

**Minutes of a Meeting of the Audit and Standards Committee held at Council Chamber, Surrey Heath House, Knoll Road, Camberley, GU15 3HD on 10 July 2017**

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+ Cllr Paul Deach (Chairman)  
+ Cllr Rebecca Jennings-Evans (Vice Chairman)

+ Cllr Rodney Bates  
+ Cllr Edward Hawkins  
+ Cllr Paul Ilnicki

+ Cllr Bruce Mansell  
- Cllr Conrad Sturt

+ Present  
- Apologies for absence presented

In Attendance: Julia Hutley-Savage, Principal Solicitor  
Kelvin Menon, Executive Head of Finance  
Alex Middleton, Senior Auditor

### **1AS Minutes of Previous Meeting**

**RESOLVED** that the minutes of the meeting of the Audit and Standards Committee held on 30 March 2017 be approved as a correct record and signed by the Chairman.

### **2AS Declarations of Interest**

There were no declarations of interest.

### **3AS Assessment of Going Concern Status**

The Committee received a report setting out the S151 Officer's assessment of the Council as a 'going concern'.

All local authorities had been asked to assess the likelihood of their survival as a going concern in the coming financial year. The assessment reviewed the Council's current and projected financial positions and its strategic planning and budget framework processes within the regulatory and control environment in which the Council operated and would be used to develop the Council's Statement of Accounts for 2016/17.

It was reported that the Council had ended the 2016/17 financial year under budget. Capital schemes had come in under budget and all expenditure had been funded. The Council had ended the 2016/17 financial year with a net balance of £40million and a balanced budget for the 2017/18 financial year that placed an emphasis on increasing income generation rather than cutting services had been set. This combined with a well-established and robust corporate governance framework has resulted in the assessment concluding that the Council continued to be a going concern.

Arising from Members' questions and comments the following point were noted:

- The Council's agreed borrowing limit was set by the Council and was based on an assessment of the Council's Capital Programme.

- The outcome of the recent General Election had resulted in uncertainty over the future of previous Government proposals to allow local authorities to retain 100% of their business rates.

**RESOLVED** that the contents of the report be noted and approved.

#### **4AS Annual Governance Statement**

The Committee considered a report setting out the draft Annual Corporate Governance Statement 2016/17.

There was a statutory requirement for the Council to produce an Annual Corporate Governance statement which reviewed the effectiveness of the Council's control systems and formed part of the final accounts for each financial year. The Statement set out the governance arrangements in place at the Council, highlighted any key issues identified during the year and summarised progress made towards addressing any previously identified issues.

It was reported that the Council's Monitoring Officer and Section 151 Officer considered the Council's governance arrangements to be adequate and effective. Whilst no significant governance issues had been identified in 2016/17 a number of minor issues that might impact on the Council's ability to operate effectively had been identified, including the purchase of Camberley town centre, the Council becoming the lead authority for the Joint Waste Partnership and the implementation of the General Data Protection Regulations, and these would be monitored through the planned work of the Council.

Arising from Members' questions and comments the following points were noted:

- In the Key Elements section the reference to the Council holding all meetings in public would be clarified to make reference to exemptions under Section 12A of the Local Government Act 1972.
- It was clarified that the Talk Surrey Heath initiative was a live internet broadcast not a podcast.
- It was requested that an update be provided on the review of security arrangements that had arisen from the 2016/17 theatre audit.
- It was agreed that more details of the Council's Citizens Panel would be circulated including information relating to how the panel's membership was refreshed and what subjects the panel had been consulted on.

**RESOLVED** that the contents of the report be noted and approved.

#### **5AS Internal Audit Annual Report 2016-17**

The Committee received a report summarising the work carried out by the Council's Internal Audit function during the 2016/17 financial year.

It was reported that during the 2016/17, the internal audit function had carried out 23 scheduled audits in line with the areas identified in the Council's annual plan including audits of: Camberley Theatre, parking, licensing, grant payments, community transport and parks and green spaces. In addition, six unscheduled audits were undertaken during the year including reviews of the disabled facilities grants and Windlesham Parish Council. All essential recommendations raised since 1 April 2016 had now been addressed.

Of the 21 scheduled audits completed to date, 18 had received an assessment of Substantial Assurance, one had received an assessment of Limited Assurance and action plans had been developed and advice given in the case of two audits. A total of 90 recommendations had been made for the year 2016/17 with 11 recommendations being classified as essential actions that were required to address substantial weaknesses and ensure that the Council's business objectives and legislative requirements were met.

It was agreed that in future reports the table setting out the assurance levels and the paragraph detailing then number of audits carried out and their associated assurance levels would be incorporated into a single paragraph.

The Committee was informed that the Council had employed a number of new parking enforcement officers and consequently the Council now had more control over how and when parking enforcement notices were being issued thus reducing the number of incorrectly issued notices and placing less reliance on temporary agency staff.

The Committee noted the report.

## **6AS Annual Review of the Effectiveness of the Internal Audit System**

The Committee received a report setting out the outcomes of the Council's statutory annual review of the effectiveness of its system of internal audit for 2016/17.

The review examined the extent to which nine key elements, as identified by the Chartered Institute of Internal Auditors, were being met by the Internal Audit Team including independence, adoption of a mandate and unrestricted access to staff and records.

It was reported that the review had found that the Council's internal audit systems were sound and that internal control systems were working effectively. It was noted that concerns about the capacity of service areas to deal with the additional work load that audits placed on them had been addressed and the internal audit team worked closely with service areas to minimise the disruption experienced by service areas.

The Committee was informed that the Jersey Property Unit Trust (JPUT) which oversaw the Council's property investments had appointed an external auditor who would in turn report to the Council's Auditor who would then report to the Council's Audit and Standards Committee.

It was noted that the Council's move towards delivering an increasing number of its services via electronic means and the increased reliance on virtual and cloud based technologies would place additional pressures on the internal audit function as they worked to ensure that they were fully conversant with the skills required to audit these new areas.

The Committee noted the report.

## **7AS Annual Standards Report**

The Committee received the Monitoring Officer's Annual Report. The report included a summary of any key issues arising in relation to the Members' Code of Conduct and a forward look.

It was noted that, in line with previous years, the majority of issues raised with the Monitoring Officer during 2016/17 related to planning matters and in particular when interests need to be declared. One formal complaint had been received about a Councillor however investigation had found that the Code of Conduct had not been breached.

The Committee noted the report.

**Chairman**