

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE AUDIT & RISK COMMITTEE - 27 NOVEMBER 2023

SUBMITTED TO THE COUNCIL MEETING - <DATE>

(To be read in conjunction with the Agenda for the Meeting)

Present

Cllr Julian Spence (Chair)
Cllr Michaela Wicks (Vice Chair)
Cllr David Beaman

Cllr Jerome Davidson
Cllr Maxine Gale
Cllr Ken Reed

Apologies

Cllr Connor Relleen and Robin Taylor

AUD 37/23 APOLOGIES FOR ABSENCE (Agenda item 1.)

Apologies were received from Cllr Connor Relleen and Robin Taylor, Executive Head of Organisational Development.

AUD 38/23 MINUTES (Agenda item 2.)

The minutes of the meeting held on 11 September 2023 were agreed as a correct record.

AUD 39/23 DISCLOSURE OF INTERESTS (Agenda item 3.)

There were no declarations of interest submitted for this meeting.

AUD 40/23 QUESTIONS BY MEMBERS OF THE PUBLIC (Agenda item 4.)

There were none.

AUD 41/23 QUESTIONS FROM MEMBERS (Agenda item 5.)

There were none.

AUD 42/23 WBC 2022/23 - PLANNING ENQUIRIES (Agenda item 6.)

Cllr David Beaman had requested the committee to look at staffing and potential HR risks, especially with regards to the planning department, in light of the level of staffing turnover in the last few months. It had been noted that there was a high number of agency staff in the planning department who may not know the area so will have a lack of background knowledge and additional costs.

It was suggested this should be highlighted in the governance statement. Members felt work was needed to look at how we could keep staff and what the

issues were (pay, wellbeing, working from home). Cllr Follows advised that with regards to planning officers it was unfortunate that Local Authorities could not compete with the packages offered by the private sector.

Action: Invite Head of HR to come along to a future meeting and discuss what processes were in place.

AUD 43/23 RISK MANAGEMENT (Agenda item 7.)

Robin Taylor, Executive Head of Organisation Development, had submitted apologies for the meeting but sent the following statement:

“You will recall that in the presentation I gave to committee members when we last met that a gap in officer resource around risk management was inhibiting progress in other areas of risk management and that this had been identified as an area to address by internal audit. I have now agreed a plan with the Council’s Corporate Management Board. I am pleased to confirm that Grace Da Costa, the Council’s Graduate Trainee, will be providing support on risk management in the short term. Grace will work with me and others to revise the Strategic Risk Register and will also look at the other actions in the audit plan including putting in place a risk strategy for the Council. In the longer term, I have agreed that when I recruit further performance and strategy officers into the Waverley team that one of these will lead on risk management for WBC.”

The committee agreed that it would be necessary to recruit someone with seniority in the long term to produce a Risk Strategy but that it was welcomed that a resource had been identified in the short term.

AUD 44/23 ENQUIRIES OF MANAGEMENT (Agenda item 8.)

Rosie Plaistowe, Financial Services Manager and Deputy Section 151 officer, outlined the document circulated with the agenda and asked members to review and comment.

It was pointed out that there was a typographical error on page 30 (11) and ‘why’ needs to be removed.

Members asked why the change in accounting with regard to depreciation (page 32)? Rosie advised that it was a change in method only but this would be expanded in the narrative.

Members were satisfied with the document and asked Ajay Jha, Grant Thornton, if the document satisfied what Grant Thornton required. Ajay advised the process and how this document would advise in the process.

The committee NOTED the document.

AUD 45/23 2023-24 AUDIT PLAN FROM GRANT THORNTON (Agenda item 9.)

Ajay Jha, Grant Thornton, outlined the document circulated with the agenda. He went through the key areas of significant risks identified and highlighted the proposed timeline for the process. Members asked if the 4 key risks were because they were high monetary value but not able to be changed significantly or because they needed/could be changed.

The committee advised that in accordance with ISA (UK) 315 revised Grant Thornton would be assessing the design and implementation of relevant IT systems namely Agresso (financial reporting) and iTrent (payroll).

Members asked if Grant Thornton were ok for resources now and asked for assurance that there would be no delays as in previous years.

The Committee NOTED the plan.

AUD 46/23 ANNUAL GOVERNANCE STATEMENT - INTERIM REVIEW & CONSIDERATION OF POTENTIAL GOVERNANCE ISSUES. (Agenda item 10.)

