

Runnymede Borough CouncilSTANDARDS AND AUDIT COMMITTEE28 July 2020 at 6.30pm

Members of the Committee Present: Councillors M Nuti (Chairman), J Sohi (Vice-Chairman), M Adams, B Clarke, M Cressey, R Edis, E Gill, M Kusneraitis and J Wilson

Members of the Committee absent: Councillor D Anderson-Bassey, Mr M Litvak (Independent person)

Councillors J Olorenshaw and N Prescott also attended.

113 NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Group mentioned below had notified the Chief Executive of its wish that the change listed below be made to the membership of the Committee. The change was for a fixed period ending on the day after the meeting and thereafter the Councillor removed would be reappointed.

<u>Group</u>	<u>Remove From Membership</u>	<u>Appoint Instead</u>
Runnymede Independent Residents'	Councillor M Harnden	Councillor E Gill

The Chief Executive had given effect to this request in accordance with Section 16(2) of the Local Government and Housing Act 1989.

114 MINUTES

The Minutes of the meeting of the Committee held on 28 January 2020 were confirmed as a correct record. These would be signed when the Chairman was physically able to.

115 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor D Anderson-Bassey. There were no items of business for the Independent person.

116 INTERNAL AUDIT ANNUAL ASSURANCE REPORT 2019/2020

The Committee received for information the annual assurance report from TIAA, the Council's Internal Audit provider.

TIAA were pleased to report a positive annual report, with all planned audits completed despite the challenges presented by the Covid 19 pandemic. TIAA had completed 22 reviews, producing 15 audits of substantial assurance, 6 of reasonable assurance and only one of limited assurance (Local Plan). Some 36 recommendations had been made during the year; 15 of which were classed as important, and 21 routine. In addition, TIAA had made 14 recommendations to improve operational effectiveness. Officers would present the results of two audits on Council Tax and Non Domestic Rates to the scheduled meeting of the Committee in

September. Overall, TIAA were satisfied that for the areas reviewed during the year, the Council had reasonable and effective risk management, control and governance processes in place. This was based solely on the matters that came to their attention during the course of their work and not on all elements of risk or the ongoing financial viability of the Council's ability to meet financial obligations that must be obtained by the Council from its various sources of assurance. TIAA were thanked for their report.

117 **INTERNAL AUDIT PROGRESS REPORT WITH 2019/2020 AUDITS**

The Committee received a brief verbal update on progress with the 2019/2020 audits. A full report highlighting any priority recommendations would be presented at the next scheduled meeting of the Committee in September.

118 **INTERNAL AUDIT DRAFT ANNUAL AUDIT PLAN 2020/2021 AND STRATEGY**

The Committee reviewed the latest draft of the Annual Audit Plan for 2020/2021, noting that a final plan would be submitted to the next scheduled meeting in September, notwithstanding that this would be half way through the current year. TIAA had already started work on approximately 9 of the planned audits and were optimistic that everything could be completed on target.

It was suggested that the planned audit on Absence Management be deferred to 2021/2022. However, the Committee did want to have a related HR audit on the productiveness of agile/remote working and absence management during Covid. Officers expressed a note of caution that the current remote working arrangements had been hastily put in place in response to the crisis and were not part of the long term project for agile working which was still in progress. However, it was agreed this would be built into the programme for Quarter 3 of 2020/2021. In this context, the Head of HR and the HR Member Working Party were asked to look at the productiveness and resilience of remote working and whether there were training needs to be considered in new ways of working. The Head of HR would also be asked to confirm whether absence from work had fallen since March 2020, the onset of the Covid crisis. It was noted that Corporate Management Committee would be considering options and proposals for Digital Services platforms and telephony to promote remote working. Members were keen that any 'state of the nation' audit should be viewed positively and not disincentivise staff who were praised for how they had coped during recent months. Rather, opportunities for standardisation and best practice would be the focus.

Members agreed to delete audits concerning Procurement, Project Management and Data Protection and to defer Planning Enforcement until 2021/2022. TIAA were keen however to discuss with the Assistant Chief Executive Covid grants to small businesses. It was also noted that two Digital Services audits would be added to the plan subject to confirmation at the next meeting in September.

It was noted that when the final plan was presented, the total number of audit days would need to reduce from 205 to 175 days. The Committee stressed that flexibility in the plan was important.

RESOLVED that –

The Internal Audit Annual Programme for 2020/2021, as amended, be approved.

119 ANNUAL GOVERNANCE STATEMENT 2019/2020

The Committee reviewed the Annual Governance Statement for 2019/2020; part of the Council's Statement of Accounts and outlining the Council's stewardship of public funds.

Officers reported that the main outcomes for 2019/2020 included the continuance of the various Member Working Groups, the completion of Addlestone One and Egham Orbit and the development of the Egham Gateway Project. Some major investments had taken place, utilising approximately £340 million of the £400 million capital programme to acquire assets to generate a sustainable income stream, compensating for the loss of Government funding. The Council's Corporate goals and values were noted as was the role of the Standards and Audit Committee.

The performance of the companies owned by the Council was considered; there had been a slower rate of growth than planned, owing to extensive flooding in some of the units, Officers were optimistic that the situation would improve in 2020/21, notwithstanding the challenges presented by the Covid crisis.

