

Runnymede Borough Council

STANDARDS AND AUDIT COMMITTEE

26 November 2019 at 7.30pm

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

Members of the Committee absent: Councillors D Anderson-Bassey and M Kusneraitis and Mr M Litvak (Independent person)

358 FIRE PRECAUTIONS

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

359 MINUTES

The Minutes of the meeting of the Committee held on 17 September 2019 were confirmed and signed as a correct record.

360 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors D Anderson-Bassey and M Kusneraitis and there were no items of business for the Independent person.

361 INTERNAL AUDIT PROGRESS REPORT FOR OUTSTANDING RECOMMENDATIONS

The Committee reviewed the 6 outstanding recommendations from completed audits, and noted the written explanations provided by relevant Corporate Heads.

In respect of the recommendation for training for day centre managers in preparing bank reconciliations, the Corporate Head of Community Services had updated their procedures so that this was no longer necessary. The solution also made their accounting practices more transparent and consistent. The Corporate Head of Community Services would endeavour to put this new system into place as soon as reasonably possible and report progress back to this Committee.

The Head of Housing had confirmed that reviewing all the procedures in the Independent Retirement Living was underway but had been delayed owing to staff vacancies and pressure of other work.

With regard to completion of e-learning for Freedom of Information, reminders would be despatched to all staff by the relevant Officers and followed up by the Learning and Development Manager to ensure all staff completed mandatory training.

The Committee was advised that a report on Depot improvements requiring significant investment to be submitted to Corporate Management Committee and/or Environment and Sustainability Committee in January 2020 and full Council on 11 February 2020. TIAA were asked to check with progress on producing a risk register for the DSO at the next audit in the first quarter of 2020.

Members were content that the completion date for Digital Services to produce a risk map would be achieved.

The Committee thanked Officers for the updates tabled and given verbally at the meeting and instructed TIAA to check progress with revised dates for completion of recommendations. The Chairman commented that the aim was to have no revised dates in future so that all recommendations met their target implementation dates.

362 INTERNAL AUDIT PROGRESS REPORT 2019/2020

The Committee noted satisfactory progress with the Internal Audit programme for 2019/2020. The two audits from 2018/19 had also been completed. The HR Recruitment audit had resulted in one priority 2 recommendation; this was that the recruitment process should always involve Human Resources at an early stage, as one instance had come to light where the relevant Manager had recruited a member of staff without input from Human Resources.

No priority 1 recommendations had been made since the last meeting and TIAA had not been advised of any potential frauds or irregularities since the last summary report had been issued.

In addition to those listed in the report, TIAA had just completed audits on Accounts Receivable (Debtors) and Payroll and the audits on Capital Accounting and Asset Management and Housing Allocations and Homelessness were in progress.

There were 5 audits in draft form from 2019/2020; Risk Management, Members (transparency and Openness), Governance, Planning and Housing Enforcement. The Committee was advised that these were being finalised and would be reported in due course.

Whilst appreciative of TIAA's work, there was some concern expressed that there were 13 audits (about 105 days) still to be completed before the end of the financial year. Therefore, although TIAA was confident that all would at least be in draft form within the timeframe, Officers and TIAA were asked to identify the top three priority audits to be conducted by the end of 2019/2020 in consultation with the Chairman of the Committee,

363 INTERNAL AUDIT ANNUAL AUDIT PLAN 2020/2021

TIAA presented the Committee with a draft document for discussion, outlining their ideas for the audit programme for 2020/2021.

The Committee was informed that TIAA's Audit Director planned to meet each of the Council's Senior Managers/Corporate Heads over the next few weeks and gather feedback on which areas should be audited and what the audit's scope should cover. Members gave an initial indication of which audits in the draft plan were essential and which could be deferred to the following year(s).

It was agreed that TIAA report feedback with SLT on proposed audits and which were considered 'essential' and which 'desirable' to form basis of discussion between Members of the Committee prior to a further draft being considered at the next meeting in January 2020 and if necessary being approved in consultation with the Chairman and Vice-Chairman of the Committee shortly thereafter or a special

meeting of the Committee could be arranged before the end of the current Municipal Year to finalise the programme.

364 INTERNAL AUDIT ASSURANCE REVIEW OF THE LOCAL PLAN

The Committee reviewed the findings and recommendations arising from the recently completed Local Plan Assurance Review. Officers now responsible for the Local Plan also attended the meeting to present their views because TIAA had given the Local Plan process only 'limited' assurance.

Officers agreed with some of the findings and explained that the Council's Project Management Team would monitor future reviews of the local plan and that specific budget codes would be used from an allocated budget. However, Officers did feel that the costs associated with developing the Local Plan were necessary as many technical reports and statutory consultees had instructed the production of various reports requiring specialist consultants. This was unavoidable. They also considered that using a project management tool such as Prince II, would not have assisted the process and they had followed National Framework guidelines correctly. These being the Town and Country Planning (Local Planning) (England) Regulations 2012 and guidance on plan making which was included in the Planning Policy Guidance and the NPPF. Officers also clarified that the timetable for the plan production was set out in the Council's Local Development Scheme.

