

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

held on 18 July 2019

Present:

Mrs C Storey (Chair)  
Cllr I Johnson (Vice-Chair)

Cllr J E Bond                      Cllr M A Whitehand  
Cllr L S Lyons

**1. MINUTES**

RESOLVED

That the minutes of the Committee held on 11 April and 20 May 2019 be approved and signed as a true and correct record.

**2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Simon Ashall.

**3. DECLARATIONS OF INTEREST**

In accordance with the Members' Code of Conduct, Councillor I Johnson declared a non-pecuniary interest in any item under which Woking Football Club was discussed, arising from his wife's position as the Chairman of Woking Football Club. The interest was such that speaking and voting were permissible.

In accordance with the Officer Procedure Rules, the Head of Democratic and Legal Services, Peter Bryant, declared a disclosable personal interest (non-pecuniary) in any items under which the Thameswey 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.

In accordance with the Officer Procedure Rules, the Finance Director, Leigh Clarke, declared a disclosable personal interest (non-pecuniary) in any items under which Duke's Court was discussed, arising from her position as a Director of Dukes Court Owner T S a r l. The interest was such that speaking was permissible.

In accordance with the Officer Procedure Rules, the Head of Democratic and Legal Services, Peter Bryant, declared a disclosable personal interest (non-pecuniary) in any items under which Woking Football Club was discussed, arising from his position as a Council appointed Director of Kingfield Community Sports Centre Ltd, being a member of the Cards Trust; and on occasion providing advice and assistance to the Club on an unpaid basis. The interest was such that speaking was permissible.

In accordance with the Officer Procedure Rules, the Finance Director, Leigh Clarke, declared a disclosable personal interest (pecuniary) in any items under which Woking Football Club was discussed, arising from her husband holding a small shareholding in the Club. The interest was such that speaking was permissible.

**4. URGENT BUSINESS**

There were no items of Urgent Business.

**5. INTERNAL AUDIT ANNUAL REPORT 2018/19 STA19-008**

The Committee received the report on the Internal Audit work undertaken during the 2018/19 financial year, leading to the annual assurance opinion that overall controls were deemed to be effective within the Council. There had been four negative assurance opinions issued, however action was being taken to rectify the issues raised.

The Committee noted that there were some outstanding Audits expected to be completed during the current financial year, including Asset Management; an advisory Audit on the Council's ICT Strategy; and the Waste Management Contract Audit being led by Surrey Heath Borough Council.

A new tracking system was being developed for actions arising from Internal Audit reports which was expected to be introduced shortly. If Managers were unable to implement an action arising from a report, a discussion would be held with Internal Audit to consider whether an alternative was required.

The Business Continuity Internal Audit report was stated to be in the process of being finalised, with a limited assurance opinion, and it was agreed that the report along with management actions would be added to the Work Programme for consideration by the Committee.

**RESOLVED**

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

**6. EXTERNAL AUDIT REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) 2018/19 ST19-006**

The Chairman welcomed Leigh Lloyd-Thomas and Matthew Vosper from the Council's External Auditor, BDO, to the meeting for the Auditor's report to those charged with Governance (ISA 260) 2018-19.

The Committee was advised 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 was anticipated to be issued for both relating to the 2018/19 financial year. Due to the slightly later start of the Audit following the recent merger involving BDO, there were a number of areas where work had not yet been finalised which had been highlighted in green throughout the report, in particular the valuation of investment properties held by the Council and its subsidiary companies.

A total of four adjustments had been proposed to the draft Statement of Accounts published in May 2019, three of which the Council had reported to BDO prior to the Audit

commencing. The remaining change related to the calculation of the pension liability due to a national issue affecting valuations for all Councils during the current year. In addition, the Audit had identified one difference of £137,000 relating to the timing of income received from the sale of parking permits. The Accounts would not be adjusted as the amount was below the level of materiality required, which was stated to be £2.6m for the Comprehensive Income and Expenditure Statement and £15.5m for the Balance Sheet.

