

Audit and Corporate Governance Committee – Meeting held on Wednesday, 11th January, 2017.

Present:- Councillors Sadiq (Chair), Bedi (Vice-Chair), Amarpreet Dhaliwal, Rana, Sarfraz and Swindlehurst

Co-opted Independent Member:- Mr Roberts

Parish Council Member:- Councillor Jackson (Colnbrook with Poyle)

Independent Person:- Dr Lee

Apologies for Absence:- Mr Sunderland and Parish Councillor Fayyaz

PART 1

18. Declarations of Interest

None were received.

19. Membership Update

The Senior Democratic Services Officer stated that Councillor Hussain had tendered her resignation as a member of the Committee and it was noted that the Labour Group would nominate another member to fill the vacancy.

Graham Davies had resigned as a non-voting co-opted member of the Committee. Members noted his resignation and requested that a letter be sent to Mr Davies on behalf of the Committee to thank him for his significant contribution to the work of the Audit & Corporate Governance Committee and the former Standards Committee.

Resolved –

- (a) That the resignation of Councillor Hussain from the Committee be noted and that a nomination to the vacancy be sought from the Labour Group.
- (b) That the resignation of Graham Davies as a non-voting co-opted member of the Committee be noted and that a letter of thanks be sent to Mr Davies on behalf of the Committee.

20. Minutes of the Last Meeting held on 29 September 2016

Resolved – That the minutes of the meeting held on 29th September 2016 be approved as a correct record.

Audit and Corporate Governance Committee - 11.01.17

21. Internal Audit Update - Quarter 2 2016/17

The Assistant Director Finance & Audit, Neil Wilcox, introduced a report that updated members on the progress against the 2016/17 Internal Audit Plan for the second quarter of the year. Mr Wilcox was the newly appointed Assistant Director and Section 151 Officer and he set out the open and transparent approach he would seek to take with the Committee on internal audit matters. The report highlighted some areas of partial assurance and future internal audit reports would help members to track progress on key areas of activity and risk.

The Head of Internal Audit, Daniel Harris, summarised the key aspects of the Internal Audit Progress Report. Ten reports relating to the 2015/16 plan had been finalised since the previous meeting of the Committee with four audits resulting in partial assurance – Treasury Management; Income and Debtors; IT Business Continuity and Disaster Recovery; and Asset Register, and a further audit on Follow Up reported 'little progress'. Eight reports in the 2016/17 plan had been finalised of which five resulted in negative opinions – Information Governance, Voids, Budgetary Control, Agresso, Transfer of Balances and Business Continuity. Mr Harris commented on the likely impact the negative opinions would have on the 2016/17 Head of Internal Audit Opinion and members were updated on the management action being taken to address the identified weaknesses.

The Committee discussed the timeliness in finalising reports and the tracking process for internal audit recommendations. The report stated that three audits planned for 2016/17 would be delayed, including Homelessness and Management of Housing Stock, and members asked for the reasons to be explained, particularly in view of the perceived weaknesses in the housing department and 'red' opinion of the Voids internal audit. Mr Harris reported that the scope and timetable of these audits had now been agreed since the report had been prepared.

Members also raised concern about the negative opinion on Business Continuity and it was responded that the opinion reflected the position at the time of the audit since which management action had been undertaken. The discussion highlighted some issues with the timeliness of reports between finalising the audit and reporting to the Committee, including the tracking of internal audit recommendations included at paragraph 5.1.4 of the Audit & Risk Management Update elsewhere on the agenda. It was agreed that the report format would be reviewed in future to provide members with a clearer overview of current and outstanding issues rather than historic information.

Concern was raised about the overall strength of the governance and management issues given the fact that five of eight most recently finalised reports were not fully assured and in view of the weaknesses in some of the Council's policies and procedures highlighted by recent governance issues. Members made a number of suggestions about how to review the relevant policies and strengthen the governance arrangements. A cross-party task group was suggested comprising members of the Committee, Member Panel

Audit and Corporate Governance Committee - 11.01.17

on the Constitution and the Employment & Appeals Committee and it was agreed to explore the feasibility and scope of this proposal noting that work was already underway to review the Constitution.

At the conclusion of the discussion, the Internal Audit Progress Report was noted.

