

Minutes of a Meeting of the Audit and Standards Committee held at Council Chamber, Surrey Heath House on 15 July 2015

- + Cllr Valerie White (Chairman)
- Cllr Paul Ilnicki (Vice Chairman)

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| + Cllr Rodney Bates | + Cllr Jonathan Lytle |
| + Cllr Edward Hawkins | + Cllr Bruce Mansell |
| + Cllr David Lewis | |

- + Present
- Apologies for absence presented

1/AS Minutes

The minutes of the Standards Hearing and Determination Committee meeting held on 16 June 2014 and the minutes of the Performance and Audit Scrutiny Committee (Audit meeting) held on 25 March 2015 were agreed and signed by the Chairman.

2/AS Annual Governance Statement

The Committee received a report on the draft Annual Corporate Governance Statement, which would form part of the 2014/15 annual accounts and would be signed by the Leader of the Council and the Chief Executive.

The Statement informed stakeholders of the Governance Arrangements within the Council, addressed the key issues for the year and focused upon those considered in the previous year.

Members discussed actions which had been undertaken in respect of issues which had arisen in the previous financial year. In particular, Members highlighted the introduction of parking equipment and machinery and the problems service users continued to experience. It was advised that, although there continued to be issues which affected users, the number of breakdowns experienced had significantly reduced compared to previous years. An audit of the Parking Service would also be brought forward in order to address the concerns raised.

It was confirmed that, in relation to the changes being approved and monitored by the Council's Transformation Board, a final report stating the outcomes of the transformation would be submitted to the Board once the changes had been established.

Members agreed to further enquire about changes to the Camberley Theatre café at the next meeting of the Camberley Theatre and Arena Leisure Centre Working Group.

RESOLVED to note the report.

3/AS Annual Report on Standards Issues

The Committee received the Annual Report of the Monitoring Officer for the 2014/15 municipal year. The Monitoring Officer reported that one complaint against a Member had been received that year but had not been formally investigated as it had been rejected on the grounds of being 'vexatious, frivolous or malicious or in some other way an abuse of process.'

The Committee was informed that questions of predetermination and declarations of interest arose most frequently in relation to planning matters.

It was reported that no dispensations had been granted that year.

Training on decision making and standards issues had been provided for all Members following the Elections. Parish councillors had also received training on planning and standards matters.

RESOLVED that the Annual Report be noted.

4/AS Annual Internal Audit Report

In order to comply with the Public Sector Internal Audit Standards, the Executive Head of Finance, as the officer responsible for Audit, was required to provide a written report to this Committee which must:

- provide an opinion on the overall adequacy and effectiveness of the Council's control environment and risk landscape;
- disclose any qualifications to that opinion, with reasons;
- present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies; and
- highlight any significant matters for reporting.

The Committee received a report which summarised the work undertaken by Internal Audit in the 2014/15 year. A large proportion of the work related to key finance systems; it was advised that External Audit placed reliance on this area of Internal Audit's work. In addition, in 2014/15 24 audits had been carried out, 19 of which had been from the Annual Audit Plan and 5 of which had been ad hoc or unscheduled pieces of work.

It was noted that, in relation to the 4 Levels of Assurance used, of the audits fully completed, none had resulted in full assurance, 9 had received substantial assurance, 6 had limited assurance and none had nil assurance. A total of 81 recommendations had been made, of which 38 had been classified as essential/ high priority and 35 had been classified as desirable/ medium priority.

The Committee was informed that the overall opinion of the Executive Head of Finance was that the Council's internal control framework was adequate and effective and was being managed with due care and attention. This opinion was

based on the work of Internal Audit, the opinion of the Council's external auditors, other assurance providers and regulators, plus the assurances that they had placed on the work of Internal Audit.

Members were advised that Internal Audit undertook mystery shopping where relevant.

The Committee discussed the 3G pitch which had opened at Frimley Lodge Park earlier that year and was informed that in order to allow sufficient time for the appropriate systems and governance arrangements to be established no audit had yet taken place. Members supported the proposal to schedule an audit of this new facility within the next few months.

RESOLVED to

- (i) note the 2014/15 Audit Annual Report; and**
- (ii) support the proposal to schedule an audit of the 3G Pitch service within the next few months.**

5/AS Effectiveness of the Systems of the Internal Audit

The Committee was informed that an annual review of the effectiveness of the system of internal audit was required under the Accounts and Audit Regulations 2011. The review, which had been conducted by the Council's Senior Auditor, had been based upon the following factors:

- Operation of the Performance and Audit Scrutiny Committee. It was noted that audit now be reporting to this committee.
- Compliance with the Public Sector Internal Audit Standards
- External audit assessment of Internal Audit's work
- Progress made against Internal Audit's work plan for 2014/15 (the annual Audit Plan)
- Other achievements by the Internal Audit Section in 2014/15.

RESOLVED to note and approve the report on the Review of the Effectiveness of Internal Audit.

6/AS Report on Internal Audit Recommendations as at June 2015

The Committee received a report detailing the status of internal audit recommendations as at June 2015.

It was reported that, in the 12 month period to June 2015, a total of 81 recommendations had been made by Internal Audit, of which 38 were essential, 35 desirable and 8 were best practice. Members were advised that only essential

recommendations had been included in the report in order to allow the Council to focus upon the areas which were highest risk.

The Committee was informed that only 2 essential recommendations were overdue, resulting in a 95% completion rate. The 2 outstanding essential recommendations had been discussed with senior management and it had been agreed to extend the target date to March 2016. An action was in place to address the 2 recommendations by that time.

Members discussed the outstanding recommendations and it was suggested that, although particular elements the Planned Property Maintenance Policy could not be started until condition surveys on all Council assets were complete, work could begin on the more strategic elements of the Policy.

RESOLVED to note the current position with outstanding audit recommendations.

Chairman