



## TO THE CHAIRMAN AND MEMBERS OF THE STANDARDS AND AUDIT COMMITTEE

You are hereby summoned to attend a meeting of the Standards and Audit Committee to be held on Thursday, 17 September 2020 at 7.00 pm. The meeting will be held virtually and webcast live through the Council's website in accordance with the Coronavirus Act 2020 and The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 (S.I.2020 No. 392).

The agenda for the meeting is set out below.

RAY MORGAN  
Chief Executive

NOTE: Filming Council Meetings

Please note the meeting will be filmed and will be broadcast live and subsequently as an archive on the Council's website ([www.woking.gov.uk](http://www.woking.gov.uk)). The images and sound recording will also be used for training purposes within the Council. By joining the meeting remotely you are consenting to being filmed.

## AGENDA

### PART I - PRESS AND PUBLIC PRESENT

1. Minutes

To approve the minutes of the meeting of the Standards and Audit Committee held on 23 July 2020 as published.

2. Apologies for Absence

To receive any apologies for absence.

3. Declarations of Interest (Pages 3 - 4)

- (i) To receive declarations of interest from Members and Officers in respect of any item to be considered at the meeting.
- (ii) In accordance with the Officer Employment Procedure Rules, the Director of Legal and Democratic Services, Peter Bryant, declares a disclosable personal interest (non-pecuniary) interest in any items concerning the companies of which he is a Council-appointed director. The companies are listed in the attached schedule. The interests are such that Mr Bryant may advise the Committee on those items.
- (iii) In accordance with the Officer Employment Procedure Rules, the Director of Finance, Leigh Clarke, declares a disclosable personal interest (non-pecuniary) interest in any

items concerning the companies of which she is a Council-appointed director. The companies are listed in the attached schedule. The interests are such that Mrs Clarke may advise the Committee on those items.

4. Urgent Business

To consider any business that the Chairman rules may be dealt with under Section 100B(4) of the Local Government Act 1972.

**Matters for Recommendation**

5. Protocols for Confidentiality and Officer Conflict of Interests STA20-012 (Pages 5 - 20)

Reporting Person - Peter Bryant

**Matters for Determination**

6. Internal Audit Progress Report STA20-013 (Pages 21 - 28)

Reporting Persons – Graeme Clarke and Juan Fosco, Internal Audit

7. Members' Code of Conduct STA20-010 (Pages 29 - 32)

Reporting Person – Peter Bryant

8. Ombudsmen Complaints STA20-011 (Pages 33 - 40)

Reporting Person - Peter Bryant

9. Appointment of Substitutes to Standards Hearings Sub-Committee STA20-014 (Pages 41 - 42)

Reporting Person – Peter Bryant

AGENDA ENDS

Date Published - 9 September 2020

For further information regarding this agenda and arrangements for the meeting, please contact Doug Davern on 01483 743018 or email [doug.davern@woking.gov.uk](mailto:doug.davern@woking.gov.uk)



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## Schedule Referred to in Declaration of Interests

### Council-appointed directorships

#### Peter Bryant, Director of Legal and Democratic Services

Thameswey Limited  
Thameswey Developments Limited  
Thameswey Housing Limited  
Thameswey Energy Limited  
Thameswey Central Milton Keynes Limited  
Thameswey Guest Houses Limited  
Thameswey Solar Limited  
Thameswey Maintenance Services Limited  
Thameswey Sustainable Communities Limited  
Energy Centre for Sustainable Communities Limited  
Rutland (Woking) Limited (alternate for Ray Morgan)  
Rutland Woking (Carthouse Lane) Limited (alternate for Ray Morgan)  
Woking Necropolis and Mausoleum Limited  
Brookwood Cemetery Limited  
Brookwood Park Limited  
Kingfield Community Sports Centre Limited

#### Leigh Clarke, Director of Finance

Kingfield Community Sports Centre Limited



STANDARDS AND AUDIT COMMITTEE – 17 SEPTEMBER 2020

## PROTOCOLS FOR CONFIDENTIALITY AND OFFICER CONFLICT OF INTERESTS

### Executive Summary

At its meeting on 30 July 2020, Council resolved that a Confidentiality Protocol and an Officer Conflicts of Interests Protocol should be submitted to the Standards and Audit Committee for recommendation to Council.

Draft Protocols are appended to this report for consideration by the Committee.

### Recommendations

The Committee is requested to:

#### **RECOMMEND TO COUNCIL That**

The draft Confidentiality Protocol and Officer Conflicts of Interest Protocol (together with any amendments agreed by the Standards and Audit Committee on 17 September 2020) are adopted by the Council.

The item(s) above will need to be dealt with by way of a Recommendation to Council.

**Background Papers:** None.

**Reporting Person:** Peter Bryant, Director of Legal and Democratic Services / Monitoring Officer  
Email: Ext. 3030, E Mail: Peter.Bryant@woking.gov.uk

**Contact Person:** Peter Bryant, Director of Legal and Democratic Services / Monitoring Officer  
Email: Ext. 3030, E Mail: Peter.Bryant@woking.gov.uk

**Date Published:** 9 September 2020

STA20-012



## **Protocols for Confidentiality and Officer Conflict of Interests**

### **1.0 Introduction**

- 1.1 At its meeting on 30 July 2020, Council considered a report on the recommendations from the Overview and Scrutiny Committee in respect of the Woking Football Club and Associated Developments Task Group report.
- 1.2 Council resolved (amongst other things) that a Confidentiality Protocol and an Officer Conflicts of Interests Protocol should be submitted to the Standards and Audit Committee, at its meeting on 17 September 2020, for recommendation to Council.
- 1.3 Draft Protocols are appended to this report for consideration by the Committee (Appendix 1 – Confidentiality Protocol; Appendix 2 – Officer Conflicts of Interest Protocol).