A recommendation had been raised as a result of the audit work relating to the processes in place to ensure income and expenditure were recorded in the correct year. In addition, the Committee was advised that in future years BDO would suggest changes to the formatting of the Accounts in light of CIPFA guidelines on presentation. It was noted that changes would be considered, however it was important that they made a positive contribution towards enhancing accessibility for members of the public.

### **RECOMMENDED TO COUNCIL**

**That the report to Those Charged with Governance (ISA 260) 2018/19 be received.**

## **7. ANNUAL GOVERNANCE STATEMENT 2018/19 STA19-007**

The Committee received the report on the Annual Governance Statement 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 was included in the Council's Statement of Accounts.

Page 30 of the Statement referred to the Council's arrangements for consultation along with the principles of consultation document and it was agreed to clarify their location on the website. Page 43 included a reference to the tracking of actions and it was noted that the new action tracking system could be considered for dealing with External Audit actions in addition to Internal Audit actions.

Concern was raised over some of the items received by the Executive or Council being classed as Part II Confidential and it was noted that the Council aimed to ensure that matters were discussed under Part I, although there were limited occasions where there was a need to protect the Council's business interests or the interests of those organisations which the Council was carrying out business with.

It was agreed to clarify outside the meeting whether the Citizen's Panel had been used in recent times as part of the wider consultation work. The importance of allowing a sufficient consultation period for proposals affecting members of the public was noted. In addition, the new Neighbourhood Forums were noted to be successful in engaging with the public in areas such as Byfleet and West Byfleet and could be included within the Statement.

With regard to the number of Directors appointed to the Boards of the Council's subsidiary companies, it was stated that when making acquisitions the Council may need to buy the company which owned the asset, therefore requiring the Council to nominate Directors even when the intention was to transfer the asset to the Council and liquidate the company. All Directors were aware of their respective interests and in the unlikely event of a possible conflict arising between the Council and the company, the Council officer would resign from the respective Directorship. For Thameswey companies, there was a Protocol in place which provided for the quorum of at least one Councillor Director, one Independent Director and one Officer Director being present at each Board meeting.

Regarding Principle E on page 19, 'Developing the entity's capacity, including the capability of its leadership and the individuals within it', it was stated that the Council should ensure that the workload of staff did not reach unrealistic levels and there was a continued focus on succession planning within the Authority. Reference was made to the Peer Review which was undertaken in 2015 and noted that the next Peer Review would be held in November 2019.

RESOLVED

That the Annual Governance Statement be received.

**8. HEALTH AND SAFETY ANNUAL REPORT STA19-009**

The Health and Safety Annual Report was received, which set out the activity during the 2018/19 financial year, including training; accident information for Council employees, non-employees and contractors; and health and safety incidents. With the exception of an accident to Amey's staff there was no major accidents which had taken place. An error was highlighted in section 4 of the report, there had been a total of five accidents to staff as opposed to four as stated in the report.

The Chairman welcomed the use of consultants to undertake health and safety audits. It was noted that contractors were required to submit annual health and safety information to the Council and remained fully responsible for activity involving their own employees.

Concern was expressed that there had been an increase in aggressive incident reports at the Council over the past year. As a result, the Council's Corporate Management Group had agreed recently that a permanent security presence should be placed in the entrance lobby to the Civic Offices to deter future incidents.

Regarding training, it was noted that a number of staff required to undertake courses had not yet completed them, although some would be on long-term sick leave or new to the organisation. Email reminders were circulated to all staff with a course outstanding, with the overall monitoring undertaken by Human Resources or the Senior Health and Safety Officer.

As requested by the Committee last year, the Summary of Accidents reported by way of claim for compensation with no accident form was set out on page 59 of the report.

RESOLVED

That the Health and Safety Annual Report be received no matters of concern.

**9. REGISTRATION OF INTERESTS FOR MEMBERS ELECTED IN MAY 2019 STA19-010**

RESOLVED

That the registration of the Members newly-elected in May 2019 be noted.

**10. WORK PROGRAMME STA19-011**

The Committee agreed that the Internal Audit report on Business Continuity alongside management actions would be received at its meeting on 28 November 2019.

RESOLVED

That the Work Programme be received.

The meeting commenced at 7.00 pm  
and ended at 8.50 pm

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

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