

## SCRUTINY COMMITTEE FOR AUDIT AND BEST VALUE

MINUTES of a meeting of the Scrutiny Committee for Audit and Best Value held at County Hall, Lewes on 8 July 2009.

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PRESENT - Councillor Sparks (Chairman)  
Councillors Belsey, Bennett (Vice-Chairman) Birch, Ensor and Whetstone

OFFICERS - Andrew Ogden, Director of Law and Personnel  
Duncan Savage, Assistant Director, Audit and Performance  
Russell Banks, Principal Audit Manager  
Paul Dean, Scrutiny Manager

ALSO PRESENT - Richard Bint, External Auditor, for item 5 (see minute 3)

### 1. MINUTES

1.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 4 March 2009.

### 2. APOLOGIES FOR ABSENCE

2.1 Apologies for absence were received from Councillors Gadd and Lambert. Councillor Belsey was substituting for Councillor Gadd.

### 3. REPORTS

3.1 Copies of the reports on the matters dealt with in the minutes below are contained in the minute book.

### 4. EXTERNAL AUDIT AND INSPECTION PLANS 2008/09

4.1 The Committee considered a joint report by the Chief Executive and the Deputy Chief Executive and Director of Corporate Resources appraising the Committee of the External Audit Fees for 2009/10 and the new external audit arrangements. The Chairman welcomed Richard Bint of PKF, the Council's external auditors, to the meeting.

4.2 Members were advised that, under new external audit arrangements, only Fee Letters were now produced at the beginning of the financial year. A detailed External Audit Plan would be produced in December 2009 and reported to the Committee on 21 March 2010.

4.3 RESOLVED – to note the content of the External Audit and Inspection Fee Letters for 2009/10.

### 5. INTERNAL AUDIT SERVICES: ANNUAL AUDIT REPORT AND OPINION

5.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources seeking the Committee's views on the Internal Audit Service's opinion

on the County Council's control environment for the year from 1 April 2008 to 31 March 2009.

5.2 RESOLVED – to (1) note the internal Audit Service's opinion on the Council's control environment;

(2) agree that there are no significant control issues that should be included in the Council's Annual Governance Statement for 2008/09; and

(3) confirm that the Council's system for internal audit has proved effective during 2008/09.

## 6. INTERNAL AUDIT STRATEGY 2008/09 AND ANNUAL PLAN

6.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources presenting the Council's Internal Audit Strategy 2009/10 and Annual Plan.

6.2 Some concern was expressed about the adequacy of the procurement arrangements in respect of the Bexhill/Hastings Link Road project. Whilst this aspect did not form part of the scope of the review of the project management and governance arrangements in relation to the Bexhill/Hastings Link Road, the Director of Corporate Resources undertook to consider to what extent the concerns could be taken account of when the risk assessment for the audit review of the project was undertaken.

6.3 RESOLVED – to endorse the Council's Internal Audit Strategy 2009/10 and Annual Plan.

## 7. TREASURY MANAGEMENT STEWARDSHIP

7.1 The Deputy Director of Corporate Resources gave a presentation to the Committee, and responded to questions, on Treasury Management Stewardship encompassing the following areas:

- Treasury Management activities
- Statutory Framework
- Cash Balance
- Pre-Credit Crunch
- Current Markets
- Managing Risk
- How the County Council measures up

Copies of the presentation were circulated at the meeting and a copy is also appended to the minutes.

7.2 Members noted that the County Council adopted a prudent approach to Treasury Management when compared to other local authorities.

7.3 RESOLVED – To (1) welcome the information contained in the presentation; and

(2) thank the Deputy Director of Corporate Resources for his presentation which illustrated the County Council's excellent record of Treasury Management.

## 8. REVIEW OF THE ASSESSMENT OF THE CORPORATE GOVERNANCE FRAMEWORK AND ANNUAL GOVERNANCE STATEMENT

8.1 The Committee considered a report by the Director of Law and Personnel (a) providing information on compliance with the Council's Code of Corporate Governance and any changes that may be necessary to maintain it and ensure its effectiveness in practice; and (b) seeking approval of the Council's Annual Governance Statement in compliance with the requirements of the Accounts and Audit Regulations 2003 (as amended) in relation to statements of internal control.

8.2 Members were advised that the constraints of the meetings timetable following the County Council elections meant that the Annual Governance Statement had, this year, been considered by the Governance Committee before being brought to the Scrutiny Committee. However, the report had been circulated to Audit and Best Value Scrutiny Committee Members and any comments had been taken account of in finalising the report. There was still an opportunity to take on board any comments the Scrutiny Committee might wish to make at this meeting.

8.3 RESOLVED – to (1) note the report that was considered by the Governance Committee and its appendices;

(2) confirm that there are no changes to the report that the Committee wishes to recommend to the Governance Committee.

## 9. SCRUTINY AND PERFORMANCE MANAGEMENT

9.1 The Committee considered a joint report by the Director of Policy and Communications and the Director of Law and Personnel concerning the Scrutiny Committee's role in performance management and suggesting (a) how performance management information could best be utilised; and (b) that the current scrutiny mode of working on an issue-based approach be continued following the extension of scrutiny powers for Local Area Agreement scrutiny

9.2 It was suggested, and agreed, that the relevant findings of The Place Survey should be reported to the Committee once the comparator results with other local authorities became available (see also minute 10.2).

RESOLVED – To (1) continue to monitor quarterly performance reports and request Members to try to identify issues of interest in advance of Committee meetings;

(2) agree that East Sussex scrutiny should continue to work on a complementary scrutiny approach as described in paragraphs 3.3 and 3.4 of the report; and

(3) request the Director of Policy and Communications to report to the Committee, in due course, on how the relevant outcomes of The Place Survey for the County Council compare to the results for other local authorities.

## 10. FUTURE SCRUTINY WORK PROGRAMME

10.1 The Committee considered a report by the Director of Law and Personnel setting out the Committee's planned programme of work for the forthcoming year.

10.2 RESOLVED – to (1) note the Committee's programme of work for 2009; and

(2) endorse the proposal that the Scrutiny Review of Council procurement and local small and medium sized enterprises (SMEs) be extended to explore some important aspects in order to build upon its interim recommendations;

(3) agree that the original membership of the SMEs Review Board should be retained with the inclusion of Councillor Bennett as an additional Member; and

(4) agree that The Place Survey should be included in the programme to enable the Committee to consider its findings in due course.

## 11. FORWARD PLAN

11.1 The Committee considered the Forward Plan for the period 1 July 2009 to 31 October 2009.

11.2 RESOLVED – to note the Forward Plan without comment.

## 12. NEXT MEETING

12.1 Members were reminded that the next meeting of the Committee was scheduled to be held on 2 September 2009. In the Chairman's absence the meeting would be chaired by Councillor Bennett, the Vice-Chairman.