

MINUTES
OF A MEETING OF THE
STANDARDS AND AUDIT COMMITTEE

held on 19 July 2018

Present:

Mrs C Storey (Chair)
Cllr M A Whitehand (Vice-Chair)

Cllr S Ashall Cllr I Johnson
Cllr J E Bond

Absent: Councillors R Mohammed

1. MINUTES

RESOLVED

That the minutes of the Committee held on 8 March and 21 May 2018 be approved and signed as a true and correct record.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor R Mohammed.

3. DECLARATIONS OF INTEREST

In accordance with the Officer Procedure Rules, the Head of Democratic and Legal Services, Peter Bryant, declared an interest in any items under which the Thamesway Group of Companies, Brookwood Cemetery or Duke's Court were discussed, arising from his position as a Director of the subsidiary companies. The interest was such that speaking was permissible.

4. URGENT BUSINESS

There were no items of Urgent Business.

5. EXTERNAL AUDIT REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) 2017/18

The Chairman welcomed Neil Hewitson from KPMG to the meeting, who advised the Committee that the statutory responsibility of the External Auditor was to issue an opinion on the Council's financial statements along with a value for money conclusion. An unqualified opinion had been issued for both relating to the 2017/18 financial year.

The Committee noted the significant audit risks identified for the Council which were the valuation of land and buildings, valuation of investment properties, and pension liabilities. In addition, four other areas of audit focus had been highlighted as the consolidation of

subsidiary statements, faster close, fraud risk from revenue recognition, and fraud risk from management override of controls. These items had been flagged previously due to the size of the figures concerned and the level of judgement required, and were not new for 2017/18.

It was considered very positive that overall no issues had been raised in the opinion, and the Committee thanked officers and KPMG for their work in enabling the accounts to be finalised in line with the faster close arrangements. Additionally, the recommendations from the previous year's audit were noted to have been implemented.

The Chairman additionally noted that next year a new External Auditor would be in place and thanked KPMG for their work over the past few years.

RECOMMENDED TO COUNCIL

That the Report to Those Charged with Governance (ISA 260) 2017/18 and the Management Representation letter be received.

6. HEALTH AND SAFETY ANNUAL REPORT

The Committee received the Annual Health and Safety report. Peter Bryant, the Head of Democratic and Legal Services, advised the Committee that the report showed there were no matters for concern whilst also setting out the improvements implemented during the 2017/18 financial year. The Committee noted paragraph 10.1 of the report which stated that Woking Borough Council continued to be a safe place to work, and that its partners were working safely as well.

Following a question from the Chairman regarding the disbanded Health and Safety Committee and the move to health and safety matters being discussed by the Council's Corporate Management Group (CMG), Peter Bryant stated that an agenda item was included on each agenda for the Director's meetings to enable proactive discussions to take place along with training planned for CMG, as a matter of paramount importance to the Council. The Directors would be able to review outstanding Risk Assessments for areas under their remit, and it was noted that external consultants had been hired to assist and monitor the progress of these assessments. In addition, health and safety was discussed as a standing item at joint meetings of CMG and Unison.

The Committee noted the arrangements for the Council's contractors in reporting health and safety matters, along with the process for reporting aggressive behaviour from members of public to Council staff.

Following a question by Cllr Whitehand, Peter Bryant undertook to clarify to the Committee following the meeting whether the figure stated in the report for Council accidents was correct as it was thought that an accident may have been omitted.

RESOLVED

- That (i) the report on health and safety be received; and
- (ii) there were no matters of concern.

7. ANNUAL GOVERNANCE STATEMENT 2017/18

The Committee received the Annual Governance Statement for 2017/18, which demonstrated the effectiveness of the Council's corporate governance environment in line

with the CIPFA / SOLACE governance framework through compliance of seven core principles of governance. The assessment of the Council's governance arrangements was set out as appendix 2 to the report and was noted by the Committee to be excellent.

RESOLVED

That the Annual Governance Statement be received.

8. INTERNAL AUDIT ANNUAL REPORT 2017-18

James Graham, Head of Internal Audit, introduced the Internal Audit Annual Report 2017/18 which set out the internal audit work undertaken during the previous financial year along with the audit assurance that overall controls continued to be effective within the Council. During the year two negative assurance reports were issued which were health and safety, for which the two high risk recommendations had now been implemented, and IT disaster recovery, where an action plan had now been put together to deal with the issues raised in the audit.

Following a question by the Chairman it was stated that there were just three outstanding audits which had been planned for the end of the year, one of which was in draft and the other two in progress. There were currently twelve outstanding medium priority recommendations. Two Audits had been cancelled in the year which dealt with affordable homes, as it had been covered substantively in previous years, and Critical Friend, for which audit work would take place with CMG on the Council's approach to strategic projects. The total number of recommendations in a given year would depend on the nature of the Council services chosen for audit, with high risk areas being reviewed more regularly.

RESOLVED

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

9. REGISTRATION OF INTERESTS FOR MEMBERS ELECTED IN MAY 2018

RESOLVED

That the registration of the interests of the Members newly elected in May 2018 be noted.

10. STANDARDS AND AUDIT COMMITTEE - WORK PROGRAMME

RESOLVED

That the Work Programme be noted.

The meeting commenced at 7.00 pm
and ended at 7.50 pm

Chairman: _____

Date: _____