

Runnymede Borough Council**Standards and Audit Committee****Wednesday, 25 May 2022 at 7.30 pm**

Members of the Committee present: Councillors M Nuti (Chairman), J Broadhead (Vice-Chairman), A Berardi, D Cotty, L Gillham, J Hulley, J Olorenshaw, S Ringham, S Walsh and S Williams.

22 Minutes

The Minutes of the meeting of the Committee held on 25 January 2022 were signed as a correct record.

In doing so it was confirmed that TIAA's contract with the Council to provide Internal Audit services had been extended for a further 12 months, pending a re-tender of the contract.

23 Declarations of Interest

There were no Declarations of Interests.

24 Summary Internal Controls Audit (SICA) Report 2021/22

The Committee noted progress with the audit programme for 2021/2022 and that the Annual Assurance report would be submitted to the next scheduled meeting of the Committee in July 2022.

Members were pleased that five more audits had been completed in the areas of Key Revenues and Financial Controls. The Corporate Head of Finance and his staff were thanked for their input.

There had been further changes to the audit programme at the request of the relevant Corporate Heads owing to staffing issues. This meant a delay to commencing the audits on Commercial Property, Commercial Rents and HR Absence Management. Officers planned to start these audits in June 2022.

Officers reported that fieldwork was in progress for Communications, Main Accounting (General Ledger), Customer Services and two areas of ICT, Housing and Planning. Draft reports had been issued for Risk Management, Business Continuity, Freedom of Information and Housing Rents.

The Committee's attention was drawn to the 'Root Cause Indicators' which showed a positive direction of travel so far, and to the list of Client Briefing Notes which had been sent to the Senior Leadership Team and were available to Members on request.

There were no priority 1 recommendations to report and the two priority 2 recommendations regarding Financial Controls had been implemented.

At a previous meeting, Members had expressed concern about the outcome of a Safeguarding audit. Officers assured the Committee that the new Corporate Head whose area this came under now was making good progress with implementing the relevant recommendations.

The continued delay with resolving the Depot audit was noted. Members considered that although it had been difficult to make progress owing to Covid that it was time to chase up outstanding areas such as this.

25 **Internal Audit progress report on outstanding recommendations**

The Committee reviewed progress with outstanding recommendations from previous audits, of which there were 11. Another 11 had been implemented but there were still 5 that were subject to discussion with the relevant Corporate Heads.

Further details of outstanding recommendations were given. The Corporate Head of Law and Governance would be asked to confirm that the GDPR recommendations were now complete. This involved checking approximately 33 contracts for compliance. A revised date of 30 June 2022 to implement the Procurement related recommendations was noted.

The Committee was anxious that those relating to the Depot which had been 'live' for several years now should be finalised and if necessary the Head of that service would be asked to explain the position at a future meeting. Officers had been advised that progress was now being made and that everything would be picked up in the follow up review planned for 2022/2023.

26 **Annual Governance Statement 2021/22**

The Committee's approval was sought to recommend the Annual Governance Statement (AGS) for 2021/2022 to the Corporate Management Committee which was meeting the following evening.

Members agreed that the AGS was an important document which demonstrated meeting the statutory requirement to report publicly on the extent to which the Council was complying with its own code of governance which contained seven core principles relating to governance and financial matters and how the Council conducted its affairs.

The process was an active review which included areas for improvement and an action plan as well as setting out planned changes in the coming year.

Officers had streamlined the statement to provide links to other documents, which was appreciated. Officers agreed to make amendments to Principals D and E as discussed to change the frequency of Constitution updates and to add other partnerships.

RESOLVED that –

The draft Annual Governance Statement, as amended, be recommended to Corporate Management Committee for approval

27 **Government response to Committee on Standards in Public Life review of local government ethical standards**

The Committee received for information a report setting out central Government's response to the Committee on Standards in Public Life's review of local government ethical standards. The Government had provided its opinion on the 26 Best Practice Recommendations resulting from the review which concerned general governance issues for local authorities.

The Committee recalled there had been four previous reports to this Committee going back to July 2020 when the new Model Code of Conduct produced by the Local Government Association was first adopted, as recommended.

Officers highlighted a number of the recommendations and progress made with their implementation locally. For example, the change to making non-disclosure of Councillors' addresses the starting point which would require legislative change.

In respect of Recommendation 3, the Committee noted that the Government had stopped short of presuming a Councillor to always be acting in their official capacity on social media. Recent training for Members had emphasised the importance of separating their role as a Councillor from their private life.

Recommendations 8, 9 and 11 concerned the Independent Person who was consulted in the event a complaint was lodged with the Monitoring Officer about a Councillor or co-opted Member. Officers confirmed that consideration would be given to providing legal indemnity to protect the Independent person when they provided advice to the authority.

Officers advised that the Government was reluctant to re-introduce the ability to suspend Councillors if they breach the Code of Conduct despite representations from the sector but was willing to look at sanctions for serious breaches such as bullying and harassment. Officers confirmed that the Government had decided that failure to disclose a pecuniary interest should remain to be a criminal offence.

