

Wednesday, 21 June 2017
at 6.00 pm



Audit and Governance Committee

Present:-

Members: Councillor Swansborough (Chairman); Councillors Tester, Choudhury, di Cara, Holt, Metcalfe, Robinson and Taylor

1 Membership of the Committee.

The Chairman welcomed Councillors Robinson and Tester to the Committee, following their appointment at Annual Council.

2 Minutes of the meeting held on 8 March 2017.

The minutes of the meeting held on 8 March 2017 were submitted and approved and the Chairman was authorised to sign them as a correct record.

3 Apologies for absence.

None were reported.

4 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.

5 Grants Report 2015/2016

The Committee considered the report of the Council's external auditors, BDO regarding the key findings in respect of the certification of grant claims and returns for the financial year 2015/16.

The key findings, along with other certification work and a summary of the fees charged were outlined in the report.

Ms Janine Combrinck representing BDO was in attendance to present the report.

RESOLVED: That the Grants report for 2015/16 be noted.

6 Internal Audit Report to 31st March 2017.

The Committee considered the report of the Internal Audit Manager regarding a summary of the activities of Internal Audit.

A list of all final audit reports issued from 1 April 2016 to 31 March 2017 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 in the financial year had been given an assurance level of inadequate.

Audit work carried out to date against the audit plan to the end of March 2017 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.

There was no appendix C included as a follow up of Licences and Events had been carried out and all outstanding recommendations had been addressed.

Work undertaken by the Corporate Fraud team and East Sussex Counter Fraud Hub, along with conformation with the Public Sector Internal Audit Standards was also detailed in the report.

The Committee were pleased that no reports had been issued with an assurance level of inadequate in the financial year and expressed its thanks to the Internal Audit Manager and officers.

In response to a question from the Committee, the Internal Audit Manager clarified that work on identifying fraud and corruption risks was currently carried out in two separate teams across Eastbourne and Lewes however both would provide resilience for each other.

RESOLVED: (Unanimous) That the report be noted.

7 Annual Governance Statement.

The Committee considered the report of the Internal Audit Manager regarding the Annual Governance Statement, which detailed the key elements of the systems and processes of the Council's governance arrangements.

The Annual Governance Statement was a report produced at the end of the year on the control environment of the Council and was a statutory document that accompanied the statutory Statement of Accounts once adopted. The Statement provided a structure in which to consider the Council's governance arrangements and their effectiveness. This ensured that major control issues were identified and action would be taken to address those issues.

Appendix 1 of the report detailed the framework for gathering the assurances and how that affected the relationship with partners, stakeholders and the community. Following the framework should ensure that the Council met the six principles of corporate governance.

A timetable for the gathering of assurances to produce the Annual Governance Statement was set out in Appendix 2 of the report.

Appendix 3 showed the Manager's Assurance Statement which included coverage of the Bribery Act, Safeguarding, Regulation of Investigatory Powers Act 2000 (RIPA) and frauds over £10K. The statement was intended to cover the operational, project and partnership responsibilities of the Heads of Service. It could also be used to highlight any concerns and subsequent actions required to improve governance throughout the Council.

These statements had been completed by the Directors and Assistant Directors and passed through to the Chief Executive and Deputy Chief Executive. The comments made on the statements were considered for inclusion in the Annual Governance Statement.

The sources used to compile the governance issues and subsequent action plan were detailed in the report. The Internal Audit Manager advised that completed Managers' Assurance Statements had been returned from Directors and Assistant Directors and from Eastbourne Homes Limited. Several concerns were raised around the Joint Transformation Programme (JTP). Further details were contained in the report.

After discussions with Corporate Management Team (CMT) they considered that the risks associated with the JTP were being prioritised and work was ongoing to mitigate the risks. It would therefore appear in the body of the Statement and was not a separate significant governance issue.

A section on Managing the Risk of Fraud and Corruption was detailed in the report.

Once the Statement had been approved by the Audit and Governance Committee it would be given to the Chief Executive and Leader of the Council to sign before it is published alongside the Statement of Accounts.

RESOLVED: (Unanimous) That the Annual Governance Statement for 2016/17 as appended to the report be approved.

The meeting closed at 6.28 pm

**Councillor Swansborough
(Chairman)**