

Crawley Borough Council

Minutes of Audit and Governance Committee

26 September 2012 at 6.30pm

Present:

Councillor A J E Quirk (Chair)
Councillor I T Irvine (Vice Chair)
Councillors C A Cheshire, C R Eade and L A Walker

Also in Attendance:

Lizzie Peers, Senior Audit Manager, of the Audit Commission.
Barry Jones, Independent Member.

Officers Present:

David Covill	Director of Resources
Paul Windust	Corporate Accounting Manager
Roger Brownings	Democratic Services Officer

Apologies for Absence:

Emma Bryant, Audit Manager, of the Audit Commission.
Chris Corker (Fraud and Inspections Manager)
Gillian Edwards (Audit and Risk Manager)
Dave Rawlings (Head of Finance, Revenues & Benefits)

8. Members' Disclosure of Interests

No disclosures of interests were made.

9. Minutes

The minutes of the meeting of the Committee held on 27 June 2012 were approved as a correct record and signed by the Chair.

10. Fraud and Inspections Team Report

The Committee considered report FIN/281 of the Fraud and Inspections Manager, which focused on activity for the period from 1 July to 14 September 2012.

The Committee acknowledged that service performance continued to improve, most notably in the areas of prosecutions, sanctions and work carried out on housing fraud. Joint working arrangements with Crawley Homes to tackle housing fraud were continuing, and with the development of investigation techniques, those arrangements continued to be extremely successful in recovering Council house properties. Investigations into Benefit fraud had also continued to be successful.

RESOLVED

That the report be noted.

11. Internal Audit Progress Report as at 31 August 2012

The Committee considered report FIN/279 of the Audit and Risk Manager. The purpose of the report was to update the Committee on the progress made towards the completion of the 2011 / 2012 and 2012 / 2013 Internal Audit Plans, and to report on the progress made in implementing the previous recommendations of the Committee.

The Committee noted all the Audit Plan reviews in progress, along with other work. With regard to the Worth Park Restoration Project, the Vice Chair referred to some project management issues which had been raised with him and the Chair as part of a recent briefing and at which it was indicated that further investigations would be undertaken. He understood that the intention was to report back any findings to this meeting of the Committee for discussion, and the Vice Chair now sought that update and a discussion on the issues raised. Whilst in response to this matter it was considered correct and proper that an update on the project should be a subject for the Committee's discussions, it was also felt best that the Manager reviewing the project should provide the update required on what was "work in progress" and incomplete and be given the opportunity to add clarity where required. Unfortunately the Manager involved (the Audit and Risk Manager) was unable to attend this meeting - as she was unwell and had sent her apologies. Under the circumstances, and whilst it was his understanding that the review identified was still being undertaken, the Chair suggested that on her return to work he would be in contact with the Audit and Risk Manager to seek what progress the review had taken and to request her to provide an update, in the form of a briefing note, for circulation to all Members of the Committee.

A Member referred to proposals to reduce the number of play areas within the Town. Whilst these proposals did not form part of the Audit Plan reviews in progress, the Member referred to issues of a constitutional nature, and felt that this was a matter for consideration by this Committee. In response, and whilst the Member concerned considered this to be a governance issue, it was suggested that this was not a matter for this Committee's consideration. The Committee on being advised that reference should be made to the Committee's Scheme of Delegation, received confirmation that the play area proposals had been put on hold following recent consideration by the Council's Overview and Scrutiny Commission. The Chair indicated that he would contact the Chair of the OSC to seek clarification on how things stood in terms of considering the decision-making process for the play area proposals. He would advise Members of the outcomes arising, whilst asking for a briefing note, for circulation to Committee Members, on the Committee's responsibilities with regard to governance.

RESOLVED

That, subject to the following actions to be taken by the Chair, the Internal Audit Progress report, and the progress made for the period up to 31 August 2012, be noted:-

- (i) Contact the Audit and Risk Manager to seek what progress the Worth Park Restoration Project review had taken and to request her to provide an update, in the form of a briefing note, for circulation to all Members of the Committee.
- (ii) Contact the Chair of the OSC to seek clarification on how things stood in terms of considering the decision-making process for the play area proposals and advise Members of the outcomes arising.
- (iii) Request the Head of Legal and Democratic Services and the Audit and Risk Manager to clarify in a briefing note, and for circulation to Committee Members, the Committee's responsibilities with regard to governance.

