

Wednesday, 21 September
2016
at 6.00 pm



Audit and Governance Committee

Present:-

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

10 Independent Persons.

The Committee welcomed Neal Robinson and Allen Gales to the meeting, following their appointment as the Council's Independent Persons.

11 Minutes of the meeting held on 22 June 2016.

The minutes of the meeting held on 22 June 2016 were submitted and approved and the Chairman was authorised to sign them as a correct record.

12 Apologies for absence.

None were reported.

13 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.

14 Updated Covert Surveillance Policy.

The Committee considered the report of the Deputy Chief Executive regarding the updated Covert Surveillance Policy.

As was common with all district council's in England and Wales, Eastbourne Borough Council may only carry out certain types of covert surveillance if it complied with the relevant provisions of part II of the Regulation of Investigatory Powers Act 2000 (RIPA).

The Council's existing Covert Surveillance policy was formulated in March 2013 and was due an update. The updated policy was included at Appendix 1 and key changes were detailed in the report.

Part of the revised policy would require reports to be submitted to the Audit and Governance Committee every 12 months on any required change to the policy, how the policy had been implemented and any RIPA activity authorised during the preceding 12 month period.

It was agreed that a training session for members should take place to ensure a better understanding of the policy and in what cases covert surveillance could be used.

It was noted that part 11 of the policy should read 'The Senior Responsible Officer for RIPA (currently the Deputy Chief Executive), in consultation with the Assistant Director of Legal and Democratic Services shall review this policy at least once a year in the light of the latest legal developments and changes to official guidance and codes of practice.'

RESOLVED: (Unanimous) (1) That the Covert Surveillance Policy be recommended for approval by Cabinet subject to an amendment to part 11 so that it now read 'The Senior Responsible Officer for RIPA (currently the Deputy Chief Executive), in consultation with the Assistant Director of Legal and Democratic Services shall review this policy at least once a year in the light of the latest legal developments and changes to official guidance and codes of practice.'

(2) That a short training session for members on covert surveillance be arranged for half an hour before the committee sits at a future meeting.

15 Internal Audit Report to 30th June 2016.

The Committee considered the report of the Internal Audit Manager regarding a summary of the activities of Internal Audit for the financial year 2015/16.

A list of all final audit reports issued from 1 April 2016 to 30 June 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.

Audit work carried out to date against the audit plan to the end of June 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 peer review of the Council undertaken as part of the Public Sector Internal Audit Standards was detailed in the report. The final assessment was that internal audit function at Eastbourne "generally conforms" to the Public Sector Internal Audit Standards.

Work undertaken by the Corporate Fraud team and East Sussex Counter Fraud Hub was also detailed in the report.

RESOLVED: (Unanimous) That the report be noted.

16 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 23 August 2016 for the regular quarterly review and the updated register was appended to the report.

It was proposed to increase the likelihood score from 3 to 4 for risk SR_001 due to the referendum result to leave the EU, raising the original risk score to 16. CMT had agreed to leave the current risk score as it stands due to the risks being well managed and any issues arising from leaving the EU were being well monitored.

CMT also recommended that time be set aside at the next review of the register to discuss the differing political landscapes of Eastbourne and Lewes and the political decisions to be made at each, both similar and differing.

The Committee discussed the risks associated with individual projects such as Devonshire Park. The Deputy Chief Executive advised that individual risk registers existed for such projects and there was an opportunity for the Committee to look at the risk management arrangements for the Devonshire Park Project at a future meeting.

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

17 Annual Governance Report 2015/2016.

The Committee considered the report of the external auditors BDO regarding the Annual Governance Report which detailed the key elements of the systems and processes of the Council's governance arrangements.

Ms Combrinck, from BDO was in attendance to present the report and respond to Members' questions.

The Committee was given an overview of the key findings from the audit of the financial statements, control environment, governance reporting, Whole of Government Accounts (WGA) and use of resources. Further details were contained in the report.

Subject to the resolution of outstanding matters set out in the report, BDO anticipated issuing an unqualified opinion on the financial statements for the year ended 31 March 2016.

Ms Combrinck confirmed that BDO was satisfied with the proper arrangements to secure economy, efficiency and effectiveness the Council

had put in place for the year ended 31 March 2016. As a result it was anticipated that an unqualified value for money conclusion would be issued.

Ms Combrinck expressed her thanks to the Council's finance team for their co-operation throughout the audit.

The Committee expressed its thanks to Ms Combrinck and BDO for the work undertaken for the audit.

RESOLVED: (Unanimous) That the Annual Governance Report for 2015/16 be noted.

18 Statement of Accounts 2015/16.

The Financial Services Manager presented the annual accounts for 2015/16, appended to the covering report.

A list of corrected and uncorrected audit differences were outlined in the report and Appendix 2 of BDO's Annual Governance Report.

BDO had indicated that an unqualified audit opinion on the Council's accounting and group accounting statements would be issued before the statutory deadline of 30 September 2016.

Two issues raised as having significant deficiencies in the control environment were detailed in the report. Full details of the observations, implications, recommendations and management response was given at appendix 3 of BDO's Annual Governance Report.

The Committee was asked to grant delegated authority to the Chief Finance Officer to make any minor amendments to the Statement of Accounts before the 30 September 2016.

The Committee praised the presentation of the accounts and expressed its thanks to the Chief Finance Officer and the finance team for their significant efforts in producing the accounts.

RESOLVED: (Unanimous) (1) That the final audited accounts for 2015/16 be approved.

(2) That the action taken in respect of the unadjusted audit differences identified by External Audit be agreed.

(3) That the comments on the significant deficiencies in the Control Environment be noted.

(4) That delegated authority be given to the Chief Finance Officer to make minor amendments to the Statement of Accounts.

(5) That the thanks of this Committee be conveyed to officers in the financial services team in appreciation of their continued efforts for producing accurate accounts and in achieving closure by the required deadline.

The meeting closed at 7.27 pm

Councillor Swansborough
(Chairman)