

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE AUDIT COMMITTEE - 9 NOVEMBER 2020

SUBMITTED TO THE COUNCIL MEETING - <DATE>

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

**Present**

Cllr Peter Marriott (Chairman)	Cllr John Gray
Cllr Jerome Davidson (Vice Chairman)	Cllr Richard Seaborne
Cllr Richard Cole	Cllr George Wilson
Cllr Jan Floyd-Douglass	

**Apologies**

Cllr Michaela Gray

**Also Present**

Councillor Jerry Hyman

AUD 30/20 MINUTES (Agenda item 1.)

The minutes of the meeting held on 14<sup>th</sup> September 2020 was agreed as a correct record other than the following objection:

Paragraph 25.5 – Cllr Hyman requested that the words “...which in his opinion...” be struck from the minutes as he considered his comments were a matter of fact and law and not his opinion. The Chairman disagreed as he considered that it was Cllr Hymans opinion of the law/facts and suggested that it be discussed off-line.

AUD 31/20 APOLOGIES FOR ABSENCE (Agenda item 2.)

Apologies were received from Cllr Michaela Gray.

AUD 32/20 DISCLOSURE OF INTERESTS (Agenda item 3.)

No disclosure of interests were submitted for this meeting.

AUD 33/20 QUESTIONS BY MEMBERS OF THE PUBLIC (Agenda item 4.)

There were none.

AUD 34/20 QUESTIONS FROM MEMBERS (Agenda item 5.)

There were none.

AUD 35/20 AUDIT ACTION LOG (Agenda item 6.)

The outstanding actions on the log were **NOTED**.

- Property Investment Strategy – was discussed at the Informal Member Meeting on Risk Register. Agreed to look at strategy at next meeting.
- AQ Investigation Lessons Learnt – this was raised at SMT on 13<sup>th</sup> October for Heads of Service to note and ensure nothing similar can happen again in any other service.
- Internal Audit Review – to be discussed March 2021.
- Risk Register – Informal Member Meeting held 5<sup>th</sup> November.
- Audit Action Plan – to be discussed March 2021.

AUD 36/20 SIAP EXTERNAL QUALITY ASSESSMENT (Agenda item 7.)

Gail Beaton, Internal Audit Manager, outlined the SIAP External Quality Assessment report.

Gail Beaton clarified the process applied by the Institute of Internal Auditors and who the partners are in the partnership.

The committee **NOTED** the report and outcomes.

AUD 37/20 ANNUAL GOVERNANCE STATEMENT - INTERIM REVUE. (Agenda item 8.)

Peter Vickers advised the Committee that this item was for them to identify any governance issues they felt needed attention.

Areas highlighted were:

- Redmond Report likely to come into legislation. Will need to move this along as it develops. WBC responded to the consultation.
- Call Ins – It was requested that the call-in procedure be discussed at next meeting.
- Terms of Reference Review – needs progressing and overlap with O&S to be considered.
- Overriding Constraints of Governance and legal compliance – it was suggested that the Council had no real system to ensure the veracity of information provided by the officers and this should be looked at.

- Suggestion that there should be a web base of questions raised by Councillors and the answers given so the answers are a matter of public record.

AUD 38/20 SIGN OFF OF EXTERNAL ACCOUNTS (Agenda item 9.)

Graeme Clark, Strategic Director, advised that the Audit Findings letter from Grant Thornton, External Auditors, had still not been submitted. He explained this was because they were struggling with getting information around the pensions (it was pointed out all Surrey partners were). The Financial Reporting Council had increased their expectations which meant the auditors had a lot more information to gather.

It was hoped to get the revised findings report this week.

The committee were disappointed with the delay. Graeme advised the delay was with the actuary not Grant Thornton.

The committee **NOTED** the update.

AUD 39/20 REVIEW OF THE INFORMAL MEETING ON THE AUDIT TERMS OF REFERENCE (Agenda item 10.)

