

Audit Committee – 19 June 2013

Minutes of the meeting of the **Audit Committee** held on **19 June 2013** when there were present:-

Chairman: Cllr T E Mountain
Vice-Chairman: Cllr Mrs J A Mockford

Cllr Mrs L A Butcher	Cllr Mrs C E Roe
Cllr J D Griffin	Cllr D J Sperring
Cllr B T Hazlewood	Cllr I H Ward

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs Mrs A V Hale and Mrs D Hoy.

OFFICERS PRESENT

Y Woodward	- Head of Finance
T Metcalf	- Audit and Performance Manager
S Worthington	- Committee Administrator

ALSO PRESENT

C Reed	- BDO
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117 MINUTES

The Minutes of the meeting held on 26 March 2013 were approved as a correct record and signed by the Chairman.

118 EXTERNAL AUDITOR REPORT UPDATES FOR 2011/12

The Committee considered the report of the Head of Finance asking Members to agree monitoring sheets for the external audit recommendations arising from the annual governance report 2011/12 and the grant claims certification report 2011/12.

In response to a Member question about the BDO recommendation on page 7.4 of the report relating to a penalty charge notice debtor, officers advised that this concerned a series of debtors; the exact numbers involved would be communicated to Members of the Committee outside the meeting.

Officers advised, in response to a Member query relating to the BDO recommendation around the New Homes Bonus, detailed on pages 7.3 and 7.4 of the report, that the grant was paid in instalments in 2011/12 and that one of the instalments came in after the end of that financial year and the income noted in the 2012/13 financial year. It was, however, anticipated that this year the New Homes Bonus instalments should be received during the current financial year.

Resolved

- (1) That the monitoring sheet for the BDO recommendations arising from the annual governance report 2011/12 be agreed.
- (2) That the monitoring sheet for the BDO recommendation arising from the grants claim and returns certification 2011/12 report be agreed.
(HF)

119 EXTERNAL AUDITOR'S ANNUAL AUDIT PLAN FOR 2013/14

The Committee considered the report of the Head of Finance presenting the 2013/14 annual audit plan to Members for approval.

Officers drew Members' attention to a typographical error in paragraph 4.1 of the report; the percentage quoted, of 0.17%, should instead read 17%.

Resolved

That the external auditor's annual audit plan for 2013/14 be noted. (HF)

EXCLUSION OF THE PRESS AND PUBLIC

Resolved

That the press and public be excluded from the meeting for the remaining item of business on the grounds that exempt information, as disclosed in paragraph 3 of Part 1 of the Local Government Act 1972, would be disclosed.

120 ANNUAL GOVERNANCE STATEMENT FOR 2012/2013

The Committee considered the exempt report of the Head of Finance providing details of the annual governance statement for 2012/13.

Responding to a Member question relating to a potential risk of staff shortages, as a result of cuts in public spending, officers confirmed that the auditors had not identified any cause for concern in this area. The Council's corporate risk register also looks at staffing levels throughout the organisation and no significant risks have been identified.

Officers advised, in response to a Member enquiry about the Council's communication and media strategy, that this was reviewed by the People and Policy Unit and approved by the Senior Management Team. The review had not yet commenced but it would be possible to send Members of the Committee copies of the current strategy document and to advise them when this had been updated.

In response to a Member question about changes in food inspections, officers confirmed that these were now undertaken in-house rather than by

contractors and there was a greater focus on staff educating businesses on what they should do to improve standards of food hygiene.

During debate of contract tender arrangements for grounds maintenance there was a general consensus that within the summary of governance arrangements section relating to risks associated with the grounds maintenance contract on page 10.13 of the report, there should be reference to the requirements of the Public Services (Social Value) Act 2012.

Resolved

- (1) That it be agreed that the level of assurance stated is sufficient for the 2012/13 annual governance statement to determine the effectiveness of internal audit with consideration given to the significant risks identified.
- (2) That the 2012/13 annual governance statement be agreed for signing by the Leader of the Council and the Chief Executive, subject to inclusion of a reference to the requirements of the Public Services (Social Value) Act 2012 in the section relating to risks associated with the grounds maintenance contract on page 10.13 of the report. (HF)

121 AUDIT REPORT

The Committee considered the exempt report of the Head of Finance drawing Members' attention to completed audit investigations and providing an update of audit recommendations.

In response to a Member question relating to the opinion that controls were 'fairly stated' on page 11.3 of the report officers confirmed that risk management controls were tested and found to mitigate the risks, as detailed in the audit report.

Responding to a Member enquiry about controls of IT security and access, officers advised that a detailed IT audit was not undertaken by Internal Audit; however, processes were audited, such as password controls, updates of software, etc. However, the IT contractor, Capita, maintained high levels of control and the Council has to demonstrate compliance with the Government's requirements for the Code of Connection.

Officers confirmed, in response to a Member question about reviewing the South Essex Parking Partnership, that no definitive date had been set for the review to be conducted, however Internal Audit will continue to monitor this.

Resolved

- (1) That the conclusions and results from the audits in appendix 2 be agreed.

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- (2) That the updated information on the audit recommendations, outlined in appendix 3, be agreed. (HF)

The meeting closed at 8.05 pm.

Chairman

Date

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