

## Audit, Governance and Standards Committee

MINUTES of the OPEN section of the Audit, Governance and Standards Committee held on Monday 27 February 2017 at 7.00 pm at Ground Floor Meeting Room G02C - 160 Tooley Street, London SE1 2QH

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**PRESENT:** Councillor Paul Fleming (Chair)  
Councillor Catherine Dale  
Councillor Renata Hamvas  
Councillor Andy Simmons

Mr William Dee (Independent Person – non-voting)

**OFFICER SUPPORT:** Doreen Forrester-Brown, Director of Law and Democracy  
Jennifer Seeley, Director of Finance  
Emma Marinos, Director of Modernise  
Jo Anson, Head of Financial Information and Governance  
Shelley Burke, Head of Overview and Scrutiny  
Norman Coombe, Head of Corporate Team (Legal)  
Paul Dossett, Grant Thornton (External Audit)  
Julie Foy, Head of Human Resources  
Maureen McBain, Corporate Risk and Insurance Manager  
Mike Pinder, Head of Anti-Fraud and Internal Audit  
Greg Rubins, BDO (Internal Audit)  
James Thirgood, Grant Thornton (External Audit)  
Victoria Foreman, Constitutional Officer  
Gerald Gohler, Constitutional Officer

### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors James Barber, Nick Dolezal and Hamish McCallum. Apologies for lateness were received from Councillor Renata Hamvas.

### 2. CONFIRMATION OF VOTING MEMBERS

Those members listed as present were confirmed as voting members for the meeting.

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

There were no late items of business.

**4. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

There were no declarations of interest or dispensations.

**5. MINUTES**

**RESOLVED:**

That the minutes of the meeting held on 16 November 2016 be agreed as a correct record and signed by the chair.

**6. GOVERNANCE TOPIC: UPDATE ON HUMAN RESOURCES AND IT**

The committee heard from Julie Foy, Head of Human Resources, and Emma Marinos, Director of Modernise. Members asked questions of the officers.

**RESOLVED:**

1. That the progress in changes across the human resources and organisation transformation services, the workforce achievements since the last update in February 2016 and plans for the coming year, be noted.
2. That the update on IT given verbally at the meeting be noted, summarised in writing and circulated to members of the committee by officers.
3. That further information on management training, including the ILM (Institute of Leadership and Management) course being offered to managers be circulated to the committee by officers.
4. That representatives of the IT improvement board and the IT shared services board be invited to a future meeting of the committee.

**7. PROGRESS REPORT ON THE WORK OF THE INTERNAL AUDIT AND ANTI-FRAUD TEAMS FOR THE PERIOD 18 OCTOBER TO 31 JANUARY 2017**

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

**RESOLVED:**

1. That the progress report on the work of the internal audit and anti-fraud teams for the period 18 October 2016 to 31 January 2017 be noted.
2. That the background figures which make up the final KPI percentages be included in future reports to the committee.

**8. INTERNAL AUDIT PLAN FOR 2017-18 AND UPDATED FIVE YEAR STRATEGY FROM 2017-18 TO 2021-22**

Officers presented the report. Members asked questions of the officers.

**RESOLVED:**

1. That the draft internal audit plan for 2017-18 and updated five year strategy from 2017-18 to 2021-22 be approved.
2. That the head of anti-fraud and internal audit hold discussions with the head of human resources on training about setting realistic deadlines, for potential inclusion in the ILM (Institute of Leadership and Management) course.

**9. ANNUAL REPORT TO THE AUDIT, GOVERNANCE AND STANDARDS COMMITTEE ON THE COUNCIL'S RISK REGISTER**

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

**RESOLVED:**

That the annual report on the council's risk register be noted.

**10. DIGITAL GOVERNANCE AND ENGAGEMENT**

Officers presented the report. Members asked questions of the officers.

**RESOLVED:**

1. That the work and governance structure of the Digital Governance and Engagement Project Group be noted.
2. That the link between the Digital Governance and Engagement Project Group and the council's Digital Transformation Programme be noted.
3. That the identified work streams contained within the Digital Governance and Engagement Project be noted.
4. That a review of the member training budget to ensure the council receives best value and efficiencies in the delivery of member training be agreed.
5. That it be noted that Organisation Transformation will work with the group whips, Constitutional Team, Member Services and colleagues across the council to deliver an ongoing member development programme and induction following the 2018 elections, which will maximise digital technology to best meet the needs of members.
6. That costings for the production of paper agendas be provided to the committee, and at a future date to all members, in order to inform and encourage the take up of paperless working.

