

Minutes of a meeting of the **Corporate Governance and Audit Committee** held in Committee Room 2, East Pallant House, 1 East Pallant, Chichester on Thursday 25 September 2014 at 09.30am.

## **Members (10)**

Mrs P M Tull (Chairman)  
Mr A J French (Vice-Chairman)

Mr M Bell  
Mr J Cherry

Mr B Finch  
Mr G Hicks  
Mrs P Hardwick

Present (7)

### **Apologies for absence:**

Mrs C Apel  
Mr T Dignum  
Mr R Marshall

### **Officers present for all agenda items**

Mrs B Jones, Principal Scrutiny Officer  
Mr J Ward, Head of Finance & Governance Services

### **Officers Present for Specific Items Only**

Mrs H Belenger, Accountancy Services Manager  
Mr D Cooper, Group Accountant  
Mrs J Dodsworth, Head of Business Improvement Services  
Mr S James, Principal Auditor  
Miss A Loaring, Partnerships Officer  
Mrs T Murphy, Parking Services Manager  
Mr P Over, Executive Director  
Mr D Stewart, Legal Practice Manager

### **Chichester District Council Members present as observers or contributors**

Mrs H Caird  
Mr J Connor  
Mrs C Purnell  
Mr S Oakley  
Mr N Thomas

### **Invited Representatives Present for Agenda Items 6 and 7**

Mr Simon Mathers, Audit Manager, Ernst & Young LLP (EY)

195. **Chairman's announcements**

Apologies had been received from Mrs Apel, Mr Dignum and Mr Marshall.

196. **Minutes**

The minutes of the previous meeting were considered and agreed.

**RESOLVED**

That the minutes of the meeting held on 26 June 2014 be signed as a correct record.

197. **Urgent Items**

There were no urgent items for consideration at this meeting.

198. **Declarations of Interest**

There were no declarations of interest.

199. **Public Question Time**

No public questions had been submitted.

200. **Audit reports and progress report**

With the Chairman's agreement, this item was brought forward to allow officers to attend for two of the audit reports. The committee considered four internal audit reports which were circulated to members by email in advance of the meeting and are attached to the official copy of these minutes, namely 1 The Ridgeway, Complaints, Income Management Reconciliations Summary and Car Parks.

Mrs Murphy confirmed that all recommendations in the Car Parks audit report had been dealt with.

**RESOLVED**

That the audit reports and progress against the audit plan be noted.

201. **Audit results report 2013/14 - Ernst & Young LLP (EY)**

Mr S Mathers from EY took the committee through the audit results report. He referred to the annual accounts and letter of representation which were to be presented at the next item on this agenda.

Two significant risks had been identified in the financial statement audit – the risk of management override and national non-domestic rates rateable value appeals provision. In respect of the first risk EY had received assurances and testing had not highlighted any significant issues. In respect of the second risk, a future methodology for calculating the estimate had been suggested.

Findings on the value for money (VfM) audit revealed that compared against statistical neighbours and all district councils, the authority had a high cost per

capita. However income generated from fees brings the absolute level of net service spend down which then compares more favourably against comparative authorities.

The Council had a healthy level of reserves and medium term financial planning was robust. EY had issued an unqualified auditor's report in respect of the Council's financial statements and value for money conclusion.

The following questions were raised by the committee:

- How long do organisations have to appeal their business rates? *There is no cut-off date. Money can be made by large businesses if they claim and therefore there is a high degree of estimation and uncertainty.*
- Who picks the authorities in the statistical group? *It is a comparison used by CIPFA (Chartered Institute of Public Finance & Accountancy). In the past service managers have been challenged where there is high spend. Per capita is not a useful tool. In some instances services are working to historic high performance and quality standards. The Communities team is relatively high spend because they manage a very generous grants process. Housing is under review at present. Mr Mathers confirmed that this comparison was at high level only and that the council's work on research into and understanding why spend is high in certain areas is important.*

#### **RESOLVED**

That the Ernst & Young LLP Audit Results Report 2013/14 be noted.

#### **202 Audited Statement of Accounts 2013/14**

The committee considered the agenda report (copy attached to the official minutes). Mr Cooper drew the committee's attention to the two misstatements identified by EY during the audit and advised that these had been adjusted. The committee commended the accounting team for preparation of a clear set of accounts written in plain English.

