



Minutes of the meeting of the **Corporate Governance & Audit Committee** held in Committee Room 1 - EPH on Tuesday 29 September 2015 at 9.30 am

Members Present: Mrs P Tull (Chairman), Mr G Hicks (Vice-Chairman), Mr G Barrett, Mr I Curbishley, Mr T Dempster, Mr F Hobbs, Mr P Jarvis and Mr S Morley

Members not present: Mrs N Graves and Mrs P Hardwick

In attendance by invitation: Mr P King (Ernst & Young LLP) and Mr S Mathers (Ernst & Young LLP)

Officers present: Mrs H Belenger (Accountancy Services Manager), Mr N Bennett (Litigation Lawyer), Mrs F Delahunty (Customer Services Centre Manager), Mr A Frost (Head of Planning Services), Mr S James (Principal Auditor), Mrs B Jones (Principal Scrutiny Officer), Ms S Shipway and Mr J Ward (Head of Finance and Governance Services)

16 Chairman's Announcements

The Chairman welcomed all to the meeting. Apologies had been received from Mrs N Graves and Mrs P Hardwick.

17 Approval of Minutes

The minutes of the meeting held on 30 June 2015 were agreed as a correct record.

18 Urgent items

There were no urgent items.

19 Declarations of Interest

There were no declarations of interest.

20 Public Question Time

No public questions had been received.

21 **Audit Results Report 2014/15 - Ernst & Young LLP**

Mr S Mathers and Mr P King from Ernst & Young LLP presented the report (copies attached to the official minutes). Mr King highlighted points in the executive summary, stating that he planned to sign off an unqualified auditor's report on the Council's financial statements and Value for Money conclusion after this meeting.

Mr Jarvis asked for explanation on the formulaic errors in the Council's model used to estimate non-domestic rates (NNDR) valuations. Mr Mathers advised that the provision the Council included for successful appeals was materially reasonable however he suggested that the formulaic errors were corrected.

Mr Jarvis asked for detail on the claim that the Council's spending per head was high relative to other authorities. Mr Ward advised that the Council's priorities in some areas may result in high quality outcomes and therefore higher service requirements e.g. street cleansing. A review had been carried out a number of years ago which showed that some service areas appeared to be expensive, such as food inspections/safety but on investigation this had been as a result of the number of food outlets in the Chichester district compared to other areas. Mr King confirmed this, saying that if the service was a priority to the Council then the auditors would expect the cost to be higher. Value for money was not simply a question of costs, but a reflection of the Council's priorities and the Council's potential to generate income.

Mr Hobbs asked what procedures and policies were in place to control chasing bad debt. Mr Ward advised that the corporate debt collection team pursued debtors through the courts, but that occasionally low value debts were written off. When the point was reached where it is uneconomic to chase debts, he would be asked to make the decision to write these off.

RESOLVED

That the Audit Results Report 2014/15 be noted.

22 **Statement of Accounts (Audited)**

Mr Ward and Mrs Belenger presented this report (copy attached to the official minutes).

Mrs Belenger recorded her thanks to the accountancy team for the work put in to finalise these accounts by the deadline and for their professionalism in doing so.

Mr Barrett noted that the pension fund deficit seemed to have increased significantly in the last year. Mrs Belenger stated that the fund had been affected by falling real bond yields and that more detailed notes were included in the statement of accounts.

RESOLVED

That the audited Statement of Accounts 2014/15 be adopted.

The Chairman then drew the committee's attention to the Letter of Management Representation. Mr Ward explained that this was a standard letter which the Council issued to the external auditors to give the auditors the assurance they needed that the Council's accounts had been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting and to confirm that the Council had complied with the auditors' requests for access to information to facilitate reviewing the accounts.

RESOLVED

That the Letter of Management Representation be agreed and signed by the Head of Finance & Governance Services and the Chairman.

23 Regulation of Investigatory Powers Act (RIPA) Policy

Mr N Bennett presented the report (copy attached to the official minutes).

Mr Morley asked for clarification of the terms 'covert' and 'intrusive' surveillance. Mr Bennett advised that 'covert' surveillance was when the subject was not aware and 'intrusive' was when surveillance was carried out in the subject's home or vehicle.

RESOLVED

1. That the Regulation of Investigatory Powers Act (RIPA) Policy be noted, together with the delegations in Appendix 1.
2. That the committee receive an annual report in the autumn each year with an update on the use of surveillance, on the changes to surveillance procedures and on RIPA training for staff.

RECOMMEND TO CABINET

That the Regulation of Investigatory Powers Act (RIPA) Policy, including the delegations in Appendix 1, be adopted.

24 Formal Complaints, FOI requests and subject access analysis 2014/15

Mrs F Delahunty presented this report (copy attached to the official minutes), advising that of the 10 complaints referred to the Ombudsman, one complaint had been upheld and the Council had been required to pay the customer £100. This related to the Council's bailiff visiting the customer in error when the customer had already made an offer of payment to the Council. This money had been retrieved from the Council's bailiff and their procedures had been improved as a result.

Mr Barrett suggested that the trend over the last few years had seen a small increase in complaints. Mrs Delahunty confirmed this saying that customers now had increased access to information and procedures on how to complain, however our numbers were low in comparison to other councils. Included at the complaint first stage was the ability of the customer to have an informal chat with the manager of the team concerned to try and resolve the issue up front.

RESOLVED

That this annual report on Complaints, Freedom of Information Requests and Data Protection Analysis 2014/15 be noted.

25 Fraud prevention report 2014/15

Mr S James and Mrs S Shipway presented this report (copy attached to the official minutes). Mr James introduced Mrs Shipway, the Council's newly appointed Senior Auditor, to the committee.

Mr Hicks asked whether 'successful prosecution' meant that the money was recovered. Mrs Shipway advised that it was most likely to be recovered or that overpayments in benefits would be recovered over the course of a number of years by reducing future benefits payments.

The committee noted the loss of the corporate fraud team to the Department for Works and Pensions on 1 December 2015 but acknowledged the creation of a Corporate Fraud Officer post to enable continuity in identifying potential losses to the Council.

RESOLVED

1. That the Fraud Prevention Report 2014/15 be noted.
2. That it be noted that through participation in the National Fraud Initiative (NFI) the Council would actively pursue potential fraud.

26 Internal Audit - Audit Plan Progress

Mr S James presented this report (copy attached to the official minutes), advising that the team were on track against the Audit Plan and were now starting key financial control work.

Mr James explained the priority of the recommendations which had been made in the two audit reports – Safety Inspections (Zurich) and Development Management. Mr Frost confirmed that recommendation 3.1.3 in the Development Management audit report related to one instance of a planning enforcement team member not having signed off a planning application when dealing with it on behalf of a South Downs National Park team member although the decision had been properly authorised by the principal officer. He would remind all case officers to sign off their planning applications.

RESOLVED

1. That the Safety Inspections (Zurich) audit report and the Development Management audit report be noted.
2. That progress against the Audit Plan 2015/16 be noted.

The meeting ended at 10.26 am

CHAIRMAN

Date: