

Audit and Corporate Governance Committee – Meeting held on Monday, 9th December, 2019.

Present:- Councillors Sabah (Chair), Wright (Vice-Chair), Ali, Akram, D Parmar, and S Parmar.

Co-Opted Members - Mr Sunderland and Mr Zafar.

Independent Person - Dr Lee.

Also present under Rule 30:- Councillor Dar.

Apologies for Absence:- Parish Councillors Brooker (Britwell) and Ahmed (Wexham Court)

PART 1

26. Declarations of Interest

None were declared.

27. Minutes of the Last Meeting held on 19 September 2019

Resolved – That the minutes of the meeting held on 19th September 2019 be approved as a correct record.

28. Schedule of Activity - Code of Conduct Complaints

The Service Lead Governance introduced a report that updated on the activity undertaken by the Council's Monitoring Officer in relation to the Councillors' Code of Conduct.

The Committee had a long discussion about the issues connected with the complaint reference number 1 about a Borough Councillor regarding the failure to register a disclosable pecuniary interest in the Members' Register of Interests. The Monitoring Officer had concluded that there was a positive duty on Members to ensure their register was accurate and there had therefore been a breach of the Code; however it was determined that no further action be warranted. Several Members of the Committee expressed a variety of concerns about the issues raised including the timeliness of dealing with complaints given the fact that the complaint had been received on 26th June 2019 but not concluded until 30th September 2019; and clarity on whether the failure to declare a pecuniary interest should have been referred to the Police. The Officer explained the reasons why the Monitoring Officer had decided that no further action was warranted taking all of the circumstances of the case into account. In response to a specific question raised, the Officer confirmed that the Council did not have a duty to report the matter to the Police and that whilst the failure to declare pecuniary interests was a criminal matter under the Localism Act the threshold for such prosecutions was high. The Chair suggested that further clarity be provided in the Code of Conduct regarding

the issue and that the matter be considered by the Member Panel on the Constitution.

It was suggested and agreed that future reports include more information on the process for dealing with complaints, particularly where there may have been a delay, to provide confidence that investigations were being carried out in a timely manner.

It was agreed that the Council's Monitoring Officer should be asked to attend future Audit and Corporate Governance Committee meetings when items on the Code of Conduct were discussed.

The report was noted.

Resolved – That details of the report be noted.

29. Local Government and Social Care Ombudsman - Complaints, Findings and Recommendations

The Service Lead Governance introduced a report that updated Members on complaints to the Local Authority and Social Care Ombudsman and his findings and recommendations since the previous report to Committee in July.

A Member queried the outcome of the investigation into a complaint about the Council's Home to School Transport policy. It was responded that the findings had been reported to the Committee in July 2019 and that a copy would be forwarded to Councillor Plenty. It was suggested and agreed that future reports would include details of 'action taken and date implemented.' The report was noted.

Resolved – That details of the report be noted.

30. Audit and Risk Management Update Quarter 3 2019/20

The Service Lead Finance introduced a report that updated on the progress of finalising draft Internal Audit reports and implementing Internal Audit recommendations.

It was noted that 82% of audit actions had been completed, which was up from 60% in the last report to the Committee. The appendices to the report set out management response to the high and medium priority recommendations and these were reviewed in detail. In response to a question about the Council Tax audit from the 2017/18 which had not been finalised, it was noted that the actions had been superseded by a further audit in 2018/19 which had been finalised. In relation to the Outstanding Medium Risk Action from the 'Management of Housing Stock' audit it was agreed that any recommendations following consultation on the Social Housing Green Paper would be circulated to the Committee when available.

Further to the concerns raised at the last meeting, Members expressed frustration about the report, in particular that the 'Update Detail' column in the appendices did not appear to have been updated which meant the Committee could not be assured that satisfactory progress was being made in implementing the actions. It was agreed an updated version of the appendix would be circulated to the Committee after the meeting and that further refinements to the report would be made to make it clearer what actions had been agreed, when they would be implemented and what progress had been made.

At the conclusion of the discussion the report was noted.

Resolved – That details of the Audit & Risk Management Update Quarter 3 2019/20 be noted.

31. Risk Management Update Quarter 3 2019/20

The Service Lead Finance introduced a report that detailed the latest Corporate Risk Register.

The risks associated with the termination of the arvato contract from 1st November 2019 were discussed included the potential reduction in income collection rates towards to end of the contract and whether all outstanding financial and commercial matters had been resolved. The Director of Finance and Resources reported that the TUPE of staff back to Council had been successfully completed; that collection rates were anticipated not to be negatively impacted; and that commercial discussions were ongoing to finalise a small number of outstanding issues between the two parties.

Other risks discussed included the recruitment of a new Data Protection Officer to strengthen information governance and help the Council comply with GDPR. The Corporate Management Team had recently reviewed the matter and the post would be advertised by the end of the financial year. In relation to risk around financial sustainability arising from the financial position of Slough Children's Services Trust, the Committee noted that regular reports had been reported to Cabinet as part of the budget monitoring process and detailed information was provided in the Quarter 2 Revenue Financial Budget Monitoring Report included elsewhere on the agenda.

