

MINUTES
OF A MEETING OF THE
STANDARDS AND AUDIT COMMITTEE

held on 23 November 2023

Present:

Mrs C Storey (Chairman)
Cllr A Caulfield (Vice-Chair)

Cllr G Cosnahan Cllr S Oades
Cllr S Greentree

1. MINUTES

RESOLVED

That the minutes of the Committee held on 21 September 2023 be approved and signed as a true and correct record.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Hassan Akberali, Graeme Clarke (Mazars) and Louise Strongitharm.

3. DECLARATIONS OF INTEREST

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

There were no items of Urgent Business.

5. AMENDMENTS TO CONSTITUTION - PUBLIC PARTICIPATION AT PLANNING COMMITTEE STA23-024

The Committee received the first of a series of recommendations from the Corporate Governance Working Group regarding amendments to the Council's Constitution, relating to Public Speaking at Planning Committee, which also incorporated changes proposed by the Overview and Scrutiny Committee and Planning Committee at their respective meetings.

Tom James, Development Manager, introduced the paper and advised that the main changes proposed were to reduce the threshold for public speaking from ten to five objections and to also include supporters of applications. Following a discussion with Councillor Andy Caulfield a further change had been proposed with the aim of ensuring

local residents held an equal voice at meetings of the Planning Committee. The amendment was to alter the wording of paragraph 4.10 from:

‘Councillors will have the opportunity of asking further questions of the Officers and, if necessary, ask Officers to make a brief summary of the planning issues, at the end of the debate.’

to:

‘Councillors will have the opportunity of asking further questions of the Officers and with the permission of the Chair, this can include the Ward Councillors. If necessary, the Chair can ask Officers to make a brief summary of the planning issues, at the end of the debate.’

The Committee supported the amendment.

Following a question, Tom clarified that the reason for a petition being counted as a single objection was that Planning Services encouraged residents to submit a written letter setting out their views on a planning application rather than signing a petition handed to them.

RECOMMENDED TO COUNCIL That

- (i) **the amended Public Speaking at Planning Committee section of the Constitution (Appendix 2 to the report) be adopted, as amended by the Standards and Audit Committee in relation to paragraph 4.10;**
- (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 - MEDIA PROTOCOL STA23-025

The Committee received the second proposal from the Corporate Governance Working Group which proposed the adoption of a Corporate Press and Media Protocol. Andy Denner, Marketing Communications Manager, introduced the report and advised that the Protocol set out the roles and responsibilities for managing media relations and the reputation of the Council. It would apply to members of the Executive and Council Officers who may be contacted by representatives of the media.

Following a question, it was noted that each Press Release included a quotation from a Member otherwise the document would be referred to as a Press Notice.

The Committee broadly welcomed the Protocol.

RECOMMENDED TO COUNCIL That

- (i) **the Corporate Press and Media Protocol (Appendix 1 to the report) be adopted;**
- (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 - PROVISIONS FOR URGENT BUSINESS STA23-026

The Committee received the third recommendation from the Corporate Governance Working Group which proposed the adoption of a new section in the Constitution to deal with items of Urgent Business. Members supported the proposal.

RECOMMENDED TO COUNCIL That

- (i) **the section on Urgent Business (Appendix 1 to the report) be added to the Council's Constitution under Section 1 of Part 4;**
- (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.**

8. AMENDMENTS TO CONSTITUTION - QUESTIONS FROM MEMBERS OF PUBLIC STA23-027

The Committee received the fourth and final recommendation from the Corporate Governance Working Group which suggested amendments to the arrangements for receiving questions from members of the public at Council meetings, which had been introduced earlier in the year. The report included the proposal to enable each questioner to ask one supplementary question at the meeting. Members broadly welcomed the proposal.

RECOMMENDED TO COUNCIL That

- (i) **the existing section on Questions from Members of the Public (Appendix 1 to the report) in the Council's Constitution be updated under Section 1 of Part 4;**
- (ii) **the addition of any references within the new section to other sections within the Constitution be delegated to the Monitoring Officer as minor amendments; and**
- (iii) **the Monitoring Officer be instructed to make the agreed changes to the Constitution.**

9. SIGNING OFF OF ACCOUNTS - PRIOR AND CURRENT YEARS STA23-021

Eugene Walker, the Interim Director of Finance / Section 151 Officer, introduced the report which provided an update on the signing off of prior and current years' accounts.

For the financial year 2023/24, it was stated that the Council's financial statements would be audited by the newly appointed external auditors, Grant Thornton, with BDO remaining responsible for external audits for the financial years 2019/20, 2020/21, 2021/22, and 2022/23.

As part of the transition from BDO to Grant Thornton, BDO had agreed to work with the Council to conclude all outstanding audits by the end of March 2024 subject to a suitable statutory backstop framework being established by the National Audit Office (NAO) and Department for Levelling Up, Housing and Communities (DLUHC), which would enable local auditors to issue a disclaimed opinion on financial statements where the audit had not started, or a modified opinion where that audit was in progress but not yet concluded. Grant Thornton would commence work on their audit, specifically opening and closing balances, in January 2024. In the absence of the confirmation of when the outstanding audits would need to be completed, the Council and Auditors had agreed to work to a March 2024 deadline which could to be revisited once the national dates had been confirmed.

Following questions by Members, Joanne Brown from Grant Thornton stated that an announcement from the Government to confirm the dates was expected imminently and that the Auditor would need to consider the level of assurance it could provide on the opening balances for the 2023/24 External Audit set as part of the backstop arrangements and would liaise with the Council's finance team accordingly.

