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Contact Officer:

John Armstrong, Democratic Services Manager  
Tel: 01483 444102

18 July 2018

Dear Councillor

Your attendance is requested at a meeting of the **CORPORATE GOVERNANCE AND STANDARDS COMMITTEE** to be held in the Council Chamber, Millmead House, Millmead, Guildford, Surrey GU2 4BB on **THURSDAY 26 JULY 2018** at **7.00 pm**.

Yours faithfully

James Whiteman  
Managing Director

**MEMBERS OF THE COMMITTEE**

Chairman: Councillor Richard Billington  
Vice-Chairman: Councillor Alexandra Chesterfield

Councillor Nils Christiansen	+Mrs Maria Angel MBE
Councillor Colin Cross	^Mr Charles Hope
Councillor Andrew Gomm	^Ms Geraldine Reffo
Councillor Mike Hurdle	^Mr Ian Symes
Councillor Nigel Kears	

\*Independent member

^ Parish member

**Authorised Substitute Members:**

Councillor David Goodwin	Councillor Dennis Paul
Councillor Liz Hogger	Councillor David Quelch
Councillor Christian Holliday	Councillor David Reeve
Councillor Susan Parker	Councillor Caroline Reeves

**WEBCASTING NOTICE**

This meeting will be recorded for live and/or subsequent broadcast on the Council's website in accordance with the Council's capacity in performing a task in the public interest and in line with the Openness of Local Government Bodies Regulations 2014. The whole of the meeting will be recorded, except where there are confidential or exempt items, and the footage will be on the website for six months.

If you have any queries regarding webcasting of meetings, please contact Committee Services.

**QUORUM 3**



## THE COUNCIL'S STRATEGIC FRAMEWORK

### Vision – for the borough

For Guildford to be a town and rural borough that is the most desirable place to live, work and visit in South East England. A centre for education, healthcare, innovative cutting-edge businesses, high quality retail and wellbeing. A county town set in a vibrant rural environment, which balances the needs of urban and rural communities alike. Known for our outstanding urban planning and design, and with infrastructure that will properly cope with our needs.

### Three fundamental themes and nine strategic priorities that support our vision:

- |                     |  |
|---------------------|--|
| <b>Place-making</b> | Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes |
|                     | Making travel in Guildford and across the borough easier   |
|                     | Regenerating and improving Guildford town centre and other urban areas   |
| <b>Community</b>    | Supporting older, more vulnerable and less advantaged people in our community  |
|                     | Protecting our environment   |
|                     | Enhancing sporting, cultural, community, and recreational facilities   |
| <b>Innovation</b>   | Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need       |
|                     | Creating smart places infrastructure across Guildford  |
|                     | Using innovation, technology and new ways of working to improve value for money and efficiency in Council services             |

### Values for our residents

- We will strive to be the best Council.
- We will deliver quality and value for money services.
- We will help the vulnerable members of our community.
- We will be open and accountable.
- We will deliver improvements and enable change across the borough.

## AGENDA

### ITEM

**1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

**2 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

In accordance with the local Code of Conduct, a councillor is required to disclose at the meeting any disclosable pecuniary interest (DPI) that they may have in respect of any matter for consideration on this agenda. Any councillor with a DPI must not participate in any discussion or vote regarding that matter and they must also withdraw from the meeting immediately before consideration of the matter.

If that DPI has not been registered, you must notify the Monitoring Officer of the details of the DPI within 28 days of the date of the meeting.

**3 MINUTES (Pages 1 - 8)**

To confirm the minutes of the meeting of the Corporate Governance and Standards Committee held on 14 June 2018.

**4 AUDIT FINDINGS REPORT 2017-18 (Pages 9 - 44)**

**5 AUDITED STATEMENT OF ACCOUNTS 2017-18**

Report to follow.

**6 SUMMARY OF INTERNAL AUDIT REPORTS (OCTOBER 2017 TO MARCH 2018) (Pages 45 - 62)**

**7 FREEDOM OF INFORMATION COMPLIANCE - UPDATE (Pages 63 - 68)**

**8 GENERAL DATA PROTECTION REGULATION - UPDATE (Pages 69 - 72)**

**9 WORK PROGRAMME (Pages 73 - 78)**

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# CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

14 June 2018

- \* Councillor Richard Billington (Chairman)
- \* Councillor Alexandra Chesterfield (Vice-Chairman)

- \* Councillor Nils Christiansen
- \* Councillor Colin Cross
- Councillor Andrew Gomm
- \* Councillor Mike Hurdle
- \* Councillor Nigel Kearse
- \* Mrs Maria Angel MBE
- \* Mr Charles Hope
- \* Ms Gerry Reffo
- \* Mr Ian Symes

\*Present

The Lead Councillor for Housing and Environment, Councillor Philip Brooker, the Lead Councillor for Finance and Asset Management, Councillor Nigel Manning, and Councillor David Quelch, were also in attendance.

## **CGS1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

An apology for absence was received from Councillor Andrew Gomm.

## **CGS2 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

There were no disclosures of interest.

## **CGS3 MINUTES**

The Committee confirmed as a correct record the minutes of the meeting held on 29 March 2018. The Chairman signed the minutes.

## **CGS4 ANNUAL GOVERNANCE STATEMENT 2017-18**

The Committee considered a report on the Council's Annual Governance Statement for 2017-18, as required by the Accounts and Audit (England) Regulations 2015. The Statement was underpinned by the Audit and Performance Manager's (as Head of Internal Audit) Annual Opinion Report April 2017 to March 2018, which was appended to the report.

The Statement set out the Council's governance framework and procedures that had operated at the Council during the year, a review of their effectiveness, significant governance issues that had occurred and a statement of assurance.

The Annual Governance Statement, which would be included in the Council's statement of accounts for 2017-18, concluded that Guildford was a well-run Council with good governance processes in place. However, there had been a number of significant governance issues during the year, full details of which were reported in the Statement.

Having considered the report and the Annual Governance Statement set out in the Appendix thereto, the Committee

**RESOLVED:** That the Executive be requested to adopt the Council's Annual Governance Statement for 2017-18 as set out in Appendix 1 to the report submitted to the Committee, subject to the following correction:

Agenda item number: 3

In the “Asbestos and Legionella” section of the table in paragraph 6.8 of the Annual Governance Statement, add the following text to Actions Agreed in respect of the first recommendation:

*“Update risk assessments for legionella”*

Reason:

To comply with Regulation 10 of the Accounts and Audit (England) Regulations 2015, the Executive must approve an Annual Governance Statement.

**CGS5 INTERNAL AUDIT PLAN 2018-19**

The Committee considered a report on the Internal Audit Plan for 2018-19.

The Committee was informed that, in 2017-18, 93% of audits had been completed. Councillors were also updated on the internal audit resource issue and noted that, following an internal review, the internal audit function was outsourced with effect from 1 April 2018. A contractor (KPMG) would now be responsible for completing the Audit Plan over the coming year, with the Audit and Business Improvement Manager acting as the client-side officer.

The Plan for 2018-19 had been extracted from the audit planning system and showed a resource requirement for 400 days.

The report had also set out information on the findings of the Local Government Ombudsman in respect of the 15 complaints about the Council that had been lodged in 2017-18.

Having considered the report, the Committee

RESOLVED: That the audit plan for 2018-19 as set out in Appendix 1 to the report submitted to the Committee be approved.

Reason:

To ensure an adequate level of audit coverage.

**CGS6 EXTERNAL AUDIT 2018-19 FEE LETTER**

The Committee considered the External Audit 2018-19 Fee Letter, which had been submitted by the Council’s external auditors, Grant Thornton. The letter provided a broad summary of the programme of work that they intended to carry out during 2018-19.

The Committee noted that the overall fee for the core audit in 2018-19 would be £44,300, a reduction of 23% from 2017-18. The fee for grant certification work would be dealt with separately.

Having considered the report, and noted that the fee for the core audit could be managed within the overall budget for the finance directorate, the Committee

RESOLVED: That the external audit fee for 2018-19 submitted by Grant Thornton, in the sum of £44,300, be approved.

Reason:

To enable the Committee to consider and comment on the planned audit fee.

**CGS7 CAPITAL AND INVESTMENT OUTTURN REPORT 2017-18**

Following the adoption of the new capital and investment strategy for 2018-19, the Committee noted that the annual treasury management report now encompassed capital and non-treasury

investments. The amended format met the requirements of the revised Prudential and Treasury Codes of Practice and the Ministry of Housing, Communities, and Local Government (MHCLG) updated Investment Guidance.

The Committee considered the report in its revised format, which had included:

- a summary of the economic factors affecting the approved strategy and counterparty update
- a summary of the approved strategy for 2017-18
- a summary of the treasury management activity for 2017-18
- compliance with the treasury and prudential indicators
- non-treasury investments
- capital programme
- risks and performance
- Minimum Revenue Provision (MRP)
- details of external service providers
- details of training

The Committee was informed that total expenditure on the General Fund capital programme in 2017-18 had been £13.9 million, which was less than the revised budget by £20.2 million. Details of the revised estimate and actual expenditure in the year for each scheme were set out in Appendix 3 to the report. Although the budget for Minimum Revenue Provision (MRP) had been £1.229 million, the outturn had been £573,852, due to slippage in the capital programme in 2016-17.

Councillors noted that the Council's investment property portfolio stood at £147.4 million as at 31 March 2018. Rental income had been £9.17 million, and income return was 6.59% against the benchmark of 4.2%.

The Council's cash balances had built up over a number of years, and reflected the strong balance sheet, with considerable revenue and capital reserves. Officers carried out the treasury function within the parameters set by the Council each year in the Capital and Investment Strategy. As at 31 March 2018, the Council held £133.6 million in investments, of which £43.5 million was short term borrowing.

Longer-term borrowing was undertaken in line with the Council's liability benchmark and the capital programme. The Council had £241.6 million borrowing at 31 March 2018, of which £43.5 million was short-term borrowing for cash purposes.

The report had confirmed that the Council had complied with its prudential indicators, treasury management policy statement, and treasury management practices for 2017-18.

The Committee noted that the slippage in the capital programme had resulted in a lower Capital Financing Requirement than estimated. Interest paid on debt had been lower than budget, due to the variable loan rate being reset lower than expected.

The yield returned on investments had been lower than estimated, but the interest received was higher due to more cash being available to invest in the year – a direct result of the capital programme slippage.

In considering the report, the Committee made the following points:

- (a) The table in paragraph 9.10 of the report showing the current portfolio of non-treasury investments should be substituted with the table shown in Appendix 2 to the report (Guildford BC Investment Property Fund Portfolio Report for 2017-18) on pages 84 and 85.
- (b) In Appendix, the text accompanying the red portion of the pie chart on page 87 (outcome of property review) should read:

“Does ~~need~~ *not* meet criteria”

- (c) The aggregate figure quoted in paragraph 9.11 and in Appendix 2 in respect of the capital value of the Council’s investment property portfolio (£144,619,500) was incorrect and should read £147.4 million as referenced in the Executive Summary of the report.

The Committee, having noted that the outturn report would also be considered by the Executive at its meeting on 19 June 2018, and by full Council on 24 July 2018

RESOLVED: That, subject to the corrections to the Investment Property Fund Portfolio Report referred to above, the following recommendations to Council be endorsed:

- (1) That the Treasury Management Annual Report for 2017-18 be noted.
- (2) That the actual prudential indicators reported for 2017-18, as detailed in Appendix 1 to the report submitted to the Committee, be approved.

Reason:

To comply with the Council’s treasury management policy statement, the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on treasury management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

**CGS8 REVENUE OUTTURN REPORT 2017-18**

The Committee received a report setting out the final position on the General Fund and the Collection Fund revenue accounts, for the 2017-18 financial year.

The Committee was informed that the overall position on the General Fund had shown that net expenditure had been £1.14 million lower than originally budgeted, of which £0.2 million related to net expenditure on services (1.6% of net revenue expenditure), reflecting lower than anticipated expenditure totalling £0.9 million and £0.7 million of additional income.

Net income from interest receipts had been £796,000 more than estimated and the minimum revenue provision (MRP) for debt repayment was £400,000 lower than estimated.

In accordance with the authority delegated to the Chief Finance Officer, in consultation with the Leader of the Council and the Lead Councillor for Finance and Asset Management, the underspent balance had been used to make the following contributions to reserves:

	£
• Transfer to the Capital Programme reserve	1,122,000
• Contribution to the Mayor’s Distress Fund	<u>20,000</u>
	<u>1,142,000</u>

Details of the closing balance on all the Council reserves (excluding the transfers referred to above) were set out in the report, together with the ongoing policy for each.

The Committee noted that 2017-18 had been the third year of the Business Rates Retention Scheme (BRRS) and it had continued to cause volatility in the Council’s accounts. The Business Rates balance on the Collection Fund was particularly susceptible to movements in the number and value of appeals that businesses had made against their rateable values. The Council had no control over these appeals, and had limited information from the Valuation Office to help assess the potential impact.

The Committee was advised that there was an overall deficit on the Collection Fund of £12.8 million, principally because of the impact of business rate appeals, as detailed in the report.



The outturn position had been included in the Statement of Accounts signed by the Chief Finance Officer on 31 May 2018, which would be subsequently audited by the Council's external auditor, Grant Thornton UK LLP. The Committee noted the draft (unaudited) Statement of Accounts, which had been posted on the Council's website, and that it would review the audited accounts at its next meeting on 26 July 2018.

Having noted that this matter would be considered by the Executive on 19 June 2018, the Committee

RESOLVED:

- (1) That the Draft Statement of Accounts for 2017-18, as set out on the Council's website, be noted.
- (2) That the recommendation to note the Council's final outturn position on the General Fund for 2017-18 to endorse the decisions, taken under delegated authority, which were:
  - (a) to transfer £1,122,000 to the capital programme reserve, and
  - (b) to contribute £20,000 to the Mayor's Distress Fund.

be commended to the Executive.