### **2.0 Confidentiality Protocol**

- 2.1 The draft Confidentiality Protocol deals with the rare occasions where the Council is involved in a transaction that needs to be kept confidential (in order to protect the interests of the Council and/or the party the Council is dealing with).
- 2.2 The draft Protocol ensures that the circumstances in which confidentiality obligations are entered into by the Council are clearly defined, with significant Member oversight. Importantly, the extent of confidentiality has to be limited to the minimum amount reasonably required to enable the underlying proposal to be considered/progressed by the Council. The draft Protocol provides for regular reviews of the need for confidentiality in each case. This will ensure that information is not kept confidential longer than is strictly necessary.
- 2.3 The draft Protocol also addresses the circumstances in which an item of business is considered on a Part II basis (i.e. without the press and public present). This was the subject of a Notice of Motion from Councillor Chrystie at the Council meeting on 30 July 2020. In short, business can only be dealt with under Part II if this is allowed by statute and the Council's Constitution. As with confidentiality obligations, the draft Protocol provides for there to be significant Member oversight of Part II items.

### **3.0 Officer Conflicts of Interest Protocol**

- 3.1 The Officer Conflicts of Interest Protocol draws together the existing controls on Officers' conflicts of interest. These are contained in (i) Local Government Act 1972, (ii) Officer Employment Rules and (iii) Code of Conduct for Employees Policy.
- 3.2 The draft Protocol provides that a conflict of interest arises when:
  - an Officer's personal interests compromise his/her integrity and/or ability to act in the best interests of the Council in respect of a particular matter, or
  - a reasonable person, with knowledge of all relevant facts, would consider this to be the case.

The second limb of this definition is important as it addresses the public perception of Officer interests.

- 3.3 The draft Protocol will ensure that a consistent and corporate approach is adopted in determining whether an Officer has a conflict of interest. As with the Confidentiality Protocol, there will be significant Member oversight of the process.

## Protocols for Confidentiality and Officer Conflict of Interests

### 4.0 Implications

#### Financial

4.1 None.

#### Human Resource/Training and Development

4.2 None.

#### Community Safety

4.3 None.

#### Risk Management

4.4 Adopting (and acting in accordance with) the Protocols will reduce the risk of the Council being subject to a successful legal challenge in its transactions with third-parties.

#### Sustainability

4.5 None.

#### Equalities

4.6 None

#### Safeguarding

4.7 None.

### 5.0 Conclusions

5.1 The Protocols address the issues considered by Council, following the recommendations of the Overview and Scrutiny Committee in respect of the Woking Football Club and Associated Developments Task Group report.

5.2 The Protocols will ensure that it is clear when (i) Council business can be dealt with on a confidential basis and (ii) an Officer has a conflict of interest, so cannot be involved in a matter.

5.3 Both Protocols provide for significant Member involvement in, and oversight of, confidentiality obligations and Officer conflicts of interest.

REPORT ENDS

Woking Borough Council

Confidentiality Protocol

Adopted [15 October 2020]

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## **1. Introduction**

- 1.1 The Council is an open and transparent organisation. This enables residents to see what the Council is doing and, more importantly, why actions are taken by it. In this way, residents are able to hold the Council to account for its actions.
- 1.2 There will be rare occasions where the Council is involved in a transaction that needs to be kept confidential, in order to protect the interests of the Council and/or the party the Council is dealing with. The Council will only enter into confidentiality obligations when there are sound and clear-cut reasons to do so.
- 1.3 Confidentiality obligations fall into three main categories, (i) non-disclosure agreements (NDAs), (ii) confidentiality clauses in contracts and (iii) Part II items of business considered by Council, Executive and Committees. This Protocol deals with each category in turn, and sets out the issues and procedures that apply to these confidentiality obligations.
- 1.4 For the avoidance of doubt, this Protocol does not apply to situations where the Council is required to maintain the confidentiality of personal information e.g. information relating to (i) recipients of Council services and (ii) Council employees. This information will be processed in accordance with the relevant statutory provisions, including the Data Protection Act 2018 and the General Data Protection Regulation.

## **2. Non-Disclosure Agreements (NDAs)**

- 2.1 It is normal practice for the Council to enter into a NDA when it is exploring a commercial proposal with a third-party. NDAs allow third-parties to make proposals to the Council, and for Officers to establish whether those proposals warrant formal consideration by the Council (normally by report to the Executive and/or Council). NDAs are an important, but standard, part of local authority business practice.
- 2.2 A NDA will only be entered into if one of the three Statutory Officers of the Council has, following (where practical) consultation with the Leader of the Council (or in his/her absence, the Deputy Leader of the Council), authorised completion of the same. In the event that all three Statutory Officers are absent (or are otherwise unable to act), authority to enter into a NDA may be given by a Deputy Statutory Officer.
- 2.3 The extent of confidentiality provided for in a NDA (including the period during which the information will be confidential) shall be the minimum amount reasonably required to enable the underlying proposal to be considered by the Council.
- 2.4 Full details of completed NDAs (together with a copy of the NDA) shall be included in:-
- (a) a Register of NDAs maintained by the Monitoring Officer, and
  - (b) the Project Workbook, prepared under the Council's Project Management Framework, for the underlying proposal.

