

Crawley Borough Council

Minutes of Audit and Governance Committee

24 September 2014 at 6.30pm

Present:

Councillor I T Irvine (Chair)
Councillor L A Walker (Vice Chair)
Councillors R D Burrett, and T Lunnon

Also in Attendance:

Councillor P K Lamb
Paul King, Director of Ernst and Young LLP.

Officers Present:

Ann-Maria Brown	Head of Legal and Democratic Services
Roger Brownings	Democratic Services Officer
Chris Corker	Corporate Fraud and Inspections Manager
David Covill	Director of Development and Resources
Gillian Edwards	Audit and Risk Manager
Karen Hayes	Deputy Head of Finance

10. Apologies for Absence

Councillor K Sudan.

11. Members' Disclosures of Interests

There were no disclosures of interest.

12. Minutes

The minutes of the meeting of the Committee held on **25 June 2014** were approved as a correct record and signed by the Chair.

13. Fraud Team Report

The Committee considered report **FIN/343** of the Corporate Fraud and Inspections Manager, which focused on activity for the period from 11 June 2014 to 9 September 2014.

- The Committee acknowledged that the Team continued to look into a wide range of fraud and loss against the Council, as well as undertake such work as examining properties, both new and empty, to help determine the claim to the Department for Communities and Local Government (DCLG) regarding New Homes Bonus.
- A further two properties had been recovered as part of the work in the area of tenancy fraud.
- Work also continued to be developed in terms of investigating housing applications. The Team in this reporting period had prevented three further properties from being allocated and lost from the Council's stock.
- The Committee acknowledged that service performance continued to improve generally, including the application of various sanctions, of which there had been five further and successful prosecutions (three in respect of housing benefit fraud and two in respect of housing applications)
- The total of all overpaid benefit identified by the Team for this reporting period was £63,749.
- With regard to council tax and business rates, the Committee received details on losses stemmed, prevented and recovered, as well as new council tax and business rates gained.

In seeking and receiving clarification on information presented, Members conveyed their thanks and appreciation to the Team for the excellent progress it was continuing to achieve.

RESOLVED

That the report be noted.

14. Internal Audit Progress Report as at 31 August 2014

The Committee considered report **FIN/345** of the Audit and Risk Manager. The purpose of the report was primarily to update the Committee on the progress made towards the completion of the 2013 / 2014 and 2014 / 2015 Internal Audit Plans, and to report on the progress made in implementing the previous recommendations.

As part of the Committee's discussion on this matter, Councillor Walker referred to the minutes of the Committee's last meeting held on 25 June 2014 and in particular to Minute 5 (Maidenbower Pavilion – Review of Lessons Learned on Capital Projects), which further focussed on concerns raised by Councillor Walker regarding that Pavilion. The decision recorded in that Minute suggested that an additional report would be submitted to this 24 September meeting of the Committee on the outcomes of further investigations regarding those concerns which remained outstanding. With Councillor Walker expressing his surprise that such a report had not in fact been included in this meeting's agenda, he was referred to Minute Number 28 (a) of the subsequent (23 July) meeting of the Full Council, under the heading of "Matter raised under the report of the Audit and Governance Committee - 25 June 2014". This suggested that the outstanding concerns raised by Councillor Walker (involving primarily the Pavilion's management and operation) would now be moved forward and concluded by the respective Cabinet Member, working closely with officers and representatives of the Pavilion's Social Club. Councillor Walker had not attended the 23 July meeting of the Full Council, having conveyed his apologies for absence.

The Chair advised the Committee that whilst he had requested the Cabinet Member to take forward the concerns raised, it was not the intention that those concerns and the work undertaken thereon would be withdrawn for further consideration by this Committee. It was emphasised that the Committee's decision of 25 June was still in

place, albeit the report it requested for submission to this 24 September meeting, would now, instead, need to be submitted to the Committee's next meeting. In response, Councillor Walker continued to convey his disappointment that the report requested was not submitted to this meeting. He then referred to a letter that he and other individuals and bodies had just recently received regarding the Pavilion. At this point the Head of Legal and Democratic Services advised the Committee that it was very likely that information that was exempt from disclosure was likely to be disclosed during the debate to follow, and with this in mind it was agreed that the continuation of this discussion on the Pavilion be deferred until the end of the meeting.

The Committee discussed and noted all the Audit Plan reviews in progress, along with other work as detailed in the report, whilst in response to issues raised by Councillor Lunnon, the Audit and Risk Manager indicated that she would seek to provide Members with a brief summary of how audit controls within this authority work in preventing and limiting risk.

RESOLVED

- (1) That the Internal Audit Progress report, and the progress made for the period up to 31 August 2014 be noted.
- (2) That the matter of the Maidenbower Pavilion be deferred for further consideration until the end of the meeting when all other business on the Committee's agenda has been transacted.

15. Ernst and Young LLP – Audit Results Report for the year ended 31 March 2014

The Committee considered the Audit Results Report for the year ended 31 March 2014 which was included as **Enclosure D** to the Agenda. The report summarised Ernst and Young's findings from the 2013/14 audit, and welcomed Paul King of Ernst and Young to the meeting.

The Committee acknowledged all the issues raised, and in so doing noted that it was proposed to issue an unqualified opinion on the financial statements (2013/14), and that it was also intended to issue an unqualified conclusion in relation to value for money. In response to Members comments, the Committee was advised that a report on the Council's Risk Management Strategy and Risk Register would be submitted to the Committee's next meeting in December.

RESOLVED

That the report from Ernst and Young LLP be received and noted.

16. Approval of the 2013/2014 Statement of Accounts

The Committee considered report **FIN/344** of the Deputy Head of Finance. The purpose of the report was to seek Committee approval of the 2013/2014 Statement of Accounts, to comply with the statutory deadline of 30 September 2014.

The 2013/2014 Statement of Accounts was attached as Appendix 1 to the report and as stated in Ernst and Young's Audit Results Report (Minute No. 15 above refers) it was proposed to issue an unqualified opinion.

RESOLVED

- (1) That the 2013/2014 Statement of Accounts be approved.
- (2) That the Chair of the Committee be authorised to sign the 2013/2014 Statement of Accounts on behalf of the Council.

17. Exempt Information - Exclusion of the Public

RESOLVED

That in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act by virtue of the paragraph specified against the item.

**18. Maidenbower Pavilion
(Exempt - paragraph 1 – Information relating to any individual)**

With regard to Minute Number 14 above (Internal Audit Progress Report as at 31 August 2014), and with further reference made to a letter that had been received by a number of individuals and bodies, the Committee further considered issues relating to the Maidenbower Pavilion.

Officers referred Members to the steer set out in the minutes of the 23 July meeting of the Full Council which indicated that outstanding concerns that had been raised by Councillor Walker regarding the Pavilion (and involving primarily operational matters) would be moved forward by the respective Cabinet Member, working closely with officers and representatives of the Pavilion's Social Club. Whilst that work would continue, it was acknowledged that in accordance with the Committee's decision at its meeting on 25 June, a further report should be submitted to the Committee on the outcomes of the further investigations undertaken. In view of the operational nature of concerns raised, Members did discuss whether it was for this particular Committee (or perhaps scrutiny) to receive the report, whilst the need to avoid prejudicing investigations - which would be undertaken in relation to the recently received letter, was recognised. The Committee considered issues regarding the scope of the report to be submitted.

RESOLVED

That the Chair and Vice Chair of the Committee and appropriate Officers meet to consider and develop matters regarding the scope of a report to be presented to the next meeting of the Committee on 2 December 2014.

19. Closure of Meeting

The meeting ended at 7.47 pm.

I T IRVINE
Chair