Reasons:

- To comply with The Accounts and Audit Regulations 2015, which require the approval of the statutory Statement of Accounts for 2017-18 by 31 July 2018.
- To note the final outturn position and delegated decisions taken by the Chief Finance Officer, which have been, included within the statutory accounts the Chief Finance Officer signed at the end of May.
- To facilitate the on-going financial management of the Council.

### **CGS9 HOUSING REVENUE ACCOUNT FINAL ACCOUNTS 2017-18**

The Committee received a report setting out the final position on the Housing Revenue Account (HRA) for the 2017-18 financial year. The HRA recorded all the income and expenditure associated with the provision and management of Council owned dwellings in the Borough.

Rental income from dwellings had been £517,000 higher than estimated. The actual net cost of revenue services in 2017-18 had been £642,708 lower than budgeted. This variation represented 1.99% of the total turnover of over £32.25 million. The final outturn (subject to audit) had shown a surplus for the year of £10.06 million compared to a budgeted surplus of £10.73 million. The HRA working balance at year-end remained at £2.5 million.

In accordance with the authority delegated to the Chief Finance Officer, in consultation with the Lead Councillors with responsibility for Housing and Finance, the surplus had been used to make a transfer of £2.5 million to the reserve for future capital programmes, with the balance of £7.56 million being transferred to the new build reserve.

In considering the item, the Committee noted that the table in paragraph 5.12 of the report required clarification.

Having noted that this matter would be considered by the Executive on 19 June 2018, the Committee

RESOLVED: That the recommendation to note the final outturn position on the Housing Revenue Account for 2017-18, and to endorse the decision, taken under delegated authority, to transfer £2.5 million to the reserve for future capital programmes, and £7.56 million to the new build reserve from the revenue surplus of £10.06 million in 2017-18, be commended to the Executive.

Reason:

To allow the Statutory Statement of Accounts to be finalised and subject to external audit, prior to approval by the Corporate Governance and Standards Committee, on behalf of the Council.

## **CGS10 ARRANGEMENTS FOR DEALING WITH MISCONDUCT AGAINST COUNCILLORS**

The Committee considered a report from the Council Solicitor and Monitoring Officer on the outcome of a review of the Arrangements for Dealing with Allegations of Misconduct by Councillors and Co-Opted Members ("Arrangements").

The review had focused on correcting inconsistencies, contradictions, and vague drafting in the predecessor document, and on refining processes which had been found to cause uncertainty and delay. The review had also rationalised and restated the sanctions available to the Hearings Sub-Committee.

In considering the proposed revised Arrangements, the Committee commented as follows:

- Paragraph 3.2 (Making a Complaint) to be clarified to ensure that complainants with difficulty in making a written complaint may contact the Monitoring Officer other than by letter or email.
- The first sentence of Paragraph 4.2 (Complaints Identifying Possible Criminality) to be amended to read:

"4.2 If the complaint identifies criminal conduct or breach of other regulations by any person, the Monitoring Officer ~~may~~ *shall* report this to the Police or other prosecuting or regulatory authority, in addition to any action taken pursuant to the Code".
- The first sentence of paragraph 4.6 (Anonymous Complaints) to be amended to read:

"4.6 If an anonymous complaint is ~~received~~ *accepted* it will be considered by the Monitoring Officer at the initial assessment stage of these Arrangements."
- Paragraphs 19 and/or 20 (Procedure for Local Investigation of Assessed Complaint) to include reference to a protocol (to be finalised) for reference of complaints alleging criminal conduct (or breach of other regulation) to the Police (or other regulatory body or agency).
- Paragraph 37 (Procedure and powers of the Corporate Governance and Standards Committee and Hearings Sub-Committee) to be amended to include a requirement for the Monitoring Officer:
  - (a) to consult with the Chairman of the Corporate Governance and Standards Committee; and
  - (b) to have regard to the fundamental principles of natural justicewhen contemplating any variation to the procedure.

- The Monitoring Officer to meet with the three parish representatives and the independent member on this Committee to go through the proposed revised Arrangements to identify any changes that affect parish councillors.
- Following adoption of the revised Arrangements by the Council, the Monitoring Officer to communicate the changes to all parish councils, particularly in respect of their implications for parish councillors.

#### The Committee

RESOLVED: That, subject to the Committee's comments referred to above, the revised Arrangements for Dealing with Allegations of Misconduct by Councillors and Co-Opted Members, as set out in Appendix 1 to the report submitted to the Committee, be commended for adoption by the Council at its meeting on 24 July 2018.

#### Reason:

To promote effective and clear arrangements for dealing with allegations of misconduct, and a clearly stated suite of sanctions.

### **CGS11 REVIEW OF THE COUNCILLORS' DEVELOPMENT STEERING GROUP**

The Committee noted that Council Procedure Rule 24 (v) required the appointing body to review annually, the continuation of task groups appointed by them. Although the Councillors' Development Steering Group had been set up originally as an Executive working group, it was agreed in 2015 that the Steering Group would report on its work to this Committee.

The Committee considered a report which reviewed the work carried out by the Steering Group over the past twelve months and the work they were likely to undertake over the next twelve months and to agree that it should continue its work. The current political composition of the Steering Group was as follows:

Conservatives: 4  
Liberal Democrats: 1  
Guildford Greenbelt Group: 1  
Labour: 1

Having considered the report, the Committee

#### RESOLVED:

- (1) That the Councillors' Development Steering Group should continue its work and that the numerical allocation of seats on the Steering Group to each political group be agreed as follows:

Conservatives: 4  
Liberal Democrats: 1  
Guildford Greenbelt Group: 1  
Labour: 1

- (2) That political group leaders be asked to confirm the councillor membership of the Steering Group in accordance with the numerical allocation of seats referred to in paragraph (1) above.

- (3) That the terms of reference of the Steering Group be confirmed as follows:

*"To continue to support councillors in their ongoing development and training needs through a clear, structured Action Plan for councillor development that responds to the*

Agenda item number: 3

*fundamental themes that support the vision of the Corporate Plan: Place-making, Community and Innovation.”*

Reason:

To comply with the requirement for this Committee to review the continuation of the Councillors' Development Steering Group, in accordance with Council Procedure Rule 24 (v).

**CGS12 WORK PROGRAMME**

The Committee, having considered its updated work programme for the 2018-19 municipal year

RESOLVED: That the work programme for the 2018-19 municipal year, as set out in Appendix 1 to the report submitted to the Committee, be approved.

Reason:

To allow the Committee to maintain and update its work programme.

The meeting finished at 8.22 pm

Signed .....

Chairman

Date .....

Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Director of Finance

Author: Vicky Worsfold

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Lead Councillor responsible: Councillor Nigel Manning

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Date: 26 July 2018

## **2017-18 Audit Findings Report: Year Ended 31 March 2018**

### **Executive Summary**

The audit of the 2017-18 accounts is nearly complete and the independent auditor intends to issue an unqualified opinion on the financial statements, which the CFO will re-certify in accordance with the Accounts and Audit Regulations 2015 immediately after the Committee meeting. The auditors have issued an Audit Findings report, which is included in Appendix 1, along with a management action plan (Audit Findings Report, Appendix A).

The auditors have not found any misstatements which affect the primary financial statements or financial position of the Council. They have found two omissions one relating to the depreciation on the crematorium not being written back to gross cost at the point of revaluation and £3.414 million of capital assets classified as operational assets but should be assets under construction in note 25. There are also some minor changes that are not individually significant enough to warrant separate disclosure in the findings report.

The auditors propose to give an unqualified Value for Money conclusion. Their recommendations relating to value for money are included in the action plan. The key points relate to the medium term financial plan and the general fund capital programme.

The Chairman of the Corporate Governance and Standards Committee is required to issue a letter of representation on behalf of the Council to the auditors to provide assurance over the management framework operating at the Council and the disclosures in the accounts. A copy of the proposed letter is provided at Appendix 2.

### **Recommendation to Committee**

- (1) That Grant Thornton's Audit Findings report, as set out in Appendix 1 to this report, be noted together with the management responses provided in the action plan, as set out as Appendix A to Appendix 1.

(2) That the letter of representation, as set out in Appendix 2 to this report, be approved and that the Chairman be authorised to sign the letter on the Council's behalf.

Reason(s) for Recommendation:

To allow the external auditor to issue his opinion on the 2017-18 accounts.

**1. Purpose of Report**

1.1 The report asks the Committee to consider the external auditor's Audit Findings report (AFR) for the 2017-18 financial year and the issues it raises.

**2. Strategic Framework**

2.1 Good financial management underpins the achievement of the Council's Corporate Plan.

**3. Background**

3.1 Grant Thornton prepares its AFR to meet the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office Code of Audit Practice by reporting on:

- (a) the Council's financial statements; and
- (b) whether the Council has made proper arrangements for securing value for money in its use of resources

3.2 The International Standard on Auditing 260 requires "those charged with governance" to consider the report before the external auditor can sign off his opinion on the accounts. The statutory deadline for issuing the audit opinion is 30 July.

3.3 Appendix 1 is the draft AFR for 2017-18. The auditors suggested a number of improvements to disclosures for which we amended the notes to the financial statements and found two audit adjustments and some minor omissions.

3.4 In relation to the statement of accounts, the auditors concluded that the Council produced a good set of financial statements, supported by comprehensive working papers and met the new statutory deadline for producing the account of 31 May. The Auditors did not identify any adjustments which impact on the primary statements. The auditors also concluded that the Annual Governance Statement and Narrative Report are consistent with the financial statements.

3.5 In relation to value for money, the auditors concluded that in all significant respects, the Council had proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

3.6 The auditor has made some recommendations relating to value for money; the action plan at Appendix A to the AFR gives the management responses. The

external auditor will attend the meeting to present the report and answer any questions.

- 3.7 This Committee has authority to approve the accounts on behalf of the Council. A separate report on this agenda considers the final statement of accounts, amended for the disclosure items raised in the AFR and includes an updated Annual Governance Statement.
- 3.8 To enable the auditor to conclude their audit, the Council is required to send a letter of representation to the auditors to provide assurance over the management framework and the disclosures made in the accounts. A copy of the proposed letter of representation is included at Appendix 2.

#### **4. Financial Implications**

- 4.1 There are no financial implications because of this report.

#### **5. Legal Implications**

- 5.1 The International Standard on Auditing (UK and Ireland) 260 requires the external auditor to report any issues arising from the audit of the Financial Statements to those charged with governance. In the Council's case, this is the Corporate Governance and Standards Committee.
- 5.2 The International Standard on Auditing (UK and Ireland) 580 requires the Chief Financial Officer to send a letter of representation to the external auditor. Appendix 2 is a draft of the 2017-18 letter of representation, which officers recommend that the Committee approves and that the chairman signs the letter of representation on the Council's behalf.

#### **6. Human Resource Implications**

- 6.1 There are no human resource implications because of this report.

#### **7. Conclusion**

- 7.1 The audit of the 2017-18 accounts is nearly complete and the independent auditor intends to issue an unqualified opinion on the financial statements, which the CFO will re-certify in accordance with the Accounts and Audit Regulations 2015. The auditors did not find any adjustments that affected our reported financial position.
- 7.2 The auditors propose to give an unqualified Value for Money conclusion. Their recommendations relating to value for money are included in the action plan.

#### **8. Background Papers**

2017-18 Statement of Accounts

#### **9. Appendices**

Appendix 1: Draft Audit Findings report 2017-18  
Appendix 2: Letter of Representation

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# Audit Findings

*Year ending 31 March 2018*

# DRAFT

This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report. This draft has been created from the template dated DD MMM YYYY



## Contents



### Your key Grant Thornton team members are:

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### Section

1. Headlines
2. Financial statements
3. Value for money
4. Independence and ethics

### Appendices

- A. Follow up of prior year recommendations
- B. Audit adjustments
- C. Fees
- D. Audit Opinion

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Headlines

This table summarises the key issues arising from the statutory audit of Guildford Borough Council ('the Council') and the preparation of the Council's financial statements for the year ended 31 March 2018 for those charged with governance.

<p><b>Financial Statements</b></p>	<p>Under the International Standards of Auditing (UK) (ISAs), we are required to report whether, in our opinion:</p> <ul style="list-style-type: none"> <li>• your financial statements give a true and fair view of your financial position and of the group and your expenditure and income for the year, and</li> <li>• have been properly prepared in accordance with the CIPFA/LASAAC code of practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.</li> </ul> <p>We are also required to report whether other information published together with the audited financial statements (including the Statement of Accounts, Annual Governance Statement (AGS) and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p>	<p>Our audit work was completed on site June and July. Our findings are summarised on pages 4 to 12. We have not identified any adjustments to the financial statements that have resulted in an adjustment to the Statement of Comprehensive Income and Expenditure. Audit adjustments are detailed in Appendix B. Our follow up of recommendations from the prior year's audit are detailed in Appendix A.</p> <p>Subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Corporate Governance and Standards Committee meeting on 26 July 2018, as detailed in Appendix D. These outstanding items include:</p> <ul style="list-style-type: none"> <li>- remaining testing areas as at 16 July (set out in 'Summary' page);</li> <li>- final senior management internal quality review of testing areas completed</li> <li>- receipt of signed management representation letter; and</li> <li>- review of the final set of financial statements.</li> </ul> <p>We have concluded that the other information published with the financial statements, which includes the Statement of Accounts, Annual Governance Statement and Narrative Report, are consistent our knowledge of your organisation and with the financial statements we have audited.</p>
<p><b>Value for Money arrangements</b></p>	<p>Under the National Audit Office (NAO) Code of Audit Practice ('the Code'), we are required to report whether, in our opinion:</p> <ul style="list-style-type: none"> <li>• you have made proper arrangements to secure economy, efficiency and effectiveness in its use of resources ('the value for money (VFM) conclusion')</li> </ul>	<p>We have completed our risk based review of your value for money arrangements. We have concluded that Guildford Borough Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources.</p> <p>We therefore anticipate issuing an unqualified value for money conclusion, as detailed in Appendix D. Our findings are summarised on pages 13 to 16.</p>
<p><b>Statutory duties</b></p>	<p>The Local Audit and Accountability Act 2014 ('the Act') also requires us to:</p> <ul style="list-style-type: none"> <li>• report to you if we have applied any of the additional powers and duties ascribed to us under the Act; and</li> <li>• certify the closure of the audit</li> </ul>	<p>We have not exercised any of our additional statutory powers or duties.</p> <p>We have completed the majority of work under the Code and expect to be able to certify the completion of the audit when we give our audit.</p>

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## Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

# Summary

## Overview of the scope of our audit

This Audit Findings presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260 and the Code of Audit Practice ('the Code'). Its contents have been discussed with management.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

## Audit approach

Our audit approach was based on a thorough understanding of your business and is risk based, and in particular included:

- An evaluation of your internal controls environment including its IT systems and controls;
- Substantive testing on significant transactions and material account balances, including the procedures outlined in this report in relation to the key audit risks; and
- While we have not sought to place direct reliance on the work performed by your internal auditors, their reports and draft Head of Internal Audit opinion have been used to inform our risk assessment process.

## Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Corporate Governance and Standards Committee meeting on 26 July 2018 as detailed in Appendix D. These outstanding items include:

- Investments confirmations; Financial instruments and Debt; Housing benefits substantive testing; Related party disclosures; Leases (Property, Plant and Equipment) Pension disclosures.
- final senior management internal quality review of testing areas completed;
- receipt of signed management representation letter; and
- review of the final set of financial statements.

# Summary

## Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. Materiality calculations remain the same as reported in our audit plan.

	Council Amount (£)	Qualitative factors considered
Materiality for the financial statements	2,193,000	This is based on 2.00% of your gross revenue expenditure for the year 2017/18. This benchmark was chosen based on our knowledge of District Councils, your reporting framework and how stakeholders use your accounts.
Performance materiality	1,645,000	This is based on 75% of the materiality benchmark.
Trivial matters	110,000	This is based on 5% of materiality and represents the level above which uncorrected omissions or misstatements are reported to those charged with governance. Items below this are deemed to be 'trivial' for this purpose.

# Going concern

## Our responsibility

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK) 570).

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## Going concern commentary

### Management's assessment process

Management's assessment is based on the public sector interpretation of going concern as the continuation of the provision of services to support the preparation of the accounts on a going concern basis. Management has considered the Council's financial performance planning documents and cash flow expectations in considering that no material uncertainties need to be disclosed.

### Auditor commentary

- We agree with management's assessments on the use of the going concern basis of accounting.
- Management's processes for assessing going concern are adequate.
- The forecasts are produced and reviewed by the finance team and the Director of Finance.

### Work performed

We reviewed management's assessment of going concern provided to us, in conjunction with our knowledge and understanding of you.

We reviewed your financial performance and submitted forecasts.

### Auditor commentary

- No material uncertainty has been identified.
- We have not requested any enhanced disclosures with respect to going concern.

### Concluding comments

### Auditor commentary

- As we agree with management's assessment, there is no impact on our audit opinion.

# Significant audit risks

## Risks identified in our Audit Plan

## Commentary

1

### Improper revenue recognition

Under ISA 240 (UK) there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.

### Auditor commentary

Having considered the risk factors set out in ISA240 and the nature of your revenue streams, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:

- there is little incentive to manipulate revenue recognition
- opportunities to manipulate revenue recognition are very limited
- The culture and ethical frameworks of local authorities, including Guildford Borough Council, mean that all forms of fraud are seen as unacceptable

Therefore we do not consider this to be a significant risk for Guildford Borough Council.

2

### Management override of controls

Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.

We identified management override of controls as a risk requiring special audit consideration.

### Auditor commentary

- We have performed the following work:
  - review of accounting estimates, judgements and decisions made by management
  - testing of journal entries
  - review of accounting estimates, judgements and decisions made by management
  - review of unusual significant transactions
  - review of significant related party transactions outside the normal course of business

Our audit work has not identified any issues in respect of management override of controls.

# Significant audit risks

## Risks identified in our Audit Plan

## Commentary

3

### Valuation of property, plant and equipment

You revalue your land and buildings on a quinquennial basis to ensure that carrying value is not materially different from current value. This represents a significant estimate by management in the financial statements.

We identified the valuation of land and buildings revaluations and impairments as a risk requiring special audit consideration.

### Auditor commentary

We have performed the following work:

- Review of management's processes and assumptions for the calculation of the estimate
- Review of the competence, expertise and objectivity of any management experts used.
- Review of the instructions issued to valuation experts and the scope of their work
- Discussions with your valuer about the basis on which the valuation was carried out, challenging the key assumptions.
- Review and challenge of the information used by the valuer to ensure it was robust and consistent with our understanding.
- Testing of revaluations made during the year to ensure they were input correctly into your asset register
- Evaluation of the assumptions made by management for those assets not revalued during the year and how management satisfied themselves that these were not materially different to current value.

Our audit work has not identified any issues in respect of the valuation of property, plant and equipment.

4

### Valuation of pension fund net liability

Your pension fund asset and liability as reflected in your balance sheet represents a significant estimate in the financial statements.

We identified the valuation of the pension fund net liability as a risk requiring special audit consideration

### Auditor commentary

We have performed the following work:

- Identified the controls put in place by management to ensure that the pension fund net liability is not materially misstated and assessed whether those controls were implemented as expected and whether they were sufficient to mitigate the risk of material misstatement.
- Review of the competence, expertise and objectivity of the actuary who carried out your pension fund valuation.
- Gaining an understanding of the basis on which the IAS 19 valuation was carried out, undertaking procedures to confirm the reasonableness of the actuarial assumptions made.
- Review of the consistency of the pension fund net liability disclosures in notes to the financial statements with the actuarial report from your actuary.




Our audit work has not identified any issues in respect of the valuation of pension fund net liability.






# Reasonably possible audit risks

Risks identified in our Audit Plan	Commentary
<p><b>5 Employee remuneration</b> Payroll expenditure represents a significant percentage (24%) of your operating expenses.</p> <p>As the payroll expenditure comes from a number of individual transactions with a number of different sub-systems there is a risk that payroll expenditure in the accounts could be understated. We therefore identified completeness of payroll expenses as a risk requiring particular audit attention</p>	<p><b>Auditor commentary</b></p> <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>documented our understanding of processes and key controls over the transaction cycle;</li> <li>undertaken walkthrough of the key controls to assess the whether those controls were in line with our documented understanding; and</li> <li>reviewed the completeness of payroll expenditure through substantive analytical procedures.</li> </ul> <p>We did not identify any issues in respect of this risk.</p>
<p><b>6 Operating expenses</b> Non-pay expenses on other goods and services also represents a significant percentage (54%) of your operating expenses. Management uses judgement to estimate accruals of un-invoiced costs.</p> <p>We identified completeness of non- pay expenses as a risk requiring particular audit attention:</p>	<p><b>Auditor commentary</b></p> <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> <li>evaluated your accounting policy for recognition of non-pay expenditure for appropriateness;</li> <li>gained an understanding of your system for accounting for non-pay expenditure and evaluate the design of the associated controls; and</li> <li>Considered the completeness of liabilities through a review of post year-end bank statements and other sources.</li> </ul> <p>We did not identify any issues in respect of this risk.</p>

# Accounting policies

Accounting area	Summary of policy	Comments	Assessment
<p><b>Revenue recognition</b></p>	<ul style="list-style-type: none"> <li>Revenue from the sale of goods is recognised when the Council transfers the risks and rewards of ownership to the purchaser and it is probable that the economic benefits of the service potential of the transaction will flow to the Council.</li> <li>Revenue from the provision of services is recognised when the Council can reliably measure the percentage of completion of the transaction and it is probable that the economic benefits or service potential of the transaction will flow to the Council.</li> <li>Revenue relating to non-contractual, non-exchange transactions such as council tax, business rates and housing rents are measured at the full amount receivable when it is probable that the economic benefits of the transaction will flow to the Council.</li> </ul>	<p>Your accounting policy for revenue recognition covers all major revenue streams and is appropriate under the CIPFA Code. There is limited judgement involved in revenue recognition other than around the impairment of receivables, which is disclosed in the note on assumptions and sources of estimation uncertainty. The disclosure of the accounting policy is sufficiently clear.</p>	<p> <b>Green</b></p>
<p><b>Judgements and estimates</b></p>	<ul style="list-style-type: none"> <li>Key estimates and judgements include:                             <ul style="list-style-type: none"> <li>Useful life of PPE</li> <li>Revaluations</li> <li>Impairments</li> <li>Accruals</li> <li>Valuation of pension fund et liability</li> <li>Provision for NNDR appeals</li> <li>Other provisions</li> </ul> </li> </ul>	<p>The critical areas of judgement applied in compiling your financial statements have been explained in the statement of accounts.</p> <p>You are advised by external experts in relation to property and pension fund valuations. We have reviewed the work of experts and we have not identified concerns regarding the independence or skills of your experts. Where estimates and judgements have been applied by officers we are satisfied that they are free from material bias.</p>	<p> <b>Green</b></p>
<p><b>Other critical policies</b></p>		<p>We have reviewed your policies against the requirements of the CIPFA Code of Practice. Your accounting policies are appropriate and consistent with previous years.</p>	<p> <b>Green</b></p>

**Assessment**

-  Marginal accounting policy which could potentially be open to challenge by regulators
-  Accounting policy appropriate but scope for improved disclosure
-  Accounting policy appropriate and disclosures sufficient

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## Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards and the Code to communicate to those charged with governance.

	Issue	Commentary
①	<b>Matters in relation to fraud</b>	<ul style="list-style-type: none"> <li>We have previously discussed the risk of fraud with the Corporate Governance and Standards Committee. We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.</li> </ul>
②	<b>Matters in relation to related parties</b>	<ul style="list-style-type: none"> <li>We are not aware of any related parties or related party transactions which have not been disclosed.</li> </ul>
③	<b>Matters in relation to laws and regulations</b>	<ul style="list-style-type: none"> <li>You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.</li> </ul>
④	<b>Written representations</b>	<ul style="list-style-type: none"> <li>A standard letter of representation has been requested from you.</li> </ul>
⑤	<b>Confirmation requests from third parties</b>	<ul style="list-style-type: none"> <li>We requested from management permission to send confirmation requests to your banks and investment institutions. This permission was granted and the requests were sent and provided.</li> </ul>
⑥	<b>Disclosures</b>	<ul style="list-style-type: none"> <li>Our review found no material omissions in the financial statements.</li> </ul>
⑦	<b>Significant difficulties</b>	<ul style="list-style-type: none"> <li>All information and explanations requested from management were provided; no significant difficulties encountered.</li> </ul>

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## Other responsibilities under the Code

We set out below details of other matters which we, as auditors, are required by the Code to communicate to those charged with governance.

Issue	Commentary
① <b>Other information</b>	<ul style="list-style-type: none"> <li>We are required to give an opinion on whether the other information published together with the audited financial statements (including the Statement of Accounts, Annual Governance Statement (AGS) and Narrative Report), is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</li> </ul> <p>No material inconsistencies have been identified. We plan to issue an unqualified opinion in this respect – refer to appendix D</p>
② <b>Matters on which we report by exception</b>	<p>We are required to report on a number of matters by exception in a numbers of areas:</p> <ul style="list-style-type: none"> <li>If the Annual Governance Statement does not meet the disclosure requirements set out in the CIPFA/SOLACE guidance or is misleading or inconsistent with the other information of which we are aware from our audit</li> <li>If we have applied any of our statutory powers or duties</li> </ul> <p>We have nothing to report on these matters.</p>
③ <b>Specified procedures for Whole of Government Accounts</b>	<p>We are required to carry out specified procedures (on behalf of the NAO) on the Whole of Government Accounts (WGA) consolidation pack under WGA group audit instructions.</p> <ul style="list-style-type: none"> <li>Note that work is not required as you do not exceed the threshold.</li> </ul>
④ <b>Certification of the closure of the audit</b>	<p>We intend to certify the closure of the 2017/18 audit of Guildford Borough Council in the audit opinion, as detailed in Appendix D</p>

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# Value for Money

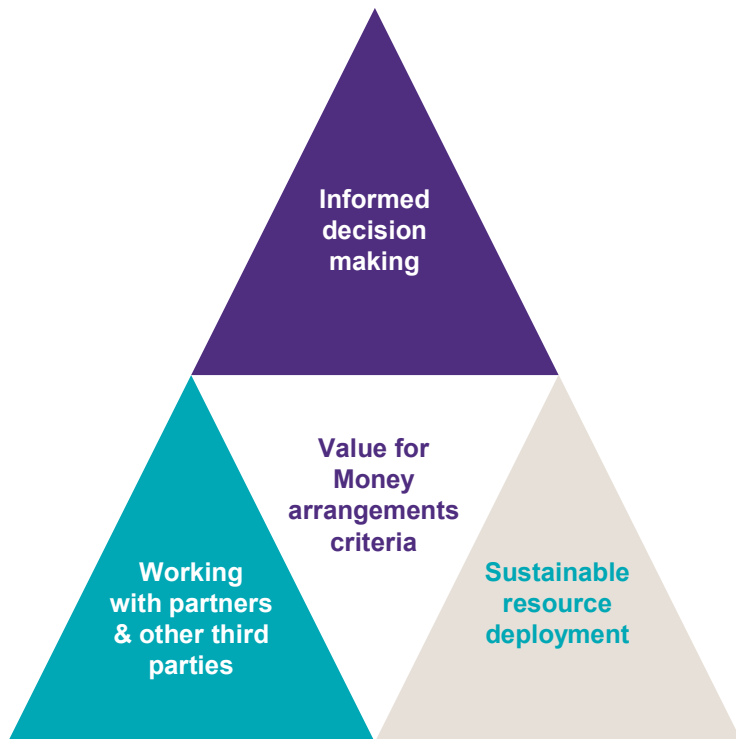
## Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work for 2017/18 in November 2017. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has proper arrangements in place.

