

**MINUTES OF A MEETING OF THE  
AUDIT COMMITTEE  
HELD ON 3 JUNE 2020 FROM 7.00 PM TO 8.50 PM**

**Committee Members Present**

Councillors: Rachel Burgess, Angus Ross, Daniel Sargeant, Imogen Shepherd-DuBey and Bill Soane

**Also Present**

Madeleine Shopland, Democratic & Electoral Services Specialist  
Helen Thompson, Ernst and Young  
Michael Bateman, Business Analyst  
Graham Ebers, Deputy Chief Executive  
Susan Parsonage, Chief Executive  
Bob Watson, Head of Finance  
Andrew Moulton, Assistant Director Governance  
Liz McAuley, Service Manager Quality Assurance and Safeguarding Team  
Daneet Penny, Customer Delivery Officer (L3)  
Justine Thorpe, Ernst and Young  
Jackie Whitney, Lead Manager, Customer Delivery

**67. APOLOGIES**

Apologies for absence were submitted from Councillors Maria Gee and Dianne King.

**68. ELECTION OF A CHAIRMAN**

**RESOLVED:** That Councillor Bill Soane be elected Chairman for the meeting.

**69. MINUTES OF PREVIOUS MEETING**

The Minutes of the meeting of the Committee held on 5 February 2020 were confirmed as a correct record.

**70. DECLARATION OF INTEREST**

Councillor Daniel Sargeant declared a Personal Interest in Item 73 Wokingham Borough Council – Audit Planning Report year ended 31 March 2019, on the grounds that he was a Non Executive Director of Wokingham Housing Limited and Berry Brook Homes.

**71. PUBLIC QUESTION TIME**

There were no Public questions.

**72. MEMBER QUESTION TIME**

There were no Member questions.

**73. COMPLAINTS AND COMPLIMENTS**

The Committee received a report on complaints and compliments.

During the discussion of this item, the following points were made:

- Members were advised that there had been a slight increase in the number of complaints received at Stage 1 and Stage 2, and also the number of complaints investigated by the Ombudsman. The majority of cases referred to the Ombudsman had not been upheld.

- Planning and housing services continued to receive the highest number of complaints. Complaints predominantly related to high volume concerns such as repairs to tenanted properties and decisions made in relation to planning applications.
- Some of the key learning during the year that had been implemented specifically in School Admissions, Home to School Transport and Building Control, were highlighted.
- Members noted the summary of some of the compliments received.
- The Service Manager Quality Assurance and Safeguarding Team updated the Committee on the statutory complaints process for children's services. During 2019-20, there had been a decrease in both the contacts made (63 to 55) and the number of complaints progressed to Stage 1 (48 to 35). The number of complaints that had progressed to Stage 2 had also reduced from 4 to 2. No complaints had progressed beyond Stage 2.
- Members were advised that 91% of Stage 1 responses had been completed within the 20 day timescale.
- The number of complaints received that were considered out of scope had increased significantly from 6 to 18. It was believed that a number of these related to complaints made about cases that were in court proceedings.
- The number of compliments for Children's Services had increased.
- The Service Manager Quality Assurance and Safeguarding Team commented that increased training for social work managers had helped to resolve some matters at an earlier stage. Timeliness of responses and mediation had also helped to reduce an escalation in the complaints process.
- The Lead Manager, Customer Delivery indicated that the complaints management system had been updated and the reporting function, enhanced.
- Councillor Burgess questioned who designated a complaint out of scope. She was informed that the Complaints Manager would follow the appropriate guidance.
- Councillor Burgess noted that a number of the Children's Services complaints investigated by the Ombudsman had been upheld. She questioned how the Council would learn from this. The Customer Delivery Officer explained that the Ombudsman would issue a report with recommendations and that the services would have approximately 2 weeks to respond. If no comments were given, a deadline for specific actions to be implemented would be provided. Evidence of the action taken would need to be provided.
- Councillor Ross noted that the new way of reporting had begun in April. He asked whether the lockdown had had any effect on this and was informed, that it had not.
- Councillor Sargeant praised the presentation of the report which he felt had improved. He questioned some of the percentages relating to age demographic contained within the benchmarking report.