The Committee considered the draft Annual Governance Statement 2023/24 and made comment on any areas of concern or additional information required.

As discussed earlier in the meeting it was suggested that information regarding the levels of staffing across the board and the potential of Waverley losing skills and knowledge should be added to the statement under either 5.1 or 5.4. This also included the loss of senior management. Cllr Follows advised that there was a review of senior roles being carried out.

Under Principle 2 it was highlighted that Waverley needed to carry out more stakeholder engagement with communities. It was highlighted that this was being addressed by reinstating the Town and Parish Forums.

Page 76 - The Annual RIPPA report was presented at the September meeting.
Page 80 – point 14 needs to be changed to 2023/24.

Rosie Plaistowe advised the Annual Governance Statement would be signed alongside the Statement of Accounts.

AUD 47/23 REVIEW AUDIT COMMITTEE'S TERMS OF REFERENCE (Agenda item 11.)

The committee were asked to consider the current terms of reference and comment and propose any amendments necessary.

2.1 – should this include ‘as proposed by group leaders’.

2.3 – does not make clear that the Chair and Vice Chair are nominated from the 7 members and they are ‘proposed by council and elected by the committee’.

2.6 – it was felt the quorum should be 4 councillors not 3 due to the responsibilities of the committee.

3.1.13 – should this set out as an annual review.

The committee proposed that the clerk develop a grid of responsibilities and dates when they were discussed to ensure all elements are considered throughout the municipal year.

Action: The Audit Committee recommend to Standards to consider the proposals made above and incorporate into the Constitution for the Audit Terms of Reference if agreed.

AUD 48/23 AUDIT COMMITTEE ANNUAL REPORT (Agenda item 12.)

The Committee NOTED the annual report for the Audit Committee and highlighted it was very useful.

It was commented that the membership should have also included Cllr Wicks as Vice chair, however, it was pointed out that the report only covered till June 2023 and Cllr Wicks was appointed at the September 2023 meeting so would be included in next years report.

AUD 49/23 REVIEW OF PROGRESS IN THE IMPLEMENTATION OF INTERNAL AUDIT ACTIONS (Agenda item 13.)

Richard Bates advised that Gail Beaton had now retired as Internal Audit Manager. Southern Internal Audit Partnership (SIAP) would now fulfil the role in the short term until a review has been carried out going forward.

The Chair asked that a formal vote of thanks be noted for Gail's work with the council.

Members were advised that 3 items had been identified for requests for extensions.

The Committee AGREED the three extensions.

AUD 50/23 REVIEW OF THE PROGRESS IN ACHIEVING THE AUDIT PLAN (Agenda item 14.)

Iona Bond, SIAP, introduced herself and advised that her team would work closely with the Finance Team to service the Audits and would keep the committee involved in the process. She emphasised that SIAP had a risk based approach and were confident that they can fulfil the role.

Members asked about the budget committed and were advised this was what was already commissioned. They also set out concern as to how SIAP were going to be able to chase and get responses from officers when they were not sited internally and were assured that regular action tracking would be carried out with emails sent to officers to get updates. Any failures to respond would be reported back to the Chair and committee. Any limited or no assurances would be reported to Executive Heads and/or Directors.

The Audit Committee NOTED the progress on the Audit Plan.

AUD 51/23 FRAUD INVESTIGATION SUMMARY (Agenda item 15.)

The Chair asked for assurances that the investigations at GBC would not occur at WBC. Richard Bates assured the committee that WBC's processes were more robust in monitoring and that the only concern was the systems risks which were currently being looked at.

Members were please to see 3 properties had been recovered and asked how we investigate potential housing fraud. They were advised that intelligence was key and members should report any concerns to housing officers who could then investigate.

Members commended the work of the Fraud Officer and **NOTED** the report.

AUD 52/23 AUDIT COMMITTEE RECURRENT ANNUAL WORK PROGRAMME (Agenda item 16.)

The Committee **NOTED** the forward work programme and asked that responsibilities in the terms of reference should be incorporated in the work programme.

AUD 53/23 EXCLUSION OF PRESS AND PUBLIC (Agenda item 17.)

There were no items to consider in exempt session so the Chair closed the meeting.

The meeting commenced at 7.00 pm and concluded at 8.25 pm

Chairman