

Meeting/Date:	Council 20 October 2022
Report Title:	Audit and Governance Committee Annual Report 2021-22
Directorate:	Governance and Law
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Wards affected:	None specifically
Public Access	Open
Appendices	None

1. SUMMARY

- 1.1. To provide an overview of the work of the Audit and Governance Committee during the 2021-22 municipal year.

2. RECOMMENDATION

- 1.1. The Audit & Governance Committee recommend Council NOTE the committee's annual report on its activity in 2021-22.

3. BACKGROUND

- 1.2. The Audit and Governance Committee was established to provide independent assurance of the robustness of the Council's corporate governance procedures and compliance with them, its financial management and controls and risk management.
- 1.3. The Audit and Governance Committee's composition and role are set out in its terms of reference, in Part 7 of the Council's Constitution. These were updated following a review by the Constitution Working Group and the Audit and Governance Committee, and subsequently agreed by Council on 22 April 2021.
- 1.4. Over the last year, the Committee has met for 2 ordinary meetings and one special meeting. The Committee would normally meet for 4 ordinary meetings but faced some disruption as a result of the coronavirus pandemic.

4. OVERVIEW

- 1.5. This report broadly follows the committee's terms of reference themes describing the its activity in 2021-22.
- 1.6. **Good Governance**
- 1.7. The theme of good governance includes a broad range of topics that relate to the Council's governance framework but that sit outside of the internal audit, external audit, risk management, financial controls and standards responsibilities. This theme includes information governance,

complaints, corporate health and safety, elections and polling place reviews, and the Council's constitution.

1.8. Information Governance – Freedom of Information (FOI) Performance

In October 2021, the Committee reviewed the council's performance in processing FOI requests following receipt of a practice notice issued by the Information Commissioner's Office (ICO) in 2020. The practice notice was issued in response to the council's performance against the ICO target to respond to 90% of requests within the statutory 20 working day deadline.

- 1.9. The Committee noted the improvement made following the ICO intervention and commended the work of officers in attaining 100% compliance since reviewing the matter in September 2020.

1.10. Complaints – Local Government and Social Care Ombudsman (LGO) and Housing Ombudsman Service (HOS) Annual Letter

The Committee received the annual letter from the LGSO and HOS in October 2021 reporting on the previous year.

- 1.11. The Council recorded a total of 58 complaints reviewed by the LGSCO during the period 1 April 2020 to 31 March 2021. The LGSCO opened an investigation for 26 (45%) of the cases reviewed. The remaining 32 cases (55%) were closed after initial (informal) enquiries were made with the Council or without any prior contact with the Council.

- 1.12. The LGSCO has issued final decisions on all complaints formally investigated. Of these, 20 complaints (77%) were upheld while 6 (23%) were not upheld.

- 1.13. The outcomes are reported to all Heads of Service and Directors, the Complaints Team follows them up and they are fully compliant with all LGO findings. There has been no complaint resulting in a public report, and the last one was in 2009. Figures are reasonably comparable with neighbouring boroughs.

- 1.14. Complaints to the Housing Ombudsman Service (HOS) - During 2020/2021, the HOS carried out 16 formal investigations of complaints against the Council. Of these, 8 complaints were upheld or partly upheld.

1.15. Corporate Health and Safety

The Committee considered a review of new contract arrangements for facilities management which moved away from a total facilities contract to a range of specialist contractors from October 2020.

- 1.16. The Committee noted a significant improvement in compliance and the quality of inspections and remedial repairs across the corporate estate.

1.17. Elections – Review of Elections Held in 2021 and Preparation for 2022 Elections

The Committee reviewed the delivery of the GLA elections in 2021 and planning for the Local Elections in 2022.

- 1.18. The Committee noted the challenges in delivering the GLA elections during the pandemic and the measures put in place to protect staff and voters. They commended the creation of an online postal vote

application form (the first of its kind), the communications campaign to encourage registration and the subsequent 46% increase in registered postal voters.

