

Wednesday, 30 November  
2016  
at 6.00 pm



# Audit and Governance Committee

Present:-

**Members:** Councillor Swansborough (Chairman), Councillor Sabri (Deputy-Chairman) and Councillors Belsey (as substitute for Ballard), Choudhury, di Cara, Dow, Holt and Taylor

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## 19 Minutes of the meeting held on 21 September 2016.

The minutes of the meeting held on 21 September 2016 were submitted and approved and the Chairman was authorised to sign them as a correct record.

## 20 Apologies for absence.

An apology for absence was reported from Councillor Ballard.

## 21 Declarations of Disclosable Pecuniary Interests (DPIs) by members as required under Section 31 of the Localism Act and of other interests as required by the Code of Conduct.

None were declared.

## 22 Polling Districts and Polling Places Review.

The Committee considered the report of the Senior Local Democracy Officer regarding polling arrangements in respect of polling district RNA of Ratton Ward as a consequence of the Local Government Boundary Commission for England's final recommendation to transfer a small part of the district into Hampden Park ward.

A 6 week consultation was held ending on 18 November 2016 and further details were contained in the report along with responses received during the consultation.

Following the review the arrangements would be implemented in time for the forthcoming county council elections on 4 May 2017 and the borough elections in May 2019. The Committee was advised that the new area would be designated as a new polling district known as HPD, however any borough by-election held prior to May 2019 would have to be conducted on the old ward boundary.

**RESOLVED: (Unanimous)** (1) That the acting Returning Officer's proposal in respect of the polling district RNA (Ratton Ward) be approved.

(2) That the Senior Electoral Services Officer, on behalf of the acting Returning Officer and Electoral Registration Officer, be authorised to implement the committee's decision in respect of the review.

### **23 Devonshire Park Project - Risk Management Arrangements.**

The Committee received a presentation from Graham Cook, Programme Manager and Eleanor Clarke, Project Manager for Focus Consultants relating to the risk management arrangements for the Devonshire Quarter redevelopment.

The Committee were given an overview of the project's composition, construction timeline and business case. They were advised of the clear and comprehensive governance structure in place and the risk register maintained for the whole programme. Project specific registers were agreed with contractors and formed part of a regular contract monitoring process. The Programme register was regularly reviewed at both Project Team and Steering Group level and any change in key or significant risks was reported to the Project Board. The Committee was notified that at Programme level there were 100 risks. The Committee were then given an overview of the top risks attached to the project and the measures put in place.

The Catering Contract that formed part of the business case would create new cafes on site and service the improved conference business with high quality catering. The Committee was advised that recognised national contractors would be used in order to sell the conference business to delegates. In the event that a contractor failed to meet the standards required, quality threshold built into the tender process would put a mechanism in place to close the contract if the situation didn't improve.

The Committee thanked the Programme Manager and the Project Manager for their presentation. A copy of the presentation would be circulated to the Committee following the meeting.

#### **NOTED.**

### **24 Internal Audit Report to 30th September 2016.**

The Committee considered the report of the Internal Audit Manager regarding a summary of the activities of Internal Audit for the year 1 April 2016 to 30 September 2016.

A list of all final audit reports issued from 1 April 2016 to 30 September 2016 and the level of assurance attained were detailed in the report. The Committee was advised that the assurance levels were given at the time of the initial report and did not reflect the findings at follow up. None of the reports had been given an assurance level of inadequate.

Audit work carried out to date against the audit plan to the end of September 2016 was set out in appendix A. Main points from the appendix were summarised in the report.

Further information on reports issued in final during the year with an assurance level below "Performing Well" was set out in Appendix B, with any issues highlighted in the reviews which informed the assurance level given. The Committee was reassured that this status was the assurance level given at the time the final report was issued and did not reflect recommendations that had been addressed.

Appendix C detailed the outstanding recommendations and client comments of reviews that had been given an inadequate assurance level after follow ups. Comments from the Corporate Management Team (CMT) and Heads of Service had also been included. The Committee were pleased that the reconciliation of beer tokens sold to cash taken had been carried out.

Work undertaken by the Corporate Fraud team and East Sussex Counter Fraud Hub, along with an update on shared services with Lewes District Council was detailed in the report.

The Committee asked whether the incorrect benefit identified in appendix D had affected any residents. The Internal Audit Manager advised that the amount identified had not been paid out to residents.

**RESOLVED: (Unanimous)** That the report be noted.

## **25 Risk Management.**

The Committee considered the report of the Internal Audit Manager regarding an update of the Strategic Risk Register.

The Strategic Risk Register had been taken to Corporate Management Team (CMT) on 1 November 2016 for the regular quarterly review and the updated register was appended to the report.

At the last meeting it was reported that CMT had recommended that time be set aside at the next review of the register to discuss risk SR-001 – No political continuity/consensus with regard to organisational objectives. This was in view of the differing political landscapes at Eastbourne and Lewes. CMT agreed that given the increased activity with the Joint Transformation Programme the likelihood score should be raised from a 1 to a 2 and the impact from a 2 to a 3. The risk would continue to be monitored as the Joint Transformation Programme progresses.

**RESOLVED: (Unanimous)** That the amended Strategic Risk Register as appended to the report be agreed.

## **26 Treasury Management Mid-Year Review.**

The Committee considered the report of the Chief Finance Officer regarding a mid-year review of the Council's treasury management activity for 2016/17.

The report had been prepared in compliance with Chartered Institute of Public Finance and Accountancy's (CIPFA's) code of practice on treasury management and provided an economic update for the first six months of the year. The report reviewed the council's treasury management strategy statement and annual investment strategy, its capital expenditure,

investment portfolio, borrowing strategy, debt rescheduling and compliance with treasury and prudential limits. Further details were contained in the report.

The Committee referenced the 2016/17 revised estimate of £84.8 million in relation to borrowing activity. It was clarified that this was the Council's need to borrow and did not reflect the actual amount the Council was borrowing. As at 30 September 2016, the Council's net borrowing was £53 million and that was expected to rise to £62.9 million by the end of the year.

**RESOLVED: (Unanimous)** That the report be noted.

The meeting closed at 7.07 pm

**Councillor Swansborough**  
**(Chairman)**