The Committee appreciated the Officers' input but were sceptical that due to lack of project management funds had not been used strategically but to chase ever slipping deadlines. Members considered that the fact that there was a National Framework to follow did not explain the delays that were experienced in producing the plan and hence the recommendation from TIAA to produce a high level check list should still be investigated.

In respect of scrutiny by the Planning Committee, some Members felt they had challenged when reports were presented at Committee. These Members were advised to pursue this with the Chairman of the Planning Committee.

The Committee engaged in a detailed discussion with Officers regarding the six 'important' recommendations made in the audit.

TIAA were asked to revise the audit to include the named SLT Officer responsible for the recommendations being implemented and if they disagreed with any recommendations to include their comments in the relevant column.

Officers were asked to consider submitting to the relevant Committee detailed reports at significant stages with cost and timeframe implications for large, high profile projects or work areas in the future to allow greater scrutiny by Councillors particularly if there was slippage which Members wished to be informed of.

The Committee was advised that the production of a Council's Local Plan did not have set time scales. However, it should be feasible to have a project plan. TIAA clarified that what they recommended was producing a high-level checklist to demonstrate that there was an allocated budget and specific budget code and that the project was subject to the Council's corporate project management procedures.

Officers were thanked for their input into the discussion and the Committee looked forward to receiving a revised version of the audit at the next meeting.

365 COMPLAINTS AND COMPLIMENTS – QUARTER 2 2019/2020

The Committee reviewed the number and type of complaints and compliments received in Quarter 2 of 2019/2020. This included ward-based data and details of lessons learned from complaints.

Although there had been 30 complaints in Quarter 2, the Committee recalled that as this covered the summer months, the number generally did rise. This was mainly attributed to issues with food and garden waste, grass and verge cutting. Half of the complaints were upheld. However, the Committee agreed that this could be viewed positively because it demonstrated that the relevant Business Centres had taken responsibility and acted on each complaint. It was reported that 8 of the complaints had reached Stage 2 but only 2 of these had been upheld.

As requested at the meeting in July when Quarter 1 was reported, the names of individuals receiving compliments, where identified were provided in the report. There were 12 compliments received in Quarter 2 and Officers were asked to send a note of thanks from the Committee to all those getting compliments from now on so that their achievements were recognised. Members re-iterated their appreciation, citing one incident where Officers from the DSO and Customer Services had worked together to assist a local nursing home.

In terms of equalities, Members noted that the protected characteristics of age, disability, pregnancy and maternity had been engaged positively in the compliments but that one of the complaints had adversely impacted on age and disability; although the complaint itself was about an issue outside of the Council's control.

366 BDO ANNUAL AUDIT

The Committee received the completed audit report from the Council's new external auditors, BDO, for the year ending 31 March 2019. It was confirmed that the report differed very little from the one presented to the Committee earlier in the year. BDO's Engagement Lead Officer drew Members' attention to the Executive Summary which was a positive outcome for the authority, with only two minor errors identified in the Audit Risks Overview which had quickly been rectified to the auditor's satisfaction.

Members were pleased to note BDO's proposal to issue an unmodified audit opinion on the Council and consolidated Group financial statements and to also issue an unqualified conclusion on the Council's use of resources.

In terms of Final Materiality, this was determined based on 1% of the value of gross assets on the Council's balance sheet. Specific materiality on the comprehensive Income and Expenditure statement (CIES) was based on 2% of the income. Group materiality was calculated at £9.9m and the specific CIES Group Materiality was £1.5m. BDO had achieved their objective to conduct the audit in line with the ISA (UK) 600 (Audits of Group Financial Statements).

In all areas of the audit, no significant items of concern had been identified and BDO thanked Officers, particularly the Corporate Head of Finance and his staff for their co-operation and assistance.

The Committee also thanked Officers and BDO for a successful conclusion to the external audit.

367 ADDLESTONE ONE RISK REGISTER

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 Committee reviewed the risk register for Addlestone One. An additional risk had been added since the last meeting which Members agreed should be classed as high rather than a medium risk.

With regard to progress with the project the Committee was very pleased that the existing leaseholders were doing well on the whole and that Nandos had quickly established its popularity in the town. Interest in the residential units continued and Officers anticipated that all the units not currently available would be in the first quarter of 2020.

368 EGHAM GATEWAY WEST RISK REGISTER

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.

Members noted the Risk Register for the Egham Gateway West development. As it was still relatively early in the scheme there were a number of items which the Committee were appraised of and Officers advised that an update on budgetary matters would be submitted to Corporate Management Committee in December 2019 or January 2020. Members noted there would also be a major report to Corporate Management Committee on 23 January and full Council on 11 February 2020 regarding moving the project to the next phase.

The Committee discussed the residential part of the scheme and were assured of its flexibility. Extensive market research had been undertaken prior to drawing up the detailed plans and an item on community engagement and consultation was due to be considered at the next meeting of the Assets and Regeneration Member Working Group. Officers noted that Egham Museum had expressed an interest in aspects of the consultation. For example, naming the units.

Chairman

(The meeting ended at 9.30pm)