

# Minutes

---

## **Audit & Scrutiny Committee 1<sup>st</sup> July 2014**

### **Membership/Attendance**

- \* Cllr Clark (Chair)
- Cllr Barrett (Vice-Chair)
- \* Cllr Chilvers
- \* Cllr Hones
- \* Cllr Kerlake
- Cllr Dr Naylor
- \* Cllr Sleep
- Cllr Mrs Squirrell

\*present

### **Substitute Present**

Cllr Morrissey (for Cllr Barrett), Cllr Newberry (for Cllr Mrs Squirrell) and Cllr Parker (for Cllr Dr Naylor)

### **Also present**

Cllr Aspinell  
Cllr Mrs Hubbard  
Cllr Le-Surf  
Cllr Mynott

### **Officers Present**

Ben Bix – Corporate and Democratic Service Manager  
Christine Connolly - Ernst & Young, External Audit  
Debbie Hanson - Ernst & Young , External Audit  
Claire Hayden – Governance and Member Support Officer  
Jo-Anne Ireland – Director of Strategy and Corporate Services (Section 151 Officer)  
Paul Knight – Head of Business Transformation  
Gary Moss – Interim Chief Accountant  
Liana Nicholson – BDO, Internal Audit  
Tony Pierce – Acting Head of Planning  
Greg Rubins – BDO, Internal Audit  
Rick Steels – Revenues and Benefits Manager  
Sue White – Risk and Insurance Manager

## **32. Apologies for Absence**

Apologies for absences were received from Cllrs Barrett, Dr Naylor and Mrs Squirrell. In Cllr Barrett's absence, the Chair appointed Cllr Chilvers as acting Vice-chair for the duration of the meeting.

### **Minutes of Overview and Scrutiny meeting held on 25.2.2014 and Audit Committee meeting held on 11.3.2014.**

The minutes of the Audit Committee meeting held on 11.3.2014 were approved and signed by the Chair as a correct record

Cllr Morrissey asked for the following amendments to be made to Overview and Scrutiny Minutes of 25.2.2014.

#### **358. William Hunter Way**

*~~Following a full discussion, Cllr Mrs Hones MOVED and Cllr Tee SECONDED the recommendation in the report and it was.~~*

#### **359. Update on Crossrail Project**

*~~Following a full discussion, Cllr Mrs Hones MOVED and Cllr Dr Naylor SECONDED the recommendation and it was.~~*

#### **360. Draft Overview and Scrutiny Annual Report**

*~~Following a full discussion, Cllr Braid MOVED and Cllr Mrs Coe SECONDED the recommendation and it was~~*

A motion was MOVED by Cllr Morrissey and SECONDED by Cllr Chilvers.

Voting took place by a show of hands and in accordance with Rule 9.2 of the Council Procedure Rules, the Chair exercised his casting vote and the MOTION was CARRIED.

RESOLVED that the minutes of Overview and Scrutiny Committee 25.2.2014 be amended.

## **33. Statement of Accounts**

The report presented the Council's Statement of Accounts for 2013/2014. These accounts were presented to the External Auditors (Ernst & Young) by the statutory deadline of 30 June 2014.

An amendment to the motion was MOVED by Cllr Clark and SECONDED by Cllr Chilvers as follows:

- 2.1 That Members review the Statement of Accounts for 2013/2014.  
2.2 *That Members approve the Annual Governance Statement.*

Following a debate, Cllr Kerlake MOVED and Cllr Clark SECONDED to defer item 2.2 until 30.9.2014.

RESOLVED UNANIMOUSLY to review the Statement of Account for 2013/2014.

### **34. Internal Audit Annual Report**

The report summaries the Internal Audit activity over the 2013/2014 financial year and includes the Head of Internal Audit's annual opinion on the effectiveness of the Council's governance, risk management and internal control arrangements.

The report was prepared by the previous Internal Auditors – Essex County Council, whose contact ended on 31.3.2014, and therefore were not in attendance. Cllr Chilvers asked that in future could the previous Internal Auditors attend this meeting to present the Internal Audit Annual Report after the termination of their contract.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Chilvers to receive the recommendations as set out in the report.

RESOLVED UNANIMOUSLY to accept the Internal Audit Annual Report 2013/2014.

