

AUDIT AND PERFORMANCE REVIEW PANEL

WEDNESDAY, 14 JUNE 2017

PRESENT: Councillors Adam Smith (Vice-Chair, in the Chair), Stuart Carroll, Dr Lilly Evans, Jack Rankin, Edward Wilson and Wisdom Da Costa

Officers: Alison Alexander, Mary Kilner, Catherine Hickman and David Cook

APOLOGIES

Apologies for the inability to attend the meeting were received from Cllr Luxton and Cllr Saunders. Cllr Kellaway attended the meeting as a substitute.

Cllr Carrol reported he would be late.

DECLARATIONS OF INTEREST

There were no declarations of interest received.

MINUTES

The Part I minutes of the meetings held on 16th and 28th February 2017 were approved as a true and correct record.

2016/17 SHARED AUDIT AND INVESTIGATION SERVICE ANNUAL REPORT AND SELF-ASSESSMENT OF COMPLIANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS

The Panel considered the 2016/17 Shared Audit and Investigation Service Annual Report and Self-Assessment of Compliance with the Public Sector Internal Audit Standards.

The Panel were informed that the overall audit opinion, which was largely a reflection of the system and procedural controls against the identified risks and mitigating treatment measures, for the audits that had been completed and a final report issued. The overall opinion was that they were "Substantially Complete and Generally Effective but with some improvements required".

Based on the above and taking into account other sources of assurance, including External Audit, most key controls are in place and are operating effectively, with the majority of residual risks being reduced to an acceptable level. A small number of exceptions were identified and these had been summarised in the body of the report.

The Panel were informed that the number of audits receiving the highest audit opinion (complete and effective) had increased from 3 to 8. Following the recommendation from the Panel managers were now given one month to addresses any issues raised before the final audit opinion was issues; one area had successfully used this.

The Panel were informed that paragraph 19 of the report showed other areas of work that Corporate Investigations had been involved with and it was highlighted that the New Homes Bonus Grant Scheme had helped bring 109 properties back into use.

The Vice-Chairman commented that on agenda page 22 under paragraph 7 the second bullet point had been repeated as the last bullet point. He also mentioned that the report showed that the Shared Audit and Investigation Service had been able to increase its caseload and

exceed its revenue target; he questioned if this had imposed any strain on the services ability to operate.

In response the Panel were informed that the service had an income target of £70k per year and this had been exceeded with the additional funds being shared between the two authorities. If the external offer was to be expanded, which was a vision, then additional resources may be required to prevent the service being stretched.

The vice-Chairman also asked if the increase in audits being awarded the highest opinion was due to the on months grace they now had. The Panel were informed that one audit opinion had been changed due to the additional month.

Cllr E Wilson said that given the recent events in London should there be a audit of fire safety for the boroughs estate and if polices are being adhered to. The Panel were informed that fire safety surveys had been carried out and that adherence to policies could be scheduled.

Cllr L Evans mentioned that there was no audit of planning and the Panel were informed that this was because the audit plan was based on key financial processes and key risks.

(Cllr Carroll joined the meeting)

Cllr E Wilson asked if managers challenged audit opinions and it was confirmed that they did.

Cllr Da Costa asked when the reports deadline was and was informed that it went to the end of the financial year and that there was a requirement to give an overall audit opinion.

With regards to the audits that received an overall audit opinion of 3 Cllr Da Costa mentioned that there were 8 receiving this opinion but only 4 were mentioned. The Panel were informed that page 28 listed the audits and that four had already been reported.

Cllr Da Costa also asked how the team were judged to be successful and was informed that this was via meeting the audit plan and work covered by the investigations team covered in paragraph 18 of the report.

Cllr E Wilson asked that with regards to ICT security if joiners and leavers access to our systems. The Panel were informed that this was covered as part of the payroll audit and ICT audits.

The Chairman mentioned that 49% of the council's expenditure was going out due to outsourcing and asked how this would be audited. The Panel were informed that with regards to delivering differently in children's and adult services it was written in the contract that our auditors would be used.

Resolved unanimously: that the A&PRP note the Shared Audit and Investigation Service activity for the financial year ended 31 March 2017, progress in achieving the 2016/17 Internal Audit Plan and note the outcome of the self-assessment of the Shared Internal Audit Service against the PSIAS.

ANNUAL GOVERNANCE STATEMENT

The Panel considered the report that presented the 2016/17 Annual Governance Statement and were informed that its purpose was to ensure sound and effective financial controls and strong corporate governance in accordance with the law and proper accounting principles.

The Head of Law and Governance informed the Panel that the Council has adopted a process of review when preparing the Annual Governance Statement that required each Head of Service to prepare a Management Assurance Statement (MAS) which requires a declaration on five principles:

- the use of effective control systems
- awareness of significant risks
- compliance with the Council's Constitution
- responsibility to report unresolved concerns
- the Whistleblowing Policy

The MAS statements were analysed and reviewed with resulting action points being placed in the 2016/17 Corporate Action Plan.

Cllr E Wilson commented that he had looked at other authorities statements and the one presented today was 'bang on' he also recommended that in section 3.1 the word policies be added. Cllr Wilson felt the statement was very accurate.

The Vice Chairman mentioned that this was a programme of continues improvement and he was please to see that the report continued to be streamlined.

Cllr E Wilson mentioned that any resident reading the report would be able to understand it and be assured that the Council are doing thinks in the right way.

The Chairman mentioned that at the top of page 12 it should say 2017/18 directorate plans, that the years in 4.7 also needed to be updated and that it says there are 5 corporate areas however it is not five as seen in appendix 2 the first three items were carried forward from the previous year. So we only have budget pressures and heath and safety as two new areas.

In response to questions from Cllr Da Costa it was confirmed that the recommendations did allow this Panel to identify any specific issues to be brought to Cabinets attention and that the Council objectives would be set in the Strategic Plan.

Resolved unanimously: that the Audit and Performance Review Panel notes the report and:

- **Considered the draft 2016/17 AGS.**
- **Recommend the 2016/17 AGS to the Leader and Managing Director for signature and publication with the Council's Statement of Accounts.**
- **Noted the revisions that have been made to the Council's Annual Governance processes for 2016/17 compared to previous years.**

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act.

The meeting, which began at 7.30 pm, finished at 8.15 pm

CHAIRMAN.....

DATE.....