

DURHAM COUNTY COUNCIL

At a Meeting of **Audit Committee** held **remotely via Microsoft Teams** on **Thursday 26 November 2020 at 9.30 am**

Present:

Councillor E Bell (Chair)

Members of the Committee:

Councillors J Rowlandson (Vice-Chair), B Kellett, J Nicholson, J Robinson, J Shuttleworth and O Temple

1 Apologies for absence

Apologies for absence were received from Councillors C Carr and J Clark.

2 Minutes

The minutes of the meeting were agreed as a correct record to be signed by the Chair.

3 Declarations of interest

There were no declarations of interest.

4 Opportunity for Committee to meet Amy Harhoff the Council's recently appointed Corporate Director, Regeneration, Economy & Growth

The recently appointed Corporate Director of Regeneration, Economy & Growth was introduced by the Chair and provided an overview of her service responsibilities.

The Corporate Director confirmed that the Councils Libraries and Leisure Centres had been particularly affected due to the impact of COVID-19 and she was grateful to the teams involved. Public transport was another area particularly affected and the Council needed to work closely with bus operators to ensure a good recovery following the pandemic.

Priorities for regeneration, included town centres and she confirmed that in October, Cabinet had launched towns and villages investments of almost £20m to spend across the County.

The Corporate Director confirmed the importance of ensuring Council Assets were being used to support community organisations. She referred to the vital role that Business Durham played to support businesses and noted the support they had given during the pandemic to Corporate Services and Finance in administering business grants and the support to those that were suffering potential redundancies.

The Corporate Director confirmed that the service had continued to progress a number of priorities in place prior to the pandemic and these were more critical than ever as the County faced the economic effects of the health crisis. Significant transport investments were vital to support the economy in the aftermath of the pandemic and despite the positive news regarding the roll out of a vaccine, the Council needed significant recovery ambitions.

Whilst there had been incredible challenges, the Corporate Director credited the hospitality sector for immense resilience despite not having had the opportunity to fully recover and that continued support would be offered.

Finally, she acknowledged businesses that had responded to the pandemic, some of which have redirected manufacturing to provide additional support resulting from the COVID-19 outbreak.

5 Quarter 2 2020/21 Health, Safety and Wellbeing Performance Report

The Committee considered a report of the Occupational Health and Safety Manager which provided an update on the council's Health, Safety and Wellbeing (HSW) performance for Quarter two 2020/21 (for copy see file of minutes).

Councillor Shuttleworth referred to employee mental health and wellbeing and asked what responsibility the Council took for members of staff who indicated that working from home was affecting their mental health. The Occupational Health and Safety Manager confirmed that individuals who had been identified as being affected were assessed to identify the risk of working from home against the risk of returning to the workplace and would accommodate staff accordingly. He confirmed that there had been up to 30 employees at one time that had expressed concern relating to home working, this had reduced when restrictions had eased and was expected to rise through Winter, but the number fluctuated greatly.

Councillor Kellet queried the health and safety COVID-19 risk register and employees who may be at increased risk of exposure to COVID-19 due to redeployment and the Occupational Health and Safety Manager confirmed that an example was of someone who had more interaction with people than

their substantive role may be at a higher risk of exposure, however this should be offset by the control measures in place.

Resolved:

That the report be noted.

6 External Audit Progress Report

The Committee considered a report of the External Auditor which provided a progress update (for copy see file of minutes).

The External Audit Manager confirmed that the outstanding investments letter discussed at the previous meeting had been subsequently received and the accounts signed off on 30 October 2020.

Resolved:

That the report be noted.

7 Local Code of Corporate Governance

The Committee considered a report of the Corporate Director of Resources, which sought the approval of the updated Local Code of Corporate Governance following an annual review (for copy see file of minutes).

The Principal Risk and Governance Officer referred to cross references to the Local Code of Corporate Governance in the covering report at paragraph 13 a) to j) and confirmed that the paragraph should be prefixed with number 3. and not 4.

Resolved:

That the report be noted.

8 Strategic Risk Management Progress Report for 2020/21 - Review 2

The Committee considered a report of the Corporate Director of Resources which highlighted the strategic risks facing the Council and to give an insight into the work carried out by the Corporate Risk Management Group between June and September 2020 (for copy see file of minutes).

Councillor Robinson asked what the governance arrangements were for the Local Resilience Forum which had had a major role during the pandemic. The Strategic Manager - Executive Support confirmed that the LRF was

overseen by the Ministry for Housing, Communities and Local Government but each individual organisation had their own scrutiny arrangement so with regards to the Council this would be Audit and Scrutiny Committees and there were also links into the Safe Durham Partnership.

