

SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of Audit Committee

Date: Wednesday, 23rd October, 2019

Place: Committee Room 1 - Civic Suite

Present: Councillor P Collins (Chair)
Councillors L Burton (Vice-Chair), T Cox, M Davidson, N Folkard,
S Habermel, M Kelly, I Shead and Mr. K Pandya

In Attendance: J Chesterton, P Bates, C Gamble, A Barnes, E Allen, R Gill and C
Wisdom (Deloitte)

Start/End Time: 6.30 - 7.50 pm

489 Apologies for Absence

There were no apologies for absence.

490 Declarations of Interest

There were no declarations of interest.

491 Minutes of the Meeting held on Wednesday, 24th July, 2019

Resolved:-

That the Minutes of the Meeting held on 24th July 2019 be confirmed as a correct record and signed.

492 Deloitte: Annual Audit Letter, Audit for the year ended 31 March 2019

The Committee considered a report of the Executive Director (Finance and Resources) presenting the External Auditor's Annual Audit Letter for 2018/19. In addressing the Committee, the External Auditor provided an update on matters in connection with the letter.

Resolved:-

That the Annual Audit Letter for 2018/19, be accepted.

493 Control Environment Assurance

The Committee considered a report of the Executive Director (Finance and Resources) which provided an update on the revisions made to the Control Environment in respect of Risk Management, Counter-Fraud, Bribery & Corruption, Counter Money Laundering, Whistleblowing and the Regulation of Investigatory Powers.

The Committee noted that the policies had been accepted by Cabinet at its meeting held on 17th September. At the meeting of Policy and Resources Scrutiny Committee held on 10th October, Councillors also accepted the policies, but asked that consideration be given to an amendment to the Whistleblowing Policy to address the suggestion put forward by Councillor Shead. An extract of the Scrutiny Committee minutes together with the proposed amendment to the Whistleblowing Policy, drafted by the Executive Director (Legal and Democratic Services), were tabled at our meeting. It was noted that the Control Environment Assurance minute of the Scrutiny Committee had been referred to Council under Procedure Rule 39.

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

On consideration of the Whistleblowing Policy, the Committee requested the Executive Director (Legal and Democratic Services) to write to all members of the Committee to clarify the position where the Council is not able to resolve concerns raised under the policy without revealing the identity of the employee, worker or contractor.

On discussion of the report, the Head of Internal Audit undertook to submit the action plan on the revised risk management arrangements to the January 2020 meeting of the Committee. The counter fraud action plan would also be presented to the January meeting.

Resolved:-

1. That the revised Risk Management Policy Statement and Strategy set out at Appendix A to the submitted report (including the action plan included at Appendix 2 of that document), be endorsed.
2. That the revised Counter Fraud, Bribery & Corruption Policy and Strategy (Appendix B), the revised Counter Money Laundering Policy & Strategy (Appendix C) and the revised Whistleblowing Policy (Appendix D), be endorsed.
3. That the revised Policy and Procedures for undertaking Directed Surveillance and the use of Covert Human Intelligence Sources (CHIS) (Appendix E – and also the detailed procedures for use of a CHIS as set out in confidential Appendix F), be endorsed.
4. That it be noted that:
 - (a) The Council has not used the surveillance powers available to it under RIPA between 1 April 2018 and the 31st March 2019 and neither has it used any CHIS during this period
 - (b) Thurrock Council has not used any such powers on behalf of Southend-on-Sea Borough Council when undertaking Anti-Fraud work between 1 April 2018 and the 31st March 2019.

5. That the staff training undertaken in 2018/19 and proposed for 2019/20 in connection with RIPA and details of the regulation of CCTV activities as detailed in the report, be noted.

(Councillor Cox asked that it be recorded that he did not support the RIPA Policy)

494 A Simple and Effective Governance Framework

The Committee considered a report of the Executive Director (Legal & Democratic Services) which reviewed the Council's Local Code of Governance (now to be called 'A simple and effective governance framework').

Resolved:-

That Cabinet be recommended to approve the revised Local Code of Governance – A simple and effective governance framework – as set out at Appendix A to the submitted report (Once approved, the Council's Constitution would be updated to reflect the revised framework).

495 Internal Audit Service Quarterly Performance Report

The Committee considered a report of the Chief Executive which provided an update on the progress made in delivering the Internal Audit Strategy and Plan for 2019/20.

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

Resolved:-

That the progress made in delivering the 2019/20 Internal Audit Strategy, be noted.

496 Information Item

The Committee received and noted the following information item:

Audit Committee Update – helping audit committees to be effective – Issue 29: The CIPFA Statement on the role of the Head of internal Audit.

On consideration of the CIPFA audit update, the Head of Internal Audit undertook to arrange the attendance of Councillor Collins and Folkard at the identified CIPFA training event in London in November 2019.

The Chair encouraged members of the Committee to complete the audit self-evaluation survey, the results of which would be used to identify training needs.

The Executive Director (Finance and Resources) reminded members of the committee of the treasury management briefing to be held on 5th November to be supported by the Council's treasury management advisors.

497 Exclusion of the Public

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the item of business set out below on the grounds that it would involve the likely disclosure of exempt information as defined in Part 7 of Schedule 12A to the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

498 Control Environment Assurance - Confidential Appendix

Resolved:-

That the confidential appendix, be endorsed.

Chair: _____