

## Runnymede Borough Council

### Standards and Audit Committee

Wednesday, 24 May 2023 at 7.30 pm

Members of the Committee present: Councillors J Hulley (Chairman), M Cressey (Vice-Chairman), S Dennett, C Howorth (In place of J Wilson), S Jenkins, J Mavi, M Singh, S Williams and S Whyte.

Members of the Committee absent: Councillors S Walsh and J Wilson.

In attendance: Councillor M Smith.

#### 1 **Minutes**

The Minutes of the meetings held on 24 January 2023 and 17 March 2023 were confirmed and signed as correct records. The latter set of Minutes is attached at Appendix 'A.'

#### 2 **Apologies for Absence**

Apologies for absence were received from Councillor S Walsh.

#### 3 **Declarations of Interest**

There were no declarations of interest.

#### 4 **BDO External Audit Update**

The Committee received a brief update from BDO, the Council's External Auditors, on progress with completing the 2019/2020 annual audit.

Members were advised that owing to a number of factors, some pertaining to issues raised by other audit firms at other local authorities, the use of resources element of the external audit was still incomplete and was unlikely to be finalised for a number of months. The auditors were considering matters relating to the Council's investments in property, including the legal advice obtained by the Council ahead of such investment and the related governance arrangements. It was noted that no further investment properties had been acquired since this single acquisition during 2019/20.

The Committee, whilst sympathetic to the challenges faced by the auditors, which were replicated nationally, was very disappointed to be in the same position as a number of other local authorities of not being able to finalise these accounts so that progress could be made with subsequent annual external audits.

Members noted the negative knock on effects for the Finance team in particular, having to re-work the accounts. In addition, two long serving members of the team had retired; existing staff had stepped up well, new staff had been recruited, were being trained and making very good progress but there was still one vacancy within the team to fill.

Officers confirmed that as a result of these continuing delays, the Council would not comply with the statutory deadline for closure of the 2022/2023 accounts. A public notice to this effect explaining why this was not possible would have to be issued.

An assurance was made that an update, including a plan for delivery of the audits, would

be brought to the next scheduled meeting of the Committee in July 2023.

## 5 **Counter Fraud Service update**

The Committee was asked to note the Counter Fraud activity undertaken during 2022/2023 and approval was sought of the action plan to enhance the Council's work in combatting fraud and corruption.

Members received a comprehensive presentation by Officers from Reigate and Banstead Council who had fully delivered the Council's Counter Fraud service since 2021. The arrangement had started in 2019 and also involved collaborative assistance from Portsmouth City Council with some of the more complex investigations.

The presentation covered the context of fraud in Local Government; most commonly found in Housing and Revenues and Benefits, and included (in the agenda report) a full breakdown of service performance statistics for 2022/23 which was summarised in the presentation. Members were advised that in 2022/2023 531 cases were investigated, with 47 reported as having a positive outcome. A positive outcome was defined as one where proactive measures have been taken which has prevented fraud, or where a reactive referral has stopped fraud from continuing. These represented 8.5% of cases which was a good performance and resulted in savings of £196,002 compared with £170,527 in 2021/2022.

One case study was looked at in detail which Members found very interesting. Officers from Reigate and Banstead Council were thanked for their presentation and it was agreed that the presentation would be very useful for Members of the Housing Committee to see at a future meeting. Officers agreed to arrange this.

Officers presented a forward plan for 2023/24. This included:

- Promoting Counter Fraud work
- Consideration of a full Tenancy Review
- Review of the homelessness process
- Review and update of the Council's Anti-Fraud and Corruption Policy

The Committee was fully supportive of the action plan, building on the successes of previous years.

Officers would be working with the Council's Communications team in respect of raising fraud awareness, including on social media. Members asked that a review was also undertaken of the scope of fraud awareness training for staff.

It was noted that the Housing Committee would have an active role in the plan as it related to housing. Officers hoped to bring the review of the Anti-Fraud and Corruption Policy to the Standards and Audit Committee in October or November 2023.

