

Audit, Governance and Standards Committee

MINUTES of the OPEN section of the Audit, Governance and Standards Committee held on Wednesday 18 July 2018 at 7.00 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Gavin Edwards (Chair)
Councillor Humaira Ali
Councillor Dora Dixon-Fyle MBE
Councillor Nick Dolezal
Councillor Victoria Olisa
Councillor Andy Simmons
Councillor Dan Whitehead

**OTHER MEMBERS
PRESENT:**

**OFFICER
SUPPORT:**

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from the independent members, Charles Wynn-Evans and Bill Dee. Apologies for lateness were received from Councillor Andy Simmons.

2. CONFIRMATION OF VOTING MEMBERS

The members present were confirmed as the voting members.

3. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

The chair agreed to accept item 11, Southwark Council audit findings report 2017-18 and pension fund audit findings report 2017-18, and item 13, independent members: verbal update as late and urgent.

4. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were none.

5. MINUTES

The minutes of the meeting of 6 June 2018 were agreed as a correct record and signed by the chair.

6. GOVERNANCE TOPIC: THE COUNCIL'S PROCUREMENT POLICY - COMPLIANCE AND IMPLEMENTATION

The strategic director of finance and governance presented the governance topic. Members had questions for the officers.

RESOLVED:

1. That the Council's Fairer Future Procurement Strategy attached as Appendix A of the report was noted.
2. That the recent internal audit of procurement attached as Appendix B of the report, and PowerPoint guidance to relevant staff attached as Appendix C of the report was noted.
3. That the council's Contract Standing Orders in relation to contract monitoring (paragraphs **Error! Reference source not found.** and **Error! Reference source not found.** of the report) were noted.
4. That the list of contracts that are over the EU threshold and should have six monthly and annual performance reports attached as Appendix D of the report was noted.
5. That the audit, governance and standards committee considered how it would wish to progress its review of governance in respect of contract management, and agreed:
 - the chair would discuss the scope of an internal audit review with the strategic director of finance and governance and that this would be brought back to the committee
 - to ask officers to request an audit follow up from BDO.

7. ANTI-FRAUD SERVICES AND SPECIAL INVESTIGATIONS TEAM PROGRESS REPORT APRIL 2017 TO MARCH 2018

Officers introduced the report. Members had questions of the officers.

RESOLVED:

1. That the progress on the anti fraud services and special investigations team for the year from 1 April 2017 to 31 March 2018 was noted.

8. INTERNAL AUDIT UPDATE JULY 2018

Grant Thornton introduced the report. Members had questions of Grant Thornton.

Officers undertook to provide a written update on IT disaster recovery planning.

Officers undertook to provide a written update on appropriate governance arrangements over partnerships.

RESOLVED:

6. That the update on internal audit work attached as Appendix A to the report was noted.

9. INTERNAL AUDIT ANNUAL REPORT 2017-18

Grant Thornton introduced the report. Members had questions for Grant Thornton.

RESOLVED:

7. That the Internal Audit Annual report, attached as Appendix A of the report, be noted.

10. ANNUAL GOVERNANCE STATEMENT 2017-18

Officers introduced the report. Members had questions for the officers.

The strategic director of finance and governance thanked members of the committee for their input and support.

RESOLVED:

1. That the annual governance statement 2017-18, as attached as appendix 1 of the report, be agreed.

11. SOUTHWARK COUNCIL AUDIT FINDINGS REPORT 2017-18 AND PENSION FUND AUDIT FINDINGS REPORT 2017-18

Grant Thornton introduced the report. Members had questions of Grant Thornton.

RESOLVED:

2. That:
 - a) the matters raised in Grant Thornton's audit findings report for 2017-18 (Appendix A of the report) before approval of the council's accounts be considered
 - b) the adjustments to the accounts as set out on pages 22-24 of the audit findings

report be noted

- c) the council's letter of representation set out at Appendix B of the report be approved
- d) the matters raised in the pension fund audit findings report 2017-18, (Appendix C of the report) prior to approval of the pension fund statement of accounts be considered
- e) the adjustments to the pension fund statement of accounts as set out in page 14 of the audit findings report be noted
- f) the pension fund letter of representation set out at Appendix D of the report be approved
- g) the Statement of Accounts 2017-18 (Appendix E of the report), subject to any final changes required by the conclusion of the audit, being delegated to the strategic director of finance in consultation with the chair of audit, governance and standards committee, be approved
- h) the audit fee letter (Appendix F of the report) be noted.

12. IN YEAR REVIEW OF WORK PROGRAMME 2018-19: JULY 2018

Officers introduced the report. Members had questions of the officers.

Officers undertook to bring back further information on budget updates from central government when they were available.

RESOLVED:

- 3. That the proposed revised work programme for 2018-19, including scheduling of governance topics for the year, was considered and no other amendments were made.
- 4. That the work programme set out in Appendix 1 for 2018-19 be agreed.

13. INDEPENDENT MEMBERS: VERBAL UPDATE

Officers introduced the update.

Officers undertook to provide a list of all applicants for the role of independent member

Members recorded their thanks to the retiring independent member, William Dee, for his support.

Members recorded their thanks to Jennifer Seeley as director of finance on her retirement.

RESOLVED:

- 1. That the membership of the selection panel for new independent members would

comprise Councillors Gavin Edwards, Humaira Ali and Dora Dixon-Fyle.

Meeting ended at 9.30 pm

CHAIR:

DATED:

[CABINET ONLY]

DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 21 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, [DATE].

THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.