

MINUTES
OF A MEETING OF THE
STANDARDS AND AUDIT COMMITTEE

held on 29 February 2024

Present:

Mrs C Storey (Chairman)
Cllr H Akberali Cllr S Greentree
Cllr J Brown Cllr S Oades
Cllr G Cosnahan

Absent: Councillor A Caulfield

1. MINUTES

RESOLVED

That the minutes of the Committee held on 23 November 2023 be approved and signed as a true and correct record.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Andy Caulfield.

3. DECLARATIONS OF INTEREST

In accordance with the Code of Conduct, Claire Storey declared a disclosable pecuniary interest in minute items 6 and 7 – Amendments to Constitution – Members' Allowances and Responsibility for Standards and Audit Committee – in respect of her role as a Co-opted Independent Member and Chairman of the Standards and Audit Committee. The interest was such that Mrs Storey would leave the Council Chamber during the determination of these items.

In accordance with the Officer Employment Procedure Rules, the Strategic Director - Corporate Resources, Kevin Foster declared a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he is a Council-appointed director. The interests were such that Mr Foster could advise on those items.

4. URGENT BUSINESS

As the Chairman had declared an interest in minute items 6 and 7 with apologies for absence having been received from the Vice-Chairman, Councillor Brown was elected Vice-Chairman for the meeting and would preside over both items.

5. AMENDMENTS TO CONSTITUTION - EXCEPTIONS TO STANDING ORDERS - PROCUREMENT STA24-001

The Committee received the first of four reports which recommended changes to the Council's Constitution. The first was to amend the Exceptions to Standing Orders clause by removing part (ii) 'where the Executive so directs', which facilitated a provision for the Executive to over-ride a procurement decision. It was added that clause 12.3 would need to be amended to re-number the exceptions referred to as a result, and to clarify clause 12.2 by referring to the procurement tendering system.

RECOMMENDED TO COUNCIL

- That (i) **clause on Exceptions to Standing Orders (Appendix 1 to the report) be amended as set out within the report in the Council's Constitution under Section 6 of Part 5;**
- (ii) **the authority delegated to the Monitoring Officer to make minor amendments to the Constitution be noted, including amendments to references within the document and section numbering; and**
- (iii) **the Monitoring Officer be instructed to make the agreed changes to the Constitution.**

6. AMENDMENTS TO CONSTITUTION - MEMBERS' ALLOWANCES STA24-002

(NOTE: As the Chairman had declared an interest under the Code of Conduct and had withdrawn from the Chamber, the item was chaired by the Vice-Chairman for the meeting, Councillor Brown.)

The Committee received the second report which recommended amendments to the Council's Constitution by removing two clauses in relation to Members surgeries due to usage and affordability, and the Co-optees Allowance which would fall under the remit of the Head of Paid Service alongside other pay decisions. Following a question by Councillor Brown it was noted that free car parking for Members would be included in the review of car park fees and charges due to be received by the Executive at its meeting in March.

RECOMMENDED TO COUNCIL

- That (i) **the clauses on 'Members Surgeries' and 'Co-optees Allowance' (Appendix 1 to the report) be removed from the Council's Constitution under Section 4 of Part 5;**
- (ii) **the authority delegated to the Monitoring Officer to make minor amendments to the Constitution be noted, including amendments to references within the document and section numbering; and**
- (iii) **the Monitoring Officer be instructed to make the agreed changes to the Constitution.**

7. AMENDMENTS TO CONSTITUTION - RESPONSIBILITY FOR STANDARDS AND AUDIT COMMITTEE STA24-003

(NOTE: As the Chairman had declared an interest under the Code of Conduct and had withdrawn from the Chamber, the item was chaired by the Vice-Chairman for the meeting, Councillor Brown.)

The Committee received the third report which proposed amendments to the Council's Constitution by increasing the maximum number of Independent Co-opted Members who could be appointed to the Standards and Audit Committee from one to two, so that the Council would have greater flexibility to benefit from professionals' experience, which was supported by the Commissioners. The recommendation included a request from the Corporate Governance Working Group to lobby the Local Government Association to provide an off the shelf version of a Council Constitution which could be adapted as required.

