

SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Audit Committee

Date: Wednesday, 28th June, 2017

Place: Committee Room 1 - Civic Suite

Present: Councillor M Davidson (Chair)
Councillors H Boyd (Vice-Chair), B Ayling, A Bright, A Jones*,
J Moyies, G Phillips, C Willis and K Pandya

*Substitute in accordance with Council Procedure Rule 31.

In Attendance: J Chesterton, L Everard, E Allen, V Bateman, C Gamble, S Houlden,
D Helps, D Joyce (South Essex Homes),
D Lincoln (South Essex Homes), S Dolling, S May and D Barnes
(BDO)

Start/End Time: 6.30 p.m. / 8.50 p.m.

105 Apologies for Absence

Apologies for absence were received from Councillor Ware-Lane (Substitute: Councillor Jones) and Terry.

106 Declarations of Interest

(a) Councillor Davidson – South Essex Homes Annual Governance Statement 2016/17 – Board Member of South Essex Homes – Disqualifying non-pecuniary interest (was able to participate in the debate and vote by virtue of the dispensation agreed by the Standards Committee at its meeting held on 28th February 2017);

(b) Councillor Davidson – Matters relating to Southend Health and Wellbeing Board – Member of Southend Health and Wellbeing Board – Non-pecuniary interest;

(c) Councillor Jones – The Forum Governance Arrangements – Previous Member of the Forum Board – Non-pecuniary interest;

(d) Councillor Jones – Internal Audit Service, Quarterly Performance Report – Son worked for the National Crime Agency – Non-pecuniary interest

(e) Councillor Moyies – Matters relating to Southend Health and Wellbeing Board – Member of Southend Health and Wellbeing Board – Non-pecuniary interest;

(f) Councillor Moyies – Matters relating to Essex Partnership University NHS Foundation Trust – Council appointed representative of Essex Partnership University NHS Foundation Trust – Non-pecuniary interest;

(g) Councillor Willis – Matters relating to Southend Health and Wellbeing Board – Member of Southend Health and Wellbeing Board – Non-pecuniary interest.

107 Minutes of the meeting held on Wednesday 29th March 2017

Resolved:

That the minutes of the meeting held on Wednesday 29th March 2017 be confirmed and signed as a correct record.

108 Mental Health Direct Payments

The Committee considered a report of the Deputy Chief Executive (People) providing an update on progress following the audit report for Mental Health Direct Payments that commenced in June 2014 (with additional actions identified in June 2015). Following a review in October 2016 a revised completion date was agreed for 31st May 2017.

Resolved:

That the actions taken to address the issues arising from the Internal Audit report, be noted.

109 The Forum Governance Arrangements

The Committee considered a report of the Deputy Chief Executive (Place) detailing progress made in delivering the actions agreed in the Internal Audit Report issued in March 2017.

The Committee asked a number of questions which were responded to by officers.

Resolved:

That the context and the actions being taken to address the issues arising from the Internal Audit Report, be noted.

110 South Essex Homes Annual Governance Statement for 2016/17

The Committee considered a report of the Deputy Chief Executive (People) presenting the South Essex Homes Annual Governance Statement and supporting reports.

The Committee asked a number of questions which were responded to by officers.

In referring to the Service Level Agreements (SLA) with the Council, the Director of Finance (SEH) undertook to write to members of the Committee to inform them of the progress made in clarifying the specific monitoring/management responsibilities of the Lead SLA officers within the SLA documents.

Resolved:

That the assurances provided by South Essex Homes regarding the operation of its risk management, control and governance arrangements throughout 2016/17, be accepted.

111 Assurances and Continuous Development of the Risk Management Framework

The Committee considered a report of the Chief Executive regarding the adequacy of the Council's risk management framework.

The Committee asked a number of questions which were responded to by officers.

Resolved:

That the assurances provided in the submitted report, as well as the plans outlined and the direction of travel regarding the Council's risk management processes, be noted.

112 2017-18 Corporate Risk Register

The Committee considered a report of the Chief Executive presenting the 2017/18 Corporate Risk Register.

The Committee asked a number of questions which were responded to by officers.

On consideration of the report, the Director of Finance and Resources undertook to provide a response to specific observations on the Risk Register, including the need to clarify the risk scoring for Housing Policy (Risk 4) and Information Management (Risk 11)

Resolved:

That the 2017/18 Corporate Risk Register, be noted.

113 Internal Audit Services, Quarterly Performance Report

The Committee considered a report of the Chief Executive presenting the summary results of 2016/17 completed audit reviews.

The Committee asked a number of questions which were responded to by officers.

Resolved:

1. That the assurance provided by the audit work completed this quarter, be noted.

2. That the appointment of the Institute of Internal Audit to complete the independent, external review of Internal Audit's compliance with the UK Public Sector Internal Audit Standards, be approved.

114 Counter Fraud & Investigation Directorate: Annual Report for 2016/17

The Committee considered a report of the Chief Executive presenting the Counter Fraud & Investigation Directorate's (CFID) Annual Report for 2016/17.

The Committee asked a number of questions which were responded to by officers

In noting that localised (Southend) data/information was produced for the quarterly Fraud and Investigation reports, Members considered it would be helpful for an annual summary to be included in the Annual Report.

Members requested an update report to be produced on the progress of the review of the counter fraud policies and procedures for submission to the next meeting of the Committee.

Resolved:

That the performance of the Counter Fraud & Investigation Directorate over the last year, be noted.

115 BDO: Progress Report to Those Charged with Governance

The Committee considered a report of the BDO External Auditor on progress in delivering the 2016/17 Annual Audit Plan.

Resolved:

That the progress made in delivering the Annual Audit Plan for 2016/17, be accepted.

116 Head of Internal Audit Annual Report 2016/17

The Committee considered a report of the Chief Executive providing the following for the 2016/17 financial year:

- The rationale for and an audit opinion on the adequacy and effectiveness of Southend-on-Sea Borough Council's risk management, control and governance processes.
- A statement on conformance with the UK Public Sector Internal Audit standards and the results of the Quality Assurance and Improvement Programme.

The Committee asked a number of questions which were responded to by officers.

On consideration of the report, Members considered that it would be helpful for a paper to be produced setting out the number and nature of the authority's trading companies together with an overview of the associated governance arrangements.

Resolved:

That the Head of Internal Audit's Annual Report for 2016/17, be accepted.

117 Annual Governance Statement 2016/17

The Committee considered a report of the Chief Executive presenting the Annual Governance Statement for 2016/17, together with the actions for 2017/18 and an update on progress made with the 2016/17 actions.

Resolved:

That the Annual Governance Statement 2016/17, be approved and recommended to the Leader of the Council and Chief Executive for authorisation and signature.

118 BDO: Planning Letter 2017/18

The Committee considered a report of the BDO External Auditor presenting the External Audit Planning Letter for 2017/18.

Resolved:

That the planning letter for 2017/18, be approved.

Chairman: _____