The guidance identifies one single criterion for auditors to evaluate:

*“In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.”*

This is supported by three sub-criteria, as set out below:



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## Risk assessment

We carried out an initial risk assessment in February 2018 and identified a number of significant risks in respect of specific areas of proper arrangements using the guidance contained in AGN03. We communicated these risks to you in our Audit Plan dated 29 March 2018.

We have continued our review of relevant documents up to the date of giving our report, and have not identified any further significant risks where we need to perform further work.

We carried out further work only in respect of the significant risks we identified from our initial and ongoing risk assessment. Where our consideration of the significant risks determined that arrangements were not operating effectively, we have used the examples of proper arrangements from AGN 03 to explain the gaps in proper arrangements that we have reported in our VFM conclusion.

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# Value for Money

## Our work

AGN 03 requires us to disclose our views on significant qualitative aspects of your arrangements for delivering economy, efficiency and effectiveness.

We have focused our work on the significant risks that we identified in your arrangements. In arriving at our conclusion, our main considerations were:

- You identified a £8.5 million budget gap for the four years from 2019/20 to 2022/23 and, along side pursuing income generation streams, you have commissioned an external specialist to review the potential for alternative operational modes.
- Your capital programme and treasury management strategies have been combined in line with best practice under the revised CIPFA Prudential Code 2018, although there remains a considerable underspend against the approved plan.

We have set out more detail on the risks we identified, the results of the work we performed and the conclusions we drew from this work on pages 15 to 16.

## Overall conclusion

Based on the work we performed to address the significant risks, we concluded that:

- the Council had proper arrangements in all significant respects to ensure it delivered value for money in its use of resources.

The text of our report, which confirms this can be found at Appendix D.

## Recommendations for improvement

We did not identify any recommendations for improvement.

## Significant difficulties in undertaking our work

We did not identify any significant difficulties in undertaking our work on your arrangements which we wish to draw to your attention.

## Significant matters discussed with management

There were no matters where no other evidence was available or matters of such significance to our conclusion or that we required written representation from management or those charged with governance.

## Key findings

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

1

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Significant risk	Findings	Conclusion
<p><b>Medium Term Financial Planning</b></p> <ul style="list-style-type: none"> <li>You have identified a cumulative gap of some £3.4 million between projected resources and budgeted expenditure over the four years to 2021/22 [updated to £8.5 million to the four years to 2022/23]. In part, this relies on continuing to deliver the budgeted level of savings from existing projects. You have identified a need for longer term transformation of service delivery to be able to deliver sustainable services in the period covered by the medium term financial strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Since the time of our risk assessment (February 2018) a revised Medium Term Financial Strategy (MTFS) has been prepared, due for submission to Executive on 17 July. This identifies a cumulative gap of £8.5 million for the four years to 2022/23.</li> <li>This represents a £5.1 million increase on the previously identified gap and is due primarily to the inclusion of an estimated £5.674 million from the impact of negative Revenue Support Grant (RSG). Negative RSG had been included in the previous iteration of the MTFS, but at a lower overall total (£2.671 million).</li> <li>You have adapted your MTFS to address feedback you received from a Local Government Association peer review, performed in December 2017, as well as to reflect updated guidance and government legislation on capital expenditure and investments.</li> <li>The Local Government Finance Settlement in December 2017 stated that it would consult on the removal of 'negative RSG', so far, no consultation has been issued. You have forecast the impact of negative RSG as being £0.674 million in 2019/20 and a further cumulative £5.0 million in the subsequent three years and have amended your MTFS to reflect this.</li> <li>You have undertaken a sensitivity analysis on the potential gap in your MTFS and have commissioned external consultants <i>Ignite</i> to assist in developing a cross-cutting transformation programme entitled 'Future Guildford' to explore alternative organisational models. The consultants have performed similar reviews at other comparable local authorities. The exact scope of this review is under development, you have indicated you would like to review areas such as a 'customer-first' approach, procurement, ICT investment and process automation. The aim of this transformation is to deliver savings in the medium term. The impact of the transformation has not yet been quantified in your MTFS as the project is in an early stage and the timings and nature of potential savings remain uncertain.</li> <li>You are also exploring ongoing income generation opportunities including:                         <ul style="list-style-type: none"> <li>- the expansion of North Downs Housing Ltd. as a vehicle to enable you to provide homes across a range of tenures other than social rent</li> <li>- the approval and continued expansion of your capital programmes</li> <li>- the development or expansion of commercial services where you may benefit from local opportunities and synergies with local partnerships</li> </ul> </li> <li>Part of your response to the constraints in public sector funding has been to set aside underspends in previous years to fund future budget pressures, anticipated gaps in business rates income and to put aside monies to enable you to invest in schemes to deliver savings in future years. Your earmarked reserves at 31 March 2018 are just over £41 million which is considerably higher than the current gap in your MTFS.</li> <li>It was also noted that the Council has not fully achieved all of the savings target identified in the 2017-18 budget. £0.22 million of unachieved savings have been carried forward into the 2018/19 budget, which already includes a £0.5 million target; the combined transformation budget for 2018/19 is therefore £0.72 million.</li> </ul>	<p><b>Auditor view</b></p> <ul style="list-style-type: none"> <li>A proposed revision to the MTFS has been made, which would see an increase in the cumulative gap from £3.4 million to £8.5 million.</li> <li>This is a significant increase and has been driven primarily by the adoption of prudent assumptions over the future impact of Negative RSG, to the value of £5.674 million. (A lower value of £2.671 million had been previously included).</li> <li>To mitigate this, the Council are engaging external consultants with a view to identifying opportunities for organisational transformation.</li> <li>On this basis we concluded that the risk was sufficiently mitigated and the Council has proper arrangements in place for planning finances effectively to support the sustainable delivery of strategic priorities.</li> </ul> <p><b>Management response</b></p> <ul style="list-style-type: none"> <li>Corporate Management team recognise the need to generate significant savings in the Council's on-going general fund revenue budget to enable the council to remain financially sustainable in the future. We recognise that the achievement of planned savings in the past year has not been on target leaving us with a greater issue for 2018-19. As a result we have engaged external support to both help address the scale and pace at which savings need to be achieved.</li> </ul>

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**Key findings**

We set out below our key findings against the significant risks we identified through our initial risk assessment and further risks identified through our ongoing review of documents.

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**Significant risk**

**Findings**

**Conclusion**

**General Fund capital programme**

- You approved a General Fund Capital Programme for the five years to 2022/23. This is an area of considerable spend, with a net cost to you of £96 million, and involves decision-making against a backdrop of many variables. The execution and timing of capital expenditure may also have revenue implications.

- In February 2018, the Capital and Investment Strategy was released, being a new requirement under the revised CIPFA Prudential Code 2018. This formally brings together your capital programme and your treasury management annual strategy into a single report. This is designed to strengthen the link between capital spending and treasury management, both of which are administered and reported by the Financial Services Manager.
- Your capital programme is re-profiled on a rolling basis; the results of this re-profiling are reported to the Corporate Governance & Standards Committee 3-4 times a year.
- Your general capital programme was approved for £100 million expenditure in 2017/18 and only £14 million was incurred. Within the overall capital plan, £64 million was for 'Development: Income Generating' and only £11 million was incurred. For reasons of commercial sensitivity the reasons for slippage in the capital programme are generally not reported in public forums, although internal monitoring takes place on a project by project basis. (N.B. the £96 million quoted in the risk refers to the net financing requirement over the five-year period, being the additional external financing the Council will require during this time.)
- Underspending against capital budgets is not uncommon in Local Authorities. At Guildford, the key reason for slippage is due to difficulties in profiling the length of the project for budget and completion purposes. In some cases, capital project owners are optimistic in their profiling. This was noted as an issue in our prior year VfM review. As detailed in response to a prior year-recommendation (see page 18) with respect to expenditure profiling, the Council have introduced training for service leaders on business case preparation.
- Your Capital and Investment Strategy is governed in a way that seeks to align to your Corporate Plan and social agenda, a key aim of your strategy is to develop commercial returns on the your investments. Within this, identifying investment opportunities is a key element and governance structures are in place to support this as well as arrangements to divest investments with poor returns (in the case of investment properties) or identifying alternative uses for operational assets. Both types of assets are reviewed against your *Asset Management Framework*. Investment Properties are reviewed by a specific Group (Investment Property Fund Management Group) with representation from Finance and Asset Development staff and senior officers. Examples were provided of recent divestments / reallocations of use amongst both Investments and Operational property. Although the primary focus has tended to be on Investment Properties, the ongoing use of Operational property will fall within the scope of the 'Future Guildford' review noted in slide 15.

**Auditor view**

- While we have assessed that you have governance arrangements for the approval of bids and monitoring of performance, you continue to experience significant underspend against your approved programme of expenditure indicating the opportunity to strengthen your profiling. Delayed implementation of your capital programme may prevent you fully achieving your medium and long term financial and strategic objectives.
- On this basis, we concluded that the risk was sufficiently mitigated and you have proper arrangements in place for capital programme forecasting and monitoring effectively to support the sustainable delivery of strategic priorities, but that a continued focus on the accuracy of capital profiling is required.

**Management response**

- Finance are continuing to work with managers to facilitate the realistic profiling of schemes.

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# Independence and ethics

## Independence and ethics

- We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2017 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

Details of fees charged are detailed in Appendix D

## Audit and Non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to you. The following non-audit services were identified.

Service	£	Threats	Safeguards
<b>Audit related</b>			
Certification of Housing capital receipts grant	1,500	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £1,500 in comparison to the total fee for the audit of £57,533 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level.
<b>Non-audit related</b>			
Place Analytics and CFO Insights License	14,500	Self-interest (because this is a recurring fee). Familiarity, advocacy, self-review.	The non-audit service is being provided by a completely separate team to minimise the threat of familiarity. Grant Thornton will provide training but not any analysis so there is no threat of advocacy or self-review. Citizens will be trained to use the system and have the skills to use the service and will then exercise their own judgement. The annual fee is only 25% of the annual statutory audit fee (£57,533).

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. All services have been approved by the Corporate Governance and Standards Committee. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

# Follow up of prior year recommendations

We identified the following issues in the audit of Guildford Borough Council's 2016/17 financial statements, which resulted in 3 recommendations being reported in our 2016/17 Audit Findings report. *We are pleased to report that management have implemented all of our recommendations.*

	Assessment	Source, Issue and risk previously communicated [Implementation Date and Responsibility]	Update on actions taken to address the issue
①	✓	2016/17 Value for Money. We recommend that the newly established Transformation Board consider ways in which its work can be more explicitly aligned to existing Risk reporting and that progress on existing savings plans is monitored in greater detail. Priority: Medium [Director of Resources, November 2017]	<ul style="list-style-type: none"> <li>Sep 2017: The Transformation Board will introduce a RAG rated savings risk register and monitor the register at each meeting.</li> <li>July 2018: Following this recommendation, the Transformation Board have now introduced a RAG rated savings risk register, which is a standing item at its meetings.</li> </ul>
②	✓	2016/17 Value for Money. We recommend that the Council consider ways in which the timing of expenditure can be predicted more effectively. Priority: Medium. [Head of Financial Services, February 2018].	<ul style="list-style-type: none"> <li>Sep 2017: The Council will continue to train and raise awareness of service managers regarding the importance of project expenditure profiling and the impact on the council's general fund revenue budget.</li> <li>July 2018: We have introduced training for service leaders on business case preparation. In addition, the Director of Finance provides regular update to CMT and Service leaders regarding the financial position of the council and its budget.</li> </ul>
③	✓	2016/17 Accounts. We recommend that the Council implements a process to ensure all disposals are communicated to finance and updated in the asset register. Priority: Medium. [Head of Financial Services, March 2018]	<ul style="list-style-type: none"> <li>Sep 2017: Agreed. We will review the procedures in place around disposals to ensure that we capture this information completely as part of disposal and closedown procedures</li> <li>July 2018: A system of in-year information updates, supplemented by year-end completeness checks, has now been introduced and applied. <i>Audit note: we have not identified any instances of uncommunicated or uncaptured disposals in our audit procedures over the 2017/18 statement of accounts.</i></li> </ul>

#### Assessment

- ✓ Action completed
- X Not yet addressed

## Follow up of prior year recommendations

We identified the following issues in the audit of Guildford Borough Council's 2015/16 financial statements, which resulted in 2 recommendations being reported in our 2015/16 Audit Findings report. *We have followed up on the implementation of our recommendations and note that both of these remain in progress; management have provided updates below.*

Assessment	Source, Issue and risk previously communicated [Implementation Date and Responsibility]	Update on actions taken to address the issue
<p>4</p> <p><b>In progress</b></p>	<p>2015/16 Accounts. The Council's Acceptable Use Policy and ICT Security Policy have not been reviewed or updated since 2008 and 2013 respectively.</p> <p>Without regular review, there is a risk that the policies and related procedures are no longer applicable to the needs and security of the business, which may compromise the company's IT computing environment.</p> <p>Recommendation: Review IT policies at least annually or when significant changes occur to ensure their continuing suitability, adequacy, and effectiveness. Once reviewed and approved by management, the policy should be published and communicated to all employees and relevant third parties.</p> <p>Priority: Medium [ICT Manager, March 2017]</p>	<ul style="list-style-type: none"> <li>Sep 2016: ICT is currently undergoing a structure review under the leadership of a new ICT Manager. ICT policies will be looked at and regular maintenance schedules will be reviewed as part of this restructure.</li> <li>Sep 2017: Key policies are now being reviewed and published. Following the completion of the ICT restructure and the appointment of a new Dev/Ops Manager (anticipated Q4 2017) the on-going review and publication cycle will be fully implemented by this individual using the document and knowledge management function in the new service desk product, NetHelpDesk.</li> <li>July 2018: Key policies were approved in July by the Corporate Management Team. On this basis we regard this recommendation as in progress, and implemented subject to appraisal at the Executive Committee (expected for the 25th September agenda) and, where required, full Council.</li> </ul>