12. Audit Commission Annual Governance Report

The Committee considered the Audit Commission's Annual Governance report for 2011/2012 and welcomed Lizzie Peers (Senior Audit Manager) to the meeting.

Following the Government's announcement that the audit of local authorities would be undertaken by private companies, and in response to comments from Members, Lizzie took this opportunity to further update the Committee on progress regarding the future arrangements for the audit of local authorities. As part of that update, Lizzie confirmed that with effect from September 2012, and for a term of five years, the Council would be audited by Ernst & Young. Staff from the Commission would be transferring to the new auditors with effect from 1 November 2012.

With regard to the Annual Governance report, Lizzie advised the Committee that it was proposed to issue an unqualified opinion on the financial statements (2011/2012).

The Committee noted that the Commission had made three recommendations with regard to the Statements, and a further three recommendations in relation to value for money for which it was also proposed to issue an unqualified conclusion. The Committee was asked to: take note of the adjustments to the financial statements as set out in the report (Page 7 of the report refers), approve the letter of representation on behalf of the Council, prior to the Audit Commission issuing its opinion and conclusion (Appendix 2 refers); and agree a response to the proposed action plan (Appendix 4 refers). Lizzie commended the Finance Team on its good work and performance.

The Committee sought and obtained clarification on a number of issues raised, whilst the Chair congratulated officers and members of the Audit Commission in creating a successful working partnership.

RESOLVED

- (1) That the report from the Audit Commission be received and noted.
- (2) That the Letter of Representation on behalf of the Council be signed off by the Head of Finance, Revenues and Benefits.

13. Approval of the 2011/2012 Statement of Accounts

The Committee considered report FIN/282 of the Head of Finance, Revenues and Benefits. The purpose of the report was to seek Committee approval of the 2011/2012 Statement of Accounts, to comply with the statutory deadline of 30 September 2012.

The accounts had been prepared in line with the Code of Practice on Local Authority Accounting in the UK. Members were required to ensure that the Statement of Accounts had been prepared in accordance with the Accounts and Audit Regulations and that it presented fairly the financial position and transactions of the Council.

The 2011/2012 Statement of Accounts was attached as Appendix A to the report and as stated in the Audit Commission's Annual Governance Report (Minute No. 12 above refers) it was proposed to issue an unqualified opinion.

In response to issues raised, officers indicated that further clarification would be provided to Members, including that in respect of funding on adult social care - page 25 of the Statement of Accounts (Comprehensive Income and Expenditure Statement), refers. Two Members (Councillors Irvine and Cheshire) also referred to matters within the Annual Governance Statement, particularly in relation to the Council's Constitution, and in so doing wished to discuss associated issues around the Council's decision making processes and procedures. In response to this matter the Committee was advised that the emphasis of the report was to approve the Statement of the Accounts, which was distinct from considering the detail and development of the Constitution, which was the responsibility of other Forums.

The Committee reiterated its sincere thanks to all staff in the Finance Team for the excellent work they had undertaken, and indeed to members of the Audit Commission for all their work and assistance during challenging times.

A vote was then taken on the two parts of the recommendation, which were moved and seconded, and it was

RESOLVED

- (1) That subject to the following issue, the 2011/2012 Statement of Accounts be approved:-

Further clarification be provided to Members of the Committee of funding on adult social care - page 25 of the Statement of Accounts (Comprehensive Income and Expenditure Statement), refers.

- (2) That the Chair of the Committee be authorised to sign the 2011/2012 Statement of Accounts on behalf of the Council.

Note

In accordance with Council Procedure Rule 17.5:-

- (i) Councillor Irvine requested that his vote be recorded to show that he had voted against Recommendation (1). He indicated that his vote was based on not being given the opportunity at this meeting to discuss, as an Annual Governance Statement issue, his views around the Council's decision making processes and procedures.

(ii) Councillor Cheshire requested that her vote be recorded to show that she had voted for Recommendation (1). She indicated that her vote was based on the understanding that the Chair would look into how the Committee dealt with the governance element of the Statement of Accounts report in the future.

14. Closure of Meeting

The meeting ended at 8.21 pm.

A J E QUIRK
Chair