



Elmbridge
Borough Council

... bridging the communities ...

AUDIT & STANDARDS COMMITTEE ANNUAL REPORT 2018/19

This is the tenth Annual Report by the Audit and Standards Committee and covers the year 2018/19.

The Committee this year oversaw a new and tightly-drawn process for the approval of the Council's Statement of Accounts. The challenging regulatory timescales saw a draft Statement of Accounts being considered by the Committee on 30 May 2018 before being subject to External Audit and then formally approved by the Committee on 25 July 2018. For only the second time, a skills audit and a survey of Committee Members were combined to provide a 'Health Check' of the Committee's capacity and performance. Tailored and specific training for Members was a key result of our self-appraisal. We will in future circulate the checklist and skills audit in June, so that any changes to Committee membership can be taken into account. We have continued to engage constructively with our External Auditors (Grant Thornton) on the Statement of Accounts and the Annual Governance Report. We monitored and contributed to improvements and developments of important corporate policies, such as Anti-Fraud and Corruption and Confidential Reporting policies and Risk Management Strategy, and our scrutiny of the Treasury Management Function is now firmly embedded with regular updates. Grant Thornton's Annual Audit Letter issued an unqualified opinion on the Council's financial statements and its value for money arrangements. This year we said goodbye to Ade Oyerinde (promoted to Senior Manager at Grant Thornton) but welcomed Amber Banister as our new Engagement Manager. We are as ever grateful to Sarah Ironmonger (Engagement Lead) and her team for their work and support.

Committee Membership 2018/19

Councillor A. Coomes (Chairman)
Councillor O.T. Chappell (Vice-Chairman)
Councillor N. Haig-Brown
Councillor A.H. Kopitko
Councillor D.J. Lewis
Councillor S.J. Selleck

Claygate Parish Councillor
Parish Cllr M. Sugden

Independent Members
Mr C. Johnson
Mr S. Hassel

What does the Committee do?

The Committee's work spans two principal areas. We have a major interest in protecting and improving the Council's business processes where we take a lead in all matters of internal and external audit. We also oversee the standards of conduct of individual Members, investigating when necessary any complaints that Members have breached the Council's Code of Conduct. Independent Members make challenging but constructive contributions to the Committee's work, bringing significant audit and financial experience and strengthening the overall governance of the authority.

Chairman

Councillor Alex Coomes



Vice Chairman

Councillor Oliver Chappell



Member Conduct

We oversee compliance with the Elmbridge Members' Code of Conduct

The Council is mindful of its duty to promote and maintain high standards of conduct amongst its councillors and co-opted Members. In recent years we were instrumental in helping develop a new Member Code of Conduct which a working group of the Committee prepared and recommended to Council. We continue to oversee appropriate investigative processes and the obligation to register and declare interests.

Our webpage signposts the general principles underpinning Member Conduct and publicises the complaints process. There were no complaints against Members in 2018/19 which required formal investigation, although three complaints were referred to the Independent Person who advised that they disclosed no arguable breach of the Code of Conduct. The Independent Person has continued to provide a valuable sounding-board and assisted the Monitoring Officer in reaching decisions. The Committee oversees new Member induction in ethical conduct and provides an annual standards training evening for Members. The training event will always include practical problem-solving based on recent experiences.

Treasury Management

We keep the Council's Treasury Investment Portfolio under constant review

At every meeting the Committee keeps a close watch on the performance of the Council's cash investments within a framework set by the Treasury Management Strategy and Policies. This is important work: the effective management of funds available for investment is a significant element within the Council's net annual revenue budget and has contributed positively in the past to the Council's overall financial position. On 21 November 2018 the Committee approved revised security benchmark criteria with effect from 1 January 2019 and on 27 February 2019 the Council approved the Treasury Management Strategy for 2019/20.



Internal Control

We provide Audit Assurance

A key role of the Committee is to oversee the Authority's control environment and its associated system of internal controls and assurance processes. This is the fourth year of our partnership with Surrey County Council. Simon White, Audit Manager, Internal Audit and Counter-Fraud, has been leading the Internal Audit team since 1 July 2015.

The Committee must satisfy itself that the Authority's assurance statements, in particular the Annual Governance Statement, properly reflect the risk environment and any actions needed to improve it.

On 25 July 2018 we formally noted the Head of Internal Audit's Opinion Statement that the Council's internal control environment was adequate and effective.

Statement of Accounts

Every year the Council's Statement of Accounts are presented to us for approval

On 25 July 2018, we formally approved the Statement of Accounts for the year ended 31 March 2018. The General Fund balance remained strong at £4 million but this is considered essential given the uncertainty over future local government funding and Brexit implications.

Looking Forward to 2019/20

It is at this time of year that we not only look back at the work we have completed, but also forward to the new challenges that await us in 2019/20. Following the skills audit, bite-sized training sessions are planned for the next 12 months. With the early closure of accounts, the Committee will be signing off the audited Statement of Accounts by the end of July 2019.

Our Professional Support

- Sarah Selvanathan, Strategic Director and Deputy Chief Executive
- Alan Harrison, Head of Legal Services
- Andrew Cooper, Head of Finance
- Simon White, Audit Manager, Internal Audit and Counter-Fraud
- Sue Bushby, Internal Audit Manager
- Alison Gale, Corporate Group Accountant
- Tracey Hulse, Principal Committee and Member Services Officer

HOW TO FIND OUT MORE ABOUT AUDIT AND STANDARDS

Further information on Audit and Standards is available on the Elmbridge Borough Council website. Members of the public are welcome to attend any meeting of the Committee. Meetings start at 7.00pm and are held at the Civic Centre in Esher. The meeting dates for the Audit and Standards Committee in 2019/20 are now available and are published on the Elmbridge Borough Council website.

More information

Web: www.elmbridge.gov.uk

The Audit and Standards Committee's place in the Constitution is set out on the website. There is a wealth of more information, too – a page dedicated to Counter-Fraud policies and initiatives and, separately, information about Members' Interests.

Write: Audit and Standards, Elmbridge Borough Council, High Street, Esher, Surrey, KT10 9SD