvement in the light of some complaints that had been received. It was noted that overall complaints were relatively low and Officers were commended for this.

Officers were asked to continue sharing 'lessons learned' with staff. In relation to sharing good practice, Officers were asked to consider re-introducing the staff suggestion scheme as the Committee was keen for staff to receive recognition for making improvements and putting forward good ideas.

Members were pleased with the range of compliments received for staff in Community Development, Housing, Independent Retirement Living and the DSO/Green Space, which demonstrated the value of having staff that were well versed and experienced in their area of expertise and who were openly caring and considerate with regard to the public and residents. Officers were asked to name staff that receive compliments in future reports.

Chairman

(The meeting ended at 8.30 pm)