**11. ANNUAL REPORT ON THE WORK AND PERFORMANCE OF THE AUDIT, GOVERNANCE AND STANDARDS COMMITTEE IN 2016-17**

Officers introduced the report. Members asked questions of officers.

**RESOLVED:**

1. That the draft self-assessment of good practice at Appendix 1 be agreed.
2. That the authority to appoint members of the civic awards sub-committee by the audit, governance and standards committee be included in the report on the work and performance of the committee 2016-17 and in the work plan for 2017-18.
3. That the report on the work and performance of the committee in 2016-17 be forwarded to all councillors, following circulation to the committee and final agreement of any amendments by the chair.

**12. DRAFT WORK PROGRAMME FOR 2017-18**

Officers presented the report. Members asked questions of officers.

**RESOLVED:**

1. That the work programme for 2017-18, as set out in Appendix 2, be agreed subject to the following amendments:
  - That a standing item be included on the work plan in order for the committee to monitor budget challenges as required, including processes and governance throughout 2017-18.
  - That the areas of children's and adult's services, particularly learning disability and transitional arrangements, be included on the work plan for 2017-18 as a future theme for governance review or further detailed audit work.
  - That the appointment of members of the civic awards sub-committee by the audit, governance and standards committee be included in the work plan for 2017-18.
  - That continued monitoring of HR, IT and modernisation be included on the work plan for 2017-18.

**13. GRANT THORNTON AUDIT PLANS FOR SOUTHWARK COUNCIL AND SOUTHWARK PENSION FUND AUDITS 2016-17**

Auditors from Grant Thornton introduced the report. Members asked questions of the auditors.

**RESOLVED:**

That Grant Thornton's audit plans for Southwark Council and for the Southwark pension fund 2016-17 be noted.

**14. GRANT THORNTON - INFORMING THE AUDIT RISK ASSESSMENT FOR SOUTHWARK COUNCIL AND SOUTHWARK PENSION FUND**

Auditors from Grant Thornton presented the report.

**RESOLVED:**

That Grant Thornton's report on informing the risk assessment for Southwark Council and the pension fund, including the management comments, be noted; the committee had no further comments.

**15. GRANT THORNTON CERTIFICATION LETTER - YEAR ENDED 31 MARCH 2016**

Auditors from Grant Thornton introduced the report.

**RESOLVED:**

That Grant Thornton's certification letter be noted.

**16. GRANT THORNTON PROGRESS REPORT AND UPDATE YEAR ENDED 31 MARCH 2017**

Auditors from Grant Thornton introduced the report. Members asked questions of the auditors.

**RESOLVED:**

That Grant Thornton's audit update report be noted.

**17. REVIEW OF CONTRACT STANDING ORDERS**

Officers presented the report. Members asked questions of officers.

**RESOLVED:**

1. That the proposed revised contract standing orders be noted.
2. That officers ensure that the contracts register records where three quotes have not been obtained, and if not, why, in order for the audit, governance and standards committee to monitor this more effectively.

**18. REPORT ON THE OPERATIONAL USE OF THE REGULATION OF INVESTIGATORY POWERS ACT 2000**

Officers introduced the report.

**RESOLVED:**

That the information relating to the use of RIPA for the period shown be noted.

**19. REPORT ON THE OFFICE OF SURVEILLANCE COMMISSIONERS INSPECTION REPORT**

Officers introduced the report.

**RESOLVED:**

That the contents of the report and its conclusions be noted.

**20. REVIEW OF THE COMPLAINTS MADE UNDER THE CODE OF CONDUCT**

Officers presented the report. Members asked questions of officers.

**RESOLVED:**

That the report be noted.

**21. UPDATE ON CHIEF AUDIT EXECUTIVE**

Officers introduced the report.

Members asked that their thanks to the outgoing head of anti-fraud and internal audit for his contribution to the work of the committee be recorded, and that a further letter of thanks be sent on behalf of the committee.

Members also asked that their thanks to the head of financial information and governance for all her support and work with the committee be recorded.

**RESOLVED:**

That the change in the council's Chief Audit Executive, effective 20 March 2017, be noted.

**22. CONSTITUTIONAL CHANGES - CIVIC AWARDS SUB-COMMITTEE**

Officers presented the report.

**RESOLVED:**

That the recommended changes to the constitution proposed to council assembly by the constitutional steering panel be noted.

The meeting ended at 9.45 pm.

**CHAIR:**

**DATED:**