

CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

Report of a meeting held on Thursday, 1st June, 2023 at the Council Offices,
Farnborough at 7.00 pm.

Voting Members

Cllr P.J. Cullum (Chairman)
Cllr S. Trussler (Vice-Chairman)

Cllr A. Adeola
Cllr C.W. Card
Cllr A.H. Gani
Cllr Christine Guinness
Cllr Sarah Spall
Cllr Nem Thapa
Cllr Jacqui Vosper

Cllrs. K. Dibble and C.P. Grattan attended the meeting as Standing Deputies in place
of Cllrs Nadia Martin and Gareth Williams.

Non-Voting Member

Mr. T. Davies – Independent Member (Audit)

Apologies for absence were submitted on behalf of Cllr Nadia Martin and Cllr
Gareth Williams.

1. MINUTES

The minutes of the meeting held on 27th March 2023 were agreed and signed as a
correct record of the proceedings.

AFTER MEETING NOTE: The Committee was advised that the Council's auditor,
Ernst Young, eventually signed off the Council's audited accounts on 31st March
2023 and not as had been recorded in the minutes.

2. AUDIT RESULTS REPORT 2019/20

The Committee received the Interim Executive Head of Finance Report No. FIN2310
on the external auditor's Audit Results Report 2019/20, which provided the context in
which their Audit Opinion had been given along with highlighting areas that the
Council should address.

Members noted the Audit Opinion that the Council's accounts gave a true and fair view of the financial position as at 31st March 2020 and of its expenditure and income for the year then ended. It was also noted that the external auditor's opinion was that the accounts had been prepared properly in accordance with the Chartered Institute of Public Finance (CIPFA)/Local Authority (Scotland) Accounts Advisory Committee (LASAAC) Code of Practice on Local Authority Accounting in the UK 2019/20.

The Report stated that there had been three areas specifically highlighted in the Audit Results Report under Section 7 'Assessment of Control Environment': provision of property information; capacity of the finance department; and, declarations of interest by Members. It was noted that actions had been taken by officers to address these areas of concern and details were set out in the Report.

RESOLVED: That the Interim Executive Head of Finance Report No. FIN2310 be noted.

3. **INTERNAL AUDIT 2022/23 - YEAR END AUDIT UPDATE**

The Committee received the Audit Manager's Report No. AUD2304 which provided an overview of the work completed since the update given in March 2023 and an update on the completion of work against the 2022/23 Audit Plan.

Members noted that all bar one audit had been completed in 2022/23 against the Audit Plan.

RESOLVED: That the Audit Manager's Report No. AUD2304 be noted.

4. **INTERNAL AUDIT - AUDIT OPINION**

The Committee considered the Audit Manager's Report No. AUD2305 which set out the Internal Audit coverage, findings and performance for 2022/23 and presented the Audit Manager's overall assurance opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control (GRC) environment. The Report also covered the self-assessment that had been carried out against the Public Sector Internal Audit Standards (PSIAS) and the progress on the Quality and Assurance Improvement Plan (QAIP) for the year.

The Audit Manager advised that, in assessing the level of assurance to be given for 2022/23, the opinion had been based on:

- written reports on all internal audit work completed during the course of the year (assurance and consultancy);
- results of any follow up exercises undertaken in respect of previous years' internal audit work;
- the results of work of other review bodies, where appropriate (eg Public Services Network certification, peer reviews, International Organisation for Standardisation (ISO) assessments);
- the counter-fraud work carried out by the Corporate Investigations Team;

- the quality and performance of the Internal Audit Service and the extent of compliance with the standards;
- National Fraud Initiative (NFI) data match checks;
- participation on relevant governance groups across the Council, including the Corporate Governance Group and Information Governance Group; and
- mitigations in place to minimise the risks identified within the Corporate Risk Register

The Audit Manager advised the Committee that sufficient assurance work had been completed within the year to enable an overall audit opinion of reasonable to be provided on the Council's governance, risk management and control framework (GRC). Where weaknesses had been identified through internal audit review, management had been worked with to agree appropriate corrective actions and a timescale for improvement. The Committee noted that a self-assessment against the PSIAS had highlighted the following areas of non-compliance:

- an external assessment had not been carried out on Internal Audits conformance with the Standards
- policies and procedures were not up-to-date
- Internal Audit did not have regular contact with External Audit
- an assurance map was not in place for all assurance across the Council

The Committee was advised that all items had been included as actions within the Quality Assurance and Improvement Plan.

RESOLVED: That

- (i) the coverage of assurance obtained across the Council, as set out in the Audit Manager's Report No. AUD2305, be noted;
- (ii) the level of governance, risk management and control (GRC) assessed in 2022/23 through opinion-based audit assurance work be noted;
- (iii) the Audit Opinion for 2022/23 be noted;
- (iv) the Performance Indicators for the Internal Audit activity for 2023/24 be endorsed;
- (v) the self-assessment exercise against the Public Sector Internal Audit Standards (PSIAS) and the areas of non-conformance with them be noted;
- (vi) the Quality and Assurance Improvement Plan for 2023/24, which details areas of improvement to reduce areas where the audit activity did not conform to the PSIAS be endorsed.

5. INTERNAL AUDIT - ANNUAL GOVERNANCE STATEMENT

The Committee considered the Audit Manager's Report No. AUD2306 which presented the Annual Governance Statement 2022/23 for review and approval.

