

Wednesday, 4 December
2013
at 6.00 pm



Audit and Governance Committee

Present:-

Members: Councillor Ungar (Chairman) Councillors Mattock, Belsey, Cooke, Harris, Heaps, Taylor and Tester.

16 Minutes of the meeting held on 25 September 2013.

The minutes of the meeting held on 25 September 2013 were submitted and approved and the Chairman was authorised to sign them as a correct record.

17 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 received.

18 Members and Standards - Update.

The Committee considered the report of the Monitoring Officer in relation to Member Standards. It was noted that no new formal complaints had been received during this quarter and none remained outstanding.

Dispensations had been granted to Liberal Democrat members on the Cabinet, which would enable them to participate in decisions on all matters relating to information technology provisions for members. The dispensations would remain in force until the end of May 2015.

With reference to member training it was reported that for the current year five sessions had been arranged for Planning Committee members and four for Licensing Committee members. A session on the relationship between the Code of Conduct and the protocol for member/officer relations had been provisionally set for 28 January 2014. The Committee discussed the variety of learning methods available and that providing for different learning styles with a variety of learning methods with a more structured approach reflecting members' roles and levels of experience would improve the learning experience. The Committee acknowledged the importance of attending training sessions arranged and supported by officers of the Council and that Members should be encouraged both to attend and adhere to the etiquette of submitting apologies if unable to do so.

RESOLVED: (1) That the information in relation to complaints against members and training be noted.

(2) That the Monitoring Officer be authorised to write to members with regard to future training and report back to a future meeting.

19 The Regulation of Investigatory Powers Act (RIPA) and related legislation - Update.

The Committee considered the report of the Monitoring Officer regarding an update on the Council's usage of its powers under the Regulation of Investigatory Powers Act (RIPA) and related legislation.

The Committee was advised that for the period September to December 2013 no applications were made under the regulations to conduct covert surveillance.

RESOLVED: That the report be noted.

20 Council Tax and Business Rates Collection and Enforcement Policy.

The Committee considered the report of the Revenues and Business Manager regarding a proposed policy for the collection and recovery of Council Tax and Business Rates.

The policy, which was attached at appendix A to the report, set the framework within which the Council, along with statutory provisions, will seek to collect the taxes and to recover any unpaid sums

The aims of the policy were set out in the report and included a number of measures to provide effective customer service whilst complying with the relevant legislation and taking into account guidance and best practice.

Consultation had taken place with a number of organisations as detailed in the report. The Citizens' Advice Bureau's protocol for the collection of council tax arrears had been taken into account, alongside government guidance on best practice when drafting the policy.

An equality and fairness analysis of the policy had been carried out and was attached as appendix B to the report. Being mindful of the impact of the current economic climate and the difficulties experienced by some people and businesses, customers are offered a variety of ways to pay and several instalment dates to accommodate individual circumstances. This included offering on request the option to pay over 12 monthly instalments instead of the statutory 10.

The Council can enter into special arrangements for those experiencing severe difficulties and provide details of agencies who can offer help and advice. In response to a query on benefits take-up, the Revenues and Benefits Manager advised of the current measures in place to promote benefit entitlement. It was noted that home owning pensioners were the least likely group to claim benefits. Benefit entitlement and welfare advice were promoted through a number of agencies including Age Concern, Citizens' Advice and the East Sussex Welfare Reform Group. The Supporting People Helpline was promoted at the Council offices in 1 Grove Road. Efforts to communicate the important messages of benefit entitlement and welfare support would continue through the work of the

Welfare and Benefits Officer and content review of documents around the process.

It was noted that the paragraph on business rates would be amended to reflect changes that Local Authorities can keep half of collected business rates providing a financial incentive to improve the local economy. The Committee recommended that the payment methods detailed within the policy should be listed in order of the Council's preferred method of payment.

RESOLVED: That subject to the amendments as set out above, the Council Tax and Business Rates Collection and Enforcement Policy be recommended to Cabinet for approval.

21 Annual Audit Letter 2012/13.

The Committee considered the report of BDO regarding the Annual Audit Letter which set out the key findings of audit work for 2012/13. The report summarised the results of the audit work in respect of the Council's financial statements, financial resilience and the arrangements for securing economy, efficiency and effectiveness in its use of resources.

As no representative from the auditors BDO was in attendance, the Chief Finance Officer gave a brief outline of the key findings.

With reference to the Statement of Accounts, a number of presentational misstatements had been identified and corrected during the audit and were not considered to have a material impact on the audit opinion. An unqualified audit opinion on the Council's financial statements had been issued on 27 September 2013.

It had been concluded that in all significant respects the Council has robust systems and processes to manage financial risks and opportunities effectively and to secure a stable financial position. The Council is prioritising its resources within tighter budgets by achieving cost reductions and by improving efficiency and productivity. As a result an unqualified value for money conclusion had been issued on 27 September 2013.

The audit had concluded that the Annual Governance Statement which set out the key elements of the systems and processes of the Council's governance arrangements was compliant with the required CIPFA Code of Delivering Good Governance.

The Chief Finance Officer referred to the fees update and the small adjustment made since the original fees proposed in the Audit Plan for 2013. Although final fees would be reported following the completion of grant claims and other returns the significant improvements in the accuracy of the accounts and internal audit controls and testing continued to have a positive impact on the level of audit fees.

RESOLVED: That the Annual Audit Letter for 2012/13 be noted.

22 Internal Audit Report to 30 September 2013.

The Committee considered the report of the Internal Audit Manager regarding a summary of the activities of Internal Audit for the second quarter of the financial year 2013/14.

Audit work carried out to date against the audit plan for 2013/14 was set out in appendix A.

A list of all final audit reports issued from 1 April to 30 September 2013 and the level of assurance attained were detailed in the report. Further information on reports issued with an assurance level below excellent was set out in Appendix B. The audit review of the in-house Catering function had been given an assurance level of performing inadequately. Recommended areas for improvement would be required to address the lack of written procedures, inadequate measures for recording stock and general financial and monitoring processes.

A brief explanation for a number of outstanding high and medium priority recommendations from audits, reasons why they had not been implemented along with the month when the next follow up date was due were set out in appendix C. The comments made by the Corporate Management Team following consideration of outstanding high risks were set out in appendix D. It was noted that the Council's work with consultants IESE to review procurement across the Council would inform the recommendations to address outstanding high risks in this area.

The Committee was advised that one fraud over 10K had been reported to the authority's external auditors in the second quarter of 2013/14. It was noted that the Council can claim subsidy of 40% on the overpayment amount. As an incentive to the Council to recover payments correctly, both the subsidy and any amount recovered can be kept.

RESOLVED: That the report be noted.

23 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 2013/14.

The report had been prepared in compliance with 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.

The Annual Investment Strategy set out the Council's policies for managing investments with the priority aims to obtain the optimum level of return on investments consistent with the proper levels of security of capital and liquidity. A breakdown of the Council's investment portfolio was appended to the report.

The strategy, which was incorporated within the Treasury Management Strategy Statement, had been approved by Cabinet on 13 February 2013. In the context of the considerable uncertainty and volatility in the financial and banking market the strategy was still considered fit for purpose in the current economic climate.

RESOLVED: That the report be noted.

The meeting closed at 7.20 pm

Councillor Ungar (Chairman)