#### **RESOLVED**

- 1) That the Statement of Accounts in Appendix 1 for the financial year ended 31 March 2014 be adopted.
- 2) That the Letter of Management Representation in Appendix 2 be agreed.

These documents were subsequently signed by the Chairman and the Head of Finance & Governance Services.

#### **203 Corporate Governance report to Full Council**

The committee considered the agenda report (copy attached to the official minutes). The following questions were raised by the committee:

- When would the business continuity plans be completed? *Critical plans were already complete; non critical plans would be finalised by the end of November. The committee was due to receive a report at its November meeting giving an*

*update on this matter. The annual exercise would be tested before this meeting and reported back as part of the report.*

- *What is the current state with emergency planning? CMT agreed a trial with WSCC rather than replace the vacated post. There would be no cost to authority.*
- *What is the current state with the Westgate CHP units? The original tender was to replace three boilers. Three companies had expressed an interest but didn't tender. Following a review a revised tender for a single CHP unit had been prepared.*

Some changes were suggested to the Annual Governance Statement which Mr James undertook to revise. This document would be signed by the Leader and Chief Executive and attached to the Annual Accounts which would be displayed on the council's website prior to the deadline date 30 September 2014.

#### **RECOMMENDED TO COUNCIL**

That subject to amendments the Corporate Governance & Audit Committee report on the council's governance arrangements in Appendix 1 be approved by Full Council.

(Post meeting note: The revised Corporate Governance & Audit Committee report was subsequently signed by the Chairman)

#### **204 Annual Partnerships Report**

The committee considered the agenda report (copy attached to the official minutes). Miss Loaring reminded the committee in 2013 the committee had resolved that the Manhood Peninsula Partnership (MPP) and Healthier Chichester Partnership (HCP) be reviewed on completion of their annual action plans and any non-compliance issues be reported back to the committee.

A review of the HCP had been carried out following which this partnership was amalgamated with Chichester in Partnership (the Local Strategic Partnership) on 1 April 2014. A partnership health action plan had been developed as part of the LSP's projects. The MPP was currently reviewing its priorities and preparing an action plan. Mr Finch made the observation that the aims of the MPP seemed to be out of sync with its achievements and this needed to be reviewed. The Better Together partnership had been dissolved.

The following questions were raised by the committee:

- *How are the outcomes for the LSP monitored? Outcomes are reviewed quarterly and a monitoring report is presented to each meeting of the LSP. Members requested that all outcomes are shown in full with high/low indicator.*
- *Has more funding become available for the LSP? As the partnership has grown new sources of funding have become available. A review of priorities is due to take place shortly.*

#### **RESOLVED**

- 1) That the annual report on partnerships be noted.
- 2) That the committee continue to receive an annual report on partnerships.

205 **Formal Complaints, Freedom of Information (FOI) Requests and Subject Access Requests Analysis 2013/14**

The committee considered the agenda report (copy attached to the official minutes). Mrs Dodsworth advised that this year, alongside the complaints information, the annual report also included information on FOIs and data protection requests.

Questions:

- Are there sanctions for not providing FOI information within 20 days? *The council does not get fined but an could be routed through the Information Commissioner. There is sometimes confusion about the difference between an FOI request and a subject access request.*
- Do we get repeat and/or vexatious requests? *Yes the council has received repeat requests. In one instance we wrote to the person stating that we would not be providing any further information who then took his claim to the ombudsman however this was not upheld.*
- As FOI requests have increased is this work factored in to the job descriptions of those who deal with them in each service? *FOIs are part of standard operating procedure and planned for, however they are not specifically mentioned in job specifications. In order to reduce repeat requests for the same information we have put some of these onto the council's website so that we can direct further requests to this information.*
- How is the cost of £450 calculated? *We can estimate the time spent to retrieve the information at £25 per hour. If it is £450 or over we would seek payment before going ahead.*
- Who would be asking for information on public health funerals and credit balances on non-domestic rates? *Once a person is deceased there is no protection under the data protection act. Agencies looking for business searching for heirs or identifying businesses to approach with refunds.*
- How does this information get monitored and reported? *A monthly report goes to SLT and Heads of Service identifying any trends.*

The committee commended Mrs Dodsworth on a very clear and useful report.

**RESOLVED**

- 1) That the report be noted.
- 2) That the committee continue to receive an annual report.

(Note: The meeting closed at 11.10am)

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(Chairman)

Date: \_\_\_\_\_