### **RESOLVED that –**

- i) **the Counter Fraud activity undertaken in 2022/2023 be noted; and**
- ii) **the action plan to enhance the Council's work in combatting fraud and corruption be approved**

## 6 **Summary Internal Controls Assurance (SICA) Report**

The Committee noted progress with the final SICA report for 2022/2023.

Officers were pleased to report that all audits for 2022/2023 were nearing completion.

TIAA had recently been assessed as generally conforming (the highest rating that could be achieved) with the Public Sector Internal Audit Standards and the mandatory elements of the Institute of Internal Auditors International Professional Practices framework. This External Quality Assurance Assessment had been carried out by Chiene and Tait, highly respected in the field.

With regard to specific audits in 2022/2023; none had priority 1 actions since the last SICA report and those with priority 2 recommendations were noted. These were for Commercial Rents, Data Protection and Information Governance, HR Absence Management and Climate Change. There were also 7 priority 2 recommendations arising from two ICT audits from 2021/2022 which would be reported to a future meeting.

Changes to the audit plan from 2022/23 would be carried forward to the 2023/2024 plan. These included a new audit of Safeguarding, Commercial Property and Procurement. Officers clarified that the Commercial Property audit had been postponed to allow the Assets and Regeneration team to focus on the new Assets Management Strategy and for new staff to settle into post.

TIAA had issued one Client Briefing Note on counter terrorism and the implications of Martyn's Law which had been circulated to relevant business centres.

TIAA's Officers were thanked for their report which was duly noted.

## **7 Internal Audit Progress report for outstanding recommendations**

The Committee noted progress with the implantation of outstanding recommendations from previous audits since the last meeting.

Members were pleased that a further 19 recommendations had been implemented, leaving just 4 outstanding. Unfortunately, one of these related to the Depot and Members were very concerned about this continued delay which indicated that senior managers might not be engaging with the process. It was confirmed that the Council's Corporate Leadership Team reviewed regular updates on the Depot's operational matters. Officers would re-test at the end of June and bring an update to the next scheduled meeting in July 2023 as part of the regular report on outstanding recommendations.

The report was duly noted.

## **8 Internal Audit Annual Report 2022/2023**

The Committee received for information TIAA's Internal Audit Annual Report for 2022/2023.

Members were pleased to learn that TIAA's Officers had issued an opinion which expressed satisfaction that sufficient internal audit work had been undertaken to allow TIAA to draw a positive conclusion with regard to the adequacy and effectiveness of the Council's risk management, control and governance processes in place to manage the achievement of its objectives.

In doing so, TIAA felt obliged to make a reference to the fact that BDO had not yet signed off the Council's accounts from 2019/2020 to 2021/2022, which might present a risk to the control framework at Runnymede.

In terms of Annual Assurance, 21 Reviews had been carried out (4 cancelled); there were 7 reviews achieving Substantial Assurance and 10 attaining a Reasonable Assurance.

Where 'no opinion' was recorded this was because they were 'follow up' audits. Of the recommendations arising from these reviews there had been 15 important, and 18 routine recommendations and 12 described as Operational Effectiveness Opportunities.

The report was duly noted.

## 9 **Internal Audit Indicative Audit Strategy and Annual Audit Plan 2023/2024**

The Committee's approval was sought for TIAA's Annual Audit Plan for 2023/2024 which had already commenced owing to TIAA being unable to present a plan in January.

Key themes for the year ahead included; Macroeconomic and financial environment, increasing wage demands, Cyber Security, Climate Change, and the Impact on local Government.

There were 18 audits planned for 2023/2024 totalling 175 days. These were for Commercial Property, Data Quality, Recruitment, Procurement/Contracts, Risk Management, Corporate Governance, ICT Contingency, 5 key areas within Finance and Resources, the Depot (including Trade Waste), Housing Repair and Maintenance, 3 areas within Community Services and some other 'follow up' audits.

Members noted the Internal Audit Charter and framework for reporting to the Committee.

