

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE AUDIT COMMITTEE - 28 NOVEMBER 2022

SUBMITTED TO THE COUNCIL MEETING – 21 MARCH 2023

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

**Present**

Cllr Peter Marriott (Chair)  
Cllr Jerome Davidson (Vice Chair)

Cllr Richard Seaborne  
Cllr Julian Spence

**Apologies**

Cllr Sally Dickson, Cllr Jan Floyd-Douglass and Cllr George Wilson

**Also Present**

Councillor Paul Follows

AUD 28/21 APOLOGIES FOR ABSENCE (Agenda item 1.)

Apologies for absence were received from Cllrs Jan Floyd-Douglass, Sally Dickson and George Wilson

AUD 29/21 MINUTES (Agenda item 2.)

The minutes of the meeting held on 12 September 2022 were agreed as a correct record.

Update of actions:

- The updated terms of reference had been circulated for comment.
- A date for update on actions for the Strategic Risk Register yet to be arranged.
- CIPFA document has yet to be circulated.

AUD 30/21 DISCLOSURE OF INTERESTS (Agenda item 3.)

There were no disclosures of interest submitted for this meeting.

AUD 31/21 QUESTIONS BY MEMBERS OF THE PUBLIC (Agenda item 4.)

There were none.

AUD 32/21 QUESTIONS FROM MEMBERS (Agenda item 5.)

There were none.

AUD 33/21 ANNUAL RIPA REPORT (Agenda item 6.)

Gillian Carson Jones, Litigation, Licensing and Regulatory Solicitor, outlined the report. It was highlighted that only minor changes had been required in line with updated legislation.

Members were advised that RIPA had not been required to be used in 2021/22.

It was noted that the report indicated that training had been suspended over the pandemic. Members asked if this had resumed and were advised that it had and all training was provided online.

Members asked why RIPA had not been discussed at Audit for a number of years. Officers advised it was only recently that guidance had come out suggesting that this should be reviewed annually. It was requested that the review of the policy 'by the Audit Committee' be included in the report.

### **Recommendation**

- **The Audit Committee NOTED the amendments made by the RIPA policy.**
- **The Audit Committee NOTED that the Council had not made use of powers under the Regulation of Investigatory Powers Act during the 2021/22 financial year.**

#### AUD 34/21 RISK MANAGEMENT (Agenda item 7.)

Peter Vickers advised that the responsibility for Risk Management had now passed to Robin Taylor, Executive Head of Organisational Development.

Members raised concern regarding the IT back up policy and the issues that had been encountered regarding the Horizon system and its associated software. Members wished to be how the implementation was resourced.

Members asked for a review of the Risk Management framework, information of the of scope of Risk Management responsibility and the reporting lines including how this is managed.

It was requested that the members have view of the Collaboration Risk Register also.

Gail Beaton advised that there had been a recent internal audit review of the back up policy and on the current Risk Management.

**Action: It was requested an informal session be arranged on the Corporate Risk Register to allow members to raise issues.**

#### AUD 35/21 WAVERLEY 22-23 AUDIT PLAN (Agenda item 8.)

Paul Cuttler of Grant Thornton, external auditors for Waverley BC attended for this item. Members were asked to note that the Audit Plan covered 2021/22 and not 2022/23 as set out in the agenda.

He asked the members to note the report as read and comment. It was noted there had not been a great deal of changes on the requirements this year.

The Committee were asked to note the significant risks which were the areas that would be concentrated on.

It was highlighted that the auditors were playing catch-up on last years delay in signing off the accounts and the audit plan. It was aimed to provide the Audit Findings Report to the March meeting and this was achievable as they had the resources to do so.

Members emphasised that it was important to approve the accounts before May as 2023 was an election year and it would be unfair for a new audit committee to have to approve accounts that they had not had input into. It was requested that the Committee be given early warning of any slippage on this.

It was noted that the Pension Fund was mentioned in the plan. As this was a Surrey CC function it was asked how this was achieved? Paul Cuttler explained that discussions with SCC focussed on Waverley's fund.

Paul Cuttler highlighted that Waverley's fraud risk was reduced due to the processes used.

The Committee asked if an outlined timescale for next year could be included in the interim report. Paul Cuttler advised this was possible but it was more likely for 2023/24 to be the year when this is got 'back-on-track'.

