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Audit & Governance Committee

Meeting of held on Thursday, 7 July 2022 at 6.30 pm in Council Chamber, Town Hall,
Katharine Street, Croydon, CR0 1NX

MINUTES

Present: Dr. Olu Olasode (Independent Chair);
Councillor Matt Griffiths (Vice-Chair);
Councillors Claire Bonham, Simon Brew, Sherwan Chowdhury,
Patricia Hay-Justice and Llabuti

PART A

1/22 **Disclosure of Interests**

There were none.

2/22 **Urgent Business (if any)**

The Chief Executive, Katherine Kerswell, attended and delivered an update on the progress of the Croydon Renewal Programme, highlighting that:

- The Mayor's priorities were being overlaid onto the plan and tracked in the form of individual team objectives;
- A cultural change programme called Crossing the Threshold was underway to reform the outlook and morale of council employees;
- The Medium Term Financial Strategy and Budget would be informed by the findings of the plan and this would be reported in the autumn;
- As part of improving the governance of the council, the Audit and Governance Committee was expected to review the plan and ensure it was connected, reasonable and adequate;
- That another staff survey would be taking place in the autumn to measure the impacts of the plan and the culture change exercise.

3/22 **Work Programme and Action Tracker 2022-23**

Former Interim Monitoring Officer, Andrew Hunkin, asked that the Committee be mindful of making the workload and nature of the items on the agenda reasonable and manageable within the timeframe of

meetings. Andrew Hunkin also asked that the Committee maintains the discipline of keeping the Action Tracker up to date.

The Chair informed committee members that there would be a workshop on the Terms of Reference and Assurance Mapping in order to support them to develop the Work Programme. The likely timing was early October so that the work programme could be updated for approval in November.

RESOLVED

1. To agree the Work Programme 2022-23 and amendments.
2. To note and comment on the Action Tracker.

4/22

Progress update on Council's Year End Final Accounts

Nish Popat, Interim Head of Corporate Finance, introduced the report highlighting that the key outstanding issues which were delaying Grant Thornton, the council's external auditor, from being able to sign off the 2019-20 accounts were to do with Croydon Affordable Homes and Croydon Affordable Tenancies, and that the council was expecting additional advice from the Chartered Institute of Public Finance and Accountancy (CIPFA) over the next week. The Council's would be neutral in revenue terms, whereas accounting for the transactions fully as an operating lease has the potential to impact the Council's revenue reserves by up to £70m.

The Committee expressed concerns that the Report in the Public Interest relating to the refurbishment of Fairfield Halls could develop some risk to the Council's accounts being signed off. Officers explained that the risk was more likely to be reputational but that they would produce another report for the Committee following the results of that investigation in September.

RESOLVED, to:

1. Note progress being made on audit of Draft Accounts for financial year 2019/20 and 2020/21 and;
2. Note the progress being made on completing Draft Accounts for financial year 2021/22.

5/22

Ombudsman Report - Children's Services

Shaun Hanks, Head of Social Care for Children Looked After and Care Leavers, and Brian Amos, Service Manager (Children's Social Care), introduced the report. In response to questions officers clarified that:

- The results of this report showed that the issue was to do with the legal agreement and the process;
- The recommendations of an ombudsman are not legally binding but that they carry significant weight, and that significant consideration would have been given to the recommendations in the report which found maladministration, and that it would be very difficult for the Committee to argue against this;
- The department had since examined and investigated its processes and procedures and had made robust steps to ensure that a situation such as this would be properly handled in future.

RESOLVED, to:

1. Consider the public interest report dated 6 December 2021 and the recommendations made by the Local Government & Social Care Ombudsman (LGSCO) in relation to Croydon Council.
2. Agree the recommendations set out in the public interest report; and:
3. Note the steps, progress, and timeline to implement the recommendations set out in section 7 of the report.

6/22

Audit Charter, Strategy and Plan

Dave Phillips, Interim Head of Internal Audit (Finance Investment and Risk), summarised the report and clarified that the council had outsourced its internal audit function to Mazars for many years, and that the 2022/2023 annual cost was £396,000.

Dave Phillips also informed the Committee that the plan was informed by meetings with Directors, information gathered from previous audits and issues facing local authorities such as inflation and Covid-19.

The Committee questioned whether the plan included new projects to enable Internal Audit to help ensure good governance of these at the outset, to which officers responded that the Head of Internal Audit was a member of two of the internal control boards that had been set, the remit of those boards being to pick up cross-departmental issues and lead on projects.

RESOLVED, to approve the Internal Audit Charter (Appendix 1), Strategy (Appendix 2) and the plan of audit work for 2022/23 (Appendix 3).

7/22

Recruitment and Appointment of Independent Member to the Audit and Governance Committee

It was agreed that Councillor Bonham, Councillor Griffiths, and the Chair would form the Panel supported by the Monitoring Officer to appoint an Independent Member to the Audit and Governance Committee.

RESOLVED, to note the process for the recruitment and appointment of an independent member for the Audit and Governance Committee.

8/22

Annual Governance Statement 2020/21 - update on Action Plan

The Committee commended the work of officers on this report commenting that the process had been strengthened.

RESOLVED, to note and agree on the progress the Council has made in regard to achieving the recommendations set in the Annual Governance Statement 2020/21 Action Plan.

The meeting ended at 9.00 pm