The Register of NDAs and Project Workbook shall be available for inspection by Members of the Council.

- 2.5 The need for a NDA to remain in effect shall be reviewed, on an annual basis, by the Monitoring Officer. The outcome of the review shall be recorded in the Register of NDAs.
- 2.6 An annual report shall be submitted to the Executive setting out details of NDAs still in effect.

### **3. Confidentiality Clauses in Contracts**

- 3.1 On occasions, the Council will enter into business contracts/development agreements that contain confidentiality clauses. This is to ensure that commercially sensitive information remains private until it ceases to be sensitive. Such clauses routinely provide for publication of the information to be agreed between the parties.
- 3.2 The extent of confidentiality provided for in a business contract/development agreement (including the period during which the information will be confidential) shall be the minimum amount reasonably required to enable the underlying transaction to proceed.
- 3.3 Business contracts/development agreements are normally completed following a report to the Executive and/or Council. The Officer report will detail the extent of confidentiality provided for in the proposed business contract/development agreement (including the period during which the information will be confidential) so that it can be considered and, if appropriate, approved by Members. Any extension to the period during which the information will be confidential will require the approval of the Executive.
- 3.4 Full details of confidentiality clauses in completed business contracts/development agreements (together with a copy of the confidentiality clause) shall be included in:-
  - (a) a Register of Contractual Confidentiality Clauses maintained by the Monitoring Officer, and
  - (b) the Project Workbook, prepared under the Council's Project Management Framework, for the underlying transaction.

The Register of Contractual Confidentiality Clauses shall be available for inspection by Members of the Council.
- 3.5 The need for a contractual confidentiality clause to remain in effect shall be reviewed, on an annual basis, by the Monitoring Officer. The outcome of the review shall be recorded in the Register of Contractual Confidentiality Clauses.
- 3.6 An annual report shall be submitted to the Executive setting out details of contractual confidentiality clauses still in effect.

#### **4. Part II Items of Business Considered by Council, Executive and Committees.**

- 4.1 The ability of the Council, Executive or a Committee to consider an item of business on a Part II basis (i.e. without the press and public present) is strictly limited by statute.
- 4.2 The Council has adopted, as part of its Constitution, "Access to Information Rules". These set out the circumstances in which the Council must, and may, deal with business on a Part II basis. These Rules are consistent with the statutory provisions and should be complied with on all occasions.
- 4.3 Full details of Part II items of business shall be included in a Register of Part II Items maintained by the Monitoring Officer. The Register of Part II Items shall be available for inspection by Members of the Council.
- 4.4 The need for an item of business to remain subject to a Part II designation shall be reviewed, on an annual basis, by the Monitoring Officer. The outcome of the review shall be recorded in the Register of Part II Items.
- 4.5 An annual report shall be submitted to the Executive setting out details of items of business subject to a Part II designation.

This Protocol was adopted by the Council on [15 October 2020]



Woking Borough Council

Officer Conflicts of Interest Protocol

Adopted [15 October 2020]

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## **1. Introduction**

- 1.1 The Council is a major public authority, active in its local community. As such, it is important that the Council ensures that its Officers do not act, on its behalf, when there is a conflict between an Officer's personal interests and those of the Council.
- 1.2 Provisions relevant to conflicts of interest are contained in the Local Government Act 1972, the Council's Officer Employment Procedure Rules and the Council's Code of Conduct for Employees Policy. This Protocol provides further guidance to Officers on how conflicts of interest are dealt with at the Council.
- 1.3 For the avoidance of doubt, this Protocol does not apply to the roles performed by Officers as Council appointed directors of companies in which the Council has an interest. In these circumstances, an Officer's role is no different to what it would be if the activity was directly managed by a department of the Council.

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## **2. Existing Requirements**

### **2.1 The Local Government Act 1972**

2.2 Section 117 of the Local Government Act 1972 requires Officers to give notice to the Council of any Council contract in which he/she has a pecuniary interest.

2.3 Failure to comply with this obligation is punishable, on conviction, with a fine not exceeding £2,500.

### **2.4 Officer Employment Rules**

2.5 Section 4 of the Officer Employment Rules requires Officers to give notice of interests (pecuniary and non-pecuniary) to the Director of Legal and Democratic Services. The record of these interests is open for inspection by Members of the Council.

2.6 Section 4 of the Officer Employment Rules also requires reports to Council, Executive and Committees to include reference to Officers' interests.

### **2.7 Code of Conduct for Employees Policy**

2.8 Section 8 of the Code of Conduct for Employees Policy requires Officers to consider carefully which outside interests might give rise to a conflict in the performance of their normal duties and which ought to be disclosed to their manager and formally recorded.

2.9 Section 9 of the Code of Conduct for Employees Policy also reinforces the requirement for Officers to comply with the provisions of the Local Government Act 1972 and the Officer Employment Rules.

### **3. What is a Conflict of Interest?**

3.1 For the purposes of this Protocol, a conflict of interest arises when:-

- an Officer's personal interests compromise his/her integrity and/or ability to act in the best interests of the Council in respect of a particular matter, **or**
- a reasonable person, with knowledge of all relevant facts, would consider this to be the case.

3.2 The effect of this definition is that Officers should never do anything that is incapable of being justified to the public.