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### Assessment

- ✓ Action completed
- X Not yet addressed

# Follow up of prior year recommendations

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Assessment	Source, Issue and risk previously communicated	Update on actions taken to address the issue
<p style="text-align: center;"><b>In Progress</b></p>	<p>2015/16 Accounts. Security administrators for ICT systems rely on the line managers and HR to notify them when users leave the Council. We noted that HR only sends reports of leavers on a quarterly basis.</p> <p>The eFinancials teams performs a weekly access review by checking the users against Windows Active Directory list to ensure users not on this have access rights disabled promptly.</p> <p>However, there is a risk that the windows user list may not be up to date because of delays in leavers being notified. There is a potential risk that accounts belonging to leavers remain enabled within these systems. These accounts could be subject to misuse by other employees.</p> <p>Recommendation: All logical access within financially critical systems belonging to leavers should be revoked in a timely manner upon their departure from the Council.</p> <p>Security/System administrators should be provided with (a) timely, proactive notifications from HR of leaver activity for anticipated terminations and (b) timely, per-occurrence notifications for unanticipated terminations (e.g. monthly rather than quarterly). Security/system administrators should then use these notifications to either (a) end-date user accounts associated with anticipated leaver's date or (b) immediately disable user accounts associated with unanticipated leavers.</p> <p>Priority: Medium [ICT Manager &amp; HR Systems Administrator, December 2016].</p>	<ul style="list-style-type: none"> <li>Sep 2016: The majority of new pc users at Guildford Borough Council are not paid through the Selima system. A large number of staff who are paid through Selima do not have access to a pc and have no contact with ICT. HR are not usually informed when agency or casual staff leave (the managers simply stop paying their timesheets/invoices) and HR have no involvement with consultants, who are paid directly by Financial Services.</li> </ul> <p>Guildford Borough Council is unusual in that we use an exceptionally high number of agency, casual and consultants. HR did set up an automated email function in April 2013, which emails nominated users when leavers are put through the HR system. ICT do not receive these emails because the majority of the affected staff do not have system access. This is therefore an extremely inefficient way to manage users with a significantly increased risk of genuine leaver records being lost in the high volume of casual staff notifications.</p> <p>HR and IT have continually reviewed the situation and are aware of the residual risk. It is therefore proposed to commission a full review of the processes for starters, movers and leavers. This review will need to involve key stakeholders including hiring managers, HR, payroll, ICT and Financial Services.</p> <p>The outcome of this HR lead review will be to deliver a single policy and supporting processes for GBC to reduce the identified risks and support accurate reporting of all employees including permanent staff, casuals, agency works and consultants for consideration by CMT.</p> <ul style="list-style-type: none"> <li>Sep 2017: This remains in progress. Management contend that a large number of staff (Casual, Agency, Consultants) are not given IT access due to the nature of their role, and that a leaver capture system based solely on IT access risks not capturing complete leaver information.</li> </ul> <p>Therefore methods are being explored by which line managers' reports can be tailored to ensure that the leaver reporting appropriately captures all types of staff (Permanent, Casual, Agency). This process is currently in development and also covers movers and starters.</p> <ul style="list-style-type: none"> <li>July 2018: As part of the Future Guildford transformation project, the Council will consider changing its HR policies on recording employees regardless of the route for engagement and the use of Selima as the authoritative identity source which can be automatically linked to account provisioning and management.</li> </ul>

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**Assessment**  
 ✓ Action completed  
 X Not yet addressed

# Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

## Impact of adjusted misstatements

We have not identified or proposed any adjustments aside from misclassification and disclosure changes; see next section.

## Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Detail	Auditor recommendations	Adjusted?
<b>Note 13 – Property, Plant and Equipment</b>  Page 33	Accumulated depreciation on the revaluation of the crematorium was not written back to gross cost at the point of revaluation. As a result, the gross cost and accumulated depreciation on the crematorium are both overstated by £0.505m. The underlying net book value of the asset however is correct, and so this finding has no impact on the overall Balance Sheet position.	<ul style="list-style-type: none"> <li>The Note 13 disclosure should be amended to reflect this finding.</li> </ul> <b>Management response</b> <ul style="list-style-type: none"> <li>These have been adjusted.</li> </ul>	✓
<b>Note 25 – Capital Expenditure and Financing</b>	£3.414m of capital assets incorrectly classified as operational assets whereas they should be classified as assets under construction. Note that this finding only impacts Note 25; the underlying Property, Plant and Equipment classifications in Note 13 are correct.	<ul style="list-style-type: none"> <li>The Note 25 disclosure should be amended to reflect this finding.</li> </ul> <b>Management response</b> <ul style="list-style-type: none"> <li>These have been adjusted.</li> </ul>	✓

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In addition to these misclassification adjustments, we have also identified a number of minor changes (such as formatting / textual corrections); these are not individually significant enough to warrant separate inclusion within this audit findings report and have been adjusted following discussions with the Finance team.

# Audit Adjustments

## Impact of unadjusted misstatements

We have not identified or proposed any adjustments aside from misclassification and disclosure changes – see above.

## Impact of prior year unadjusted misstatements

There are no unadjusted misstatements from prior year.

# Fees

We confirm below our final fees charged for the audit and provision of non-audit services.

## Audit Fees

	Proposed fee	Final fee
Council Audit	57,533	57,533
Grant Certification (Housing Benefit subsidy certification)	19,993	TBC
<b>Total audit fees (excluding VAT)</b>	<b>£77,526</b>	<b>TBC</b>

The proposed fees for the year were in line with the scale fee set by Public Sector Audit Appointments Ltd (PSAA)

Our fees for Grant Certification (Housing Benefit subsidy certification) falls under the remit of Public Sector Audit Appointments Limited. Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

## Non Audit Fees

Fees for other services	Fees £'000
<b>Audit related services:</b>	1,500
• Grant Certification (Housing Capital Receipts)	
<b>Non-audit services [list]</b>	14,500
• Place Analytics and CFO Insights License	
	<b>£16,000</b>

# DRAFT Audit opinion

We anticipate we will provide the Council with an unmodified audit report

## DRAFT Independent auditor's report to the members of Guildford Borough Council

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Guildford Borough Council (the 'Authority') for the year ended 31 March 2018 which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Collection Fund Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18.

Our opinion on the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2018 and of its expenditure and income for the year then ended;
- have been prepared properly in accordance with the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Who we are reporting to

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Financial Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Chief Financial Officer is responsible for the other information. The other information comprises the information included in the Statement of Accounts set out on pages **[\*\*xx to xx\*\*]** the Chief Financial Officer's Narrative Report and the Annual Governance Statement, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge of the Authority obtained in the course of our work including that gained through work in relation to the Authority's arrangements for securing value for money through economy, efficiency and effectiveness in the use of its resources or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



### Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the 'Delivering Good Governance in Local Government: Framework (2016)' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

### Opinion on other matter required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Authority gained through our work in relation to the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources, the other information published together with the financial statements in the Statement of Accounts, the Chief Financial Officer's Narrative Report and the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

Under the Code of Audit Practice we are required to report to you if:

- we have reported a matter in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we have made a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we have exercised any other special powers of the auditor under the Local Audit and Accountability Act 2014.

We have nothing to report in respect of the above matters.

### Responsibilities of the Authority, the Chief Financial Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement Of Responsibilities [set out on page(s) x to x], the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, that officer is the Chief Financial Officer. The Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC code of practice on local authority accounting in the United Kingdom 2017/18, which give a true and fair view, and for such internal control as the Chief Financial Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority lacks funding for its continued existence or when policy decisions have been made that affect the services provided by the Authority.

The Corporate Governance and Standards Committee is Those Charged with Governance.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Report on other legal and regulatory requirements - Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

#### Conclusion

On the basis of our work, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, we are satisfied that *the Authority* put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

#### Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

### Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2017, as to whether in all significant respects the Authority had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

**Report on other legal and regulatory requirements - Certificate**

We certify that we have completed the audit of the financial statements of the Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

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Draft – Signature to be inserted

Sarah Ironmonger  
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

2<sup>nd</sup> Floor  
St Johns House  
Haslett Avenue West  
Crawley  
RH10 1HD

[Date]



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26 July 2018

Dear Sirs

[Guildford Borough Council](#)

**Financial Statements for the year ended 31 March 2018**

This representation letter is provided in connection with the audit of the financial statements of Guildford Borough Council for the year ended 31 March 2018 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and applicable law.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Financial Statements**

- i We have fulfilled our responsibilities for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 ("the Code") which give a true and fair view in accordance therewith.
- ii We have complied with the requirements of all statutory directions affecting the Council and these matters have been appropriately reflected and disclosed in the financial statements.
- iii The Council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.



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- v Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- vi We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with the Code and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.
- vii Except as disclosed in the financial statements:
  - a there are no unrecorded liabilities, actual or contingent
  - b none of the assets of the Council has been assigned, pledged or mortgaged
  - c there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme assets and liabilities for IAS19 Employee Benefits disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant post-employment benefits have been identified and properly accounted for.
- ix Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Code.
- x All events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.
- xi Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of the Code.
- xii We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.  
  
The financial statements are free of material misstatements, including omissions.
- xiii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xiv We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

### **Information Provided**

- xv We have provided you with:
  - a access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

- b additional information that you have requested from us for the purpose of your audit; and
  - c unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.
- xvi We have communicated to you all deficiencies in internal control of which management is aware.
- xvii All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xviii We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xix We have disclosed to you all our knowledge of fraud or suspected fraud affecting the Council involving:
  - a management;
  - b employees who have significant roles in internal control; or
  - c others where the fraud could have a material effect on the financial statements.
- xx We have disclosed to you all our knowledge of any allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, regulators or others.
- xxi We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxii We have disclosed to you the identity of all the Council's related parties and all the related party relationships and transactions of which we are aware.
- xxiii We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

### **Annual Governance Statement**

- xxiv We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

### **Narrative Report**

- xxv The disclosures within the Narrative Report fairly reflect our understanding of the Council's financial and operating performance over the period covered by the financial statements.

### **Approval**

The approval of this letter of representation was minuted by the Council's Corporate Governance and Standards Committee at its meeting on 26 July 2018.

Yours faithfully

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Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Council



Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Chief Internal Auditor

Author: Joan Poole

Tel: 01483 444854

Email: joan.poole@guildford.gov.uk

Lead Councillor responsible: Nigel Manning

Tel: 01252 665999

Email: nigel.manning@guildford.gov.uk

Date: 26 July 2018

## Summary of Internal Audit Reports - October 2017 – March 2018

### Recommendation

The Committee is requested to note the summary of audit reports and other associated work for the period 1 October 2017 to 31 March 2018.

#### Reason for Recommendation:

To ensure an adequate level of audit coverage.

### 1. Purpose of Report

- 1.1. To present a summary of audit work for the period 1 October 2017 to 31 March 2018.

### 2. Strategic Priorities

- 2.1. The audit of Council services supports the priority of providing efficient, cost effective and relevant quality public services that give the community value for money.

### 3. Summary of Audit Reports – October 2017 to March 2018

- 3.1. The summaries of the audit reports that we have carried out in the period October 2017 to March 2018 are set out below. Internal Audit uses a scale to categorise the findings and audit opinion under five classifications. These are:

- **No Opinion** – Results of one-off investigations or consultancy work ranging from investigations into potential fraud or misappropriation or other projects such as value for money reviews on which no audit opinion is given.
- **No Assurance** – Fundamental control weaknesses that need immediate action. The area reviewed has significant control weaknesses and/or significant problems were found in the course of the audit.
- **Limited Assurance** – Some assurance that the controls are suitably designed and effective but inconsistently applied and action needs to be taken to ensure risks are managed. The area reviewed has some control weaknesses and there is a risk of loss or problems identified in the course of the audit.
- **Reasonable Assurance** - Assurance that the controls are suitably designed consistently applied and effective but we have identified issues that if not addressed, increase the likelihood of risk materialising in this area. This rating reflects audits where the systems are sound and there are only low level risks.
- **Substantial Assurance** – Assurance that the controls are suitably designed consistently applied and effective. The area reviewed is well controlled and no material problems were found.

3.2. The classifications are included in the reports to managers and have been included here to provide the Committee with an overall conclusion on the findings of the audits. The reports are ranked in order of audit opinion.

**4. No Opinion**

4.1. There were no reports with “No opinion” in this period.

**5. No Assurance**

5.1. There were no reports with a “No Assurance” opinion in this period.

**6. Limited Assurance**

6.1 The limited assurance audit reviews were included in the Annual Governance Statement considered by the Committee on 14 June 2018. The main findings are set out in the table below and will be subject to review in the next three months and progress against the recommendations will be reported back to this Committee.