- 1.19. In reviewing plans for the 2022 local elections, the Committee explored the polling scheme review required as a result of new ward boundaries and were pleased to see a reduction in the number of school closures required on polling day.
- 1.20. **Constitution**
Having conducted a thorough review of the constitution over the preceding three years, the Committee did not undertake any significant reviews of articles of the constitution in this period.
- 1.21. A review of the property procedure rules was completed in July 2020 and revisited in October 2021 to review the operation of these rules, the assurance they provide and the impact on opportunities for local businesses.
- 1.22. Minor amendments to the rules were recommended to Council for adoption to improve clarity and remove references to EU legislation that no longer applies in the UK.
- 1.23. **Internal Audit**
The Committee continued to monitor the internal audit plan in 2021-22 routinely at its meetings. The internal audit team were commended for their agile and proactive approach to managing the internal audit plan during the previous year noting that 98% of the plan was completed despite this disruption.
- 1.24. The Committee were glad to receive the Chief Internal Auditor's annual opinion of reasonable assurance in her annual report for 2020-21.
- 1.25. The Committee commended the service for the reduction in outstanding high priority actions arising from audits.
- 1.26. In reviewing audit activity, the Committee received limited assurance reports. At its meeting in February 2022 the Committee considered the Victoria Road Regeneration Project report and were glad to understand the improvements to control process as a result of this audit.
- 1.27. **External Audit and Financial Statements**
The Accounts and Audit Regulations 2015 require authorities to publish audited accounts by 31 July of the financial year immediately following the end of the financial year to which the statement relates.
- 1.28. In its last annual report, the Committee reported to Council the overrunning of audited accounts since 2018/19. Details of the delay for 2019-20 and 2020-21 were reported to the Committee in February 2022 and the Committee considered the report of the external auditor for the 2019-20 accounts in March 2022.
- 1.29. The Committee considered the appointment of external auditors from 2022-23 at its meeting in February 2022 and expressed their dissatisfaction with the delays experienced under the PSAA arrangements. The Committee noted the lack of a suitable alternative

and resolved to recommend that Council approve submission of notice to opt in to the PSAA from 2023-2028.

1.30. Corporate Anti-Fraud Performance

The Committee continues to encourage a Council-wide approach to information sharing and matching in combating a range of fraudulent activities, including right-to-buy, council tax, blue badge and schools admission fraud. The Committee congratulated the team on their nomination for a public finance award arising from their work in 2020-21.

1.31. The Committee noted the assurance work undertaken to mitigate abuse of pandemic grants including £45k in refused grants, ~£1.5m in prevented grants.

1.32. The Committee has approved the revised anti-fraud policies as follows:

- Anti-Bribery Policy
- Anti Money Laundering Policy
- Anti-Fraud and Corruption Policy
- Anti-Fraud and Corruption Response Plan
- Prosecution Policy
- Anti-Fraud Strategy 2021-24

1.33. Risk Management

The Committee has reviewed and approved the risk management strategy and received regular progress reports relating to the embedding of risk management across the Council. The Committee regularly receives the council's strategic risk register and performance information relating to risks for review and approval. Where appropriate, risk owners are invited to meetings to explain and discuss risks, scores, controls and mitigation.

1.34. The service worked with the Committee to provide additional detail within the strategic risk register to explain changes in risk scores and mitigating controls.

1.35. Specific consideration was given to risks arising pressures in Adult Social Care driven by an increase in service demand including through pandemic related factors.

1.36. Financial Controls – Accounting Policies

The Committee the council's accounting policies noting only one minor change proposed since the previous year.

1.37. Treasury Management

The treasury management strategy and annual investment strategy are routinely monitored and reviewed by the Committee before recommendation to Council.

1.38. In February 2022 The Committee noted the changing environment around interest and borrowing rates and the resulting amendments to the Treasury Management Strategy.

1.39. Standards

The Committee have not considered any issues relating to member conduct in the period covered by this report.

5 CONSULTATION

5.1 This is an information report.

6 IMPLICATIONS

6.1 Finance, Value for Money and Risk

6.1.1 The work undertaken by the Corporate Anti-Fraud Team may disclose financial malpractice, prevent fraud and inefficiency, and improve the Council's internal control system, and is a key part of the Council's improvement strategy. Treasury Management and corporate accounting are key means by which the Council gets the best value out of its assets.

6.2 Legal

6.2.1 The Annual Governance Statement forms part of the annual accounts under The Accounts and Audit Regulations 2011.

6.3 Equalities and Diversity

6.3.1 None.

6.4 Sustainability (including climate change, health, crime and disorder

6.4.1 The work of the Committee is key to preventing fraud and ensuring that all legal, financial and constitutional requirements underpinning the Council's activities are fulfilled.

6.5 Council Infrastructure (e.g. human resources, accommodation or IT issues

6.5.1 As above.

BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)

There are no background papers for this report which require listing.