

## AUDIT AND STANDARDS COMMITTEE

9 October 2018

7.05 pm – 8.31 pm

Council Chamber, Ebley Mill, Stroud

# 3

### Minutes

#### Membership

|   |   |                            |   |
|---|---|----------------------------|---|
| Councillor Nigel Studdert-Kennedy (Chair) | P | Councillor Simon Pickering | P |
| Councillor Skeena Rathor (Vice-Chair)     | P | Councillor Mark Reeves     | P |
| Councillor Rachel Curley                  | A | Councillor Tom Williams    | P |
| Councillor Stephen Davies                 | P | Councillor Penny Wride     | P |
| Councillor Keith Pearson                  | P |                            |   |

A = Absent P = Present

#### Officers in attendance

|  |                             |
|--|-----------------------------|
| Head of Finance and Section 151 Officer                | Head of Community Services  |
| Head of Audit, Risk and Assurance Shared Service (ARA) | Community Services Manager  |
| Head of Legal Services and Monitoring Officer          | Democratic Services Officer |

#### **AC.015**                      **APOLOGIES**

An apology for absence had been received from Councillor Curley.

#### **AC.016**                      **DECLARATIONS OF INTEREST**

There were none.

#### **AC.017**                      **MINUTES**

**RESOLVED**                      That the Minutes of the meeting held on 26 July 2018, are approved as a correct record.

#### **AC.018**                      **PUBLIC QUESTION TIME**

There were none.

#### **AC.019**                      **STANDING ITEMS**

- (a) Work Programme
- Letting of commercial space/properties – Councillor Pickering would have a discussion with officers and an information sheet circulated. If members had further concerns then a report could go to committee.
  - The costs of running our housing stock.

- The Council's external auditors Deloitte had been invited to attend the additional meeting on 20 November 2018.
- Management updates on ICT and the Multi Service Contract would be provided at January's meeting.

(b) Risk Management – refer to Procurement Update report.

(c) Task and Finish Group (Ethical Audit) – the Head of Legal Services gave a verbal update on the event held on 27 September 2018 and would circulate notes. The event was well received.

## **AC.020**

## **PROCUREMENT UPDATE**

The Head of Legal Services and Monitoring Officer outlined the above report. The procurement framework currently in place was fit for purpose but the major concern was the lack of forward planning by the management team. Exemptions were used and signed off at Director level which could have been avoided if there were forward planning.

Members were very disappointed that officers did not realise the seriousness of not following the procurement process, which could be the subject of legal challenge and ultimately bring the Council into disrepute. Also the process should ensure value for money and bring money into the district. The decision box on the report was not worded strongly enough.

The Chair proposed a motion to change the decision box which was seconded by Councillor Davis and supported by all members.

Various contracts were discussed including the heat source pumps, solar panels, car parking and Ubico. The Head of Audit Risk Assurance (Chief Internal Auditor) suggested that the Corporate Team should set up an assurance framework.

**RECOMMENDED TO COUNCIL** **The Corporate Team be reminded of the importance, without exception, of ensuring:**

- Forward planning for any procurement, whether a completely new service or a renewal (as opposed to an extension) of contract;**
- All procurements undertaken are recorded in writing and documents are retained in line with the Council's documentation retention policy; and**

**All applications for exemptions (granted or otherwise) to the Council's Procurement and Procedure Rules be reported to the Audit & Standards Committee as part of the regular procurement updates.**

## **AC.021**

## **INTERNAL AUDIT ACTIVITY 2018/19**

The Head of Audit Risk Assurance (Chief Internal Auditor) provided an update on the above report, drawing members' attention to the reports on Legacy Software and Multi-Service Contract both of which had provided a limited opinion on the control environment. Revised recommendation implementation dates had been agreed with the Head of Community Services and a follow up report would be presented at January's committee regarding the Multi-Service Contract. In addition, a management

update on the status of the ICT action plan delivery would be provided at the January Committee.

Officers confirmed that there is a lot of engagement with Ubico and information on overspends and underspends is received monthly with an explanation of why. A finance officer also regularly attends their meetings. There are currently too many KPI's, these will be reviewed with Ubico so that they are meaningful and demonstrate the Council receives value for money.

The Council has a Whistle Blowing Policy which staff could confidentially use if they felt they were being pressured into making uncomfortable decisions. This would lead to investigations being undertaken.

Councillor Davis requested a list of Key Business Applications for January's meeting. He also raised concern that the Council could be running various old IT systems behind the latest versions. He asked are we paying for everything we ran and are we going to have an unexpected unplanned bill for maintenance/software for equipment we are still running? The question would be asked of the ICT Manager and the reply would be circulated and published.

Councillor Wride was concerned that settlement payments to 8 officers had been made, and asked if any settlement payments had been listed from April – June.

- RESOLVED**
- a. **Accept the progress against the Internal Audit Plan 2018/19;**
  - b. **Accept the assurance opinions provided in relation to the effectiveness of the Council's control environment comprising risk management, control and governance arrangements as a result of the Internal Audit activity completed to date; and**
  - c. **Request senior management attendance at the January meeting of the Committee to provide an update on the actions taken in relation to the recommendations made in the Legacy Software and Multi Services Contract follow-up audit reports.**

## **AC.022**

## **MEMBERS' QUESTIONS**

There were none.

The Council's external auditors, KPMG had sent their Annual Audit Letter 2017/18 which had been circulated to members and published onto the Council's website.

An additional meeting was agreed to take place at 7.00 pm on Tuesday, 20 November 2018 to discuss Treasury Management and also to meet the Council's new external auditors Deloitte.

Finally the Chair thanked the Head of Legal Services and Monitoring Officer for all of her help over the years and wished her good fortune in her new job.

The meeting closed at 8.31 pm.

Chair