The action plan was noted covering the ongoing areas of Partnership Working, Business Continuity Planning and Commercial Property Rents. Officers would update the Organisation Structure chart to be submitted to Corporate Management Committee.

The Committee was content to approve the Statement accordingly.

RESOLVED that –

Corporate Management Committee be recommended to approve the Annual Governance Statement and to be signed by the Leader of the Council and Chief Executive at the next meeting of Corporate Management Committee on 30 July 2020.

120 BDO AUDIT PLANNING REPORT FOR THE YEAR ENDING 31 MARCH 2020

The Committee received for information, the annual Audit Planning Report for the year ending 31 March 2020, produced by the Council's External Auditors, BDO LLP and presented by their Engagement Director who had joined the company in January 2020.

Members were advised that BDO would be reviewing the Planning materiality % prior to conducting their audit for 2020/21, currently set at 2% of gross expenditure for the year. This was owing to the Council's significant investment property portfolio and the associated risks. BDO took a risk based approach to the audit. The main risks within the financial statements were identified as management override of controls, revenue and expenditure recognition, the valuation of non-current assets and pension liability, the allowance for non-collection of receivables and disclosure of the IFRS 16 impact. With regard to the Council's use of resources BDO had identified Sustainable finances and the Egham Gateway West development. The Committee welcomed the attention being given to the latter project.

BDO would make a judgement on the Council's Value for Money status in the context of the Medium Term Financial Strategy, noting that there was a significant savings gap which the Council would need to address if it was to achieve a sustainable financial position. This was acknowledged to be a significant risk and any mitigation

measures would need to be carefully considered. Officers confirmed that careful scrutiny of budgets was taking place on a monthly basis and an away day for Committee Chairmen was planned for early September to look at this in more detail. To assist BDO, Officers would send them the latest budget monitoring report and Statement of Accounts.

BDO were thanked for their contribution, clear communication and attendance at the meetings of the Committee.

121 **LOCAL GOVERNMENT ASSOCIATION MODEL MEMBER CODE OF CONDUCT CONSULTATION**

The Committee's approval was sought of a response to a consultation issued by the Local Government Association on the introduction of a new Model Code of Conduct for elected Councillors.

Members recalled that the Localism Act 2011 required Councils to introduce local Codes of Conduct; one such hybrid model had been adopted by the Council at that time, based on the Nolan Principles of public life, and going beyond the model in requiring Councillors to declare non-pecuniary interests; i.e. interests that were not purely financial in nature but could include their membership of bodies like the National Trust.

Officers explained the main changes from the existing Code of Conduct should the new Model Code be adopted. These were that the draft code was clear about when it applied, there was an explicit reference to and incorporation of the seven principles of public life with a detailed explanation thereof, examples of expected behaviours, the need to declare interests, gifts and hospitality with a table setting out what constituted disclosable pecuniary interests and other registrable interests and the consequences of breaching the code. Members noted that there was no sanction to suspend a Councillor from Office, although a political party could suspend one of its members.

The new model code was briefer in content and Officers considered it was easier to understand. Some elements of the Council's existing code were not included; for example a procedure for dealing with sensitive interests and granting dispensations which could still be covered elsewhere in the Constitution.

The Committee welcomed the fact that adopting a new model code would bring more consistency to local government and between boroughs and the County Council which was of particular benefit to dual hatted Councillors. It was observed that the draft code was future proofed and designed to deal with possible future changes which might flow out of the Committee on Standards in Public Life's report into Local Government Ethical Standards.

A link to the consultation and questionnaire would be circulated to all Councillors, noting the deadline for responses was 17 August 2020.

RESOLVED that –

The response proposed by Officers to the local Government Association's consultation on the Model Member Code of Conduct, be approved.

122 **COMPLAINTS AND COMPLIMENTS QUARTER 4 2019/2020 AND QUARTER 1 2020/2021**

The Committee reviewed the 25 complaints and 84 compliments that had been recorded on the central registers from 1 January to 30 June 2020. These were the combined totals from Quarter 4 2019/2020 and Quarter 1 2020/2021 as the meeting scheduled for March had been cancelled.

Members were advised that only one complaint had been partly upheld. This concerned the delay in responding to a complaint relating to a Planning issue. This highlighted the importance of dealing with queries promptly, although it was appreciated that the current Covid crisis was meaning there were delays that were beyond the Council's control.

The Committee was very pleased with the number of compliments staff had received, partly owing to the positive effect of staff making welfare calls to vulnerable residents and the Council's staff keeping the services going and maintaining a safe, tidy and well maintained borough. All those complimented would, as was now the practice, be thanked on behalf of the Committee personally.

Members noted that the Mayor and Deputy Mayor were discussing with the Leader of the Council some form of appropriate way of thanking staff for all their efforts during the Covid crisis, the lists of staff receiving compliments on the exempt appendices and in the register might be of assistance in this regard.

Members noted those complaints and compliments relevant to equalities. With regard to compliments the protected characteristics of age and disability were especially relevant.

The Committee was keen for lessons to be learned from complaints and best practice shared as part of the objective to continuously improve standards. In doing so, Members thanked staff for all their achievements.

Chairman

(The meeting ended at 7.51pm)