

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 2 June 2010.

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

OFFICERS - Becky Shaw, Chief Executive
Amanda Walker, Deputy Director, Finance, Corporate Resources
Philip Baker, Assistant Director, Governance and Community Services
Duncan Savage, Assistant Director, Audit and Performance
Russell Banks, Principal Audit Manager
Paul Dean, Scrutiny Manager
Rawdon Phillips, Insurance and Risk Manager for item 11 (see minute 11)
David Broadley, Emergency Planning Officer for item 13 (see minute 13)

ALSO PRESENT - Janine Combrinck, External Auditor, for items 5 and 6 (see minute 5 and 6)

1. MINUTES

1.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 3 March 2010.

2. APOLOGIES FOR ABSENCE

2.1 Apologies for absence were received from Councillors Gadd and Whetstone

3. DECLARATIONS OF INTEREST

3.1 Councillor Birch declared a personal non-prejudicial interest in item 6 (External Audit Report on Grants Claim Certification) as a member of the SEEDA Board.

4. REPORTS

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

5. EXTERNAL AUDIT AND INSPECTION FEE LETTERS 2010/2011

5.1 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 2010/11 and high level work plans proposed by the Council's external auditors and the Audit Commission. The Chairman welcomed Janine Combrinck of PKF, the Council's external auditors, to the meeting.

5.2 RESOLVED – to (1) note the content of the External Audit and Inspection Fee Letters for 2010/11 and request the External Auditors to consider making further reductions in fees because of low 'risk reduction' factors; and

(2) request the Chief Executive and the Deputy Chief Executive and Director of Corporate Resources to update the next meeting on the implications of the cessation of the CAA and the impact on the 'use of resources' element including an assessment of the impact on: a) the work of the Audit and Best Value Scrutiny Committee; b) the Council's relationship with external auditors; and c) the Council's external partners.

6. EXTERNAL AUDIT REPORT ON GRANTS CLAIM CERTIFICATION

6.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources on the findings of the external auditors from grant certification work in 2009/10 in line with the requirements of the Audit Commission.

RESOLVED – to note the information contained in the report.

7. INTERNAL AUDIT SERVICES: ANNUAL AUDIT REPORT AND OPINION

7.1 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 of the County Council's control environment for the year from 1 April 2009 to 31 March 2010.

7.2 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 2009/10;

(3) confirm that the Council's system for internal audit has proved effective during 2009/10; and

(4) receive at a future meeting of the Committee information detailing the amount of time spent undertaking the different types of audit review.

8. INTERNAL AUDIT STRATEGY 2010/11 AND ANNUAL PLAN

8.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources presenting the Council's Internal Audit Strategy 2010/11 and Annual Plan.

8.2 RESOLVED – to endorse the Council's Internal Audit Strategy 2010/11 and Annual Plan, although the Chairman did express unease regarding the reduction of staff resources within the Internal Audit Team and received an assurance that the Committee would be made aware if this created any difficulties.

9. REVIEW OF EFFECTIVENESS OF THE AUDIT AND BEST VALUE SCRUTINY COMMITTEE

9.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources setting out the results of the self assessment exercise carried out in line with best practice and as part of the annual review of the system of internal audit.

9.3 RESOLVED – To (1) note the positive outcomes of the survey;

(2) aim to change the balance of the Committee's work towards more 'interactive' projects (such as the scrutiny review of procurement with SMEs and the recent 'table top' scrutiny review of highways claims) which improve the chances of the Committee adding real value to Council activities; and

(3) introduce a 'call over' system to prioritise the time spent at

committee meetings more effectively: agenda items which are for information would be called for discussion only on points raised by Committee Members in advance.

10. ASSESSMENT OF THE CORPORATE GOVERNANCE FRAMEWORK AND CORPORATE ASSURANCE STATEMENT FOR 2009/10

10.1 The Committee considered a report by the Monitoring Officer to which was appended the draft report to the Governance Committee on the Annual Assessment of the Corporate Governance Framework and Corporate Assurance Statement for 2009/10 in line with the responsibilities set out in the Committee's terms of reference.

10.3 RESOLVED – to (1) note that Governance Committee would shortly discuss how Members would be engaged in addressing the requirement to make considerable in-year savings together with enhancements to scrutiny's role in the Reconciling Policy and Resources process; and

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

11. RISK MANAGEMENT ANNUAL REPORT 2010

11.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources updating Members on the developments in Risk Management in the past 12 months and proposed actions for the next year.

11.2 RESOLVED – To note (a) the developments in risk management in the last year; (b) the changes to the Strategic Risk Log; and (c) the proposed actions set out in section 6 of the report.

12. PAYMENT OF INVOICES

12.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources updating Members on the status of prompt payment of invoices following the earlier presentation to the Committee on 18 November 2009.

12.2 RESOLVED – to note the improving trend against target in paying suppliers promptly.

13. EMERGENCY PLANNING

13.1 The Senior Emergency Planning Officer David Broadley, accompanied by Jim Foster, Emergency Planning Officer, gave a presentation responding to the Committee's request (on 3 March 2010) to provide reassurance that, given the partial reassurance given by an audit report, appropriate contingency measures would be in place should a major incident occur in East Sussex.

13.3 RESOLVED – That the reassurances elicited by the presentation and the ensuing discussion be welcomed.

14. FUTURE SCRUTINY WORK PROGRAMME

14.1 The Committee considered a report by the Director of Governance and Community Services setting out the Committee's planned programme of work for the forthcoming year.

14.2 RESOLVED – to note the Committee's programme of work for 2010.

15. FORWARD PLAN

15.1 The Committee considered the Forward Plan for the period 1 June 2010 to 30 September 2010.

15.2 RESOLVED – to note the Forward Plan.