Following the informal meeting held on 29<sup>th</sup> October it had been agreed for a further meeting to be held. The 26<sup>th</sup> November had been provisionally proposed. It was hoped that following this meeting the revised Terms of Reference could be presented to full Council early 2021.

AUD 40/20 REVIEW OF PROGRESS IN THE IMPLEMENTATION OF INTERNAL AUDIT AGREED ACTIONS (Agenda item 11.)

Gail Beaton presented the report on the progress in the implementation of the Internal Audit agreed actions.

The Committee were given a verbal report by Zac Ellwood on the outstanding actions laid out in the report.

IA20/14.001 – CIL Guide – Zac advised this was completed in July 2020.

IA20/08.002 – Out of date Enforcement Plan – This is being taken forward. Aiming for 30 March 2021 for sign off. Zac asked the committees agreement of an extension to this deadline.

IA20/08.001 – Target Response Times – This action had been delayed due to the delay in implementation of the new Horizon software. It was hoped to go live on 28 February 2021. Zac asked the committees agreement of an extension to this deadline.

IA20/17 (all) – The delay on all these actions was once again related to the implementation of the Horizon software, so it was requested by Zac for an extension date to 28 February 2021.

The Committee were disappointed with the delay in coming to provide explanations and a request for an extension. They asked if there were resources in place to complete the outstanding actions and were assured there were.

Concern was raised that the red risk areas could get worse but was assured this was not expected.

Concern was also raised over the delays in system roll outs. The Committee asked if we still have the same levels of control after the systems have been rolled out and were assured that was the case.

Graeme Clark reminded the committee that although they should be mindful of risks that many of the audits are routinely completed. He also assured the committee that a post implementation review is completed on all IT systems rolled out such as the Horizon system.

**Action: Review of controls and procedures once systems have been rolled out. Gail Beaton to discuss this with Chair and flag for the Value for Money O&S forward programme.**

Zac Ellwood explained that the current systems would be run alongside the new for a period of time to ensure a smooth transition.

The Committee **NOTED** the report and **AGREED** the revised dates for the outstanding actions.

AUD 41/20 REVIEW OF THE PROGRESS IN ACHIEVING THE AUDIT PLAN (Agenda item 12.)

Gail Beaton introduced the item and advised that paragraph 4 of the report showed those reviews which had been removed or added to the plan for 2020-21.

Lots of the reviews were work in progress.

The committee welcomed the added information to the report and Gail was asked how the budget information provided would be used. Cllr Floyd Douglas asked whether this information was used for benchmarking purposes. Gail advised it was for information only to identify how the internal audit budget was spent as we were one of only a few local authorities who had their own housing stock and this therefore makes it difficult to benchmark with others.

Cllr Hyman acknowledge that he had received 2 old reports relating to Brightwells and Memorial Hall and until he had had time to read the content he would not make any comments and he would then decide what he would do.

It was also suggested that a review of Covid and remote working be carried out to evaluate the effect on staff performance as well as their mental health.

The committee were advised that, as part of the RCT programme, the Agile Working project and Staff & People project were monitoring these effects and the lessons learnt.

The council were commended on their employee assistance programme. It was asked how much use it has had.

The committee **NOTED** the report.

AUD 42/20 FRAUD INVESTIGATION SUMMARY (Agenda item 13.)

Gail Beaton advised that there had been very little financial change to the report since the last meeting due to Covid but there had been changes in the number of cases. An updated report will be brought to the meeting in March where there would be more of an update that will include the activity up to quarter 3.

Gail was asked if there had been any systematic changes during lockdown? She advised that the teams had been working with the appropriate government agencies in relation to the award of covid grants when any dubious or fraudulent claims had been identified, these had been shared with other local authorities.

The Committee **NOTED** the report.

AUD 43/20 AUDIT COMMITTEE RECURRENT ANNUAL WORK PROGRAMME (Agenda item 14.)

The committee **NOTED** the forward work programme. They were advised that it was possible the scheduled audit deadline for the accounts completion may change but this was still in discussion.

**The meeting commenced at 7.00 pm and concluded at 9.01 pm**

**Chairman**

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