

General Purposes & Audit Committee

Meeting of General Purposes & Audit Committee held on Monday, 13 January 2020 at 6.30pm
in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Karen Jewitt (Chair);
Councillor Joy Prince (Vice-Chair);
Councillors Pat Clouder, Mary Croos, Stephen Mann, Jan Buttinger,
Stuart Millson and Steve Hollands

Muffaddal Kapasi and Nousheen Hassan (Co-opted Members)

Also Present: Councillor Simon Hall

PART A

1/20 Minutes of the Previous Meeting

The minutes of the meeting held on 9 October 2019 were agreed as an accurate record, subject to the addition of Councillor Simon Hall to the list of those present at the meeting.

2/20 Disclosure of Interests

There were none.

3/20 Urgent Business (if any)

There were no items of urgent business.

4/20 Grant Thornton Reports - Annual Audit Findings

The Committee considered a report of the Director of Finance, Investment and Risk that informed Members that the 2018/19 audit undertaken by Grant Thornton had been completed and the audit certificate had been issued and published on the Council's website with the statement of accounts.

In considering the report, Members heard that an updated copy of the certificate would be issued and published to correct typographical errors on the original certificate. Members also heard that, while the completion of the audit was slightly later than in previous years due to additional work being

undertaken on the value for money conclusion, it had still been completed within the required timescales.

In response to questions, the Committee heard that the inclusion of an adverse conclusion by the auditors represented a raising of concerns in specific regard to the accounting treatment given to the Dedicated Schools Grant and in regard to the Ofsted inspection of Children's Services in June 2017.

Members heard that it was acknowledged that there would continue to be a concern raised by the Auditors all the time Children's Services continued its improvement journey and that, from an Audit perspective, while the service remained under an Ofsted inspection regime 'inadequate' judgement, its VFM inclusion as an area of concern would remain as an automatic caveat within the audit assessment.

The Committee further heard that the issue of an adverse conclusion did not represent a qualification against the Council's accounts and that the accounts had been signed off as detailed on the certificate issued by the independent auditors. Officers were working with the Auditors on the two concerns raised in order to remedy those issues for future audits of the accounts. Financial lessons from the Ofsted inspection were being learned across the organisation, and those lessons included a greater degree of challenge when budget savings in other demand led services were being proposed alongside a more robust assessment of their deliverability.

RESOLVED: To note that

1. The Audit of the 2018/19 Accounts had concluded as detailed in the letter contained at Appendix 1 of the report; and
2. The certificate of completion of the 2018/19 audit had been issued as detailed in Appendix 2 of the report.

5/20

Internal Audit Update Report

The Committee considered a report of the Head of Internal Audit that detailed the work completed by internal audit up to November 2019 and the progress made in implementing recommendations from audits completed in previous years.

In considering the report, the Committee heard that half of the reports issued to date during the current financial year received 'limited assurance'. While this gave an indication that an overall Limited Assurance would be issued, this could change as it was based on a relatively small sample size and the indication would be stronger as more audits are completed and reported on during the course of the year.

Members also heard that all priority one recommendations were pursued until they were completed irrespective of the age of the recommendation. In regard to outstanding recommendations from 2015/16, the Committee heard

that the EMS application was in the process of being phased out, so it was likely not to be economically viable to complete all of the recommendations from that report. Consideration was being given to the audit of the Waste Recycling service being performed again in the new year from April.

In consideration of the outstanding recommendations from 2016/17, the Committee requested that an update in relation to the audit of Contract Monitoring and Management within the Streets division be circulated to Committee Members as soon as possible.

RESOLVED: That the Internal Audit Report for April to November 2019 at Appendix 1 of the report be noted.

6/20 **Anti-Fraud Update Report**

The Committee considered a report of the Head of Anti-Fraud that detailed the performance of the Corporate Anti-Fraud Team and an update on related developments during the period 1 April 2019 to 30 November 2019.

Members were informed that in October 2018, the Government had launched the 'Government Counter Fraud Profession', the 26th recognised profession within the civil service. As part of efforts to roll out the new counter-fraud professional standards across the public sector, the London Borough of Croydon had been approached by the Government to play a lead role. To that end, Croydon Council would be the first Local Authority to submit an application for all its Fraud Investigators to convert their existing accreditation to the new Government standard.

In response to questions, the Committee heard that the Anti-Fraud team delivered training to both staff and Members across the Council. This included an e-learning package as well as classroom based sessions.

RESOLVED: That the Anti-Fraud activity of the Corporate Anti-Fraud Team for the period 1 April 2019 – 30 November 2019 be noted.

7/20 **Corporate Risk Register**

The Committee considered a report of the Head of Risk and Corporate Programme Office that updated Members on the corporate risk register as at 13 January 2020.

In considering the report, Members heard that work was being undertaken to capture target completion dates for mitigating measures against risks and it was anticipated that future versions of the register presented to the Committee would include that detail.

In response to a question, the Committee heard that the entry relating to Brexit would be reassessed should the UK exit the European Union in January 2020.

Members further heard that a number of Government departments in addition to the Home Office were lobbied by the Council on the issue of funding for unaccompanied asylum seeking children. Dialogue took place at both elected Member on a cross party basis and at officer level. This included dialogue with the treasury, the department for education, the department for communities, local government and housing and with the new Minister for London.

RESOLVED: That the contents of the Corporate Risk Register as at 13 January 2020 be noted.

8/20 **Update on In-Year appointments**

The Committee considered a report of the Executive Director of Resources and Monitoring Officer that detailed a number of in-year appointments made since the last meeting of the Committee.

Following discussion it was

RESOLVED: That the in-year appointments made either under delegated powers or the Leader's Executive powers, as detailed in paragraph three of the report, be noted.

9/20 **Exclusion of Public and Press**

As there was no exempt business to be considered, this item fell.

Members noted that this was Nousheen Hassan's last meeting and wished her well for the future. With there being a vacancy for an Independence Member for this Committee, it was agreed that the Chair would lead the recruitment for a replacement.

The meeting ended at 7.02pm

Signed:

Date:

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