It was agreed that TIAA's Officers would discuss with the Assistant Chief Executive the feasibility of including an extra column regarding priority of the audit in the event that a proposal to defer or cancel it was made.

### **RESOLVED that –**

**The Internal Audit Annual Plan for 2023/2024 be approved.**

## 10 **Annual Governance Statement**

The Committee was requested to recommend to Corporate Management Committee that the Annual Governance Statement for 2022/2023 be approved.

The Committee approved the format of the Statement which took the form of assessing the Council's compliance with each Principle and listing the activities that supported the positive conclusive statement.

Members appreciated the section reviewing actions from the 2021/2022 Statement with regard to Risk Reporting, Emergency Committee, a refresh of the Member Training Programme and the review of the Local Code of Governance (the latter being the subject of another report on the agenda).

Areas for improvement for action in 2023/2024 were noted. These being Risk Reporting, Procurement, embedding the new Corporate Leadership Team arrangements and producing a response to engagement with Cipfa and the Department of Levelling Up, Housing and Communities ahead of the enacting of the Levelling Up and Regeneration Bill.

One amendment was approved to correct a typographical error within Principle E concerning Climate Change activity.

Members were content to recommend approval by Corporate Management Committee of the Annual Governance Statement 2022/2023, as amended at the meeting.

### **RESOLVED that –**

**The Annual Governance Statement 2022/2023, with the wording within principle 'E' as amended at the meeting, be recommended for approval by Corporate Management Committee**

**11 Complaints about Councillors 2022/2023**

The Committee received an anonymised summary of complaints received about elected Councillors in 2022/2023.

Officers advised the Committee that 5 complaints had been received in 2022/2023, one of which was still open and with the Monitoring Officer to provide a response to the complainant. The remaining 4 complaints had not been upheld or had been closed because the complainant had not provided sufficient information to investigate further within the 4 week time frame.

Officers had not made any amendments to the policy in 2022/2023. However a revision to the narrative on the website and Constitution had been made to reflect guidance from the Local Government Ombudsman to the effect that a Councillor could complain to the Ombudsman if they felt that the process had not been followed properly in the event of a complaint being made about them and how the Monitoring Officer had dealt with it.

Members noted that guidance to people wanting to make a complaint had also been updated to include a dedicate form created by the Digital Services Team to submit a complaint via the website which captured all the information needed to give complaints proper consideration.

Officers reported that there were no independent investigations necessary in 2022/2023, thus no expenditure had been incurred.

The important role of the Independent Person was noted; plans to recruit a second person were in hand.

Officers confirmed that reporting on complaints in this way complemented one of the Best Practice Recommendations arising from the Committee on Standards in Public life published in January 2019, concerning transparency and publication of decision notices, where applicable.

It was confirmed that the Monitoring Officer dealt with complaints on a case by case basis and kept a Councillor informed if a complaint was made when determining each case to come to a balanced conclusion. When a complainant wished to remain anonymous this was discussed with them prior to taking the complaint forward.

The report was duly noted.

**12 Complaints and Compliments Quarter 4 2022/2023**

The Committee received for information the regular report on complaints and compliments for Quarter 4 2022/2023 and year end results.

Officers reported that 30 complaints had been recorded on the central register. This figure was reliant on Business Centres accurately reporting complaints received. It was acknowledged that some complaints were 'service requests'. However, there appeared to be an increasing number of service requests that became complaints if the original request had not been dealt with. Officers would monitor this and escalate if necessary to the relevant Corporate Head.

The Committee agreed that by their nature the frontline services tended to receive more complaints. However, they also received a good number of compliments; there being 16 in total across the business centres in Quarter 4. Ward based information was also reviewed but no particular trends had emerged.

Members were pleased by positive feedback which balanced negative attention and sought to congratulate staff receiving compliments by sending certificates via Democratic Services to individual members of staff which it was considered were well received.

The report was duly noted.