Cyber Security		
Recommendations	Actions Agreed	Implementation Date
The Council must migrate all IT devices onto operating systems that are supported by the developer. Where this is not possible, the devices running	The on-going PSN remediation work includes the retirement of a number of legacy systems. The residual risk will be managed via the use of hardware	This was started in January 2018 and is part of the ICT refresh project which is due to

<b>Cyber Security</b>		
<b>Recommendations</b>	<b>Actions Agreed</b>	<b>Implementation Date</b>
unsupported operating systems must be isolated from the Council's IT network.	based security measures to isolate any unsupported systems which cannot be decommissioned prior to the full refresh programme.	complete in March 2019
There should be a defined patch management procedure in place.	Work was already underway prior to the audit to address this in a proportionate manner and, whilst this is not fully automated, significant improvements have been made in assessing and applying patches. The refresh programme fully addresses patch management.	Implemented

<b>Fire Risk Assessments</b>		
<b>Recommendations</b>	<b>Actions Agreed</b>	<b>Implementation Date</b>
The Council should have a designated officer and appropriate responsibilities are assigned to a single named individual within the Council. The Council should establish a specific group for fire risk management, whereby responsibility of management of fire risk is clearly assigned. Responsibilities for the Group should include, but not be limited to, following-up the recommendations arising from FRAs for the Council's properties.	A Fire Safety Group with representatives from Service areas is now established. The Group will take forward recommendations and will monitor overall compliance. There is a designated responsible officer and performance will be monitored by the Corporate Management Team.	Implemented 31 May 2018
A procedure should be established to review the FRAs annually, in line with the requirements of the Corporate Fire Safety Policy.  All residential properties should be identified and managed. The list should include the date of the latest FRA and the next assessment due date for each property. The listing should be kept up to date to reflect the status of the FRA for each property.	The matrix in the policy is for guidance only, as the FRA should always be re-performed in accordance with the contractors suggested review date. The new Fire Safety Group has been tasked with ensuring the Council has up to date fire risk assessments, which will be reviewed annually in accordance with the recommendations in the Council's Corporate Fire Safety Policy.	Partially implemented
Following the completion of a FRA, management should develop an action plan to ensure that all recommendations raised are RAG-rated and prioritised.	An action plan is being developed to ensure the Council can clearly identify and sign off what actions need to be undertaken in accordance with the latest fire risk assessments.	Implemented

<b>Fire Risk Assessments</b>		
<b>Recommendations</b>	<b>Actions Agreed</b>	<b>Implementation Date</b>
The action plan should be kept up to date to reflect the status of recommendations.	Outstanding actions will be reviewed by the Fire Safety Group.	

<b>Asbestos</b>		
<b>Recommendations</b>	<b>Actions Agreed</b>	<b>Implementation Date</b>
The Council should ensure there is an up-to-date register, which clearly details all properties owned by the Council where asbestos containing materials (ACM) are present	An up-to-date asbestos register is being developed which will identify all properties where asbestos containing materials have been detected. This will provide a clear record identifying what actions need to be undertaken in accordance with the latest asbestos management surveys and will allow re-inspections to be dated and signed.	Corporate review started 30 April 2018
<p>The Council should ensure that accountability for asbestos management and appropriate responsibilities are assigned to a named individual within the Council.</p> <p>The Council should establish a Corporate Asbestos Management Group – with individual working groups feeding into it, whereby responsibility of asbestos is clearly assigned.</p>	A new Asbestos Management Group is being established with representatives from service areas. The Group will agree Terms of Reference as well as reviewing and updating the Corporate Asbestos Policy. In addition, they will ensure that corporate processes, procedures and training are put in place to provide full and safe management of asbestos. There is a designated responsible officer who, together with the Group, will review outstanding actions on the asbestos registers. Performance will be monitored by the Corporate Management Team.	Implemented

<b>Legionella</b>	<b>Actions Agreed</b>	<b>Implementation Date</b>
The review found that not all properties had an up to date legionella risk assessment (LRAs) in place. Risk assessments should be completed every two years or sooner if work has been carried out. There is also a concern that in a limited number of instances work had been carried out without Mechanical and Engineering	<p>Management should review the dates of the latest LRAs for the Council's properties and ensure that an assessment is completed for all properties where an assessment is overdue.</p> <p>An appropriate process should be established whereby M&amp;E are notified of</p>	Property review started 30 June 2018

<p>staff being informed and therefore the risk assessments have not been updated.</p> <p>Not performing LRAs in a timely manner increases the risk of legionella going undetected</p>	<p>all works on properties that will result in the requirement of a new LRA being completed.</p>	
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<b>Business Continuity</b>		
<b>Recommendations</b>	<b>Actions Agreed</b>	<b>Implementation Date</b>
<p>CMT considers the findings of the audit report and decides how it wants to approach Business Continuity.</p> <p>If the decision is that the Council should have a robust and resilient Business Continuity Plan, it is recommended that a new BCP is developed.</p> <p>Appropriate resources should be identified and allocated to drawing up and maintaining a new BCP based on the findings of the audit report.</p>	<p>There is now a corporate review to update all business continuity plans and revise the current processes and carry out the recommendations of the report</p>	<p>This will go to service leaders in August 2018</p>

<b>Contract Management</b>	<b>Recommendations Made</b>	<b>Implementation Date</b>
<p>The purpose of the review was to consider the design and effectiveness of the controls in place around contract management and to highlight any areas where the controls might be improved. Procurement at Guildford Borough Council has been delegated to Directorates, each of which appoint officers responsible for procurement and subsequent contract monitoring. The following areas of good practice were identified.</p> <ul style="list-style-type: none"> <li>Financial and Procurement Procedure Rules set out the requirements for effective contract management;</li> <li>Of the contracts that we reviewed, associated responsibilities have been allocated and documented.</li> </ul> <p>However, we found the following areas for improvement:</p> <ul style="list-style-type: none"> <li>There needs to be an up to date</li> </ul>	<p>Establish and maintain a single contracts register</p> <p>Introduce a contract management handbook and templates</p> <p>Contract Performance monitoring</p>	<p>30 September 2018</p>

Contract Management	Recommendations Made	Implementation Date
<p>contract register</p> <ul style="list-style-type: none"> <li>• There needs to be a more standard and consistent approach across the Council</li> <li>• There needs to be monitoring so that contracts do not continue after their expiry date</li> <li>• There needs to be performance management to monitor expenditure against contracted values</li> </ul> <p>Responsibility for contract management has been delegated to individual directorates and this has increased the risk of inconsistency in our contract management processes.</p>		

## 7. Reasonable Assurance

### 7.1 Data Quality

One of the main areas in the audit plan this year was the focus on data governance and the emerging risks, notably the introduction of the General Data Protection Regulation, which came into force in May 2018.

- 7.2 We produced a suite of process maps to help staff understand how to deal with each of the eight GDPR rights. The Council is in a good position, but there is still legacy work to be carried out on data that is out of date or no longer needed. Given the amount and variety of data which we capture and hold, this is a piece of work which will be time consuming but essential to comply with.

**Audit Opinion – Reasonable Assurance – We will be reviewing progress against the requirements of the new legislation in August 2018**

### 7.3 Homeworking

The purpose of this audit was to assess the design and the operational effectiveness of the Council's homeworking controls and to identify areas for improvement. The Council has been promoting flexible working for staff for some time and about 300 staff can now routinely gain remote access to Council systems from their home if required.

- 7.4 Any request for home working has to be approved by the line manager and ICT. Home workers are required to log in to their desktop environments via Citrix, which uses remote access tokens for two-factor authentication, providing an additional security layer. Staff have to confirm that they have understood and will comply with the Council's Information Systems Security Policy in order to be provided with the

right to work from home. There are advantages and disadvantages in homeworking for both employee and employer some of which are detailed below

#### Potential Disadvantages

- Difficulty monitoring performance - there could be difficulty managing home workers and monitoring their performance.
- Performance issues - possible deterioration in employees' skills and work quality.
- Cost of working from home - initial costs of training and providing suitable equipment, including adaptations to meet health and safety standards and the needs of disabled employees.
- Problems with staff development - difficulty of maintaining staff development and upgrading skills.
- Information security risk - information security problems could be more likely to occur.
- Communication problems - could increase feelings of isolation amongst home workers.
- Decreased staff morale - it can be harder to maintain team spirit when employees are working at different locations.
- Not all jobs suit home working - working from home suits some jobs better than others. Equally, working from home suits some personality types but not others. Some people may prefer colleague contact by face to face communication.

#### Potential Advantages

- Improved employee retention - home working can help retain working parents with childcare responsibilities.
- Access to a wider pool of applicants - for example, disabled people who may prefer to work from home.
- Possible productivity gains - due to fewer interruptions and less commuting time.
- Increased staff motivation - with reduced stress and sickness levels.
- Financial benefits - savings on office space and other facilities.
- Better work/life balance - employees working from home can lead to improvements in health and well-being.

Technology has allowed the growth of flexible working patterns but when agreeing that staff can work from home we need to set clear performance targets and balance their personal preferences with the needs of the service.

#### **Audit Opinion – Reasonable Assurance**

##### **7.5 Procurement**

Effective procurement processes are vital in ensuring the Council is able to deliver services and projects whilst ensuring that we achieve value for money and comply with the procurement regulations.

- 7.6 All service managers procure goods or services at some time and there should be clear guidelines and timely advice on the procurement options. The challenge is to have systems that are agile and flexible but also comply with our governance requirements. The review identified some inconsistencies in the constitution of evaluation panels but all projects had satisfactory specifications and clear evaluation criteria, which were used to select the winning bid.
- 7.7 Other recommendations related to the updating of the corporate procurement guidelines and whether to re-convene the Corporate Procurement Advisory Panel, which is made up of procurement, legal, and service representatives to oversee procurement activity.

**Audit Opinion – Reasonable Assurance – The recommendations have been agreed and further work is being carried out on our procurement processes.**

**7.8 Lettings and Voids**

Social housing plays an important role in providing accommodation for a wide range of households, including some of the most vulnerable in society. The Council has a Housing Allocation scheme which aims to:

- Fulfil its legal requirements in relation to lettings
  - Offer customers choice
  - Manage the demand for council housing in Guildford
  - Provide an equitable, transparent, efficient and customer focused lettings system
  - Promote sustainable communities
  - Monitor the effectiveness of the void period from initial void to tenancy start date
- 7.9. Effective void management ensures that the Council maximises its income but also minimises the void period to bring houses back into stock to meet the housing demand. The Council manages some 5,200 properties for its tenants and in 2017-18, the estimated income was £29 million. At 30 June 2017, there were 2,715 applicants on the Council's housing waiting list, with an average waiting time from completing an application form to being rehoused of over four years. The effective and efficient management of void properties is therefore vital to bring them back into use and take prospective tenants off the waiting list. Monitoring turn-around time for empty properties within agreed performance targets is crucial to the Council's performance as a housing provider.
- 7.10 We analysed the spreadsheet from the Voids Officer as at 20 September 2017, which identified 53 properties including:
- void properties that require major improvement works;
  - void properties that have issues and require management decisions
  - standard void properties.

The details are shown in the table below:

Voids from the Voids Officer's spreadsheet at 20 Sept. 2017	Number	%
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Void properties that require major improvements	27	51
Void properties with issues and require management decisions	3	6
Void properties classified as standard	23	43
<b>TOTAL</b>	<b>53</b>	<b>100</b>

7.11 From the data provided it was possible to calculate the amount of lost revenue for the period the properties were classified as void and the details are shown in the table below:

<b>From the Voids Officer's spreadsheet as at 20 Sept. 2017</b>	<b>Number</b>	<b>Amount</b>
Void properties that require major improvements	27	£83,815
Void properties with issues and require management decisions	3	£15,257
Void properties classified as standard	23	£19,664
<b>TOTAL (Assumes lost rent from start of void to 20/11/17)</b>	<b>53</b>	<b>£118,736</b>

7.12 The amount of lost revenue is significant and highlights the need to manage our void properties effectively.

7.13 Properties become void for a number of reasons and, in order to get a more accurate reflection of the downtime, we analysed the data for the full year 2016-17. The results are shown in the table below. There were 242 properties re-let in 2016-17 with an average void time of 80.27 days. This covers both day-to-day property repairs and those properties with planned major works. The re-let properties in the year represent 5% of the total housing stock. However, whatever the reason we should ensure that there is as little down time as possible.

	<b>No. of Properties</b>	<b>Days</b>
Average re-let time – major works	93	160.42
Average re-let time – day to day	149	30.25
<b>Average re-let time</b>	<b>242</b>	<b>80.27</b>

7.14 It is difficult to put a timescale on major repair works but standard repairs is an area where the turn round time could be reduced. There are plans to contract out the work, which is a positive initiative, but the contractor will need to be monitored rigorously to ensure works are carried out promptly to void properties.

**Audit Opinion - Reasonable**

7.15 **Payroll**

The Council employs over 700 people and the budgeted cost of employee related expenditure is expected to exceed £30 million in 2017-18. The key controls surrounding the process of paying staff therefore needs to be robust, sound and effective. The main objective of the payroll process is to pay the right person the right amount at the right time, and to produce all the required statutory returns.

7.16 The payroll function was originally within the Financial Services section but was transferred to Human Resources (HR) following a restructure. There is a natural synergy between the two teams as Payroll and Human Resources use the same system.

7.17 There are inherent access controls within the system, HR staff do not have access to the payroll system, and payroll staff do not have access to the HR site. However, one of the most common risks is the risk of introducing ghost employees into the system. Our testing has not shown any anomalies but we need a formal exception reporting process between the Payroll system and the Establishment list to increase the level of control and reduce the risk.

**Audit Opinion – Reasonable Assurance – It was agreed that Internal Audit would run a bi-monthly exception report comparing employees on the establishment and those who have been paid, including addresses and account details**

7.18 **G Live**

The purpose of the review was to establish whether the contractor is complying with the terms of the contract and the Council is monitoring performance effectively. The review found the following areas of good practice and effective management controls:

- There are set service levels and key performance indicators (KPI) which are routinely measured;
- There are monthly asset management and service review meetings;
- Quarterly liaison meetings with Councillors are held and minuted;
- There are annual performance and Health and Safety meetings, which are reported to the partnership Board;
- There are effective relationship meetings between the Contractor and the Council.

7.19 However, the audit recommended that there should be annual benchmarking review of the performance of the G Live venue.