**Action: The Committee NOTED the Waverley 2021-22 Audit Plan from Grant Thornton.**

AUD 36/21 ANNUAL GOVERNANCE STATEMENT - CONSIDERATION OF POTENTIAL GOVERNANCE ISSUES. (Agenda item 9.)

Members were asked to raise any potential Governance Issues.

- Cllr Richard Seaborne raised concern on the apparent inability to deliver the Audited Accounts on time and Waverley BC not meeting the government targets. Officers explained this was due to recent staffing issues with the external auditors but did admit this was causing a strain on the Waverley team.

The Committee felt the delays were depriving members and officers the opportunity to learn from mistakes made and to react to external stimulus. There was also a potential lack of confidence by the electorate as there was no visibility of the signed off accounts.

- Cllr Jerry Hyman had registered to speak on this item and raised the issue of legal compliance and duty of candour in relation to appropriate assessments and mitigation. He reminded the Committee that in November 2021 the previous Head of Planning had agreed to get the current bird numbers from Natural England and provide information on the Farnham Park SANG strategy and it's effectiveness. He asked if this information had been forthcoming and was advised it had not.

The Committee were advised that a recent review of LPP2 had been concluded by the planning inspector and the issue of our appropriate assessments had been raised. The inspector did not raise any issue on our legal compliance. It was also pointed out that we had received a number of legal opinions over the years who had stated there were no issues with our Appropriate Assessments.

AUD 37/21 REVIEW OF PROGRESS IN THE IMPLEMENTATION OF INTERNAL AUDIT ACTIONS (Agenda item 10.)

Gail Beaton outlined the report and advised that annexe 2 set out the four actions with requests for extensions. The Executive Head of Communications and Customer Service had requested an extension till the end of February 2023 for actions IA22/15.001.2 & IA22/15.001.3 – Systems Back-ups and the Interim Executive Head of Planning had requested an extension to the 31 December 2022 – Target Response Times – planning enforcement and Horizon S L Agreement.

As in a previous items the Committee queried the software development process and testing as the Horizon issues have been extended a number of times. The Committee wished to see a copy of the testing documents.

It was felt there may be value of the Committee being taken through the project from end-to-end to better understand how it had been processed.

**Action: Planning Officers and IT to attend a session in new year to update and to attend March meeting to give update.**

**The Committee considered the information contained in the report and agreed the four extensions requested.**

AUD 38/21 REVIEW OF THE PROGRESS IN ACHIEVING THE AUDIT PLAN (Agenda item 11.)

Gail Beaton outlined the report and highlighted areas to note.

With regard to the rolling work programme it was noted that the IT Business Continuity Disaster Recovery Planning had been deferred to 2023-24, The Property Terrier would be provided as a replacement to the Local Land Charges and the LLC would be deferred.

The Committee discussed as in earlier items the processes for testing in regard to disaster recovery and what the recovery objectives were.

**Actions:**

**The Committee would like some background on what disaster recovery we have at present.**

**Session to be arranged on where the current weaknesses are before implementation of the new disaster recovery system. This would be linked to the action in item 10.**

AUD 39/21 FRAUD INVESTIGATION SUMMARY (Agenda item 12.)

Gail Beaton outlined the fraud investigation summary. It was highlighted this covered the first six months of the year.

The Committee discussed the trends since COVID and how or if they had changed since we came out of lockdown.

Members asked about the number of positive cases for right to buy. They were informed there had been positive ones in previous years but this year so far there had been none.

Officers were asked if there had been more fraud due to the cost of living crisis? This would be looked at and reported back.

**Action: The committee NOTED the success of the fraud investigation activity.**

AUD 40/21 AUDIT COMMITTEE RECURRENT ANNUAL WORK PROGRAMME (Agenda item 13.)

The clerk outlined the current annual work programme as asked the officers and members to highlight any changes they wished to make to the programme.

It was agreed the annual update of the RIPA report would be programmed in for the meeting in June/July each year.

AUD 41/21 EXCLUSION OF PRESS AND PUBLIC (Agenda item 14.)

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

**The meeting commenced at 7.00 pm and concluded at 8.47 pm**

**Chairman**

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