

# Audit Committee Minutes



**Tuesday 22 June 2021**

*NOTE: This was held as an informal remote meeting*

## **PRESENT**

**Committee members:** Councillors Iain Cassidy (Chair), Alex Karmel, Matt Thorley, Rowan Ree and Alexandra Sanderson

### **Officers**

Kim Smith, Chief Executive  
Emily Hill, Director of Finance  
Rhian Davies, Director of Resources  
Lisa Redfern, Strategic Director of Social Care  
Jacqui McShannon, Director of Children's Services  
David Hughes, Director of Audit, Fraud, Risk and Insurance  
Paul Barton, Head of Corporate Safety  
Matthew Hooper, Chief Officer - Safer Neighbourhoods & Regulatory Services  
Mark Dalton, Fraud Manager  
Moirra Mackie, Head of Internal Audit  
Veronica Barella, Chief Digital Officer  
Adrian Dewey, IT Security Manager  
David Abbott, Head of Governance

## **1. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Jonathan Caleb-Landy.

## **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **REMEMBERING MIKE SLONIOWSKI**

With great sadness, the Chair informed the Committee of the death of Mike Sloniowski. The Chair and Councillor Alex Karmel paid tribute to him and offered the Committee's condolences to his family and friends. Members then observed a minute of silence in his memory.

Councillor Karmel suggested writing to Mike Sloniowski's family, thanking him for his invaluable contribution over many years.

### 3. **MINUTES**

The minutes of the previous meeting were noted.

### 4. **ANNUAL HEALTH AND SAFETY AT WORK REPORT 2020/21**

Paul Barton, Head of Corporate Safety, presented the report which highlighted the Council's activities and performance in health and safety at work for the financial year 2020/2021.

The report also recommended the following priorities for the forthcoming financial year:

- Fire safety management
- Coronavirus
- Training
- Driver safety management
- Risk profiling
- Work-related stress
- Training and assessment for working in the home environment

The Chair asked what equipment support was available for staff working from home. Paul Barton said staff carried out a self-assessment which was then approved by the Health and Safety team and if equipment is required it is delivered through Digital Services.

The Chair noted the section on staff using their own cars and asked if similar policies were in place for staff who walked, biked, or used scooters at work. Paul Barton said all modes of travel while at work were subject to risk assessment.

The Chair asked if there was a requirement to do Bikeability, the national cycling proficiency scheme. Paul Barton said it wasn't a requirement, but there hadn't been any cycling injuries recorded at work.

Councillor Alex Karmel said he would like to place on record the way the Council had managed risk during the pandemic and successfully reduced the risk of infection for staff and residents.

Councillor Rowan Ree noted the review of libraries risk assessments and asked if there were any updates. Paul Barton said there were no major updates. Libraries had been closed for most of the pandemic and only recently opened with a reduced level of service. The reviews in libraries were mostly around covid safety. Libraries would be audited in usual way during the current financial year.

Councillor Alexandra Sanderson asked how the pandemic and working from home had affected onboarding and offboarding staff and the logistics of getting equipment back. Paul Barton said staff onboarding during pandemic was mostly done online but if they had to go into the office or to a frontline position, it would be managed through Technical Assurance Group and the Health and Safety Board. Equipment collection

was done through Shortlands, a covid-secure building. Individual risk assessments had to be completed and the service had to be authorised. In some cases, equipment was delivered. It was a similar process for off-boarding.

## **RESOLVED**

The Committee noted the performance for 2020/21 and the priorities for 2021/22.

## **5. RISK MANAGEMENT HIGHLIGHT REPORT**

David Hughes, Director of Audit, Fraud, Risk and Insurance, presented the report which provided an update on risk management across the Council.

The Chair asked if there should be a travel risk if people continue to avoid public transport and congestion on roads increases. Matthew Hooper, Matthew Hooper, Chief Officer - Safer Neighbourhoods & Regulatory Services, said he would look into it and circulate an answer.

**ACTION: Matthew Hooper**

Kim Smith, Chief Executive, noted that H&F Council currently had around 1700 people working from home. Officers were looking at staggering the return to office and staggering start times. The Council was also consulting with other large employers in the borough to manage congestion issues.

Councillor Alex Karmel requested an update on the current situation with Hammersmith Bridge and when it could be opened to pedestrians and bicycle traffic. Kim Smith noted that there were several reviews ongoing and when they were concluded officers would provide an update to the Committee through the Risk Highlight report.

**ACTION: David Hughes**

Councillor Ree asked if there should be a risk around public events like farmers markets in parks and the risk of increased covid infections. David Hughes said he would look into it and provide detail by email.

**ACTION: David Hughes**

## **RESOLVED**

The report was noted.

## **6. ANNUAL FRAUD REPORT 2020/21**

David Hughes, Director of Audit, Fraud, Risk and Insurance, presented the report which provided an account of fraud-related activity undertaken by the Corporate Anti-Fraud Service (CAFS) from 1 April 2020 to 31 March 2021 to minimise the risk of fraud, bribery and corruption occurring within and against the Council.

Officers noted that performance in 2021 was broadly similar to previous years, despite the pandemic. A significant amount of work had also been undertaken with the business grants team and assisting local businesses.

