

MINUTES of the meeting of the **AUDIT AND GOVERNANCE COMMITTEE** held at 10.30 am on 23 March 2021 at Remote.

These minutes are subject to confirmation by the Committee at its next meeting.

Elected Members:

David Harmer (Chairman)
Dr Peter Szanto
Stephen Spence
Stephen Cooksey
Victoria Young
Keith Witham (Vice-Chairman)

11/21 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Keith Witham.

12/21 MINUTES OF THE PREVIOUS MEETING [Item 2]

The Minutes were approved as an accurate record of the previous meeting.

13/21 DECLARATIONS OF INTEREST [Item 3]

There were none.

14/21 QUESTIONS AND PETITIONS [Item 4]

There were none.

15/21 RECOMMENDATIONS TRACKER [Item 5]

Declarations of interest:

None

Witnesses:

Paul Evans, Director – Law and Governance

Key points raised during the discussion:

1. In regards to Action A1/21, the Director – Law and Governance explained that a private briefing with the Cabinet Member would be held as part of the new committee's June induction. It was noted that Members could use the briefing as an opportunity to discuss the committee's forward work programme and schedule appropriate training.

Action/Further information to note:

None.

RESOLVED:

That the committee noted the report.

16/21 RISK MANAGEMENT UPDATE [Item 6]

Declarations of interest:

None

Witnesses:

Anna D'Alessandro, Director - Corporate Finance

Ross Tutor, Representative from EY

Mary Buxton, Representative from EY

Key points raised during the discussion:

1. Officers introduced the report and informed Members that the purpose of the report was to update on the strategic risk register and next steps to enable the committee to meet its responsibilities for monitoring the development and operation of the council's risk management arrangements. Representatives from EY went on to reference a slideshow which can be found from page 13 of the meeting's agenda. This included details on:
 - a. Steps taken to identify, agree and assess strategic risks
 - b. A summary of strategic risks
 - c. Next steps to develop and maintain the strategic risk register
2. Members noted that the top risks had been based on the Corporate Leadership Team's (CLT) scoring.
3. A Member asked whether the top identified risk had been compared with risk of other similar local authorities. Representatives from EY explained that a team of experts had analysed the list of risks and were able to incorporate knowledge of other council's main risks.
4. The Committee asked whether the risk consultants were receiving cooperation from the council's senior officers. The representatives explained that they had received all the cooperation that they needed to collate a list of top 20 risks in the council however noted that the impact of the pandemic had caused some issues.

Actions/ further information to be provided:

None.

Resolved:

The Committee noted the report.

17/21 ETHICAL STANDARDS ANNUAL REVIEW [Item 7]

Declarations of interest:

None

Witnesses:

Paul Evans, Director – Law and Governance

Key points raised during the discussion:

1. Officers introduced the report and noted that the report covered the operation of the Members' Code of Conduct over the course of the last

- year. Members also noted recent activity in relation to the Members' Code of Conduct and complaints made in relation to member conduct.
2. The Committee noted that the majority of complaints received were from interactions with councillors on social media.
 3. A Member of the committee felt that the word 'alleged' should be used when noting complaints which were concluded to have not breached the code of conduct.

Actions/ further information to be provided:

None.

Resolved:

The Audit and Governance Committee:

- a) Noted the Committee's work undertaken over the past year in relation to establish a working group to review possible changes to the Members' Code of Conduct in light of recommendations from:
 - a. The Committee on Standards and Ethics 'Local Government Ethical Standards' report (2019).
 - b. The Local Government Association Model Code of Conduct
- b) Noted the Monitoring Officer's report on recent activity in relation to the Members' Code of Conduct and complaints made in relation to member conduct.

18/21 REDMOND REVIEW - LOCAL AUDIT AND LOCAL AUTHORITY FINANCIAL REPORTING [Item 8]

Declarations of interest:

None

Witnesses:

Barry Stratfull, Chief Accountant (Corporate)

Key points raised during the discussion:

1. Officers introduced the report and noted details on the recent Redmond Review into the oversight of local audit and transparency of local authority financial reporting.
2. A Member of the committee felt the review was premature until the Government confirmed its strategy on the subject.
2. The Chairman proposed an amendment to Recommendation 2 which was (addition in bold) 'The Committee considers recommending **that the new Council in May 2021** appointment a suitably qualified, independent member of the Audit and

Governance Committee to support elected representatives in scrutinising local authority finances'. The Committee agreed the amendment.

