

## CORPORATE GOVERNANCE AND STANDARDS COMMITTEE

- \* Councillor Nigel Manning (Chairman)
- \* Councillor Jo Randall (Vice-Chairman)

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|-----------------------------------|-------------------|
| * Councillor Philip Brooker       | * Mrs Maria Angel |
| Councillor Alexandra Chesterfield | Mr Charles Hope   |
| * Councillor Colin Cross          | Ms Gerry Reffo    |
| * Councillor Geoff Davis          | * Mr Ian Symes    |
| * Councillor Mike Hurdle          |                   |

\*Present

Councillors Matt Furniss (Lead Councillor for Infrastructure and Governance) and Michael Illman (Lead Councillor for Finance) were also in attendance.

### **CGS29 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS**

Apologies for absence were received from Councillor Alexandra Chesterfield and Mr Charles Hope.

### **CGS30 LOCAL CODE OF CONDUCT - DISCLOSURE OF INTERESTS**

There were no disclosures of interest.

### **CGS31 MINUTES**

The Committee confirmed the minutes of the meeting held on 28 July 2016. The Chairman signed the minutes.

### **CGS32 2015-16 AUDIT FINDINGS REPORT - YEAR ENDED 31 MARCH 2016**

The report was introduced by the Head of Financial Services.

The report set out the External Auditor's opinion on the Council's Financial Statements, and gave a conclusion on the Council's arrangements for ensuring value for money in the use of resources.

In 2017-18 the accounts would need to be audited by 31 July. The accounts had been produced earlier for 2015-16 and a substantive amount of work had been completed by early August.

Comments from the Committee raised the following points and information:

- It was unclear whether the software provider SELIMA would bring a system fix to ensure that employer contributions for national insurance and pensions were correctly remitted. Until a fix was provided, a manual workaround had been implemented to ensure that any system calculation was overridden. The Committee suggested that if there was a system error that could not be fixed then the system provider should be changed.
- The amount of pension contributions and national insurance paid to the HMRC and Surrey County Council was correct as this came from the SELIMA system. The transfer of data between the SELIMA and finance systems and the classification of certain

aspects of the calculation had caused the issue; however, this did not have a material impact and would not lead to any financial loss for the Council. The auditor's high priority ranking reflected the fact that this issue had been reported the previous year. It was expected that the Council would continue to receive an audit recommendation on the remission of national insurance and pension contributions in future years.

- The auditors recommended that access within financially critical systems belonging to leavers should be revoked in a timely manner upon their departure from the Council. This recommendation had been given a medium priority, as there were compensating controls and there was no evidence of any transactions passed by people who had left the Council. The Council's Management team had proposed to commission a full review of the processes for starters, movers and leavers. This review would be completed in December 2016.
- In response to the auditor's recommendation, the Council would revalue larger categories of Other Land & Buildings more frequently when the market review suggested that the value of these categories had reduced or increased by more than an insignificant amount, in line with the revaluation policy. The Committee suggested the use of a percentage indicator to decide when assets should be revalued, however the auditors were happy with the management response, as the indicator may need to change yearly depending on the circumstances of the Council and the wider economy.

The Committee,

#### RESOLVED

- (1) That Grant Thornton's Audit Findings report attached as Appendix 1 to the report, and the management responses provided in the action plan (Appendix A to Appendix 1) be noted.
- (2) That the letter of representation, as set out in Appendix 2, to the report be approved on behalf of the Council and that the Chairman be authorised to sign the letter on the Council's behalf.

Reason for decision: To allow the external auditor to issue his opinion on the 2015-16 accounts.

#### **CGS33 2015-16 AUDITED STATEMENT OF ACCOUNTS**

The Committee considered the 2015-16 Audited Statement of Accounts.

The Lead Councillor for Finance, Councillor Michael Illman noted that although the Council was facing significant financial challenges, the 2015-16 Audited Statement of Accounts reflected good financial management.

Comments from the Committee raised the following points and information:

- The Council was going through budget/business planning processes and the Council's management team would consider proposals for savings in the following weeks. A joint EAB Budget Working Group had been established to examine the proposals made during the budget process on behalf of the Executive Advisory Boards.
- The original estimate for capital expenditure was £80.101 million; however the actual capital expenditure totalled £26.182 million. The Committee noted that it was difficult to profile expenditure across financial years, particularly for schemes such as the asset investment fund and large development schemes, which rely on purchases of particular high value. The Council was legally required to set an annual budget, however the capital programme was set on a five year medium term financial budget. Therefore the Council looked five years ahead at the overall quantum and profiled schemes across five years.

The Committee,

RESOLVED

- (1) That the Statement of Accounts 2015-16, as set out in Appendix 1 to the report, be approved.
- (2) That the Chairman of the Committee be authorised to sign the official copy of the accounts to state they are approved.

Reason for decision: To comply with the Accounts and Audit Regulations 2015 to approve the statutory Statement of Accounts by 30 September.

#### **CGS34 FINANCIAL MONITORING 2016-17 PERIOD 3 (APRIL TO JULY 2016)**

The Committee considered a report summarising the projected outturn position for the Council's general fund revenue account, based on actual and accrued data for the period April – July 2016.

The Committee,

RESOLVED that the results of the Council's financial monitoring for the period April 2016 to July 2016 be noted.

Reason for decision: To allow the Committee to undertake its role in scrutinising the Council's finances.

#### **CGS35 COUNCILLOR TRAINING AND DEVELOPMENT UPDATE**

The Committee considered a report outlining the work undertaken by the Councillor Development Steering Group to date, including the feedback from councillors in respect of the new councillors' induction programme, the ongoing training and development programme and the work being carried out in preparation for the Council's first full reassessment under the South East Employers Charter for Elected Member Development.

The Lead Councillor for Infrastructure and Governance, Councillor Matt Furniss, noted that the Council had a good record of Councillor Development and training, and congratulated the Councillors' Development Steering Group on their work.

The Committee noted that in order to gain re-accreditation under the Charter, the Council was required to show that it was responsive to Councillor needs. It was important that if a Councillor identified a particular training or development need, they informed the members of the Steering Group.

The Committee,

RESOLVED

- 1) That the valuable work being undertaken by the Councillor Development Steering Group in developing a clear structured plan for councillor development that responds both to the Council's corporate priorities and councillors' individual training needs, be noted.
- 2) That the Council be recommended to adopt the revised draft Councillor Development Policy Statement, as set out in Appendix 1 to the report.

Reason for decision: To recognise the importance the Council attaches to councillors' training and development.

**CGS36 ETHICAL STANDARDS - APPOINTMENT OF INDEPENDENT PERSON**

The Committee considered a report asking that Roger Pett's appointment as one of the Council's Independent Persons be extended to May 2019.

The Committee,

RESOLVED that Council be recommended to extend Roger Pett's appointment as one of the Council's Independent Persons, under Section 28(7) of the Localism Act 2011, to May 2019.

Reason for decision: To comply with the Council's obligations under the Localism Act 2011 in respect of ethical standards and the Arrangements adopted thereunder by the Authority for dealing with complaints regarding councillor conduct.

**CGS37 WORK PROGRAMME**

The Committee considered its work programme for 2016-17.

The Committee,

RESOLVED that the updated work programme for 2016-17 be approved.

Reason for decision: To allow the Committee to maintain and update its work programme for the 2016-17 municipal year.

The meeting finished at 7.48 pm

Signed .....

Chairman

Date .....