Councillor O Temple referred to paragraph 17 of the report and asked whether the Council and the County Durham and Darlington LRF had been stood-up once again with their respective Brexit task and finish group arrangements. The Strategic Manager - Executive Support confirmed that the LRF had been stood-up in relation to COVID-19 since the beginning of February and the prospect of a no trade agreement was being treated as a concurrent risk. The Council had reviewed the additional impact of failing to agree a deal combined with COVID-19 to enable council to respond if needs be. The report had been prepared in mid-October and the latest position was that negotiations were still ongoing, however, since then more positive progress had been made on state aid. Should a technical agreement on a draft trade agreement be made, it would still need to go through UK and EU Parliament. The LRF was dealing with risks regarding Brexit and the Council also had their own internal planning arrangements.

In response to comments from Councillor Shuttleworth with regards to road slippage on the A690, the Risk, Insurance & Governance Manager confirmed that the assessment of risk was based on factors such as technical assessments on any movement by specialists, funding, planning and whether the level of risk required it to be addressed in the short term or long term, however he would seek further clarification from the service and feed this back to Members.

C Robinson referred to the key risks in the report which were almost exclusively long term, specifically items 5 and 6 – protecting children and adults from harm as he did not feel assured that the proposed actions were adequate to mitigate the risk. The Risk, Insurance & Governance Manager confirmed that these two risks were kept on the key risk register even if considered unlikely to occur as CMT and Audit Committee wanted to monitor them to ensure they did not increase. Although the likelihood of the risk occurring had increased due to COVID-19 and extra measures were in place to try and deal with that, the overall assessment of the risk and the appropriateness of the measures in place remained the same. However he would seek a response from the Service and feed this back to Members.

I Rudd asked for more details relating to the new risk on climate change emergency and penalties should the Council not succeed in meeting targets. The Risk, Insurance & Governance Manager advised that there could be a variety of impacts including financial, reputation and impact on the wider community, which are likely to change over the period up to 2050. In addition, the Council will be expected to meet its targets and consequently

lead by example to other sectors of the business community. The programme of work to achieve this objective covers 30 years, but it will be broken down and managed within numerous projects over that period, including up to 100 projects in the next few years.

Resolved:

That the report be agreed.

9 Protecting the Public Purse Update

The Committee considered a report of the Interim Chief Internal Auditor and Corporate Fraud Manager which provided the update activity and informed Members of the work that has been carried out as at 30 September 2020 (for copy see file of minutes).

Councillor Temple referred to the increase in fraud as a result of the COVID-19 pandemic and asked if the department needed more resources and the practicality of temporary redeployment to focus on that area of work. The Corporate Fraud Manager confirmed that the team was well staffed in comparison to some Local Authorities in the region and although they had needed to put additional resources towards the risks associated with COVID-19, they were working considerably well according to benchmarking and that once the vaccine was rolled out it would enable the Fraud Team to resume normal work and a reduction in COVID-19 related work.

The Chair added that Durham was regarded as an exemplar by other local authorities and Councillor Shuttleworth praised the Revenues and Benefits Team for their response to COVID-19 as businesses were applying for and receiving grants on the same day.

Resolved:

That the report be noted.

10 Internal Audit Progress Report Period Ending 30 September 2020

The Committee considered a report of the Interim Chief Internal Auditor and Corporate Fraud Manager which provided information relating to the work that had been carried out by Internal Audit during the period 1 April 2020 to 30 September 2020 as part of the six- month Internal Audit Plan to September 2020 (for copy see file of minutes).

Resolved:

That the report be noted.

11 Six-Month Internal Audit Plan: 01 October 2020 to 31 March 2021

The Committee considered a report of the Interim Chief Internal Auditor and Corporate Fraud Manager which provided the Six-Month Internal Audit Plan for the period from 01 October 2020 to 31 March 2021 (for copy see file of minutes).

Councillor Shuttleworth referred to Beamish Museum audit which took almost two months and the Interim Chief Internal Auditor and Corporate Fraud Manager advised that this included a range of individual reviews across services.

Resolved:

That the report be approved.

12 Exclusion of the public

That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1,2,3 and 5 of Schedule 12A of the Act.

13 Protecting the Public Purse Update

The Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which provided an update on activity to 30 September 2020 (for copy see file of minutes).

Resolved:

That the report be noted.

14 Internal Audit Progress Report Period Ending 30 September 2020

The Committee considered a report of the Chief Internal Auditor and Corporate Fraud Manager which provided internal audit progress to 30 September 2020 (for copy see file of minutes).

Resolved:

That the report be noted.