

MINUTES of the meeting of the **AUDIT & GOVERNANCE COMMITTEE** held at 10.30 am on 29 January 2020 at Members' Conference Room, County Hall, Kingston upon Thames, Surrey KT1 2DN.

These minutes are subject to confirmation by the Committee at its next meeting.

Elected Members:

*= in attendance

Mr David Harmer (Chairman)*

Mr Edward Hawkins*

Dr Peter Szanto*

Mr Stephen Spence*

Mr Keith Witham

Substitute Members:

Mr Will Forster*

1/20 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Keith Witham and Stephen Cooksey. Will Forster acted as a substitute for Stephen Cooksey.

2/20 MINUTES OF THE PREVIOUS MEETING - 17 DECEMBER 2019 [Item 2]

The Minutes were approved as an accurate record of the previous meeting.

3/20 DECLARATIONS OF INTEREST [Item 3]

There were none.

4/20 QUESTIONS AND PETITIONS [Item 4]

There were none.

5/20 RECOMMENDATIONS TRACKER [Item 5]

Declarations of interest:

None

Witnesses:

David John, Audit Manager

Anna D'Alessandro, Director – Corporate Finance

Key points raised during the discussion:

1. In regards to Action A2/19, the Audit Manager confirmed that the report was underway and was likely to receive reasonable assurance. It was expected to be circulated in February 2020.
2. In regards to Action A11/19, the Director – Corporate Finance confirmed that a report would be considered by the Committee following consideration by the Corporate Leadership Team. The report would consider the risk culture in the Council following a series of

interview sessions with relevant Members and Officers. The Chairman highlighted the importance of providing appropriate training on risk.

3. In regards to Action A15/19, David Harmer, Edward Hawkins and Peter Szanto confirmed that they had attended Select Committees since the last meeting. In regards to the budget scrutiny process, Members made the following comments:
 - Members felt that they had no influence over the Council's budget due to time constraints.
 - Members felt that budgets reports should have been made available earlier to allow for proper consideration.
 - It was suggested that the pre-scrutiny period of the Council's budget should have taking place from at least October 2019.
 - A Member of the Committee felt that the process of Select Committee Chairman reporting to Cabinet on their respective Select Committee scrutiny findings was not ideal as it did not allow for enough time for their comments to be fed into the budget proposals.
 - A Member of the Committee stated that the period of time between Cabinet and Council approval of the Budget did not allow for an alternative budget to be created by opposition Members.

The Chairman of the Committee informed Members that he would write and circulate a summary of how he believed the budget scrutiny process should have been conducted. The Chairman of the Committee also stated that he would discuss his findings with the Chairman of the Budget and Asset Task Group.

4. In regards to Action A16/19, The Chairman confirmed that the portfolio holder had provided reassurance that Local and Joint Committees conducted proper risk management.
5. The Chairman requested that Action A17/19 remain on the tracker.

Action/Further information to note:

None.

RESOLVED:

That the committee noted the report.

6/20 TREASURY MANAGEMENT STRATEGY STATEMENT 2020/21 [Item 6]

Witnesses:

Ms Anna D'Alessandro, Director – Corporate Finance
Mark Hak-Sanders, Strategic Capital Accountant

Key points raised during the discussion:

1. The Chairman introduced the report and noted that the Committee had received training on the Treasury Management Strategy on 22 January 2020.
2. The Director – Corporate Finance provided a brief overview of the Strategy and highlighted that the Council intended to fully utilise the Council's treasury advisors. Members noted that frequent meetings would take place to monitor the strategy and ensure it would continue to be suitable.

Actions/ further information to be provided:

None.

Resolved:

The Audit and Governance Committee approved the Treasury Management Strategy Statement (TMSS) for 2020/21 including the Prudential Indicators.

7/20 GRANT THORNTON: 2019/20 EXTERNAL AUDIT PLAN [Item 7]

Witnesses:

Tom Beake, Grant Thornton

Ciaran McLaughlin, Grant Thornton

Ms Anna D'Alessandro, Director – Corporate Finance

Key points raised during the discussion:

1. The representative from Grant Thornton introduced the report and provided a brief summary. Members noted that headline risks were listed on page 45 of the agenda. The representatives highlighted that 'management override of controls' was listed in the report as a significant risk but that it was something considered every year. Members also noted that there were additional audit fees due to an increased level of work required by Grant Thornton.
2. A Member of the Committee asked why concerns related to the Brightwells Yard development were not included in the report. Representatives from Grant Thornton stated that this was because no significant risks had been identified relating to the developments. The representatives further clarified that the audits focused on whether an appropriate decision making process was followed and whether correct advice was provided. It was advised that the Member discuss their concerns with the relevant Director within the Council. Following on from this, Members highlighted a need to monitor and reappraise investments to ensure that they meet expected outcomes, and to ensure plans are adapted when they meet challenge. The Director – Corporate Finance reassured Members that this was a process that was being discussed with relevant officers and that there was an intention to strengthen the relationship between the Finance Service and the Property Service.
3. A Member of the Committee stated that they were concerned that there was no scrutiny of the Council's property portfolio.

Actions/ further information to be provided:

None.

Resolved:

The Audit and Governance Committee approved the Audit Plan.

8/20 DATE OF NEXT MEETING [Item 8]

The date of the meeting was noted to be on 24 April 2020.

Meeting ended at: 11:41am

Chairman