

MINUTES  
OF A MEETING OF THE  
**STANDARDS AND AUDIT COMMITTEE**

held on 7 July 2022  
Present:

Mrs C Storey (Chair)  
Cllr P J T Graves (Vice-Chair)

Cllr H Akberali      Cllr G W Elson

**1. MINUTES**

RESOLVED

That the minutes of the Committee held on 3 March, 27 April (informal) and 23 May 2022 be approved and signed as true and correct records.

**2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors G Cosnahan and A Caulfield.

**3. DECLARATIONS OF INTEREST**

In accordance with the Officer Employment Procedure Rules, the Director of Legal and Democratic Services, Joanne McIntosh, declared a disclosable personal interest (non-pecuniary) interest in any items concerning the companies of which she was a Council-appointed director. The companies were listed in the schedule attached to the agenda pack. The interests were such that Mrs McIntosh could advise the Committee on those items.

In accordance with the Officer Procedure Rules, the Finance Director, Leigh Clarke, declared a disclosable personal interest (pecuniary) in any items including reference to Woking Football Club, arising from her husband holding a small shareholding in the Club. The interests were such that Mrs Clarke could advise the Committee on those items.

**4. URGENT BUSINESS**

There were no items of Urgent Business.

**5. UPDATE ON EXTERNAL AUDIT STA22-011**

Steve Bladen of BDO updated the Committee on the progress of the External Audit for 2019/20.

Steve reported that the work on the Council's single entity accounts was substantially complete and drew attention to the update report circulated with the agenda. There were three main areas for which work remained: liaison with Hamlyns regarding the subsidiary

accounts and their consolidation into the group accounts; consideration of the external legal advice obtained by the Council on the levels of Minimum Revenue Provision (MRP) held; and analysis of the position regarding loans made by the Council to subsidiaries and associates, which was closely linked to MRP and the overall Value for Money conclusion.

Members expressed concern over the delays, adding that residents had raised the issue during the pre-election canvassing, and asked for a timeframe to set out the expected completion of the Audit, however BDO was not currently in a position to set a date. Steve stated that the auditing requirements necessitated External Auditors consider the most up to date information available. A visit had been undertaken to Hamlyns to review their working papers, with some questions raised over the adjustments made. The external legal advice over MRP had been supplied to BDO shortly after being received in November 2021. It was hoped that the Audit should be able to be completed over the summer, and noted that only 48% of local authority accounts had been signed off by the end of March.

Following questions, it was noted that the Council's financial procedures should minimise the effect on the Council's position of any adjustments required to past years' accounts, and that BDO would take into consideration the latest versions of the Medium Term Financial Strategy. There had been no requirement from the Public Works Loans Board for External Audits to be complete prior to borrowing new money. The challenges for Finance in closing the current year's accounts whilst dealing with Audit questions regarding past accounts were noted.

Steve highlighted the wider issues of the difficulties for Auditors recruiting and retaining trained Public Sector audit staff; the Council's accounts having become more complex over past years; and the amount of auditing work required by the Government having increased. It was added that BDO was due to meet with the Department of Levelling Up, Housing and Communities next week and thanked Leigh Clarke for providing the same information to BDO as requested by the Government.

It was noted that once the 2019/20 accounts had been completed, work would begin on 2020/21 and an update would be received at the September meeting of the Committee. The Chairman asked whether representation could be made over the auditing requirements to an appropriate public body, and Leigh and Steve agreed to consider the matter outside the meeting.

RESOLVED

That the update be received.

**6. 121 CHERTSEY ROAD - AUDIT OUTCOME STA22-005**

The Committee welcomed the audit report from Homes England on the Council's purchase of 121 Chertsey Road, which had been selected as part of the Homes England 2021-22 Compliance Audit programme.

RESOLVED

- That (i) the Homes England Audit report, as attached to the report, be accepted; and
- (ii) the Strategic Housing and Development Manager be authorised to officially sign off the report with Homes England.

**7. INTERNAL AUDIT ANNUAL REPORT 2021-22 STA22-009**

Juan Fosco of Mazars introduced the Internal Audit Annual Report 2021/22 which contained the annual assurance opinion on the control environment of the Council based on internal audit work undertaken during that year. The opinion continued to be that the framework of governance, risk management and control was Moderate in its overall adequacy and effectiveness.

Juan reported that the Plan for the year had been approved at the meeting of the Committee in March 2021 and, except for the Data Centre report, been conducted remotely. It was noted that some Council services had indicated that they could not accommodate an Audit largely due to staff illnesses arising from the pandemic, and so some changes had been made to the Plan following consultation with the Council's Corporate Leadership Team.

Section 3 of the report set out the outcomes of the programme, listing each audit, its assurance level or need for deferral, plus the number of recommendations made. The remaining Audits at draft report stage were expected to be finalised over the coming weeks. There were two outstanding high priority recommendations set out in Appendix 1 to the report, both relating to Counter Fraud. Leigh Clarke advised that a lack of available resource had delayed the start of the work with Reigate and Oxford local authorities to undertake a fraud risk assessment, however it was expected to be completed by the end of December.

Following questions, it was noted that there no over-arching themes and that the good performance of the Council implementing the recommendations was showing an improvement in the rolling audits regularly undertaken.

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 2022 STA22-008**

RESOLVED

That the registration of the interests of the Members newly-elected in May 2022 be noted.

**9. STANDARDS AND AUDIT COMMITTEE - WORK PROGRAMME STA22-006**

The Committee received the draft Work Programme for the year ahead and noted that the Annual Governance Statement would be received at the meeting on 15 September due to the Council's Statement of Accounts being required to be approved by the end of September instead of July.

RESOLVED

That the Work Programme be received.

Standards and Audit Committee 7 July 2022

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The meeting commenced at 7.00 pm  
and ended at 8.15 pm

Chairman: \_\_\_\_\_

Date: \_\_\_\_\_