

**Minutes of the Audit Committee
26 November 2020**

Present:

Councillor L. E. Nichols (Chairman)
Councillor J.R. Sexton (Vice-Chairman)

Councillors:

A. Brar	J.T.F. Doran	M.J. Madams
S. Buttar	M. Gibson	

In attendance: Councillors C. Bateson, R. Dunn, S. Dunn and R. Noble.

Apologies: There were none.

276/20 Minutes

The minutes of the meeting held on 23 July 2020 and the minutes of the Extraordinary meeting held on 12 November 2020 were approved as a correct record.

277/20 Disclosures of Interest

There were none.

278/20 Corporate Risk Management

The Group Head of Corporate Governance reported that discussions had taken place to refine the Corporate Risk Register, however there had not been an opportunity to discuss these with the Internal Audit Manager. In view of this, the old format had been used on this occasion.

The Committee asked that the document was reformatted to make it easier to read on a mobile device and suggested ways to achieve this. The Group Head of Corporate Governance confirmed that the intention was to produce the register in a clear, concise, easy to read format and aimed to provide this at the next meeting in March 2021. Members of the Committee were conscious of the demands on officers at the present time and offered to assist.

The Committee were advised that some items had been escalated to a red risk rating due to the pandemic. Those risks were also included in the Covid-19 assessment. The Heathrow expansion had been removed from the risk register because of the current situation.

The Corporate Risk Register was considered to be an accurate reflection of the risks affecting the Authority and it was **resolved** that:

1. The contents of the Corporate Risk Register be noted and accepted;
2. The Corporate Risk Register be recommended to Cabinet for approval.

279/20 Interim Internal Audit Report 2020/21

The Group Head of Corporate Governance presented her report which summarised the work undertaken by Audit Services during the period July to November 2020 and provided the Council with assurance on the adequacy of its internal audit systems of control.

The Committee were advised that the services of Mazars, Audit Consultants, were occasionally used for audits and Reigate and Banstead Borough Council undertook fraud investigation work on the Council's behalf. The Committee requested more information about the nature of the appointment and work undertaken by the audit consultants, and were advised that this was part of a framework agreement which allowed flexibility to procure resource as and when required. They were paid a daily rate which was considered realistic and competitive. The Internal Audit Manager advised that there was an allocation within the budget for this provision and the budget had not been exceeded.

The Committee were advised that there had not been any work undertaken by the audit consultants during the period covered in the report and any work undertaken by Mazars was managed by the Internal Audit Manager.

The Committee questioned whether the team were under-resourced and if it would be more cost-effective to employ another full-time team member. They were advised that there were advantages to using consultants as it gave the opportunity to tap into specialist knowledge for various areas and also the ability to use on an ad hoc basis when necessary. However, the management of the team had recently changed and a review of the way they operated, the processes and resource was to be carried out. The Head of Corporate Governance agreed to report back to the Committee on the outcome of this.

The Committee requested that the financial costs section of future reports reflect the use of audit consultants so they were aware of any costs incurred.

The Committee considered that more detail could be provided on the accompanying Appendix 1 and that each item should be clear, concise and self-sufficient.

The Committee were concerned at delays relating to the team's audit of the business rates inspector function. They were advised that this was mainly due to the demands on teams as a result of the pandemic and also the time it takes to reach an agreed set of responses. It was acknowledged that there was a need to look at how the organisation engaged with audit. The Committee reiterated their support of the audit team.

The Committee agreed to note the interim Internal Audit report subject to the points raised above.

280/20 Covid-19 Risk Considerations

The Group Head of Corporate Governance reported that the Council's recognition of issues and positive response to the COVID-19 pandemic, including the current second outbreak, had been generally acknowledged. The recent Local Government Association Peer Review had highlighted the excellence of the Council's response.

The COVID-19 risk assessment had been updated to reflect the impact of the ongoing pandemic and a further item, local operating procedures and policies, was now considered a high risk. The Chief Finance Officer advised the Committee that delays in cascading of information and funding from the upper tier authority to districts and boroughs had created problems and the Council had found it necessary in some instances to work independently because of the urgency and necessity to support our residents, businesses and community. There were channels for issues to be discussed and solutions found but these could be slow-moving.

The Committee requested feedback from the survey undertaken of major businesses in the borough to give them a better understanding of their concerns and the impact of COVID-19 on their operations.

The Committee asked what measures were being taken to ensure staff wellbeing whilst homeworking and were advised that a number of measures had been put in place including managers receiving training on remote management and the importance of maintaining social and team bonds. They regularly contacted staff and were alert to issues they may be experiencing. Staff briefings were also held regularly to keep everyone updated and involved. Assessments of the homeworking environment had been carried out and equipment supplied as necessary.

The pandemic had provided opportunities for fraud and theft and the Committee asked what approaches were used to prevent these, including collaboration with other boroughs. They were advised that Reigate & Banstead Borough Council undertake counter-fraud work on our behalf and a number of teams meet regularly with their counterparts to discuss issues and share information so learn of emerging issues. They were also advised that teams use a variety of tools to help identify fraudulent activities.

The Committee asked of the methods used to alert residents to scams as they were concerned that the message may not reach all residents. The Communications team were actively using social media to highlight the risk and advise of known scams but it was acknowledged that elderly residents, in particular, may not use that mode of communication. It was agreed to look at other ways of alerting residents to potential scams.

The Committee considered the assessment to be a comprehensive assessment of the risks faced and actions taken to mitigate these. It was **resolved** to note the report.

281/20 Confidential Reporting Code

The Confidential Reporting Code (Whistleblowing Policy), which formed part of the Council's constitution, had previously been reviewed by officers in 2019 and areas identified for improvement. The Audit Committee had, at that time, agreed that the Code required updating and requested the Code was amended and brought back for further consideration. The Group Head of Corporate Governance explained that there had been a delay in carrying out this task due to a change in staffing and the COVID-19 pandemic.

The Code sets out how to raise serious concerns about any aspect of the Council's work, who to raise them with and how they should be dealt with. The Code was available on the Council's intranet and leaflets placed on internal notice boards. However as the majority of staff were currently working from home, consideration was to be given to how to raise awareness in view of this.

The amendments to the code centred around training for staff and the reporting process to be followed. It was considered essential for the culture of the organisation that staff felt able to report concerns and important that people understood how the process worked to feel confident to do so.

The Committee asked a number of questions and were advised that the whistleblowing policy was included as part of the induction training for new staff. Managers were trained to handle issues such as complaints, grievances and whistleblowing and refresher training was offered.

It was **resolved** to recommend the Code to Council for approval.

282/20 Committee Work Programme

The Committee considered its Work Programme for the remainder of the 2020-21 Municipal year.

It was agreed that the Committee would be informed of any developments regarding the external auditors' work and additional meetings arranged as necessary.

It was also agreed that the report on the Effectiveness of the System of Internal Audit listed for March 2021 would include commentary on the adequacy of team resource.

Resolved that the Committee Work Programme for the remainder of the 2020-21 Municipal year be approved.