The Council was required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, to report publicly on the extent to which the Council complied with its own Local Code of Corporate Governance, including how the effectiveness of the Council's arrangements were monitored in the year and on any planned changes to governance arrangements for the coming year.

The Report set out the methodology for compiling the Annual Governance Statement and the requirements of the Committee to ensure a meaningful review of the Annual Governance Statement. Members were reminded that they needed to be satisfied that the Annual Governance Statement reflected the governance environment and any actions required to improve it. Members also had to be satisfied that it demonstrated how governance supported the achievement of the Council's objectives.

During discussion, Members sought clarification on issues regarding cyber security and Freedom of Information.

RESOLVED: That the Council's Annual Governance Statement 2022/23 be approved for signing by the Chief Executive and Leader of the Council and for publishing alongside the Statement of Accounts.

6. **CORPORATE POLICY AND GUIDANCE ON SURVEILLANCE AND THE USE OF THE REGULATION OF INVESTIGATORY POWERS ACT 2000**

The Committee considered the Corporate Manager – Legal Report No. LEG2302 which set out a review for approval of the Council's corporate policy on the use of covert investigatory techniques, including surveillance, within and outside the scope of the Regulation of Investigatory Powers Act 2000 (RIPA).

RESOLVED: That the corporate Surveillance and RIPA Policy and proposed amendments, as set out in Report No. LEG2302, be approved.

7. **APPOINTMENT OF INDEPENDENT PERSON (STANDARDS) - UPDATE**

The Corporate Manager – Democracy reported on the recruitment process for the appointment of an Independent Person (Standards). Members were advised that an interview panel comprising the Chairman of the Corporate Governance, Audit and Standards Committee (Cllr P.J. Cullum), Labour Group Leader (Cllr Christine Guinness), the Monitoring Officer (Ian Harrison) and the Corporate Manager – Democracy (Jill Shuttleworth) had met the previous week to interview three candidates. Following the interviews, it was recommended to appoint Mr Matt Smith as the Independent Person (Standards). It was noted that Mr Smith would be appointed on a three years term of office. All Members had been emailed to this effect to ascertain whether anyone had any conflicts of interest.

The Committee placed on record its thanks to Ms Mary Harris for previously undertaking the role of Independent Person (Standards) over a period of several years.

The Committee **RECOMMENDED TO THE COUNCIL** that, subject to any conflicts of interest from Members, Mr Matt Smith be appointed as Independent Person (Standards) for a period of three years.

8. **APPOINTMENTS TO OUTSIDE BODIES, LICENSING SUB-COMMITTEES AND CONSTITUTION WORKING GROUP**

(1) **Outside Bodies –**

RESOLVED: That the appointment of representatives to outside bodies for the 2023/24 Municipal Year, as set out in the attached Appendix, be approved.

(2) **Appointments and Appeals Panels –**

RESOLVED: That the Corporate Manager - Democracy be authorised to make appointments to the Appointments and Appeals Panels in accordance with the membership criteria set out in the Officer Employment Procedure Rules in the Constitution.

(3) **Licensing Sub-Committee –**

RESOLVED: That the following Members be appointed to serve on the Licensing Sub-Committee for the 2023/24 Municipal Year (three Conservative representatives; two Labour representatives):

Conservative Group: Cllrs P.J. Cullum, S. Trussler and Jacqui Vosper

Labour Group: Cllrs Christine Guinness and Sarah Spall.

(4) **Licensing Sub-Committee (Alcohol and Entertainments) –**

RESOLVED: That the Corporate Manager - Democracy be authorised to make appointments from the membership of the Corporate Governance, Audit and Standards Committee in accordance with the procedure agreed by the Committee at its meeting on 21st May 2009 and detailed in the Licensing Sub-Committee (Alcohol and Entertainments) Hearings Protocol and Procedure.

(5) **Licensing Sub-Committee (Taxis) –**

RESOLVED: That the Corporate Manager - Democracy be authorised to make appointments from the membership of the Corporate Governance, Audit and Standards Committee, in accordance with the procedure agreed by the Committee at its meeting on 27th June 2021 and detailed in the Licensing Sub-Committee (Taxis) Hearings Protocol and Procedure.

(6) **Constitution Working Group –**

RESOLVED: That the following Members be appointed to serve on the Constitution Working Group for the 2023/4 Municipal Year (six Members,

including two Cabinet Members, the Chairman of the Committee and representatives of other groups):

- Cabinet Member (Cllr Sue Carter) plus one Cabinet Member vacancy
- the Chairman of the Corporate Governance, Audit and Standards Committee (Cllr P.J. Cullum)
- one representative of the Conservative Group – Cllr S. Trussler
- two representatives of Labour Group (Cllrs Christine Guinness and Sarah Spall).

9. ORGANISATIONAL TREE

The Chairman introduced this item, which had been included on the agenda at his request. Following discussion, it was agreed that a copy of the latest Members' Support Guide be circulated to the Committee, which contained key officer contact details for supporting ward casework.

RESOLVED: That the Corporate Manager – Democracy circulate to the Committee a copy of the latest Members' Support Guide, which included key officer contact details for supporting ward casework.

The meeting closed at 8.12 pm.