The report was noted.

Resolved – That details of the Risk Management Update be noted.

32. Revenue Financial Budget Monitoring Report Quarter 2 2019/20

The Service Lead Finance introduced a report that updated the Committee on the financial position of the Council's revenue account for the second quarter of the year to the end of September 2019.

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The forecast year end overspend, at Quarter 2, for Council run services was £0.193m, which was 0.18% of the approved net budget for the year. This figure had reduced by £1.448m since the first quarter, despite increasing pressures on a range of Council services such as social care, home to school transport and homelessness. However, when the financial position of the independent Slough Children's Services Trust (SCST) was included the Council's exposure to financial risk rose significantly with a potential budget overspend of £7.03m. This figure had reduced over the past three months but was a significant risk to the Council's financial position. Intensive work was ongoing between the Council, Trust and Department for Education (DfE) to address the situation.

A number of questions were asked about the contractual arrangements and future structure of the Trust given its financial issues. It was noted that the current contract ended in October 2021 and the Council was requesting SCST contain its in-year overspend. A Member commented that the DfE had a responsibility to contribute to offsetting the overspend given that it had established the Trust by Ministerial Direction. The Committee welcomed the opportunity to consider the revenue monitoring report, particularly in view of the significant financial issues that were being caused by the Trust's overspend. It was agreed that the Committee receive further reports to future meetings to update on the position.

Members also asked about the position regarding the Housing Revenue Account and the achievement of savings targets. It was responded that the HRA was spending in line with the agreed budget and that the Council was currently on track to deliver 86% of the planned savings identified for 2019/20.

At the conclusion of the discussion the report was noted.

Resolved –

- (a) That the reported underlying financial position of the Council, including the Slough Children's Services Trust (SCST), as at the second quarter of the year be noted;
- (b) That the management actions being undertaken by officers, and the progress made to date, to reduce the budget pressures be noted;
- (c) That the potential impact on the Council's general reserves and associated implications for the Council based on the latest financial projections, be noted;
- (d) That the virements and write offs as requested in Section 9 and 10 be noted.

33. Internal Audit Progress Report Quarter 3 2019/20

The Head of Internal Audit introduced the quarterly progress report that set out the audit activity since the previous meeting of the Committee in September.

It was noted that two further reports from the 2018/19 Internal Audit Plan had been finalised, Whistleblowing and Council Buy Backs, with the Housing Revenue Account audit issued on 23rd May 2019 remaining in draft. Eight reports from the 2019/20 plan had been completed since the last meeting with a further three in draft. The Committee noted the report.

Resolved – That details of the report be noted.

34. External Audit Progress Report

Julie Masci, the Engagement Lead at the Council's external auditors, Grant Thornton, provided an update on the audit of the 2018/19 financial statements and other external audit matters.

The Committee was informed that the audit of the financial statements had been further delayed due to issues with the production of working papers and there had been slippage of the timetable regarding income and expenditure testing. An update on the progress of work carried out was set out in detail in the report. Auditors were due back on site imminently with the expected that the work could be completed in early 2020 to enable the Committee to consider the audit findings report and opinion at the next meeting.

Members asked about the lessons learnt for future audits and it was responded that this was Grant Thornton's first year as the Council's auditors and a number of specific issues had been identified to improve the process in future years. The report was noted.

Resolved – That details of the report be noted.

35. Exception reporting to Overview and Scrutiny

The Committee was reminded that this was a standing agenda item to provide a formal mechanism to refer relevant matters to the Overview & Scrutiny Committee. No matters were referred.

Resolved – That no matters be reported to the Overview & Scrutiny Committee arising from the agenda.

36. Forward Work Programme 2019/2020

Members considered the Committee's Work Programme for the remainder of the year, particularly the options for monitoring the performance of elected Members. The terms of reference included provision for such monitoring,

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which had previously been defined as Members' attendance at Council and committee meetings.

There was a discussion about the range of other possible measures that could be included a report on Members performance including casework, training attended and complaints upheld against councillors. The merits of seeking to apply relatively narrow and quantitative measures to monitor councillors performance was raised and the role of political groups rather than the Council and its Officers in addressing any performance issues were acknowledged. It was proposed and agreed a report be considered at the next meeting in March 2020 on Members' performance which included indicators on casework submitted, attendance at meetings and any complaints received by the Monitoring Officer. Advice would be sought from the LGA with regards to any other relevant indicators that could be used.

Resolved – That details of the Work Programme be noted.

37. Members Attendance Record 2019/20

Resolved – That the Members' Attendance Record 2019/20 be noted.

38. Date of Next Meeting - 5 March 2020

The date of the next meeting was confirmed as 5th March 2020.

Chair

(Note: The Meeting opened at 6.36 pm and closed at 9.15 pm)