

Audit and Governance Committee**23 January 2020****AUDIT AND GOVERNANCE COMMITTEE****23 January 2020 at 7.00 pm**

MEMBERS: Councillor Sam Weatherlake (Chair), Councillor David Hicks (Vice-Chair) and Councillors Richard Clifton, Ali Mirhashem, Nali Patel, Colin Stears, James McDermott-Hill, Param Nandha, Nick Matthey and Martin Gonzaléz (substitute for Councillor Trish Fivey)

ABSENT Councillor Trish Fivey

Neil Asten (Independent Person), Geoffrey Beresford Hartwell (Independent Person) and David Parrett (Independent Person)

31. WELCOME AND INTRODUCTIONS

The Chair, Councillor Weatherlake, welcomed those present.

32. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Fivey with Councillor Gonzalez attending as substitute.

Apologies were also received by Neil Asten, Geoffrey Beresford Hartwell and David Parrett.

33. DECLARATIONS OF INTEREST

There were no declarations of interest.

34. MINUTES OF THE PREVIOUS MEETING

Members enquired about the casework system which was discussed at the previous meeting. Officers gave a brief update and confirmed that they were currently exploring a range of options.

Members also enquired about the progress of the Hackbridge School Expansion project. Officers responded that they expect an update to be brought to the next Audit and Governance committee.

RESOLVED: that the minutes of the meeting held on 31 October 2019 be agreed as an accurate record.

35. INTERNAL AUDIT - HALF YEAR PROGRESS REPORT

Margaret Culleton, Head of Internal Audit, presented the report.

23 January 2020

Members discussed the findings of the report, particularly around the majority of limited assurance opinions issued going to schools. In response to questions, the officer clarified that they are focusing on the most high risk schools to get greater assurance. Furthermore, they found that there was not a recurrence in schools being issued with limited assurance opinions, following the creation and implementation of an action plan in the first instance.

Members referred to a decision made at a previous meeting of the Council and Employee Joint Committee for a formal procedure to be introduced for agency and interim staff entering the system. It was confirmed that a review was done and all agency staff now go through one entry point which is monitored regularly by the Strategic Director of Resources and other members of CMT.

RESOLVED: that the Internal Audit Progress Report be noted.

36. TREASURY MANAGEMENT QUARTERLY REPORT

Lyndsey Gamble, Head of Investment, Risk and Commercial Finance, presented the report.

It was confirmed that a mixture of borrowing was used when the Council purchased part of the Sutton Hospital Site, which has been refinanced. Currently, the project is in the procurement process and the plan is for a report to be taken to the Strategy and Resources committee in July to select a development partner.

Members discussed the investments and asked if Brexit posed any risk to interest rates. The officer clarified that recent reports would not be significant for investment, but could be for future borrowing. Officers are in regular communication with their financial advisers, Link, and their focus is to explore other sources of financing to ultimately bring the PWLB rate down.

Members discussed the new Municipal Bond Agency, which is a competitor to the PWLB. Officers are confident that their rates will come in lower than the PWLB, however this will only be confirmed by testing the bond with its first issue.

RESOLVED: that the treasury management activity undertaken during the first nine months of the year be noted.

37. REVIEW RISK REGISTER AND DISCUSS MITIGATION

Sam Barker, Interim Assistant Director - Customers, Commissioning and Governance, presented the report.

Members discussed the future of pupil placement, in light of the proposed school in Rosehill being refused planning permission. It was confirmed that a temporary school at Robin Hood Lane would not be opened for 2020 entry, as DFE would not commit to it unless there was planning permission for the permanent school. However, negotiations have taken place with local secondary schools to ensure enough forms of entry are available for 2020 as reported to People Committee.

Members questioned why the Overall Risk Statement states that the Council's preparedness to respond to a catastrophic incident was robust, yet it was coded red on the risk register. Officers clarified that the impact of a catastrophic incident will always be significant, but the Council is continuously exploring its emergency planning to ensure emergency business continuity plans, which will form the response to the incident, are robust. There was further

Audit and Governance Committee

23 January 2020

discussion around whether these plans should be made available to members to be aware of and to scrutinise.

Officers agreed to consider the concerns raised around the possible impact of a recent High Court ruling which had found that Kingston-upon-Thames had overcharged council tenants for water.

RESOLVED: that

1. the updated corporate risk register as part of the ongoing management of risk across the authority be noted.
2. the recommendation from the 2019 internal risk-based audit of risk management that “consideration should be given to selecting individual corporate risks each year for in-depth review, with the results of the reviews being reported to the Audit and Governance Committee” be agreed.

38. EXTERNAL AUDIT UPDATE

Paul Jacklin, Senior Audit Manager for Grant Thornton, presented the report.

It was confirmed that Grant Thornton were also the external auditors for the London Borough of Kingston-upon-Thames.

RESOLVED: that the External Auditor’s Progress Report be noted.

39. PROVISIONAL WORK PLAN

Members noted the Provision Work Plan.

It was confirmed that the upcoming Member Development Update will include an update on the progress of the casework system and the Members Information Bulletin.

The meeting ended at 8.19 pm

Chair:

Date:

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