

GENERAL PURPOSES COMMITTEE

Monday, 8 February 2016 at 7.00 p.m.

MP702, 7th Floor, Mulberry Place, 5, Clove Crescent, London E14 2BG

SUPPLEMENTAL AGENDA 2

This meeting is open to the public to attend.

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5. GENERAL PURPOSES REPORT

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Agenda Item 5

Non-Executive Report of the: General Purposes Committee 8 th February 2016	 TOWER HAMLETS
Report of: Zena Cooke – Corporate Director of Resources	Classification: Unrestricted
Additional Comments to the Response to the Recommendations made under S11 (3) Audit Commission Act 1998	

Originating Officer(s)	Kevin Miles – Chief Accountant
Wards affected	All wards

Reason for Urgency

This report is required to be presented to a formal committee as a matter of urgency, to satisfy our external auditors in meeting our obligations under S11 (3) of the Audit Commission Act 1998.

Summary

This report is intended to set out how the actions agreed at Full Council relating to the recommendation made by KPMG under S11(3) of the Audit Commission Act 1998 will be delivered.

Recommendations:

That the General Purpose committee:

1. Note and endorse the production of an action plan by the Governance Working Group that sets out the specific actions to be undertaken as part of the council's Governance Review. The action plan will set out each individual action, it will identify the lead officers and the timeframe for completion.
2. Note that progress will be monitored and reported to this committee periodically and will be a standing agenda item for Audit Committee.

1. REASONS FOR THE DECISIONS

- 1.1 This item is being presented to the General Purposes Committee to highlight how the decisions of Full Council on 20th January 2016 will be implemented, and to provide additional assurance to the external auditors, KPMG.

2. ALTERNATIVE OPTIONS

- 2.1 None

3. DETAILS OF REPORT

- 3.1 Full Council on the 20th January 2016 endorsed;
- the S11 report accepting the recommendation made by KPMG under Section 11 (3) of the Audit Commission Act 1998; and
 - the actions already put in place by the Corporate Director of Resources in response to the recommendation
- 3.2 Full Council also resolved that progress updates be sent to the General Purposes Committee periodically in addition to the other monitoring arrangements put in place. The report to Full Council is attached as an appendix to this report for ease of reference.
- 3.3 The requirements of the S11 notice are being included in the Governance Working Group's Action Plan, which will set out each individual action, the lead officer with responsibility for delivering the action and the timeframe within which the action will be delivered.
- 3.4 The membership of the Governance Working Group is as follows:
- Director, Law, Probity and Governance
 - Service Head, Corporate Strategy and Equality
 - Service Head Legal Services
 - Corporate Director, Resources
 - Committee Services Manager
 - Two councillors from each of the three party political groups, (Labour, Independent Group and Conservatives)
 - Chair of the Overview and Scrutiny Committee
 - Chair of the General Purposes Committee
- 3.5 The Chief Executive and Corporate Director, Resources have standing invitations to attend and other officers, members of the executive, ward councillors and co-opted members may be asked to attend and contribute.

- 3.6 Progress on the actions required and satisfying the S11 notice is also a standing item on the Audit Committee Agenda.
- 3.7 The action plan will be presented to the Audit Committee at its meeting, scheduled for 22nd March 2016.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 Endorsement of this report will fully satisfy the S11 recommendation and formalise the remit for the Governance Working Group's Action Plan.

5. LEGAL COMMENTS

- 5.1 The Council is required to prepare a statement of accounts in accordance with the Accounts and Audit (England) Regulations 2011 ('the 2011 Regulations').
- 5.2 The 2011 Regulations specify a procedure for signing, approval and publication of a statement of accounts. The chief finance officer is required to sign and date the statement of accounts by 30th June each year, certifying that it presents a true and fair view of the Council's financial position at the end of the relevant financial year and of the Council's income and expenditure for the year. The Audit Committee must approve the statement of accounts by 30th September each year and the statement must be signed by the chair of the meeting at which the accounts were approved. The 2013/14 accounts were approved by the Audit Committee at its meeting on 23rd September 2015. The auditors are planning on tabling the 2014/15 accounts at the March 2016 Audit Committee for approval.
- 5.3 At the meeting on 23rd September 2015 however, the Council's Auditor advised of the intention to issue a formal recommendation under section 11 of Audit Commission Act 1998 ('the 1998 Act'). Section 11 of the 1998 Act requires the Council to consider the auditor's recommendations at a meeting within one month of receipt of the auditor's report, and decide whether to accept the recommendations and what, if any action to take. The Auditor gave the Council additional time to respond to the recommendation to enable the Chief Executive to settle into his post and the matter was considered by Council on 20 January 2016 when the recommendation was accepted.
- 5.4 Council's Auditor has requested that the action plan referred to in the Council report be submitted to a public meeting of the authority. The General Purposes Committee has within its terms of reference all the powers of the Council and is able to act between meetings of the Council. It is competent for the Committee to note and endorse the action plan.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 There are no specific One Tower Hamlets Considerations in the report.

7. BEST VALUE (BV) IMPLICATIONS

7.1 All best value implications are dealt with in the report.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 There are no specific sustainable action for a greener environment implications in this report.

9. RISK MANAGEMENT IMPLICATIONS

9.1 Accepting the recommendations in this report will mitigate the risk of not complying with our legal obligations under section 11 of the Audit Commission Act 1998. Failure to do so could result in financial, legal or reputational damage.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no specific 'Crime and Disorder reduction' implications in this report.

Linked Reports, Appendices and Background Documents

Linked Report

Report to Full Council 20 January 2016

'Response to the Recommendations made under S11 (3) Audit Commission Act 1998'

Appendices

Report to Full Council 20 January 2016

'Response to the Recommendations made under S11 (3) Audit Commission Act 1998'

Local Government Act, 1972 Section 100D (As amended)

List of "Background Papers" used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- None.

Officer contact details for documents:

- Kevin Miles – Chief Accountant ext. 6791 or Brian Snary – Accountant ext. 5323