**RESOLVED:** That the update be noted.

**74. WOKINGHAM BOROUGH COUNCIL ANNUAL AUDIT LETTER YEAR ENDED 31 MARCH 2019**

The Committee received the Wokingham Borough Council Annual Audit Letter year ended 31 March 2019.

During the discussion of this item, the following points were made:

- The Audit Results Report had been issued on 13 March 2020.

- Helen Thompson, Ernst & Young, referred to the impact of the delay in the certification of the Pension Fund.
- With regards to the audit fee for 2018/19, Helen Thompson indicated that the final fee was approximately £16,000 more due to extra work involved in gaining assurance over the value for money significant risk.
- Councillor Burgess sought an update on the comments made around capacity within the Finance team and the presentation of the Medium Term Financial Plan (MTFP) being difficult to follow. The Head of Finance commented that with regards to capacity, huge steps had been made in numbers and the way the team worked. The Deputy Chief Executive stated that previous auditors had complimented the presentation of the Council's MTFP.

**RESOLVED:** That the Wokingham Borough Council Annual Audit letter year ended 31 March 2019 be noted.

## **75. WOKINGHAM BOROUGH COUNCIL - AUDIT PLANNING REPORT YEAR ENDED 31 MARCH 2020**

The Committee received the Wokingham Borough Council – Audit Planning report year ended 31 March 2020.

During the discussion of this item, the following points were made:

- The Committee was informed that it was unlikely that COVID 19 would have a significant impact on the 2019-20 statement but it would have a significant impact on the following year's statement.
- Justine Thorpe, Ernst & Young, highlighted the three areas where increased risk or focus had been identified; valuation of land and buildings; pension liability valuation; and going concern.
- Members sought assurance that the issues faced around the pension fund audit previously, would not happen again. The Committee was informed that discussions on risks and timetables had been had with the pension fund auditor. Councillor Ross questioned whether the Member representative on the Berkshire Pension Fund was kept informed of developments. The Deputy Chief Executive indicated that discussions were primarily at officer level but that he would take this forward for high-level assurance.
- The materiality had been set on the same basis as previously.
- Members were informed that the timescales for the audit would be different because of COVID 19. The draft account deadline had moved from the end of May to the end of August.
- Justine Thorpe indicated that there were two significant value for money risks identified; commercialisation and the purchase of investment properties; and effectiveness of the Council's Governance and Risk Management Framework.
- It was noted that the Council's Risk Management Strategy had not been significantly updated for some time.
- Councillor Shepherd-DuBey questioned what more could be done to evaluate the risks around investments. Justine Thorpe indicated that testing the valuation of investments would be part of the value for money work. The Deputy Chief Executive commented that this was something which scrutiny had also looked at previously.
- Helen Thompson provided further information around the audit fees.
- In response to a Member question on the impact of COVID 19 on the ability to undertake the external audit work, Helen Thompson stated that it took longer to

undertake an audit remotely as it was more difficult to gather information. In addition, it was more difficult to verify plant, property and equipment, remotely.

**RESOLVED:** That the Wokingham Borough Council –Audit Planning Report year ended 31 March 2020, be noted.

## **76. UPDATE ON CHANGES TO ACCOUNTING POLICIES**

The Head of Finance presented a report on changes to the accounting policies.

During the discussion of this item, the following points were made:

- For 2019/20, there had been no significant changes to any policies except for general clarification around terminology, grammar and duplications.
- It was noted that the implementation of changes on the accounting standard IFRS 16 – Leases had been delayed.
- Members were informed that various deadlines had been amended because of the COVID 19 crisis.

**RESOLVED:** That the revised Statement of Accounting Policies as per Appendix A of the report be approved for inclusion in the Statement of Accounts for the year ended 31 March 2020.

## **77. CORPORATE RISK REGISTER**

The Committee received the Corporate Risk Register.