3.3 A consistent and corporate approach should be adopted in determining whether an Officer has a conflict of interest. If there is a conflict of interest, the Officer should not be involved in the transaction being undertaken by the Council. The following section of this Protocol outlines the procedure that should be followed.

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#### **4. Procedure**

- 4.1 Officer interests shall be declared and recorded in accordance with the requirements of the Local Government Act 1972, Officer Employment Rules and Code of Conduct for Employees Policy.
- 4.2 An Officer who has declared an interest may only be involved in a transaction to which the declaration relates if one of the three Statutory Officers of the Council has, following (where practical) consultation with the Leader of the Council (or in his/her absence, the Deputy Leader of the Council), determined that the Officer does not have a conflict of interest. In the event that all three Statutory Officers are absent (or are otherwise unable to act), a Deputy Statutory Officer shall determine whether the Officer has a conflict of interest.
- 4.3 In the event that the Officer declaring an interest is a Statutory Officer, the determination may only be made by a Statutory Officer who does not have the same, or similar, interest.
- 4.4 Full details of Statutory Officers' Determinations shall be included in:-
- (a) a Register of Statutory Officers' Determinations (Officers' Conflict of Interests Protocol) maintained by the Monitoring Officer, and
  - (b) the Project Workbook, prepared under the Council's Project Management Framework, for the underlying proposal.
- The Register of Statutory Officers' Determinations (Officers' Conflict of Interests Protocol) and Project Workbook shall be available for inspection by Members of the Council.
- 4.5 The extent to which an Officer has a conflict of interest in respect of a Council transaction shall be reviewed on a three-monthly basis. This review shall, where practical, be undertaken by the Statutory Officer who made the initial determination. The provisions of paragraphs 4.2 and 4.3 of this Protocol shall apply to the review. The outcome of the review shall be recorded in the Register of Statutory Officers' Determinations (Officers' Conflict of Interests Protocol).
- 4.6 The Monitoring Officer shall undertake a general review of the operation of this Protocol on a three-monthly basis. The outcome of the review shall be recorded in the Register of Statutory Officers' Determinations (Officers' Conflict of Interests Protocol).
- 4.7 An annual report shall be submitted to the Executive setting out details of the Statutory Officers' Determinations.

This Protocol was adopted by the Council on [15 October 2020]



STANDARDS AND AUDIT COMMITTEE – 17 SEPTEMBER 2020

## INTERNAL AUDIT PROGRESS REPORT

### Executive Summary

Financial Regulation 2.8 requires that the Chief Finance Officer shall regularly report to the Standards and Audit Committee on the work undertaken by Internal Audit. This report is accordingly submitted to the Committee for consideration.

This report covers audit activity and performance from 23 July to 04 September 2020.

### Recommendations

The Committee is requested to:

**RESOLVE That** the report be received and progress against the 2020-21 Internal Audit Plan and implementation of Internal Audit recommendations be noted.

The Committee has the authority to determine the recommendation(s) set out above.

**Background Papers:** None.

**Reporting Person:** Graeme Clarke, Director, Mazars LLP  
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Juan Fosco, Manager, Mazars LLP  
E-Mail: [juan.fosco@mazars.co.uk](mailto:juan.fosco@mazars.co.uk)

**Contact Person:** Leigh Clarke, Finance Director  
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**Date Published:** 9 September 2020



**1.0 Introduction**

- 1.1 Financial Regulation 2.8 requires that the Chief Finance Officer shall regularly report to the Standards and Audit Committee on the work undertaken by Internal Audit. This report covers audit activity and performance from 23 July 2020.
- 1.2 The Standards and Audit Committee approved the 2020/21 Internal Audit Plan (Plan) on 5 March 2020.
- 1.3 The purpose of this report is to outline the following in respect of Internal Audit Activity during the period:
  - An update on progress in delivering the 2020/21 internal audit plan;
  - A summary of any Limited/Nil Assurance reports issued, and high priority recommendations raised; and
  - An update on follow up activity and any recommendations outstanding for implementation.

**2.0 Internal Audit Progress**

- 2.1 Due to the impact of the Covid-19 pandemic, the Council's Corporate Management Group (CMG) assisted Internal Audit in re-visiting the 2020/21 Plan, confirming all audits in the Plan remained relevant. CMG also assisted in identifying areas that would have availability to be audited from July 2020 considering the increased pressures and workload that the Council Areas had. An additional advisory review not included in the Plan initially, will be undertaken from 28 September onward. This advisory review is related to the Council's Covid-19 response.
- 2.2 From the 21 internal audits included in the 2020/21 Plan, six were scheduled in Q2 and five in Q3. The remaining are expected to be delivered in Q4. Further detail of the audits, progress and timing, is included in Appendix 1 of this report.
- 2.3 As at 1 September 2020, approximately 20% of the Plan was delivered to at least draft report stage or being delivered with work in progress. This is in line with revised timings/prioritisation following discussions with CMG. The first audit of the Plan started in July 2020. Also, three reports from the 2019/20 Plan had been finalised in the interim.
- 2.4 The table below provides a summary of progress relevant to the 2020/21 Plan:

| <b>Audit Status</b>   | <b>Number of reviews</b> | <b>Percentage %</b> |
|-----------------------|--------------------------|---------------------|
| Finalised             | 0                        | 0                   |
| Draft                 | 2                        | 9.5%                |
| Fieldwork in progress | 2                        | 9.5%                |
| Not yet started       | 17                       | 81%                 |
| <b>Total</b>          | <b>21</b>                | <b>100%</b>         |

- 2.5 At present, we are expecting to be able to complete all Q2 audits by October 2020, in line with the expectations from CMG and timeliness of audits identified in the Plan detailed in Appendix 1.