**Audit Opinion – Reasonable Assurance – We are now carrying out a benchmarking exercise as we recognise that the data will be key in preparing for letting the contract in the future.**

7.20 **Health and Safety**

The purpose of our review was to provide assurance that the Council's arrangements for ensuring the health and safety of staff and visitors are effective. The Council has a legal duty to put in place suitable arrangements to manage

health and safety risks. According to the Health and Safety Executive (HSE), managing health and safety should be part of the everyday process of running an organisation and an integral part of workplace behaviours and attitudes.

7.21 For HSE, the core elements to have effective systems in place are strong leadership and management, a trained and skilled workforce, and an environment where people are trusted and involved. The Council should have a robust health and safety framework to identify, monitor and report health and safety issues in order to comply with legal requirements and achieve successful Health and Safety performance. The review found the following areas of good practice:

- Regular reporting of accidents and updates from the Health and Safety Officer to the Corporate Management Team
- A Corporate Health and Safety Induction is in place for new starters
- Risk assessments have been completed for hazardous jobs across the Council, which include in Operational Services and Parks and Leisure
- There is an up to date Health and Safety Policy, which has been approved and is readily available on the intranet

7.22 However we identified the following areas for improvement:

- Not all Services maintain an up to date Part 2 Health and Safety Policy which is created by the individual Services and is specific to them, detailing key roles and responsibilities and tasks to be undertaken
- There is no centrally maintained training needs analysis/matrix in place to formally identify the required training for all job roles
- Workplace inspections are not being consistently performed across all of the Council's services
- Deputies have not been nominated for the Corporate Health and Safety Group resulting in key information not always being presented

7.23 Whilst the review identified room for improvement there are no areas of significant concern, and there were no major instances of non-compliance with the current controls.

**Audit Opinion – Reasonable Assurance – The recommendations have been agreed and are being implemented.**

7.24 **IR35**

Following the introduction by HMRC of new and more stringent regulations on the employment of contractors, we carried out a review to look at how we are complying with the revised IR35 Regulations. The new legislation, referred to by HMRC as “off-payroll working” affects public sector bodies, who engage workers through intermediaries such as personal service companies, limited companies and sole traders. HMRC brought in the new regulation to address what was felt to be significant tax avoidance by self-employed contractors and there was a view that a significant number of contractors are, in reality, disguised employees and should therefore be liable to PAYE and National Insurance.

- 7.25 In the past, compliance with IR35 was a matter for the contractor and HMRC but responsibility for determining the status of a contractor now rests with the Council. Failure to do so correctly will result in a fine or penalty for the Council. We carried out a corporate review of all contractors to determine and in some cases change their status but service managers, payroll and creditors need to be mindful of the rules when appointing contractors, a company or sole trader to carry out work.

**Audit Opinion – Reasonable Assurance – The E-Payments manager is monitoring invoices for compliance**

**7.26 Sundry Debtors**

Sundry Debtors are part of Financial Services and all sales ledger invoices are processed through them. In the period under review (April to December 2017) they raised over 22,000 invoices with a value of nearly £19 million. The audit looked at the controls over invoice processing and the how the corporate debt is monitored.

- 7.27 Invoices can be raised manually or electronically but whichever method is used they must be authorised by an authorised signatory. Testing found no significant issues relating to the authorisation of invoices.

- 7.28 We also looked at the level of debt over the year. Outstanding debt is monitored regularly and, whilst every effort is made to recover a debt, there are occasions where bad debt occurs. The analysis showed that there was an overall reduction in the value of outstanding debt from £2.4million in April 2017 to £1.6million in December 2017, the majority of which is current. The level of bad debt (over six months) at the end of month 9 was £730,000, which represents 3.8% of the total value of invoices raised in the period.

- 7.29 There were no specific recommendations arising from this audit review but there are points within the report, which will require consideration for the future in relation to:

- process automation so that input forms to raise an invoice can be directly uploaded into the Debtors sub-ledger or eFinancials to reduce the double handling and double entering of debtor information.
- Moving to payment at point of sale wherever possible

**Audit Opinion – Reasonable Assurance**

**7.30 Vehicle Management**

At the time of the review, there were 226 vehicles in the Council's fleet. They range from the large refuse freighters to small vans depending on the service. The cost of running the fleet is approximately £3 million per annum. The aim of the review was to carry out a value for money exercise to look at how the vehicles are used and whether we are making the most of our assets.

- 7.31 The review found:

- Some vehicles were not fully utilised and spent a significant amount of time at Woking Road Depot or Stoke Park.

- There is potential duplication with both street scene and parks vehicles being in the same place
  - There is evidence of vehicles making extended journeys rather than take the direct route from site to site.
  - Not every vehicle is fitted with a tracker so there is inconsistency and no performance data for these vehicles
- 7.32 Given the financial and environmental pressure on the Council we need to maximise the use of our fleet. Further work is being done on:
- Defining the level of service that is required within individual services
  - Identifying the number of vehicles to deliver that service
  - Identifying and resolving duplication within and between services
  - Looking at better route planning and zoning which would deliver efficiency savings and reduce fuel costs

**Audit Opinion - Reasonable Assurance – This will be included in our efficiency review**

**8 Substantial Assurance**

**8.1 Treasury Management**

The purpose of our review was to provide assurance that appropriate arrangements are in place and operating effectively in compliance with the CIPFA Code of Practice for Treasury Management. The following areas of good practice were identified.

- The Council has an approved Treasury Management Annual Strategy and Prudential Indicators are set within.
- Treasury Management policies, procedures and protocols are in compliance with the CIPFA Code of Conduct for Treasury Management.
- The Council's investment adviser, Arlingclose, provides regular investment consultation and advice to the Council, which is taken into consideration when making investment decisions.
- Bank reconciliations are completed in a timely manner and all reconciliations reviewed.
- An adequate segregation of treasury management duties is in operation.
- Comprehensive and regular reporting on treasury management performance is undertaken in accordance with the strategy.

Overall, we found that the control environment is robust. There were only minor recommendations relating to updates to the TMP's which need to be finalised and reviewed and approved by the Corporate Governance and Standards Committee.

**Audit Opinion – Substantial Assurance**

**8.2 Taxi Licensing**

We carry out an annual review of the data and calculation of the Taxi Licence fees prior to approval and publication. Whilst there were minor queries, we have agreed the figures.

**Audit Opinion – Substantial Assurance**

## 9 Governance, Corporate and Projects

### 9.1 Ombudsman

It is difficult to plan for Local Government Ombudsman complaints or know how much audit will be involved. Some complaints are more complex than others and we work with the services prior to making a response to the LGO. While it may not be traditional audit work and in some cases, they can be time consuming and can result in a mini audit. They are, however, a valuable insight into areas of emerging risk which we then build into the audit plan. The Ombudsman decisions for the period are shown below:

Decision Date	Complaint Category	Finding
10.11.17	Planning & Development	Premature
14.11.17	Housing	Premature
06.12.17	Planning & Development	Closed after initial enquiries – no further action
14.02.18	Benefits & Taxation	Upheld: no further action
15.03.18	Benefits & Taxation	Closed after initial enquiries – no further action
2.03.18	Planning & Development	Closed after initial enquiries – out of jurisdiction
28.03.18	Planning & Development	Not upheld: no maladministration

### 9.2 Business Continuity and Emergency Planning

The Council has always had a Business Continuity Plan but our review found that whilst there were contingency plans in ICT to deal with an incident, we need to review and update our procedures and records and align the ICT contingency planning to the Council's overall recovery and emergency planning. Part of the problem is that, over the last few years, there have been a number of organisational changes, which has resulted in different structures with different roles and reporting lines. When this happens there is always a risk that the linkages between services are overlooked. Following the audit, we have worked with services and are now finalising the new plan prior to approval and roll-out.

### 9.3 Service Plans

Service plans are an important part of our management control environment. We have had a service planning process for several years, which has developed over time. However, the background against which service plans are produced has changed with the introduction, for example, of both a comprehensive Corporate Plan and the focus on innovation and commercial activities. Service plans have developed over time, structures and reporting lines have changed which has increased the risk that the approach from individual services has become less corporate.

9.4 We reviewed and simplified the service plans process last year but we have continued to refine the process so that there is consistent approach and the

document contains summary information about the service and details of any significant projects and activities over the next three financial years including performance metrics, which will be used in one to ones and at CMT to monitor the progress against targets.

- 9.5 As well as being a useful tool to monitor and manage significant projects and activities, service plans also provide an opportunity to engage with colleagues, councillors and customers to improve their understanding of the scale and objectives of each service. The summary document includes information about the service:

- Position in the council
- Senior management and Portfolio Holder
- Purpose and objectives
- Financial information
- Staffing levels
- Key Performance Indicators
- Major projects and activities

- 9.6 The service plan requires that all projects are identified according to project type. The project types are:

- Corporate Plan – projects arising from the Council's Corporate Plan.
- Transformation – projects undertaken as part of the Transformation Programme, either Transformation Reviews or resulting from recommendations in earlier Transformation Reviews.
- Savings – Projects designed to achieve savings.
- Service Improvements – Projects undertaken to improve services, usually not identified as part of the Transformation Programme or Savings reviews (e.g. introduce new software).
- Risk mitigation – Projects undertaken to mitigate a risk identified as part of the Council's Risk Management process.
- Business as Usual (BAU) – activities that are important to the service but may not be corporately significant.

- 9.7 As part of the service planning process, service managers will be expected to develop meaningful Key Performance Indicators (KPIs). These will be included in the service plan and be used as the basis of a regular report to CMT. Many services will already have some KPIs but this is an area, which needs further development to ensure that the KPIs capture information that is important from the customer's point of view or demonstrate the efficiency and effectiveness of the service.

- 9.8 There is already a monthly Corporate Plan Monitoring report, which details the progress of all projects which feed into themes and aims of the Corporate Plan 2015-2020. In addition, we benchmark a suite of corporate PIs with other Surrey authorities to assess our performance.

## **10. Service Reviews**

- 10.1 Over the last year, Internal Audit has worked with managers on a number of reviews. Although this is not traditional audit work, many of the business process re-engineering disciplines involved are closely related to audit systems analysis. This has the benefit of helping managers make efficiency savings but it also increases our understanding of the services and the business risks.

### **Service and lean reviews in progress**

- 10.2 We have been working on a number of reviews including:

- Heritage Services
- Parks and Countryside
- Human Resources
- Operational Services
- Internal Audit
- Parking
- Customer Service Centre

- 10.3 These reviews look at all the business processes, structures and synergies to deliver more streamlined efficient and effective services. The reviews are now being finalised and will inform any future re-structures.

## **11 Conclusion**

- 11.1 The second half of the year has been challenging. There were some staffing issues which we covered by increased use of a contractor. The audit focus is changing as the Council is seeking to become more entrepreneurial and the challenge for the team is to balance the requirement for robust governance and control and helping to deliver the Council's ambitious change agenda.

## **12 Financial Implications**

- 12.1 There are no financial implications.

## **13 Legal Implications**

- 13.1 The Local Government Act 1972 (S151) requires that a local council "shall make arrangements for the proper administration of their financial affairs". The 1972 Act is supported by the Accounts and Audit Regulations 2011, which state, "A relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices



in relation to internal control". The internal audit plan is necessary to satisfy these legal obligations.

**14 Human Resources**

14.1 There are no Human Resource implications.

**15. Background Papers**

None

**16. Appendices**

None

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Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Director of Environment

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Date: 26 July 2018

## Freedom of Information and Subject Access Compliance Update

### Executive Summary

This is a regular report to monitor the Council's performance in dealing with Freedom of Information (FOI) and Environmental Information Regulations (EIR) requests.

In 2018, as of 27 June there have been:

- 410 Freedom of Information/Environmental Information requests, of which
- 391 were dealt with under the Freedom of Information Act 2000 (FOI)
- 19 were dealt with under the Environmental Information Regulations 2004 (EIRs)

The Council's performance rate for delivery of FOIs/EIRs currently stands at 92%. The Key Performance Indicator (KPI) of 90% set by the Corporate Management Team has therefore been exceeded.

92% was also the figure for this time last year.

### Recommendation to Committee

That the Corporate Governance and Standards Committee notes the officer actions and continues to receive six monthly updates.

Reason for Recommendation: To ensure the Council continues to meet and, wherever possible, to exceed the 90% compliance target.

### 1. Purpose of Report

- 1.1 The Corporate Governance and Standards Committee has requested this report to ensure the Council improves its response timescales for FOI and EIR requests.

- 1.2 Appendix 1 contains the performance figures for each service area and a total for the Council, including volume of FOI/EIR requests received and the percentage responded to on time.

**2. Strategic Framework**

- 2.1 Promoting openness and transparency in Council policy and decision-making is essential to promote public confidence within the Borough in order to improve prosperity and well-being as outlined in the Strategic Framework – i.e. the Council “will be open and accountable”.

**3. Background**

- 3.1 The Council is required to respond to FOI and EIR requests within 20 working days – subject to certain exceptions as long as the requester is kept informed – for example extra time can be taken to consider the Public Interest Test (PIT).
- 3.2 The performance figures for 2018 (to date as of 27 June) are included in Appendix 1.

Update on progress in 2017

- 3.3 As at 27 June 2018, the Council had received 410 FOI/EIR requests during the current calendar year. By comparison, 360 requests were received at this stage during 2017. 337 requests had been closed at the time the figures were compiled, with a number of requests still open. The open requests have not been included in these figures.
- 3.4 The Council’s performance time currently stands at 93.5% of requests being closed within the statutory time frame, compared with a figure of 91.5% at this time in 2017.

**4 Requests received by Directorate, January – June 2018 (up to 27 June)**

- 4.1 Community received the most requests with a total of 155 (almost 38% of the total requests received). The best performing directorate was Planning with 100% of requests being answered within the 20 working day time scale.
- 4.2 All five directorates are currently performing above the Council’s KPI target of 90%, as set by the Corporate Management Team.