The Chair asked how much time has been spent on business grants, and if it had taken resources away from other areas of investigation. David Hughes said the pandemic had made carrying out tenancy fraud visits difficult, so the team switched that resource to business grants.

The Chair asked what the grant figure in the report of £460k was as a percentage of the full amount paid out. Emily Hill said she would provide an answer by email.

**ACTION: Emily Hill**

Councillor Alexandra Sanderson commented that it would be useful to have some comparisons with other similar boroughs, a London-wide average, and a national figure to provide context.

Councillor Sanderson also asked if referrals to CAFS mostly came from neighbours or other sources – and if the Council could encourage more people to come forward. David Hughes said the Council encouraged residents to come forward. Officers also received useful intelligence from Councillors.

Regarding comparisons, benchmarking data was available. Local authorities didn't all use the same notional values for fraud, but it would provide some useful comparisons.

Councillor Matt Thorley asked what the lag in convictions was caused by. David Hughes said the team were keen to restart tenancy visits but there were significant delays of around 12 to 18 months for court cases.

Councillor Alex Karmel asked why there was such a large reduction in tenancy fraud totals (75%). David Hughes said the reduction was in visits from officers due to the pandemic.

Councillor Karmel asked what the total value of business rates grants were. He also asked if officers could provide the total fraud recovered over the period, assuming the Council was to win all its pending court cases. Emily Hill said there were several different schemes, but the total was £87m for the 2020/21 financial year. There were continuing grants for 2021/22 of £20.7m that had to be paid out by the end of July. Emily Hill said she could provide a written summary after the meeting with headline numbers.

**ACTION: Emily Hill**

The Chair asked how proactive the Council was then carrying out major works on housing estates. Did officers take the opportunity to check tenancies if there were issues getting in touch with tenants. David Hughes said similar checks had been made in the past with gas safety checks. He said he would discuss the issue with housing colleagues.

**ACTION: David Hughes**

In response to a question from Councillor Karmel, David Hughes confirmed officers did carry out unannounced tenancy inspection visits.

## **RESOLVED**

The report was noted.

### **7. ANTI-FRAUD POLICY REVIEW 2021**

David Hughes, Director of Audit, Fraud, Risk and Insurance, presented the report which contained the following three revised anti-fraud policies for review and comment:

- Anti-Bribery Policy
- Anti-Money Laundering Policy
- Fraud Response Plan

Councillor Rowan Ree asked if it was correct that in the bribery policy, employees could receive gifts but had to disclose them. David Hughes said employees could receive items of a notional value but were required to disclose any offers they received, whether they were accepted or declined.

Councillor Ree asked for an example of when someone might want to offer a gift to an officer. David Hughes said it could range from a small gift from a grateful service user to a large company inviting someone to a sporting event.

Councillor Ree noted the cash payment limit of £5k to the Council due to the risk of money laundering and tax avoidance, and asked why a legitimate customer would want to pay £5k in cash. David Hughes said there were a number of areas including funerals and burials, property payments, and business rate bills. Councillor Ree asked, given the potential for illicit activity, what the impact of cutting the limit from £5k to £1k would be. David Hughes said there would be a significant increase in internal reporting. The previous limit was £10k which was reduced to £5k following guidance from the National Crime Agency. Staff were also encouraged to report lower levels if they think it is suspicions. Councillor Ree said fewer people were using cash now and encouraged reductions in the limits where possible. Councillor Alex Karmel suggested the Council should think carefully before reducing the cash limit on paying for funerals as older people were more likely to use cash.

## **RESOLVED**

The report was noted.

### **8. ANNUAL AUDIT REPORT 2020/21**

The Chair noted that Appendix 5, the limited assurance report on Cambridge Special School would be considered at the following meeting.

David Hughes, Director of Audit, Fraud, Risk and Insurance, presented the report with Moira Mackie, Head of Internal Audit. The report summarised the work of Internal Audit in 2020/21 and provided the opinion of the Director of Audit, Fraud, Risk and Insurance on the adequacy and effectiveness of the Council's framework of governance, risk management and control.

**RESOLVED**

The report was noted.

**9. CYBER SECURITY – SIX MONTHLY UPDATE**

Veronica Barella, Chief Digital Officer, presented the report which provided an update on the Council’s cyber-security readiness. She noted that Digital Services had reviewed its defences against, and readiness for, a ransomware incident in light of the learning of the successful breaches that have happened in other authorities.

*NOTE: The remainder of this item was confidential in nature and was discussed in private session (Item 11).*

**RESOLVED**

The report was noted.

**10. DATES OF NEXT MEETING**

The Committee noted the date of the next meeting: 14 September 2021

**11. EXEMPT DISCUSSION (IF REQUIRED)**

**RESOLVED**

Under Section 100A (4) of the Local Government Act 1972, that the public and press be excluded from the meeting during the consideration of the following items of business, on the grounds that they contain the likely disclosure of exempt information, as defined in paragraph 3 of Schedule 12A of the said Act, and that the public interest in maintaining the exemption currently outweighs the public interest in disclosing the information.

Meeting started: 6.30 pm

Meeting ended: 8.19 pm

**Chair** .....

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