3. The Committee further noted that the council was governed by CIPFA guidelines on financial reporting and that the Redmond Review was an opportunity to streamline the guidelines.

Actions/ further information to be provided:

None.

Resolved:

1. The Committee noted the findings and recommendations of the Redmond Review.
2. The Committee recommended that the new Council in May 2021 appointment a suitably qualified, independent member of the Audit and Governance Committee to support elected representatives in scrutinising local authority finances.

19/21 GRANT THORNTON: 2020/21 EXTERNAL AUDIT PLAN [Item 9]

Declarations of interest:

None

Witnesses:

Ciaran McLaughlin, Grant Thornton
Paul Evans, Director – Law and Governance

Key points raised during the discussion:

1. The representative from Grant Thornton introduced the report and provided a brief summary. Members noted details of the Audit Plan for the external audit of the 2020/21 financial statements of the Council and the Surrey Pension Fund. The Audit Plan provided an overview of the planned scope of the statutory audits of the Council's and Pension Fund accounts for 2020/21. It also outlined the risks identified by Grant Thornton, the Council's external auditors, for the audit of the Council's 2020/21 financial statements and their planned response to these risks. Further to this, the report outlined the work the auditor would undertake as part of the assessment of the Council's Value for Money arrangements.
2. Members thanked Grant Thornton for their work on the audit plan.
3. A Member of the Committee asked why there was little mentioned of the Eco Park in the report. The representative from Grant Thornton explained that consideration of the Eco park would form part of the valuation of land and buildings.

Actions/ further information to be provided:

None.

Resolved:

The Audit and Governance Committee approved the audit plan.

20/21 INTERNAL STRATEGY AND ANNUAL AUDIT PLAN 2021/22 [Item 10]

Declarations of interest:

None

Witnesses:

Russell Banks, Chief Internal Auditor

Key points raised during the discussion:

1. Officers introduced the item and noted that the purpose of the report was to present the Internal Audit Strategy and Annual Internal Audit Plan for 2021/22 to the Committee. Members noted that it underpinned the work of the Orbis Internal Audit Service in delivering the Annual Internal Audit. The Plan included key principles and objectives as set out in the Internal Audit Strategy and Charter. Members noted further specific details on the plan which can be found from page 71 of the agenda. Following the introduction, Members noted that the committee would be informed of any changes to the plan over the next year.
2. Officers informed Members that the new Committee would receive training on Internal Audit in the new council term.

Actions/ further information to be provided:

None.

Resolved:

Members considered the contents of the report and Appendices, and approved the following:

- (i) The Internal Audit Strategy
- (ii) The Internal Audit and Corporate Fraud Plan
- (iii) The Internal Audit Charter

21/21 INTERNAL AUDIT PROGRESS REPORT - QUARTER 3 (01/10/20 - 31/12/20) [Item 11]

Declarations of interest:

None

Witnesses:

David John, Audit Manager
Russell Banks, Chief Internal Auditor

Key points raised during the discussion:

1. Officers introduced the report and noted details of the work completed by Internal Audit between 1 October 2020 and 31 December 2020. Members noted that the key audit findings from final reports issued during Quarter 3 were summarised in Appendix A of the report.
2. Members noted that a 'Reasonable Assurance' conclusion was given to the 'Cyber Security during COVID-19' Internal Audit report.
3. Members discussed the progress made in the Surveillance Cameras follow-up audit and asked that a further report is presented to the new Committee following the May 2021 elections.

Actions/ further information to be provided:

None.

Resolved:

The Committee noted the report.

22/21 DATE OF NEXT MEETING [Item 12]

The date of the meeting was noted as 7 June 2021.

Meeting ended at: 12.00 pm

Chairman