RECOMMENDED TO COUNCIL

- That (i) **the clause on Responsibility for Standards and Audit Committee (Appendix 1 to the report) under Section 1 of Part 3, and Article 10 – Standards and Audit Committee (Appendix 2 to the report) under Section 1 of Part 2, in the Council's Constitution be amended as set out within the report;**
- (ii) **the authority delegated to the Monitoring Officer to make minor amendments to the Constitution be noted, including amendments to references within the document and section numbering;**
- (iii) **Monitoring Officer be instructed to make the agreed changes to the Constitution; and**
- (iv) **the Local Government Association be lobbied to provide an off the shelf version of a local authority Constitution that could be adapted by individual councils.**

8. AMENDMENTS TO CONSTITUTION - ASSET DISPOSALS THRESHOLD STA24-004

The Committee received the final report which proposed changes to the Council's Constitution regarding the delegated authorities of the Strategic Director – Corporate Resources and Strategic Director – Communities, including imposing a limit of £1m beyond which approval would be required by the Executive. The Committee raised the issue of indexation to take account of inflation and it was stated that the limit would be kept under review and the vast majority of asset activity going forward would be disposals and not acquisitions.

RECOMMENDED TO COUNCIL

- That (i) **clauses on 'Sale of Land' and 'Land Management' in the Scheme of Delegations (Appendix 1 to the report) under Section 3 of Part 3 of the Council's Constitution be amended as set out within the report;**
- (ii) **authority delegated to the Monitoring Officer to make minor amendments to the Constitution be noted, including amendments to references within the document and section numbering; and**
- (iii) **Monitoring Officer be instructed to make the agreed changes to the Constitution.**

9. UPDATE ON EXTERNAL AUDIT (BDO) STA24-005

Steve Bladen from BDO provided an update to the Committee on the External Audit. A written paper had been circulated which referred to the recently launched Government

consultation on proposed changes to the Account and Audit Regulations 2015 and the Code of Audit Practice in relation to the wider audit backlog. The Committee was advised that the progress of the external audit had been limited to assessing those elements of the financial statements where gaps in the assurance remained and the implications for the audit, alongside work on the Value for Money conclusion. There was also an outstanding objection to the 2019/20 financial accounts on Minimum Revenue Provision. Steve reported that BDO would also seek a variation to the fees payable by representation to Public Sector Audit Appointments Ltd.

Following questions by the Chairman, it was stated that no new evidence had been gathered since the last meeting of the Committee; the opinion on the 2019/20 accounts would likely be a disclaimed audit opinion together with a lack of assurance over some balances in the accounts; the consultation proposed the remaining financial years 2021/22 and 2022/23 could be consolidated into one Audit, and would be likely to lead to disclaimed audit opinions for which fees would be payable by the Council; and following the end of the consultation in June BDO would expect to issue its conclusions by the proposed backstop date of 30 September 2024 after ongoing work with its technical team had been completed.

Members expressed disappointment and frustration that there had been little change from the last meeting other than the outcome of the Government consultation being awaited. Councillor Oades asked for a work plan for the outstanding items alongside timelines for their completion and Steve advised that BDO would consider whether anything further could be provided. Eugene Walker, Interim Section 151 Officer, advised that there was no outstanding work for the Council to carry out in relation to the 2019/20 Audit and the finance team was working on closing the 2022/23 accounts.

RESOLVED

That the update be received.

10. AUDIT PROGRESS REPORT AND SECTOR UPDATE (GRANT THORNTON) STA24-006

Joanne Brown and Paul Jacklin of Grant Thornton introduced the report which provided an update on the progress of the External Audit for 2023/24. In addition, the report included a summary of emerging national issues and developments that could be relevant to the Council; and a number of challenge questions in respect of the emerging issues which Members could consider.

The planning and interim fieldwork was noted to have commenced in January and would include a review of the authority's control environment; documenting understanding of financial systems; reviewing Internal Audit reports on core financial systems; understanding how the Council made material estimates for financial statements; and early work on emerging accounting issues. The results of the work would be reported in the progress report brought to the July meeting, which would also include a detailed audit plan setting out the proposed approach to the 2023/24 audit. Joanne advised that the aim was to provide an opinion on the Statement of Accounts by 30 December 2024.

The Chairman asked how long it could take for Woking to no longer received disclaimed audit opinions and it was stated that good positive engagement with the finance team was taking place and that Grant Thornton was undertaking scenario planning regarding the opening balances carried forward from the previous auditors to ensure a clear approach.

In addition, Joanne reported that the separate Value for Money audit taking place was nearing completion as consultation was taking place with Grant Thornton's legal team alongside any individuals named in the report which would take around four weeks to complete. The report would be received subsequently at a meeting of Full Council, noting that the meeting date could be affected by the timing of the local Elections.

RESOLVED

That the update be received.

The meeting commenced at 7.00 pm
and ended at 8.10 pm

Chairman: _____

Date: _____