Resolved –

- (a) That the report be noted.
- (b) That the possibility of establishing a Working Group to review the Council's Policies and Procedures, including Governance Arrangements, be explored further.

22. Audit and Risk Management Update Quarter 2 2016/17

The Assistant Director Finance & Audit introduced a report that updated members on the progress on the implementation of Internal Audit recommendations; the amended process for finalising internal audit reports; and counter-fraud and risk activity. The Committee was also asked to consider and, if agreed, to recommend the updated Risk Management Strategy as at Appendix 2 to the report to Cabinet.

Members noted that a more robust process for finalising internal audit reports had been approved by the Corporate Management Team. The changes would address the historic problem of unacceptable delays which meant recommendations remained unaddressed and individuals were not held accountable for their implementation. The revised process had resulted in eighteen reports being finalised in the previous two months and the Committee welcomed the new approach.

The Management Report was noted and it was agreed that the Risk Management Strategy be recommended to Cabinet.

Resolved – That details of the implementation of Internal Audit recommendations, the amended process for finalising internal audit reports, counter fraud activity and the Council's Risk Register, be noted.

Recommended to Cabinet – That the Risk Management Strategy as attached at Appendix 2 to the report be approved.

23. Code of Conduct - Schedule of Activity

The Monitoring Officer, Linda Walker, introduced report on the activity undertaken in relation to complaints received under the Code of Conduct.

Audit and Corporate Governance Committee - 11.01.17

It was noted that 44 complaints had been received during the 10-month period between October 2015 and August 2016 and the status of these complaints was set out in the report. Members indicated that the report was not as detailed, comprehensive or up to date as they had expected, particularly as 11 complaints had been carried forward and were still therefore active. The Monitoring Officer explained the practical difficulties experienced in accessing further information since she had been appointed in September 2016. It was recognised that the processes and systems for recording and reporting on complaints activity needed to be substantially strengthened and the Committee requested that a further report be provided at the next meeting that detailed the complaints schedule of activity up to March 2017.

Members expressed a number of further concerns about perceived weaknesses in the Council's Constitution, policies and procedures and the failure to make more rapid progress in dealing with complaints and addressing identified governance issues since September 2016. The Monitoring Officer highlighted that this was in effect a delayed annual report of the previous Monitoring Officer and she assured members that she would provide more detailed reports in the future. The Committee was concerned about the capacity to undertake this work, particularly as the Monitoring Officer was not a full time employee of the Council and that no Deputy Monitoring Officers had been appointed. It was agreed that the Chair of the Committee would urgently meet with the Interim Chief Executive to discuss the steps being taken to appoint a Deputy Monitoring Officer from within the Council.

The conclusion of the discussion, the report was noted and a further report would be received by the Committee at the next meeting in March 2017.

Resolved –

- (a) That details of the report be noted.
- (b) That the Chair of Audit and Corporate Governance urgently meet with the Interim Chief Executive to ascertain what measures were being taken to recruit to the post of Deputy Monitoring Officer.
- (c) That a report be submitted to the next Committee meeting detailing information regarding complaints schedule of activity for the period January 2017 to March 2017 (to also include details relating to 11 current outstanding complaints)

24. Review of Whistleblowing Policy

The Monitoring Officer introduced a report that advised the Committee of a forthcoming review of the Council's Whistleblowing Policy to ensure that it was fit for purpose. It was noted that there had been a number of high profile anonymous whistleblowing complaints received in recent months and the Leader of the Council had asked the Monitoring Officer to review the policy.

Audit and Corporate Governance Committee - 11.01.17

It was also noted that the Member Panel on the Constitution had asked the Monitoring Officer to review the Constitution more widely and the Whistleblowing Policy would be reviewed alongside this. A member asked for clarification regarding the procedure/process in the event that a complaint was made to an external agency, as per the Whistleblowing Policy, and it was agreed that the Monitoring Officer would provide further information to Committee Members.

At the conclusion of the discussion, it was noted that the Monitoring Officer would conduct a review of the Whistleblowing Policy.

Resolved – That the Monitoring Officer review the current Whistleblowing Policy in order to ensure that it is fit for purpose.

25. Members Attendance Record 2016/17

Resolved – That details of the Members' Attendance Record be noted.

26. Date of Next Meeting

The date of the next meeting was confirmed as 16th March 2017.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.19 pm)