

MINUTES
OF A MEETING OF THE
STANDARDS AND AUDIT COMMITTEE

held on 8 July 2021

Present:

Mrs C Storey (Chair)
Cllr D E Hughes (Vice-Chair)

Cllr M A Bridgeman Cllr M A Whitehand
Cllr D Roberts

1. MINUTES

RESOLVED

That the minutes of the Committee held on 4 March 2021 and 24 May 2021 be approved and signed as true and correct records.

2. APOLOGIES FOR ABSENCE

No apologies for absence were received.

3. DECLARATIONS OF INTEREST

In accordance with the Officer Procedure Rules, the Finance Director, Leigh Clarke, declared a disclosable personal interest (non-pecuniary) in any items concerning the companies of which she was a Council-appointed Director. The interest was such that speaking was permissible.

4. URGENT BUSINESS

There were no items of Urgent Business.

5. UPDATE ON EXTERNAL AUDIT

The Chairman welcomed Steve Bladen of BDO to the meeting for an update on the External Audit.

Mr Bladen referred to the Audit Report received by the Committee in March which had set out the key findings identified as part of the 2018/19 Audit. The deadline for the completion of the 2019/20 Audit was stated to have been the end of November 2020, however there had been delays due to issues such as the level of available BDO resources from BDO and the completion of the Audit of the subsidiary companies undertaken by the Council's appointed Auditor. It was intended that a more detailed update be received by the Committee at its meeting in September 2021, noting that a number of staff would be on leave during August which could limit progress, and that a final report be considered in November 2021. It was hoped that BDO would be able to catch up with the statutory

deadlines and that the 2020/21 Audit would be completed early during the 2021/22 financial year.

An update on the External Fee was noted, with the matter currently being reviewed by Public Sector Audit Appointments (PSAA) which was liaising with both BDO and the Council.

Following questions by Members, it was noted that the Audit of the subsidiary companies should be completed by the end of August. There had been a pause in the Council Audit between April and June due to BDO being required to focus on the NHS accounts during that time, which also enabled the Council's Finance team to focus on the end of year accounts. It was noted that the value for money conclusion provided by BDO would consider major areas of work undertaken by the Council, for example the Victoria Square development.

It was agreed that the Audit report received in March would be forwarded to the Committee, as some Members were either newly elected or had been appointed to the Committee for the first time. It was further agreed that BDO would provide a timetable setting out the planned work and anticipated timescales.

RESOLVED

That the update be received.

6. ANNUAL GOVERNANCE STATEMENT 2020/21

Leigh Clarke, Director of Finance, introduced the Annual Governance Statement 2020/21, which demonstrated the effectiveness of the Council's corporate governance environment, with the Statement and Action Plan attached as Appendix 1 and the matrix used as the basis for the governance analysis attached as Appendix 2. The Statement would be included in the Council's Statement of Accounts.

Following questions from Members, it was noted that the vacant Director of Community Services post was not currently being appointed to; and that the Strategic Risk Register was the responsibility of the Executive. Joanne McIntosh, Director of Legal and Democratic Services, undertook to provide an update to the Committee on the progress of the Governance Review Task Group. It was proposed that the implementation of the recommendations set out in the report from Dr. Gifty Edila should form an Internal Audit Review, which could also consider the recommendations from the Peer Review.

It was highlighted that the Statement included the Confidentiality Protocol and further information explaining the rationale of this Protocol was to be added to the Statement and further to note that the Medium Term Financial Strategy was due to be considered by the Executive the following week. Joanne McIntosh undertook to liaise with the Head of Democratic Services as to whether Members would find it beneficial for further training on the Members' Code of Conduct to be arranged and to arrange for training feedback forms to be circulated to Members. It was agreed to establish which officer held the position of Risk Champion following the retirement of the Deputy Chief Executive; and to include an item in the Work Programme on the CIPFA Financial Management Code.

RESOLVED

That the Draft Annual Governance Statement be received.

7. INTERNAL AUDIT ANNUAL REPORT 2020/21

The Committee received the Head of Internal Audit annual assurance opinion on the control environment of the Council, which had been based on Internal Audit work undertaken during the 2020/21 financial year.

Graeme Clarke, Director of Mazars, reported that the Internal Audit work had been delivered remotely during the pandemic. The report contained two appendices which set out the Internal Audit reviews and their outcomes, with two final reports having been concluded with limited assurance (Bringing Empty Homes Back into Use and Private Sector Leasing) and five reports classed as draft whilst awaiting management responses; and two high priority recommendations that were past their implementation date (Fraud Risk and Counter Fraud Strategy).

Members noted that the Victoria Square Internal Audit had been postponed to 2021/22 due to a lack of capacity of the contractor during the pandemic, and that the scope of the review was being finalised. Leigh Clarke advised that an overview had taken place in 2018/19 with the intention that other areas of the development would be considered in greater detail, for example change control, in light of the available Internal Audit time.

Leigh Clarke provided an update on the two high priority recommendations past their due date and advised that there had been a lack of available resource to complete them within the original deadline. Regarding Fraud Risk, discussions had been taking place with local authorities of Reigate and Banstead and Oxford which operated sizeable fraud teams and offered their services to a number of authorities. An initial three month period of work had been agreed which could be on a cost neutral basis for Woking due to the savings expected to be identified.

It was noted that there were three high priority recommendations within their due date, two of which related to Bringing Empty Homes Back into Use and one from the 2019/20 financial year regarding Cash Receipting. Members were advised that the recommendations arising from the two limited assurance Audits were being implemented with none currently past their due date.

It was agreed that details of how to access final Internal Audit reports through Members' Ipads would be provided to the Committee.

RESOLVED

That the annual assurance opinion of the Head of Internal Audit over the control environment be noted.

8. REGISTRATION OF INTERESTS FOR MEMBERS ELECTED IN MAY 2021

RESOLVED

That the registration of the interests of the Members newly-elected in May 2021 be noted.

9. STANDARDS AND AUDIT COMMITTEE - WORK PROGRAMME

The Committee received the draft Work Programme for the 2021/22 Municipal Year.

It was agreed that an item on the CIPFA Financial Management Code be added to the November meeting and, following a request from Cllr Barker, an item be included at the September meeting on a Review of Code of Conduct Arrangements, noting that the Council was limited by legislation in this area.

Regarding External Audit, a written update would be received at the meeting in September with detailed findings from the 2019/20 Audit to be presented at the November meeting.

Leigh Clarke advised that discussions would be held with Internal Audit regarding a Review of the implementation of the recommendations in the report by Dr. Gifty Edila and the recommendations of the Peer Review.

RESOLVED

That the Work Programme be noted.

The meeting commenced at 7.00 pm
and ended at 8.15 pm

Chairman: _____

Date: _____