### **35. Internal Audit Progress Report**

The report details the progress to date against the Internal Audit Plan that was agreed with the Audit Committee in March 2014.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Newberry to approve the recommendation as set out in the report.

RESOLVED UNANIMOUSLY to note the Internal Audit Plan.

### **36. Strategic Risk Review**

The report provided the Audit & Scrutiny Committee with the reviewed Insurance and Risk Management Strategy to the Committee for approval.

The report also updated members of the Committee on new, closed and changes to strategic risks.

Member expressed concerns with regards to Risk 21 – ICT. Mr Knight, updated the committee on going forward to reduce the risk in the future.

Members requested that in future reports include evidence showing what action is taking to mitigate the risk.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Newberry to approve the recommendation as set out in the report.

RESOLVED UNANIMOUSLY to agree:-

- 2.1 To agree the revised Insurance & Risk Management Strategy
- 2.2 To agree the amendments to the Council's Strategic Risk Register and the risk scores recorded for each risk accurately represent the current status of each risk.

### **37. Corporate Complaints Monitoring**

The report before Members is to monitor and review the complaints received through the Council's formal complaints process.

An amendment to the motion was MOVED by Cllr Clark and SECONDED by Cllr Morrissey as follows:

- 2.1 That the Committee note the complaints received through the Council's formal complaints process.
- 2.2 *All departments are offered an amnesty to refer any open complaints to the formal process.*

RESOLVED UNANIMOUSLY to approve the recommendations.

### **38. Fraud Statistics**

The report detailed the work carried out by the Fraud Investigation team for February 2014 through to May 2014. Members noted that the number of completed investigations and the subsequent sanctions applied to offenders bore no relation to the number of investigations opened during the same period.

196 referrals of potential fraud were reported between February 2014 and May 2014. With the exception of 3 potential housing tenancy frauds, 193 of the referrals were for suspected Housing Benefits (HB) and/or Local Council Tax Support (LCTS) fraud.

10 cases were successfully investigated during this period, all for benefit fraud. The Fraud Investigation team applied sanctions to all 10 cases, 2 of which were successful prosecutions.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Morrissey to approve the recommendation as set out in the report.

RESOLVED UNANIMOUSLY to note the contents of report.

### **39. Annual Audit Certification Fees 2014/2015**

The report sets out the proposed Audit and Certification work proposed for 2014/2015, together with the fees.

The proposed Audit Fee for 2014/2015 remains the same as 2013/14 as it reflects the scale of fee agreed for each audited body as part of a 5 year procurement exercise.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Chilvers to approve the recommendation as set out in the report.

RESOLVED UNANIMOUSLY to approve the proposed Audit and Certification work and fees for 2014/2015.

### **40. Scrutiny Work Programme 2014/2015**

The report requests the Audit & Scrutiny Committee to develop an annual work programme to guide its work for 2014/2015. The work of the Audit and Scrutiny Committee will be delivered both by Members working in groups and through the formal Committee reports. The Audit and Scrutiny Committee will make recommendations to decision making committees and Council as necessary.

Agreement by members to work cross party on these projects.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Chilvers to approve the recommendation as set out in the report.

RESOLVED UNANIMOUSLY to agree:

2.1 That the Audit and Scrutiny Committee agree its scrutiny work programme 2014/15 to include the following projects:

- William Hunter Way
- Crossrail
- Member/Officer Communications/ Members Casework
- Local Council Tax Support Scheme
- IT Resilience and Business Continuity
- Budget Scrutiny
- Community Safety Partnership Annual Review

2.2 That the work programme be reviewed and updated at each meeting of the Committee.

#### **41. Review of S106 obligations and accounts**

The report sets out the findings from a recent review of all historic Section 106 (S106) Planning Obligations.

A motion was **MOVED** by Cllr Clark and **SECONDED** by Cllr Chilvers to approve the recommendation as set out in the report.

- 2.1 That the S106 obligations and accounts are noted as shown in Appendix A.
- 2.2 That this Committee notes that a specialist service system is being commissioned to provide a secure and regular S106 monitoring reports as shown in Appendix B.
- 2.3 The future regular S106 monitoring reports will go to Planning and Development Committee.