

Audit & Governance Committee Annual Report 2018/19

Prepared by: Cllr Martin Summers – Committee Chairman

Introduction

The purpose of this report is to highlight key areas of business for the committee for the past year. This year followed the same patterns with the usual statutory business and some notable exceptions. We have during the year seen John Wheatley and Jayne Hackett leave the committee and indeed the authority. On behalf of the committee I would like to thank them for their diligence and hard work over many years in their respective roles and in overseeing committee matters. Also for the first time in some years the committee has had to convene a Standards sub committee to consider a complaint against a Councillor.

Some officer changes to note, Angela Struthers is attending in the new post of Head of Audit & Governance. Stefan Garner (now Executive Director Finance) and Lynne Pugh (now Assistant Director Finance) have joined us as regular officers present at the committee.

In my last report to Council I included up to February 2018 within that municipal year, this report being due to full Council before the last Audit & Governance of that year on March 28th. I will begin the review from this date. We are in the same position again this year whereby the committee has one more meeting scheduled on the 28th March 2019 with this report due to full Council before it.

Meetings in the last year

The Audit and Governance committee met on the following occasions.

28th Mar 2018

The committee had several reports to consider and endorse during this meeting including:

1. The audit plan for the coming municipal year

This provides an overview of the planned scope and timing of the statutory audit of Tamworth Borough Council for those charged with governance.

2. Informing the audit risk assessment

The purpose of this report is to contribute towards the effective two-way communication between auditors and the Council's Audit Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where they are required to make inquiries of the Audit Committee under auditing standards.

3. Review of the treasury management strategy statement, Minimum revenue provision policy statement and annual investment statement 2018/19 and the treasury management strategy statement and annual investment strategy mid-year review report 2017/18
4. Final Account 2017/18 Action Plan:

Members in particular agreed the target date of May 25th 2018 for closure of the final accounts and that staffing resources be committed to the provision of appropriate information and support in order to meet the published timescales.

7th Jun 2018

1. The Committee endorsed the RIPA monitoring report for the quarter to 31st March 2018 noting that no action has been taken under RIPA since the last report. This in fact was also the case for the subsequent year.
2. Members endorsed the Constitution and Scheme of Delegation
3. Members were satisfied with the performance of the Internal Audit and endorsed the report.
4. Internal Audit customer satisfaction survey, members noted that “The results of the questionnaires show that the Internal Audit Service is performing well with all scores above average.” and endorsed the report.

26th Jul 2018

1. Members endorsed the Audit Findings Report 2017/18 noting particularly in the conclusion: “On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, we are satisfied that the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.”
2. Members approved the Annual Statement of Accounts 2017/18
3. The Head of Audit and Governance sought the Members’ endorsement of the revised Internal Audit Charter following the recent management restructures and changes to the role of the Head of Audit & Governance. Members endorsed the Internal Audit Charter. Also, in relation, members approved the revision of policies under the remit of the Head of Audit & Governance to reflect the changes.

25th Oct 2018

1. Members received training from the authority’s external auditors Grant Thornton on the role of the Audit & Governance Committee.
2. Members received a report from the Assistant Director of People to advise the committee of the contents of the Local Government and Social Care Ombudsman’s Annual Report Letter for the year ended 31st March 2018 in relation to complaints against the Council.

“In the year 2017/18, the Ombudsman received 8 enquiries and complaints about the Council and made 7 reported decisions

It is worth noting that within the 2017/18 year the ombudsman undertook no detailed investigations into any complaint or enquiry regarding the Council.”

“The trend is for remedies to be provided prior to ombudsman intervention, which is extremely encouraging”

14th Feb 2019

1. Audit report on Certification work. Grant Thornton are required to certify the Housing Benefit subsidy claim submitted by Tamworth Borough Council to the Department for Work and Pensions. The subsidy claim amounts to £18.7 million.

“We identified one error where assessors had incorrectly calculated claimants' earned income from evidence provided in respect of claims in receipt of HRA rent rebates. We found 1 error out of 49 cases tested, leading to an extrapolated overpayment of £90.”

“We recommend that the Council, as part of its internal quality assurance process, should increase its focus or level of testing in respect of the areas where we identified errors from our testing.”

2. Members reviewed and endorsed the Corporate Risk Register

Audit & Governance Standards Sub Committee

This committee was formed on two occasions to investigate a code of conduct complaint towards a Councillor in relation to events that occurred during the 2016 'Brexit' referendum.

On 22nd October 2018 the committee held a meeting to discuss procedural matters and make recommendations relating to issues that arose relating to the investigation. Having this meeting ensured that the substantive matter could be heard adequately and free from these issues during a further standards committee meeting. The meeting was held with the exclusion of press and public following a vote on the motion to do so. As Chairman I felt this exclusion appropriate for this first meeting so that the committee could be clear on the matters at hand and be familiar with the particulars of the complaint without concern for inadvertently disclosing private information.

On 21st November 2018 the committee held a final conclusive meeting to discuss the substantive matter. It was felt that due to representations from the public and with significant attendance by the public to the meeting that there was sufficient public interest to hold the meeting in public.

The meeting concluded that the Council's code of Conduct had been breached after a considerable amount of time in private deliberation with the assistance of a legal advisor. It was the committee's duty to then decide on the appropriate sanction in consultation with the appointed investigator and the representative of the Councillor.

Conclusion

The Audit & Governance committee have once again had a busy year fulfilling its statutory duties, much of the hard work of course goes on behind the scenes and with the results only seen in the reports considered at the committee. As ever I would as Chair like to thank the officers and staff for the work they do to ensure the legal and financial compliance of the authority.

All meetings referenced have full minutes and reports available for review on the Council website to which I would direct you should you have further queries.