During the discussion of this item, the following points were made:

- The Chief Executive informed Members that COVID 19 had had a massive impact and had materially changed the risk environment. Broad comments had been made on each risk in light of the COVID 19 crisis and the Committee would receive a fuller update at its next meeting in July.
- The Deputy Chief Executive stated that there would be a fundamental rewrite of the Corporate Risk Register. The Council's emergency planning arrangements around risk and recovery would be looking at risk and recovery.
- Councillor Burgess commented that the risk of a pandemic had been included on the Government risk register and questioned why it had not been included on the Council's Corporate Risk Register previously. She went on to ask how the Council was addressing the risk of a second wave of infection. The Chief Executive commented that the Council was currently responding to the crisis and that a daily emergency response meeting was held to discuss risks. Within the next month, a local control outbreak plan would be in place. Other issues such as the strength of supply for PPE, were under consideration. It was noted that the Government was introducing a clipper system to ensure more certain supplies of PPE.
- The Deputy Chief Executive questioned whether a pandemic should previously have been included on the Council's Corporate Risk Register and emphasised that risk management used a matrix of likelihood and risk. The Chief Executive added that the Council was resilient and in a position to be able to respond should a second wave of infection occur.
- Councillor Burgess asked about financial scenario planning over the next 3 years and the potential scale of the financial risk because of COVID 19. The Deputy Chief Executive responded that there were a large amount of unknowns such as the local government finance settlement. Similarly, the easing of lockdown might

- release some leisure income. It was important that the Council was fully aware of what options it had available to it.
- Councillor Burgess asked whether the Council had prepared sufficiently for a worst-case financial scenario. The Deputy Chief Executive indicated that the Council was not moving towards a Section 114 notice.
  - With regards to the Climate Emergency risk, Councillor Ross was reassured that consideration was being given to preparation for possible droughts.
  - In response to a comment from Councillor Shepherd-DuBey, the Deputy Chief Executive stressed that the Climate Emergency work was not on hold, and that an officer group continued to meet. He also continued to liaise with the relevant Executive Member. The Climate Emergency Action Plan was under development and would be presented to Council in the near future.
  - Councillor Burgess emphasised the need for carbon reduction targets. The Deputy Executive stated that these were being worked on.
  - Councillor Ross commented that the Risk Register did not refer to the current Local Plan. The Chief Executive agreed that this should be included.
  - Councillor Sargeant welcomed the approach taken to the Corporate Risk Register.
  - Councillor Shepherd-DuBey emphasised that with large amounts of staff working from home it was vital that the Council have a robust IT infrastructure in place, and that this needed to be reflected within the Risk Register. It was agreed that this would be referenced.
  - Members were informed of the Council's emergency planning response which considered matters such as accommodation, staffing and IT. When the first case had been identified in the Borough, an immediate response had been identified and up-to-date service templates produced.
  - Councillor Shepherd-DuBey asked about lessons learnt from the Council's initial response to the COVID 19 pandemic. The Chief Executive indicated a paper would be presented to the Overview and Scrutiny Management Committee, which would decide how different aspects of the Council's response would be scrutinised.
  - With regards to the risk around workforce, Councillor Shepherd-DuBey commented that no mention was made of how many staff could be unavailable due to sickness before the Council could no longer function. The Deputy Chief Executive stated that planning assumptions of up to 25% of staff being unavailable had been considered.
  - With regards to Risk 2 'Corporate Governance' and managing the impact of COVID 19 on this, Councillor Burgess felt that the wording was misleading and that the briefings with the Group Leaders were not transparent. The Deputy Chief Executive emphasised that officers were briefing all parties as often as they could at present and the briefings still provided some challenge and steer.
  - Councillor Burgess felt that the actions identified to mitigate Risk 4 'Local Land Supply (including five year land supply)' did not sufficiently address the issue, nor was the extension of the danger zone around AWE referred to.
  - With regards to Risk 6 'Safeguarding children and young people', Councillor Burgess was of the opinion that there were insufficient further actions highlighted to address issues identified as a result of COVID 19 such as increased domestic abuse. The Chief Executive reiterated that the current iteration of the Risk Register was light touch whilst the Council continued to respond to the crisis and that the Committee would receive a fuller update at their next meeting.
  - Councillor Burgess noted that overview and scrutiny were to monitor the risk around Brexit. She commented that it was important that Brexit was included on the scrutiny work programmes.

**RESOLVED:** That the update be noted.

**78. FORWARD PROGRAMME**

The Committee considered the forward programme.

Helen Thompson requested that the Audit Results Report be added to the September meeting.

**RESOLVED:** That the forward programme be noted.