The last two recommendations concerned how ethical standards were maintained through training and peer reviews. Officers were asked to clarify whether there would be a 'lighter touch' follow up visit following the last peer review in 2019 or the Council would wait until the next Corporate Peer Review which had been recommended to take place in 2024.

28 **Complaints and Compliments about Councillors 2020 - 2022**

The Committee noted a report on complaints and compliments about councillors covering the municipal years 2020 to 2022 which would in future be an annual report for the first meeting of each municipal year. Producing this report demonstrated compliance with the relevant Best Practice Recommendation issued by the Committee on Standards in Public Life.

A summary of the 12 complaints was noted and how they had been resolved. Officers advised that a number had been closed because the person making the complaint had not when asked provided further or enough information for it to be worthy of investigation.

Members were directed to the guidance on the Council's website if someone wished to make a complaint as well as the existence of a register, which unless otherwise directed was anonymised.

Officers advised that the Council's Constitution set out the full details of how complaints were dealt with noting the important role of this Committee should a complaint result in there being a Hearing.

The Committee was informed that there were no Hearings in the reporting period and there was one accepted breach where an apology was made to the Council. Officers advised that one investigation was carried out by an Independent Solicitor where the complaint was deemed worthy of pursuing and met the criteria for doing so.

The Independent Person was involved in four cases during 2020 – 2022. To improve resilience Officers agreed to explore a partnership arrangement with other local authorities in Surrey to widen the pool of 'Independent Persons' rather than recruit a second Independent Person.

Members were pleased to have received a compliment regarding the Councillors who helped out in the Community during the Pandemic; which had been well documented and appreciated.

29 **Complaints and Compliments Quarter 4 2021/2022**

The Committee noted a review of complaints and compliments about the Council, for Quarter 4 2021/2022 (January to March 2022).

Officers reported 17 entries in the complaints register and 26 compliments, as well as the year end figures of 91 and 98 respectively. The Committee was concerned that one service area had a number of complaints that were outstanding. It was confirmed that the Assistant Chief Executive had, as with outstanding recommendations from audits, been tasked with chasing the relevant Corporate Head(s).

The Committee noted that over the full year 25% of complaints were upheld or partly so. This was placed in the context of a total of 23 complaints upheld out of 91 compared with 98 compliments.

Officers advised that the number of complaints when people were working from home was higher but that this had appeared to settle down. The Committee considered it would be useful to have in future a summary of complaints so as to identify any common themes which they as Members could support Officers with resolving.

The two stage complaints process was explained as well as the role of the Local Government Ombudsman where the internal process had been exhausted.

Members were pleased to learn that after discussion with the Communications team staff receiving compliments would in addition to receiving an emailed letter would also be sent a certificate as a thank you from this Committee. Members stated that recognising where staff had been praised by the public was important, noting the high number of compliments for the Council's Green Space team.

Members asked why the number of compliments has halved in 2021/2022 compared with the previous year. It was thought that compliments recognising the work staff did during the pandemic might explain this.

30 **External Audit Update**

The Committee was provided with an update on progress with finalising the 2019/2020 external audit of the Council's Statement of Accounts.

Members were disappointed that the audit was not signed off yet although the external auditors assured that it was substantially complete. Officers were requested to record the complaint made by Members of RIRG that the 2019/2020 external audit was still not finalised.

Work to date had identified a material misstatement, since corrected, regarding the value of other land and buildings being overstated by £1.6m in the draft accounts and within the Group financial statements, assets held by the Council's wholly owned subsidiary had been reclassified from property, plant and equipment to investment property. One further error, also corrected, had decreased the Council's surplus on the provision of services for the year by £533,000.

Officers advised that the outstanding matters were completion of work relating to the Council as a Going Concern, its 'use of resources', subsequent events work, a review of the final version of financial statements and completion of the external auditor's final quality reviews.

The Committee was advised that Runnymede was not alone in having unaudited accounts. However, it did mean that the Council could not access external funding outside of Local Government until they were completed satisfactorily. The nationwide picture of the audit

sector was not healthy with issues recruiting and retaining specialist auditors in a complex and demanding area of work.

Officers confirmed that options for assisting the audit sector were being considered by the Department for Levelling Up, such as skipping a year's audit to help auditors catch up, and they would update Committee on these at a future meeting.

In terms of progress, it was noted that the 2021/2022 external audit would likely commence in October 2022 but would not be finalised on time.

Officers were asked to consider an option of presenting 'mini audits' to Corporate Management Committee.

31 **Exclusion of Press and Public**

There was no discussion on the Part II Appendix to the report on Complaints and Compliments save to say the positive feedback for individuals and teams was welcomed by the Committee.

Chairman's Closing remarks

Members were asked to note that training on analysing audits and the audit process using an old audit as an exercise would take place at 6.30pm, before the next scheduled meeting on 19 July 2022.

(The meeting ended at 9.00 pm.)

Chairman