

GATESHEAD METROPOLITAN BOROUGH COUNCIL
AUDIT AND STANDARDS COMMITTEE MEETING

28 January 2019

PRESENT: Councillor H Haran (Chair)

Councillors: J Green, L Green, J McClurey, J McElroy,
J Turnbull and N Weatherley
Mr S Bell and Mr B Jones (Independent Members)

APOLOGIES: Mr G Clark

ASC170 MINUTES

RESOLVED – That the minutes of the last meeting held on 1 October 2019 be approved as a correct record.

ASC171 DECLARATIONS OF INTEREST

There were no declarations of interest.

ASC172 LOCAL CODE OF GOVERNANCE

The Committee were asked to consider and approve an updated version of the Local Code of Governance, based on the CIPFA Delivering Good Governance on Local Government Framework.

As part of this year's annual review of the Local Code of Governance, the Council's senior management have been requested to make any necessary amendments or additions to the document. As a result, amendments have been made to the Local Code of Governance as follows:

- Reference has been included in the column 'We demonstrate this by' to the Council's Thrive Agenda (Principles A&C), Contracts Procedure Rules (Principles A&F), Corporate Social Responsibility Pledge (Principles A,B &C), Trade Union Consultation Framework (Principle B), Social Care Commissioning Intentions (Principle B), Joint Strategic Needs Assessment (Principle B), and Annual Information Technology Health Check (Principle F).
- The dates on the Medium Term Financial Strategy (MTFS) have been updated to reflect the current document (Principles C,D&G)
- The references to the LGA Peer Review 2016 have been deleted given the time since the review was undertaken (Principles E&G)
- Reference has been made to the Health and Wellbeing Board's remit to recognise the Council's responsibility for public health as this covers the wider determinants such as economic, social and environmental issues (Principle C).

- RESOLVED -
- i) That the updated Local Code of Governance be approved, subject to the inclusion of a reference to the role independent members of this Committee and, in particular, their contribution to strengthening independent scrutiny and challenge of governance issues.
 - ii) That the Local Code of Governance be relocated to the Council and Democracy section of the Council's website so that it is easier to locate.
 - iii) That posters be produced and displayed in the members' lounge and chairmen's room as a visual reminder.
 - iv) That the Local Code of Governance be included as part of member induction.
 - v) That a members' briefing be sent to all councillors and independent members to advise them of the updated Code.

ASC173 AUDIT AND STANDARDS COMMITTEE WORK PROGRAMME

The Audit and Standards Work Programme was tabled and noted and it was agreed that Induction Training would be included in the agenda for 4 March 2019 meeting.

RESOLVED - That the information be noted

ASC174 QUARTERLY STANDARDS UPDATE

The Committee received a report providing the quarterly update highlighting national and local standards issues.

Headline issues with links to further reading was presented to the Committee, and were summarised as follows:

- Progress report on Intimidation of public officials/in public life
- Agenda and minutes of the progress of meetings on the review of local government ethical standards
- Local Government review, clarifying conflicts of interests
- Electoral integrity pilots 2019
- Electoral Commission: Digital Campaigning
- Ministry of Housing, Communities and Local Government – new rules banning those found guilty of serious crimes from councils

RESOLVED – That the information be noted.

ASC175 EXTERNAL AUDITOR: AUDIT PROGRESS REPORT

The Committee received the first report of the 2018/19 audit year providing an update on Mazars delivering their responsibilities as external auditor.

Since the Committee last met, the external auditors have:

- Held update meetings with finance officers in respect of planning for the 2018/19 audit; and
- Continued with regular meetings with senior management and reviewed agenda papers and minutes, to inform the risk assessments for the 2018/19 audit.

The Committee were advised that the Audit Strategy Memorandum will be presented for discussion and the next meeting in March 2019. Planning work is on track, and there are no significant matters arising from work that requires reporting to Committee at this stage.