**3.0 Audit Reports Issued**

- 3.1 We have four categories by which we classify internal audit assurance over the processes we examine: Substantial, Satisfactory, Limited or Nil.

## Internal Audit Progress Report

- 3.2 Three final and two draft reports were issued in the period. Three received a Satisfactory Assurance opinion, and two received a Limited Assurance opinion.
- 3.3 There is one report outstanding from the 2019/20 Plan which is currently at a draft stage. This audit has a satisfactory assurance opinion (FlexiRoute IT Application). The draft report was issued at the start of the Covid-19 pandemic. The draft report is currently under discussion with the Council, and auditees have asked for additional time to respond to the queries raised by Internal Audit. This is given the workload and additional pressures the area is facing. The table below shows the drafts and final audit reports issued in the period.

| Audit Title                              | Assurance Opinion | Date Issued | Recommendations by Priority |           |           |
|--|-------------------|-------------|-----------------------------|-----------|-----------|
|  |                   |             | High                        | Medium    | Low       |
| <b>2019/2020 Internal Audit Plan</b>     |                   |             |                             |           |           |
| Managing Agents (H&S Compliance)         | Limited           | 25/08/2020  | 3                           | 5         | 4         |
| Asset Management – Regulatory Compliance | Satisfactory      | 24/08/2020  | -                           | 2         | 2         |
| Off-Payroll Engagements                  | Limited           | 04/09/2020  | 4                           | 1         | 1         |
| <b>2020/2021 Internal Audit Plan</b>     |                   |             |                             |           |           |
| Planning Enforcement*                    | Satisfactory      | 18/08/2020  | -                           | 2         | 2         |
| Complaints*                              | Satisfactory      | 04/09/2020  | -                           | 2         | 1         |
| <b>Total</b>                             |                   |             | <b>7</b>                    | <b>12</b> | <b>10</b> |

\*Draft reports

- 3.4 Internal Audit categorises recommendations as High, Medium or Low priority to differentiate between the types of recommendation made. These categories give management an indication of the importance and urgency of implementing the recommendations.
- 3.5 Seven 'High Priority' recommendations were raised in the reports finalised in the period. Details of all recommendations raised can be found in the summary reports for each audit provided separately to Members.

### 4.0 Follow-Ups

- 4.1 A new Action Management system to track recommendations has now been implemented. This system replaces the Shikari system, which was used previously. In the interim period, the implementation of high priority recommendations has been followed up manually.
- 4.2 The new Action Management system has been populated with 2018/19 and 2019/20 recommendations. It will also include recommendations raised in the 2020/21 financial year moving forward.
- 4.3 A report will be extracted from the Action Management System and will be included in the upcoming Internal Audit progress reports.
- 4.4 In addition to management updates on progress, spot checks are undertaken to confirm that recommendations are being implemented in practice. A procedure is in place to escalate recommendations that have not been implemented as agreed to CMG and finally to this Committee where necessary.

- 4.5 As of 04 September 2020, there are two outstanding high priority recommendations (i.e. recommendations that are past their agreed implementation dates) that have been confirmed as not yet implemented. These two are related to Counter-Fraud. Further detail of these recommendations is included in Appendix 2 of this report.

**5.0 Implications**

Financial

- 5.1 There are minimal financial implications regarding the implementation of internal audit recommendations. Some audit recommendations are designed to improve value for money and financial control.

Human Resource/Training and Development

- 5.2 Some audit recommendations need officer resource to put in place.

Community Safety

- 5.3 There is a minimal impact on Community Safety.

Risk Management

- 5.4 Internal Audit identifies weaknesses in the control environment. Implementation of recommendations, therefore, improves the control environment and hence the management of risk.

Sustainability

- 5.5 There is minimal impact on sustainability issues.

Equalities

- 5.6 There is minimal impact on equalities issues.

Safeguarding

- 5.7 There is minimal impact on safeguarding issues.