**Fig 1 – Table of Requests received by directorate and percentage answered in time (1 Jan – 27 June 2018)**

Directorate	Number of requests received *	Requests answered in time	Percentage answered in time
Environment	92	85	92%
Finance	93	91	98%
Management Team	34	31	91%
Community	155	143	92%
Planning & Regeneration	36	36	100%
	<b>410</b>	<b>386</b>	<b>94%</b>

(\* includes requests which are still open)

## **5. Requests received by service area**

- 5.1 Out of 34 service areas which received FOI/EIR requests during the period covered, 21 have responded to 100% of requests in time – i.e. a commendable 62% of all service areas have a 100% FOI compliance rate.
- 5.2 This compares very favourably with the overall figures for 2017, when only 13 service areas (37% of the total service areas) had a 100% compliance rate.
- 5.3 Housing Advice and Planning received the most requests – with 36 each.

## **6. Exemptions**

- 6.1 The most frequently used exemption under the Freedom of Information Act was section 21 (information available by other means), which was used on 40 occasions to date this calendar year. Most of these requests were for information already published on the Council's website.
- 6.2 The next most commonly applied exemption was section 31 (law enforcement) which was used 8 times, mainly in connection with requests on empty properties.

## **7. Internal Reviews**

- 7.1 Two FOI/EIR requests so far this year have gone to internal review stage. Of those, one was dismissed and the other is still currently open.
- 7.2 One Subject Access Request has so far been the subject of internal review. The investigation is still currently open

## **8. Categories of Requester**

- 8.1 42% of all requests received so far in 2018 have come from members of the public. The next most frequent category was "Other" (which includes private companies such as estate agents and construction firms, professional bodies and other local authorities), which accounts for 32% of all requests. 15% of requests have been received from the media.

## **9. Subject Access Requests**

- 9.1 13 Subject Access Requests have been received in 2018 compared with a total of 7 last year. Since the coming into force of the GDPR on 25 May, a total of 10 requests have been received – more than the entire total for 2017. This increase was somewhat expected as organisations can no longer charge the £10 fee and the GDPR has reduced the time limit from 40 calendar days to one month.

## **10. Equality and Diversity Implications**

- 10.1 No Equality and Diversity Implications apply to this report.

**11. Financial Implications**

- 11.1 The increase in SARs may have resource implications. Dealing with such requests is a very time-consuming process and, if current trends continue, there may be a case for taking on extra resources.

**12. Legal Implications**

- 12.1 Failure to respond to FOI/EIR requests within 20 working days is a breach of the respective legislation. Requesters whose FOIs/EIRs have not been answered within the statutory time limit have the right to request an internal review and/or to make a formal complaint to the Information Commissioner's Office (ICO). There are therefore direct legal implications associated with the risk of reputational damage to the Council, adverse publicity and active monitoring by the ICO.

**13. Human Resource Implications**

- 13.1 See "Financial Implications" above.

**14. Summary of Actions**

- 14.1 Directors will ensure requests in their service areas remaining overdue or approaching their deadline date are resolved as soon as possible so that current standards can be maintained and, if possible, exceeded.

**15. Conclusion**

- 15.1 The Council is currently compliant with the KPI target for FOI/EIR performance figures. To maintain this standard, directors should ensure that requests for their services are resolved as efficiently as possible. The Information Rights Officer in liaison with the Senior Information Risk Owner (SIRO) will continue to send reminders to any service areas responsible for requests which are nearing their deadline. Corporate Management Team should continue to monitor progress to drive improvement.

**16. Appendices**

Appendix 1: Requests received by service area, 01/01/18 – 27/06/18

**Appendix 1 - Requests received by service area, 01/01/18 – 27/06/18**

<b>Service Area</b>	<b>Total requests</b>	<b>Total answered in time</b>	<b>Percentage</b>
Asset Development	11	11	100%
Community Care	5	5	100%
Licensing	19	19	100%
Environmental Health	13	12	92%
Private Sector Housing	29	26	90%
Public Health	16	16	100%
Housing Advice	36	34	94%
Landlord Services	6	3	50%
Property Services	12	12	100%
PR & Marketing	4	1	25%
Policy & Partnership	9	9	100%
Bereavement	3	3	100%
Fleet & Waste	3	2	66%
Cleansing/Recycling	19	16	84%
Engineers	1	1	100%
Heritage	2	2	100%
Local Economy	4	4	100%
Parking	13	12	92%
Management Team	1	1	100%
Parks & Countryside	18	19	95%
Leisure Services	1	1	100%
Planning	36	36	100%
Benefits	2	2	100%
Exchequer Services	32	32	100%
Council Tax	11	11	100%
Customer Service	6	5	83%
Democratic Services	14	14	100%
ePayments	3	3	100%
Facilities Management	3	0	0%
Financial	9	8	89%
HR	12	12	100%
ICT	9	9	100%
Legal	15	14	93%
Payroll & Insurance	4	4	100%
<b>TOTAL</b>	<b>381</b>	<b>349</b>	<b>92%</b>

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Corporate Governance and Standards Committee Report

Ward(s) affected: n/a

Report of Director of Environment

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Date: 26 July 2018

## General Data Protection Regulation Update

### Executive Summary

The General Data Protection Regulation (GDPR), which replaces the Data Protection Act 1998, came into force in May 2018, and sets out how organisations can collect and use personal data. The GDPR applies to organisations that provide goods or services to individuals in the EU. This includes organisations outside the EU that want to provide goods or services within the EU. The GDPR (and the new law, Data Protection Act 2018) will continue to apply in the UK after the UK leaves the EU.

### Recommendation to Committee

That the Corporate Governance and Standards Committee notes the officer actions and continues to receive updates on a six monthly basis.

### Reason for Recommendation

To ensure the Council continues to comply with GDPR legislation.

### 1. Purpose of Report

1.1 This report explains action taken to progress the implementation of the GDPR, which came into effect on 25 May 2018.

### 2. Strategic Framework

2.1 Good corporate governance ensures the Council maintains high standards to protect the personal data of staff and residents, underpinning the values and mission of the Council.

**3. Progress since 29 March 2018**

- 3.1 The Staff training and awareness programme was launched at the end of March. This consisted of face-to-face training followed by an online e-learning module. As of 13 June 2018, 92% of staff had attended the face-to-face sessions and 84% had completed the online training and passed the associated test.
- 3.2 The Council's website has been updated to reflect the changes introduced by the GDPR and the Data Protection Act 2018:  
<https://www.guildford.gov.uk/article/21422/Data-protection-and-privacy>
- 3.3 New privacy statements have been approved, and a page detailing the roles of the Data Protection team has been added:  
<https://www.guildford.gov.uk/dpt>.
- 3.4 A new page outlining the new personal information rights (e.g. right to be informed, right to rectification, right to erasure, etc.) has also been added:  
<https://www.guildford.gov.uk/yourinformationrights>.
- 3.5 Following successful testing, request forms were uploaded to the website so that customers have the option of making such requests directly via an online portal.
- 3.6 The Council's Data Protection Policy has been updated to take GDPR requirements into account. This includes details of the roles performed by the Data Protection Officer (DPO) and Information Assurance Manager (IAM), the revised Data Protection principles and new guidance on the rights of data subjects.
- 3.7 The final GDPR Project Board meeting was held on 14 June. As part of the ongoing staff awareness campaign, posters issued by the ICO have been distributed across the services. The Privacy & Information Security Liaison Group will now reconvene with meetings to be held monthly. Ongoing GDPR compliance issues will form a major part of the agenda.
- 3.8 Since the coming into force of the GDPR on 25 May 2018, there has been a vast increase in the number of Subject Access Requests (SARs) received by the Council. As of 26 June, there has been a total of 10 new requests received since 25 May. The Council has therefore received more SARs in the space of one month than during the whole of 2017, when a total of 7 was received. This has not been completely unexpected given that under the GDPR, organisations can no longer charge the standard £10 fee and the substantial volume of publicity and media coverage enjoyed by the GDPR in the run-up to its implementation.
- 3.9 The Council has also received three "right to be forgotten/right to erasure" requests during this time. This is a new right introduced by the GDPR which gives data subjects the right under certain circumstances to have their data erased if it is no longer legally required by the data controller. It is encouraging to note that some of these requests have been received directly via the website portal which was specifically set up for this purpose as part of the GDPR project.

- 3.10 The majority of supplier questionnaires to assess GDPR compliance for the Council's external data processors across all service areas have now been received and reviewed. The GDPR Team is involved with ongoing documentation reviews and technical due diligence. New supplier contracts are also reviewed by Legal in the light of GDPR requirements.
- 3.11 New GDPR and DPO email inboxes have been set up to deal specifically with GDPR/data protection related correspondence.

**4. Conclusion**

- 4.1 The GDPR project has been largely successful. The Project Board have done sterling work to achieve compliance and bring about the necessary changes in procedures and practices throughout the Council's corporate body. Compliance and awareness work will now continue via monthly meetings of the Privacy & Information Security Liaison Group and the Information Risk Group.

**5. Background Papers**

None

**6. Appendices**

None

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Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Director of Finance

Author: John Armstrong

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Email: john.armstrong@guildford.gov.uk

Date: 26 July 2018

## **Corporate Governance and Standards Committee Work Programme: 2018-19**

### **Recommendation**

That the Committee considers and approves its updated work programme for 2018-19, as detailed in Appendix 1 to this report.

#### Reason for recommendations:

To allow the Committee to maintain and update its work programme.

### **1. Purpose of report**

1.1 To enable the Committee to keep its work programme updated.

### **2. Updated work programme**

2.1 The Committee's updated work programme for the 2018-19 municipal year is set out in Appendix 1 to this report. The timing of the reports contained in the work programme is subject to change, in consultation with the Chairman. The items to be considered include decisions to be made by the Executive and/or full Council, with consideration of any comments or recommendations made by this Committee.

### **3. Financial Implications**

3.1 There are no financial implications arising directly from this report.

### **4. Legal Implications**

4.1 There are no legal implications arising directly from this report.

### **5. Human Resource Implications**

5.1 There are no human resources implications arising directly from this report.

6. **Background Papers**

- Guildford Borough Council Forward Plan
- Corporate Management Team Forward Plan

7. **Appendices**

Appendix 1: Corporate Governance and Standards Committee work programme 2018-19

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

20 September 2018

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Financial Monitoring 2018-19 Period 3 (April to June 2018)	To note the results of the Council's financial monitoring for the period April to June 2018	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Councillor Training and Development Update	To consider a report from the Councillors' Development Steering Group relating to councillor training and development	Corporate Governance and Standards Committee	Sophie Butcher 01483 444056

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

29 November 2018

Agenda item number: 9

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Annual Audit Letter for 2017-18	To consider the Annual Audit Letter and Annual Governance Report for 2016-17	Executive: 8 January 2019	Claire Morris 01483 444827
Financial Monitoring 2018-19: Period 6 (April to September 2018)	To note the results of the Council's financial monitoring for the period April to September 2018	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Summary of internal audit reports (April to September 2018)	To consider the summary of internal audit reports and progress on the internal audit plan for April to September 2018, including update on complaints to the Local Government Ombudsman for that period.	Corporate Governance and Standards Committee	Joan Poole 01483 444854
Appointment of Independent Persons 2019-2023	(1) To agree arrangements for the interviewing and selection of candidates for appointment as Independent Persons under section 28 of the Localism Act 2011; and  (2) To agree allowances and expenses for Independent Persons	Corporate Governance and Standards Committee	John Armstrong 01483 444102
Appointment of Independent Members and Parish Members of the Corporate Governance and Standards Committee 2019-2023	(1) To agree arrangements for the interviewing and selection of candidates for appointment of up to three Independent Members of the Corporate Governance and Standards Committee  (2) To note arrangements for the appointment of Parish Members to the Committee	Corporate Governance and Standards Committee	John Armstrong 01483 444102



## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

17 January 2019

Subject	Details of decision to be taken	Decision to be taken by	Contact Officer
Treasury Management Annual Strategy Report 2019-20 and Prudential Indicators 2019-20 to 2023-24	To recommend to Council the adoption of the revised Treasury Management Strategy and prudential indicators	Executive: 22 January Council: 6 February 2019	Victoria Worsfold 01483 444834
Financial Monitoring 2017-18 Period 8 (April to November 2018)	To note the results of the Council's financial monitoring for the period April to November 2018	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Annual report of the Monitoring Officer regarding misconduct allegations	(1) To note the cases dealt with; and  (2) To advise the Monitoring Officer of any areas of concern upon which they would like further information and/or further work carried out.	Corporate Governance and Standards Committee	Monitoring Officer
Gender Pay Gap Report 2019-20	To note Council's gender pay gap	Corporate Governance and Standards Committee	Francesca Smith 01483 444014
Freedom of Information Compliance - Annual Report 2018	To consider the update report on the Council's performance in dealing with Freedom of Information requests.	Corporate Governance and Standards Committee	Ciaran Ward 01483 444072

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE DRAFT WORK PROGRAMME

28 March 2019

<b>Subject</b>	<b>Details of decision to be taken</b>	<b>Decision to be taken by</b>	<b>Contact Officer</b>
Discussions with those charged with governance	To agree the Committee's response to the external auditor's audit plan	Corporate Governance and Standards Committee	Claire Morris 01483 444827
External Audit Plan and Audit Update 2018-19	To approve the external audit plan for 2018-19, and to note the content of the External Auditor's update report and make any appropriate comments.	Corporate Governance and Standards Committee	Claire Morris 01483 444827
Financial Monitoring 2018-19 Period 10 (April 2018 to January 2019)	To note the results of the Council's financial monitoring for the period April 2018 to January 2019	Corporate Governance and Standards Committee	Claire Morris 01483 444827