### 13 **Review of Local Code of Governance**

The Committee was asked to recommend to Corporate Management Committee that the draft Local Code of Governance be approved (for approval by the Council at its next scheduled meeting in July 2023)

The review of the Code of Governance had been updated to include the underlying strategies in the Council's Corporate Business Plan. These were Climate Change, Empowering our Communities, Economic Development, Health and Wellbeing and Organisational Development. In addition, the recent adoption of the Asset Management Strategy and Procurement Strategy, were reflected in the draft code.

With regard to the role of the Overview and Scrutiny Select Committee, and in the context of Principle G of the Code ('Implementing good practices in transparency, reporting and audit to deliver effective accountability'), it was requested that the frequency of its meetings be reviewed upwards and matters for their discussion be considered by the Constitution Member Working Group. The timeline for review of the Code was noted including the provision for an 'in-year' review which it was agreed would include such a discussion. The aim being to tighten Principle G and improve transparency.

Officers agreed to revise the wording within Principle F of the code regarding 'Executive' arrangements to reflect the Committee system in place at Runnymede.

Members endorsed the Code, noting the revised format which provided access to the supporting documents evidencing the Council's governance framework.

#### **RESOLVED that –**

**The draft Local Code of Governance 2023/2024, be recommended for approval by Corporate Management Committee (for approval by Council in July 2023)**

### 14 **Exclusion of Press and Public**

By resolution of the Committee, for the reasons set out in the agenda, the press and public were excluded from the remainder of the meeting during the consideration of the remaining matters under Section 100A (4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information as set out in Schedule 12A to Part 1 of the Act.

### 15 **Exempt Appendix A**

The Committee reviewed the details of positive feedback and compliments received by individual members of staff in Quarter 4 of 2022/2023.

Members agreed this was encouraging and asked Officers to consider suitable publicity of compliments with the Communications Team via the Council's Social Media platform.

## **Appendix A Minutes 17.03.2023**

(The meeting ended at 9.47 pm.)

Chairman

**Runnymede Borough Council**

**Standards and Audit Committee**

**Friday, 17 March 2023 at 2.00 pm**

Members of the Committee present: Councillors M Nuti (Chairman), D Cotty and S Ringham.

The other Members of this Committee were not required for this meeting.

**1 Declarations of Interest**

There were no declarations of interest.

**2 Procedure for the Conduct of Business**

The Procedure for the conduct of business was duly noted.

**3 Regrading Appeal**

The Standards and Audit Committee met to consider an appeal by an employee in the Housing Business Centre regarding the grading of their post.

The report and its content were confidential as they identified individuals.

The Committee determined the matter in accordance with the procedure as set out in the agenda papers and had due regard to the advice provided by both the Head of HR and OD and the Corporate Head of Law and Governance, acting as Secretary to the Committee.

Both the appellant and Corporate Head of Housing presented their cases and there was an opportunity for each to ask questions of each other and the panel to do so also.

The Committee adjourned at 15:31 and re-convened at 15:55

After careful consideration, the Panel determined that the appeal should be rejected.

However, the Panel made some recommendations that might assist the appellant to develop their career and open up opportunities for advancement. The Corporate Head of Housing readily agreed to these recommendations.

As stated in the procedure, Staff appeals heard by the Standards and Audit Committee (and Sub-Committee) were the last internal mechanism of appeal open to an employee. If an employee remained unsatisfied, they could lodge an appeal with an Employment Tribunal.

Members noted that the Council's Salary Grading Appeals Procedure, last reviewed in 2015, contained the provision for the outcome of Appeals to the Standards and Audit Committee on Salary Gradings to be reported to the Corporate Management Committee. This would be reported to its meeting on 20 April 2023.

A decision notice would be drafted by the Secretary of the Committee and given to all parties present.

**RESOLVED that –**

**The appeal be rejected for the reasons given to the appellant at the meeting, but that the recommendations of the Committee be duly implemented by the Corporate Head**



**of Housing in consultation with the Corporate Head of HR and OD**

(The meeting ended at 4.00 pm.)

Chairman