Eugene advised that in relation to the Council's budget setting in February, the issue of the opening balances had been included in the Council's discussions with the Commissioners and DLUHC as part of the Council's Debt Reduction Plan.

Steve Bladen from BDO confirmed that whilst the Government announcement was awaited work would take place to liaise with the Council regarding the potential qualifications that would be applied to the Accounts for the financial years allocated to the Auditor.

The Committee welcomed the report and emphasised the importance of concluding the remaining delayed Audits for 2019/20, 2020/21, 2021/22 and 2022/23.

RESOLVED

That the approach outlined in report be received.

10. VERBAL UPDATE ON THE PROGRESS OF THE VALUE FOR MONEY AUDIT

Joanne provided a brief update on the progress of the Value for Money Audit commissioned by the Council and stated that Grant Thornton had drafted the report which was now receiving legal advice and would be shared with the Council via the Chief Executive and the Public Sector Audit Appointments body hopefully before Christmas. It was expected therefore that the report would be published in the New Year.

RESOLVED

That the update be received.

11. HALE END COURT LEARNING POINTS STA23-018

Following the report on the Audit Outcome of Hale End Court by Homes England which was received by the Committee on 6 July 2023, the Committee received the further update it had requested on the learning points from the Audit and how they were being applied within the Council.

The Committee noted the issues regarding the security of the land as highlighted in the report along with the Council's process for the classification of projects.

RESOLVED

That the update be received.

12. HEALTH AND SAFETY ANNUAL REPORT STA23-017

Kevin Foster, Strategic Director for Corporate Resources, introduced the report on the Annual Health and Safety Report and introduced the Council's Health and Safety Officer, Vicky Pickett, who had joined the team earlier this year and was attending with Amanda Jeffrey, Head of Human Resources. The report had been delayed from the previous meeting to enable Vicky to make some changes she had identified to the content of the report, for example the inclusion of benchmarking. The report should be regarded as work in progress as it would evolve further in future years.

Following questions, Vicky reported that staff received regular reminders to ensure that their e-learning courses were completed in a timely manner, for example the Fire Awareness course currently had a lower completion rate; however the figures in the report would be affected by levels of staff turnover. Kevin added that the Performance Development Review process was being adapted to reflect the completion rate of the relevant staff member's Health and Safety e-learning courses.

It was noted that a reason for the Eastwood Leisure Centre and the Sportsbox having a lower level of non-employee accidents than the Pool in the Park was that the latter involved a higher level of fun activities rather than solely fitness.

The Committee thanked officers for the preparation of the report.

RESOLVED

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

13. INTERNAL AUDIT PROGRESS REPORT STA23-019

Juan Fosco of Mazars introduced the Internal Audit Progress report which covered Audit activity from 8 September to 6 November 2023 and advised the Committee that 46% of the Audits in the Plan had been finalised, in draft form or with fieldwork in progress. The remaining 54% of the Plan was due to begin by the end of the financial year.

Work was taking place towards the finalising of the three reports highlighted in the previous update for Sheerwater Regeneration, Contract Management – Savills and Commercial Property Estate. In addition two final reports had been issued for Key Financial Systems and IT – Office 365 with a total of 28 recommendations classed as either medium or low. Since the last meeting, the Action Management system had been migrated to a Microsoft 365 environment which had caused some delays during the transition period. A reconciliation process was to take place to ensure the status of recommendations was up to date which would be reported to the Committee at its next meeting.

It was noted that two higher priority historic recommendations relating to Counter Fraud were being progressed by the Council's Interim Finance Director with the Mazars Forensics and Investigations Team. Eugene added that the Council was working with Reigate and

Banstead Borough Council on its Counter Fraud Strategy and Risk Assessment and that the current deadline for the completion of both actions was set as 31 March 2024.

RESOLVED

That the report be received, and progress against the 2023-24 Internal Audit Plan and implementation of Internal Audit recommendations be noted.

14. INTERNAL AUDIT CHARTER STA23-020

Juan introduced the Internal Audit Charter report which was similar to those received by the Committee the previous year. Eugene stated that the Charter had been considered by the Corporate Leadership Team (CLT) and Commissioners recently and the comments were being collated. Following agreement with Mazars, a revised Charter would be received at the next meeting for the Committee's approval.

Following questions, it was confirmed that the Charter complied with Public Sector Internal Audit guidance and stated that the Council had developed a new quarterly assurance process to CLT as part of its Risk Management process and Annual Governance Statement work.

RESOLVED

That the Internal Audit Charter be noted.

15. ANNUAL GOVERNANCE STATEMENT 2022/23 STA23-023

Gareth John, Interim Head of Democratic and Legal Services, introduced the Annual Governance Statement 2022-23 which demonstrated the effectiveness of the Council's corporate governance environment and that the Council had appropriate internal control mechanisms in place.

The evaluation of governance arrangements was based around the CIPFA/SOLACE governance framework 'Delivering Good Governance in Local Government' which contained seven core principles focusing on the arrangements, systems and processes for the direction and control of the organisation and its activities. The framework required the development of a Governance Statement and action plan to correct any identified governance issues.

It was stated that in past years a detailed analysis had been included in the report, however due to workload constraints it had not been possible to prepare the document in the current year. The Statement was regarded as a living document and Members felt it provided a fair view of the Council's governance arrangements during the year. The next annual version would be informed by the Improvement and Recovery Plan.

It was acknowledged that the Statement has been coloured by the Government Intervention and Section 114 Notice and noted that whilst the detailed analysis had not been added the document it was considered to accurately reflect the issues the Council was facing.

RESOLVED

That the draft Annual Governance Statement be received.

The meeting commenced at 7.00 pm
and ended at 8.15 pm

Chairman: _____

Date: _____