REPORT ENDS

## APPENDIX 1

## CURRENT PROGRESS - 2020/21 PLAN

| Audit                                 | Progress              | Assurance Opinion | Recommendations |          |          |
|---------------------------------------|-----------------------|-------------------|-----------------|----------|----------|
|                                       |                       |                   | High            | Medium   | Low      |
| <b>Quarter Two</b>                    |                       |                   |                 |          |          |
| Safeguarding Children and Adults      | Fieldwork in Progress | N/A               | -               | -        | -        |
| Freedom Leisure – Contract Management | Starts 21/09/2020     | N/A               | -               | -        | -        |
| Planning Enforcement                  | Draft Issued          | Satisfactory      | 0               | 2        | 2        |
| Complaints                            | Draft Issued          | Satisfactory      | 0               | 2        | 1        |
| Procurement                           | Fieldwork in Progress | N/A               | -               | -        | -        |
| Covid-19 Response                     | Starts 28/09/2020     | N/A               | -               | -        | -        |
| <b>Quarter Three</b>                  |                       |                   |                 |          |          |
| Private Sector Leasing                | Starts 19/11/2020     | N/A               | -               | -        | -        |
| Key Financial Systems (Phase I)       | December 2020         | N/A               | -               | -        | -        |
| Treasury Management                   | Starts 07/09/2020     | N/A               | -               | -        | -        |
| Victoria Square – Change Control      | -                     | N/A               | -               | -        | -        |
| Payroll                               | Starts 19/10/2020     | N/A               | -               | -        | -        |
| <b>Quarter Four</b>                   |                       |                   |                 |          |          |
| Bringing Empty Homes Back into Use    | -                     | N/A               | -               | -        | -        |
| Affordable Housing Delivery           | -                     | N/A               | -               | -        | -        |
| Community Infrastructure Levy         | -                     | N/A               | -               | -        | -        |
| Capital Programme                     | -                     | N/A               | -               | -        | -        |
| Utilities and Energy Management       | -                     | N/A               | -               | -        | -        |
| On-Street Parking                     | -                     | N/A               | -               | -        | -        |
| Key Financial Systems (Phase II)      | -                     | N/A               | -               | -        | -        |
| Budgetary Control                     | -                     | N/A               | -               | -        | -        |
| Risk Management                       | -                     | N/A               | -               | -        | -        |
| Business Planning                     | -                     | N/A               | -               | -        | -        |
| Economic Development                  | -                     | N/A               | -               | -        | -        |
| <b>IT</b>                             |                       |                   |                 |          |          |
| Capita Open Housing                   | -                     | N/A               | -               | -        | -        |
| Office 365                            | -                     | N/A               | -               | -        | -        |
| <b>Total</b>                          |                       |                   | <b>0</b>        | <b>4</b> | <b>3</b> |

APPENDIX 2

OUTSTANDING HIGH PRIORITY RECOMMENDATIONS

| Counter Fraud |  |   |          |   |   |
|---------------|--|---|----------|---|---|
|               | Observation/Risk   | Recommendation  | Priority | Management response   | Timescale/<br>responsibility                    |
| 1             | <p>Fraud risk identification is essential in order to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the Council and its service users. Although it was apparent that staff involved in counter fraud work are aware of fraud risks facing the Council, how they may occur and how they should be managed, the Council has not undertaken a formal fraud risk assessment.</p> <p>Where a fraud risk assessment is not undertaken, the Council may not be directing its counter fraud activity at the areas of greatest risk. Without a risk assessment and also a low number of reported cases of fraud, this may provide a false impression on the prevalence of fraud.</p> | <p>A fraud risk assessment should be undertaken so as to provide a basis for prioritising counter fraud activity. The Council should use published estimates of fraud loss, and where appropriate its own measurement exercises, to aid its evaluation of fraud risk exposure. This information should be used to evaluate the harm to the aims and objectives of the Council that different fraud risks may cause.</p> <p>The risk assessment should be reviewed periodically (at least annually) and reported to CMG.</p> | High     | Agreed. A Fraud risk assessment will be completed to inform future counter fraud work.  | <p>31 March 2020</p> <p>Director of Finance</p> |
| 2             | <p>Organisations require a counter fraud strategy to set out their approach to managing fraud risks and defining responsibilities for action. Although the Council has an Anti-Fraud and Corruption Policy, a</p>  | <p>A Counter Fraud and Corruption Strategy should be developed to address the fraud risks identified (see recommendation 1). The strategy should include a mixture of both proactive and reactive approaches that are best suited to addressing the Council's fraud and corruption risks.</p>   | High     | Agreed, once the risk assessment (recommendation 1) has been completed, a Counter Fraud and Corruption Strategy will be prepared. | <p>30 June 2020</p> <p>Director of Finance</p>  |

| Counter Fraud |   |  |          |                     |                           |
|---------------|---|--|----------|---------------------|---------------------------|
|               | Observation/Risk  | Recommendation   | Priority | Management response | Timescale/ responsibility |
|               | <p>Counter Fraud and Corruption Strategy has not been developed setting out the Council's approach to managing the risk of fraud.</p> <p>The Local Government Transparency Code 2015 requires the annual publication of data relating to the Council's counter fraud work; however, we were unable to locate any transparency data related to fraud.</p> <p>Where the Council does not have a Counter Fraud and Corruption Strategy, actions, responsibilities and accountability may be unclear.</p> <p>As a result, the fraud risks the Council is exposed to may not be managed effectively.</p> | <p>Proactive and reactive components of a good practice response to fraud risk can be found in CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption.</p> <p>The strategy should include clear identification of responsibility and accountability for delivery of tasks within the strategy, and also for providing oversight.</p> <p>A report should be prepared for CMG and the Standards and Audit Committee (or another suitable committee) at least annually on performance against the counter fraud strategy.</p> <p>The Council should also comply with the Local Government Transparency Code 2015 requirement to publish data relating to the Council's counter fraud work.</p> |          |                     |                           |

STANDARDS AND AUDIT COMMITTEE – 17 SEPTEMBER 2020

## MEMBERS' CODE OF CONDUCT

### Executive Summary

This report advises the Committee of complaints, submitted under the Members' Code of Conduct, received by the Monitoring Officer between 1 August 2019 and 31 July 2020.

### Recommendations

The Committee is requested to:

**RESOLVE That** the report detailing the complaints, submitted under the Members' Code of Conduct, received by the Monitoring Officer between 1 August 2019 and 31 July 2020 be noted.

|   |
|---|
| The Committee has the authority to determine the recommendation(s) set out above. |
|---|

**Background Papers:** None.

**Reporting Person:** Peter Bryant, Director of Legal and Democratic Services / Monitoring Officer  
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**Date Published:** 9 September 2020

STA20-010



### 1.0 Introduction

- 1.1 The Arrangements for Dealing with Standards Allegations under the Localism Act 2011, adopted by the Council, provide for the Monitoring Officer to submit an annual report to the Standards and Audit Committee with appropriate details of complaints received.
- 1.2 This report details complaints received by the Monitoring Officer between 1 August 2019 and 31 July 2020.

