

## **AUDIT AND GOVERNANCE COMMITTEE**

Wednesday 9 March 2016

### **Present:-**

Councillor Vizard (Chair)  
Councillors Laws, Baldwin, Buswell, Harvey, Lyons, Raybould, Sheldon, Thompson and Williams

### **Also Present**

Assistant Director Finance, Corporate Manager Legal Services and Monitoring Officer, Service Lead Housing Customers, Housing Customer Relations Lead, Audit Manager (HP), Policy Officer and Democratic Services Officer (Committees) (SLS)

Darren Gilbert – KPMG External Auditors (Minutes 5 – 10)

### **1 MINUTES**

The minutes of the meeting held on 2 December 2015 were taken as read and signed by the Chair as correct.

### **2 DECLARATION OF INTERESTS**

No declarations of discloseable pecuniary interest were made.

### **3 LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT - EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following item on the grounds that it included the likely disclosure of exempt information as defined in paragraph 3, of Part 1 of Schedule 12A of the Act.

### **4 REVIEW OF CORPORATE GOVERNANCE RISK REGISTER**

The report of the Corporate Manager (Policy, Communications and Community Engagement) was presented, which advised the Committee of the City Council's risk management process. Risk Management was an important element of the Council's Code of Corporate Governance. A copy of the updated Corporate Risk Register was attached as an appendix to the report.

The Assistant Director Finance responded to the following Members' comments:-

- the burden of risk in relation to holding a Directorship position of a company was placed on the individual. It was important to ensure that adequate training was in place to ensure that there was also accountability.
- a budget was in place to enable a survey to identify the work required on the Council's multiple car park estate.
- 19 authorities in the south west were members of the Devolution Board, and they had an opportunity to engage with a range of stakeholders. The programme management office is coordinating the work.
- internal corporate procurement was linked to contract management and a report would be made to the Council's Senior Management Team and include a range of findings and recommendations to strengthen significantly the process of procurement in authorities.

- a draft of the Legionella Policy would be made available.

The Corporate Manager Legal Services and Monitoring Officer stated that work was taking place with Devon County Council in relation to culverted watercourses and the Audit and Governance Committee would be updated at the appropriate time.

The Audit and Governance Committee reviewed and noted the updated Corporate Risk Register contained in an appendix circulated with the report.

5 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT - PART 1: ITEMS FOR DISCUSSION WITH THE PRESS AND PUBLIC PRESENT MEMBER COMPLAINTS PROCEDURE UPDATE**

The Corporate Manager Legal Services and Monitoring Officer presented a report which considered an updated Complaints Procedure in respect of any accusation that may be received that a Member had breached the provisions of the Code of Conduct. This would ensure that any complaint which may be received, was dealt with swiftly and consistently by the Monitoring Officer. She set out the policy and range of responses available to deal with any such complaint.

Members welcomed the policy which offered clear and concise guidance.

The Audit and Governance Committee approved the updated Complaints Procedure which was attached as an appendix to the circulated report.

6 **ANNUAL INTERNAL AUDIT PLAN 2016/17**

The Audit Manager (HP) presented a report which sought the approval by Members of the 2016/17 Internal Audit Plan, which was linked to the City Council's Corporate Risk Register. This report detailed the processes (including risk assessment processes) undertaken by the Audit Managers when formulating the plan.

A copy of the Audit Plan was attached as an appendix to the circulated report.

**RESOLVED** that the Audit and Governance Committee approve the 2016/17 Internal Audit Plan.

7 **EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE**

Darren Gilbert, Director, Public Sector Audit, KPMG, the Council's external auditors, circulated a progress report which provided Members with an updated position of the progress made by them to deliver their responsibilities as the City Council's auditors. He advised Members that they had received excellent support from officers and been able to maintain the anticipated progress in relation to their work. He wished to highlight a change in an accountancy requirement to report developments in relation to infrastructure assets and confirmed that this requirement did not require a response from District Councils.

The Audit and Governance Committee noted the report.

8 **EXTERNAL AUDIT PLAN 2015/16**

Darren Gilbert, Director, Public Sector Audit, KPMG, the Council's external auditors, circulated the draft external audit plan for 2015/16, which provided Members with an updated position. He referred to the main area of work which would be completed in four phases from November 2015 to September 2016 and the approach to be taken, following new guidance issued by the National Audit Office for the Value for Money (VFNM) audit. The fee for the audit would be £57,887.

The Audit and Governance Committee noted the report.

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### **INTERNAL AUDIT PROGRESS REPORT**

The Audit Manager (HP) advised of the progress of the internal audit work carried out during the period 1 October to 31 December 2015, together with the current status of each area of the annual Audit Plan for review and the outcomes of the review, where completed. A summary of the progress made against the annual Audit Plan, together with the detail of those that had been completed were included in appendix to the report. She referred to the significant improvements required in relation to Procurement, People Management, and Contract Management including Corporate Property Assets. A copy of the full report was available to Members on request.

The Audit Manager advised that there were also two instances where recommendations were not accepted by management during this quarter. An update was provided by the Service Lead Housing Customers and he referred to the first of two recommendations in respect of arrangements relating to Private Sector Leasing. He was pleased to report that recharges in relation to any repairs were now appropriately passed onto the tenant, as officers were now equipped with iPhones and could include a photographic record of the condition of the property. Similarly, in addressing recommendation 2, colleagues were now able to use their iPhones to make a photographic record of the condition of the property before the new tenant took possession of the property. The photographic evidence could be emailed to the tenant as part of the inventory agreement. The Assistant Director Finance confirmed that a draft set of financial regulations would be put before Members prior to the Council meeting in July, and would put into context, the contract regulations.

**RESOLVED** that:

- (1) the Internal Progress Report for the third quarter of the year 2015/16 be noted; and
- (2) following an update by the Service Lead Housing Customers, the Audit and Governance Committee noted that the recommendations as detailed in section 8.2.1 were now agreed.

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### **CODE OF CORPORATE GOVERNANCE 2016/17**

The Assistant Director Finance presented the report which set out the proposed updated Code of Corporate Governance. The City Council was required to prepare and publish an Annual Governance Statement by Regulation 4 of the Accounts and Audit (England) Regulations 2011. This included a report on the Council's performance against the Code of Corporate Governance and, in doing so, met the requirement for an annual update, to ensure that the Annual Governance Statement was accurate and meaningful. There were no significant changes to the updated Code which was attached as an appendix to the report.

The Audit and Governance Committee supported and requested Council approval of the updated Code of Corporate Governance for 2016/17.

(The meeting commenced at 5.30 pm and closed at 6.25 pm)

Chair