The report outlined the 2018/19 audit and national publications it was noted that with respect to reports in the results of auditors work 2017/18: Principal local government and police bodies, Gateshead Council met the deadline and with the consultation on 2019/20 scale of fees for opted-in bodies the fees for Gateshead Council remain the same as 2018/19.

RESOLVED - That the information be noted.

ASC176 EXTERNAL AUDITOR: RESULTS OF CERTIFICATION WORK 2017/18

The Committee received a report updating on the results of Mazars certification work for 2017/18.

As the Council's appointed auditor, Mazars acted as an agent of Public Sector Audit Appointments (PSAA) who have responsibilities to make certification arrangements for specified claims and returns. In 2017/18 the only claim or return within this regime was the Housing Benefit Subsidy return, which was tabled as an appendix to the main report.

The Committee were advised that PSAA set an indicative fee for the work on the Council's Housing benefit subsidy return, which was tabled as an appendix to the main report.

RESOLVED - That the information be noted

ASC177 EXTERNAL AUDITOR: 2017/18 AUDIT - ADDITIONAL FEE

The Committee received a report providing an update on the fee resulting from additional audit work in relation to the audit of the financial statements.

The consolidation of The Gateshead Housing Company into the Council's group accounts for 2017/18 necessitated additional external audit work in order for the opinion on the Accounts to be given by the deadline of 31 July 2018.

The additional work carried out has resulted in an additional fee of £9,716 being charged.

RESOLVED - That the information be noted.

ASC178 CORPORATE RISK MANAGEMENT 2018/19 - QUARTERLY REPORT TO 31 DECEMBER 2018

The Committee received a report providing an update on developments in Corporate Risk Management during the period 1 October 2018 to 31 December 2018 in compliance with the requirements of good corporate governance.

In November 2018 Cabinet and Council approved the revised Strategic Risk Register which had been presented to Audit and Standards Committee on 1 October 2018.

The Committee were updated on Operational Risk, Business Continuity and Benchmarking and were advised that the Council has maintained the same benchmarking scores as the last assessment apart from an improved score for the processes strand which reflects the work undertaken by Corporate Risk Officers to assist managers with the operational risk management process, which has included the production and circulation of improved guidance to managers.

The Committee were advised that the Risk and Resilience Group meeting in January discussed the work which has taken place during the previous quarter, including the revised Risk Management and Business Continuity guidance.

The Committee requested that further Risk Management training to Councillors and officers appropriate to their responsibilities be rolled out in due course.

- RESOLVED -
- i) That the information be noted.
 - ii) That the Committee were satisfied with the effectiveness of the Council's risk management arrangements in place.
 - iii) That further risk management training for councillors and officers be rolled out in due course.

ASC179 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED - That the press and public be excluded from the meeting during consideration of the remaining business in accordance with paragraph 7 of Schedule 12A to the Local Government Act 1972.

ASC180 INTERNAL AUDIT PLAN 2018/19 QUARTERLY REPORT TO 31 DECEMBER 2018

A report was presented outlining the progress made by the Internal Audit & Risk Service against the audit plan for financial year 2018/19 and summaries the main findings arising from audit activity throughout the period 1 October 2018 to 31 December 2018.

From the reviews carried out to 31 December 2018 audit work was found to be complying with PSIAS and the Audit Manual.

The year to date performance information is as follows:

- 100% of audits were completed within budgeted time against a target of 90%
- Productive or chargeable time was recorded at 73% of overall time against an annual target of 73% of overall time
- The average score of the customer satisfaction questionnaires returned is 3.76 against a target of 3.4 (85%)
- The target for implementation of audit recommendations due is 100% for high priority recommendations and 90% for medium priority and best practice recommendations. The current rate of implementation of all recommendations due is 100%, with 100% of all high priority and 100% of all medium priority and best practice recommendations having been implemented.

Further information was tabled as an appendix to the main report.

RESOLVED - That the information be noted.

ASC181 DATE AND TIME OF NEXT MEETING

The next meeting will be held on Monday 4 March 2019 at 1.30pm in the Blaydon Room and not 5.30 pm as previously advised.

Chair.....