### 2.0 Complaints Received

- 2.1 The Monitoring Officer received five complaints between 1 August 2019 and 31 July 2020. One of these complaints is still to be determined, so is not referred to in this report.
- 2.2 On 19 October 2019, Councillor 1 complained that Councillor 2 had failed to register interests as required by law and the Members' Code of Conduct. The Monitoring Officer concluded that (i) in one case, there was no interest to declare and (ii) in the other case, registration of the interest should have been made by the Monitoring Officer, not Councillor 2. The complaint did not merit formal investigation, so no further action was taken in respect of it.
- 2.3 On 3 March 2020, a firm of solicitors complained that Councillor 3 had (i) made a biased statement to the Overview and Scrutiny Committee, (ii) had not conducted him/herself in accordance with the Council's rules and regulations and (iii) might have had an interest in the matter under consideration. The Monitoring Officer concluded that (i) Councillor 3 had acted as he would expect a councillor to act and (ii) the Councillor did not have an interest in the matter. The complaint did not merit formal investigation, so no further action was taken in respect of it.
- 2.4 On 24 June 2020, a member of the public complained that Councillor 4 made unacceptable comments at a meeting of the Planning Committee. The Monitoring Officer considered that there was a reasonable basis on which the Councillor could make the comments complained of. The complaint did not merit formal investigation, so no further action was taken in respect of it.
- 2.5 On 27 July 2020, a member of the public complained that Councillor 5 had neither replied to, nor acknowledged receipt of, a letter that he had emailed to the Councillor. The Monitoring Officer concluded that the Councillor had not behaved improperly in not replying to the letter, as only eighteen days had lapsed between the date of the letter and the submission of the complaint. The complaint did not merit formal investigation, so no further action was taken in respect of it.

### 3.0 Implications

#### Financial

- 3.1 None.

#### Human Resource/Training and Development

- 3.2 None.

#### Community Safety

- 3.3 None.

Risk Management

3.4 None.

Sustainability

3.5 None.

Equalities

3.6 None.

Safeguarding

3.7 None.

REPORT ENDS

STANDARDS AND AUDIT COMMITTEE – 17 SEPTEMBER 2020

## OMBUDSMEN COMPLAINTS

### Executive Summary

The Committee is responsible for the oversight of payments in cases of maladministration that are neither disputed nor significant (which are dealt with by the Monitoring Officer).

This report provides details of recent complaints to the Local Government & Social Care Ombudsman and the Housing Ombudsman.

### Recommendations

The Committee is requested to:

**RESOLVE That** the position regarding complaints to the Local Government & Social Care Ombudsman and the Housing Ombudsman be noted.

The Committee has the authority to determine the recommendation(s) set out above.

**Background Papers:** None.

**Reporting Person:** Peter Bryant, Director of Legal and Democratic Services / Monitoring Officer  
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### 1.0 Introduction

- 1.1 The Council's Constitution provides for the Standards and Audit Committee to have "oversight of payments in cases of maladministration which are neither disputed nor significant (which are dealt with by the Monitoring Officer)." Full Council retains responsibility for "disputed/significant payments in cases of maladministration".
- 1.2 At its meeting on 7 July 2016, the Committee asked for an annual report on Ombudsmen complaints. The Local Government & Social Care Ombudsman provides Councils with an Annual Review letter in July each year. It is, therefore, sensible for the annual report to be submitted to the September meeting of the Committee.

### 2.0 Ombudsmen

- 2.1 The Council is subject to the oversight of two Ombudsmen, the Housing Ombudsman and the Local Government & Social Care Ombudsman.
- 2.2 The Housing Ombudsman considers complaints arising from the provision of housing by the Council if the complainant is not satisfied with the outcome of New Vision Homes/the Council's consideration of the complaint.
- 2.3 The Local Government & Social Care Ombudsman considers complaints arising from the provision of other, non-housing, services by the Council if the complainant is not satisfied with the outcome of the Council's consideration of the complaint.

### 3.0 Complaints submitted to the Ombudsmen

- 3.1 A copy of the 2020 Annual Review letter from the Local Government & Social Care Ombudsman is appended to this report. This gives a summary of statistics for decisions made by the Ombudsman on complaints, about the Council, for the year ended 31 March 2020. It can be seen that the Council was the subject of three detailed investigations during that period. None of the complaints was upheld by the Ombudsman.
- 3.2 Unlike in previous years, the Annual Review letter does not detail the total number of complaints made against the Council. For the year ended 31 March 2020, this was seven.
- 3.3 The Housing Ombudsman does not issue an Annual Review letter. This report, therefore, details cases considered by the Housing Ombudsman since those referred to in last year's annual report, i.e. the period between 1 September 2019 and 31 August 2020.
- 3.4 The Housing Ombudsman is currently considering two complaints about the Council. The first complaint relates to repairs. The second complaint relates to repairs, parking and level of service provided.

### 4.0 Conclusions

- 4.1 Although it would be preferable for there to be no complaints to the Ombudsmen, this is never going to happen due to (i) the varied nature of the services provided by the Council and (ii) the number of recipients of those services. That said, the number of complaints is not disproportionate. It is also noteworthy that no complaints were upheld by the Ombudsmen. There are no matters of concern which the Monitoring Officer needs to bring to the attention of the Committee.

**5.0 Implications**

Financial

5.1 None.

Human Resource/Training and Development

5.2 None.

Community Safety

5.3 None.

Risk Management

5.4 None.

Sustainability

5.5 None.

Equalities

5.6 None.

Safeguarding

5.7 None.

REPORT ENDS

22 July 2020

*By email*

Mr Morgan  
Chief Executive  
Woking Borough Council

Dear Mr Morgan

### **Annual Review letter 2020**

I write to you with our annual summary of statistics on the decisions made by the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2020. Given the exceptional pressures under which local authorities have been working over recent months, I thought carefully about whether it was still appropriate to send you this annual update. However, now, more than ever, I believe that it is essential that the public experience of local services is at the heart of our thinking. So, I hope that this feedback, which provides unique insight into the lived experience of your Council's services, will be useful as you continue to deal with the current situation and plan for the future.

### **Complaint statistics**

This year, we continue to place our focus on the outcomes of complaints and what can be learned from them. We want to provide you with the most insightful information we can and have made several changes over recent years to improve the data we capture and report. We focus our statistics on these three key areas:

**Complaints upheld** - We uphold complaints when we find some form of fault in an authority's actions, including where the authority accepted fault before we investigated. A focus on how often things go wrong, rather than simple volumes of complaints provides a clearer indicator of performance.

**Compliance with recommendations** - We recommend ways for authorities to put things right when faults have caused injustice. Our recommendations try to put people back in the position they were before the fault and we monitor authorities to ensure they comply with our recommendations. Failure to comply with our recommendations is rare. An authority with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.

**Satisfactory remedies provided by the authority** - We want to encourage the early resolution of complaints and to credit authorities that have a positive and open approach to

resolving complaints. We recognise cases where an authority has taken steps to put things right before the complaint came to us. The authority upheld the complaint and we agreed with how it offered to put things right.

Finally, we compare the three key annual statistics for your authority with similar types of authorities to work out an average level of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

This data will be uploaded to our interactive map, [Your council's performance](#), along with a copy of this letter on 29 July 2020, and our Review of Local Government Complaints. For further information on how to interpret our statistics, please visit our [website](#).

### **Resources to help you get it right**

There are a range of resources available that can support you to place the learning from complaints, about your authority and others, at the heart of your system of corporate governance. [Your council's performance](#) launched last year and puts our data and information about councils in one place. Again, the emphasis is on learning, not numbers. You can find the decisions we have made, public reports we have issued, and the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

I would encourage you to share the tool with colleagues and elected members; the information can provide valuable insights into service areas, early warning signs of problems and is a key source of information for governance, audit, risk and scrutiny functions.

Earlier this year, we held our link officer seminars in London, Bristol, Leeds and Birmingham. Attended by 178 delegates from 143 local authorities, we focused on maximising the impact of complaints, making sure the right person is involved with complaints at the right time, and how to overcome common challenges.

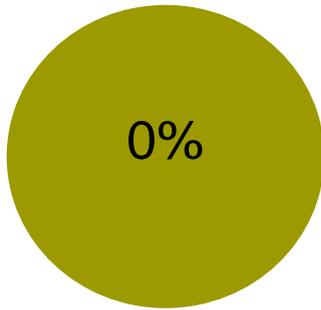
We have a well-established and successful training programme supporting local authorities and independent care providers to help improve local complaint handling. During the year, we delivered 118 courses, training more than 1,400 people. This is 47 more courses than we delivered last year and included more training to adult social care providers than ever before. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

Yours sincerely,



Michael King  
Local Government and Social Care Ombudsman  
Chair, Commission for Local Administration in England

### Complaints upheld



**0%** of complaints we investigated were upheld.

This compares to an average of **45%** in similar authorities.

**0**  
upheld decisions

Statistics are based on a total of 3 detailed investigations for the period between 1 April 2019 to 31 March 2020

### Compliance with Ombudsman recommendations

No recommendations were due for compliance in this period

### Satisfactory remedies provided by the authority

The Ombudsman did not uphold any detailed investigations during this period



STANDARDS AND AUDIT COMMITTEE – 17 SEPTEMBER 2020

## APPOINTMENT OF SUBSTITUTES TO STANDARDS HEARINGS SUB-COMMITTEE

### Executive Summary

The Standards Hearings Sub-Committee conducts hearings into complaints that a Member has breached the Members' Code of Conduct. The Sub-Committee comprises Councillors Bond, Elson, Johnson and Whitehand, with Claire Storey as Chairman.

The Constitution provides for substitute members to be appointed for each Councillor member of the Standards Hearings Sub-Committee. Substitute appointments have not previously been made (as the Sub-Committee does not routinely meet).

A meeting of the Sub-Committee is due to take place in October 2020, so it is appropriate that substitute members should now be appointed to cover any absences.

The Committee will be advised of the proposed appointments at its meeting on 17 September 2020.

### Recommendations

The Committee is requested to:

**RESOLVE That** Substitute Members for the Councillors on the Standards Hearings Sub-Committee be appointed for the remainder of the 2020/21 Municipal Year (such substitutes to be nominated at the Standards and Audit Committee meeting on 17 September 2020).

|   |
|---|
| The Committee has the authority to determine the recommendation(s) set out above. |
|---|

**Background Papers:** None.

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