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Minutes of the meeting of the **Corporate Governance & Audit Committee** held in Committee Room 1, East Pallant House on Tuesday 30 June 2015 at 2.00 pm

Members Present: Mrs P Tull (Chairman), Mr G Hicks (Vice-Chairman), Mr G Barrett, Mr I Curbishley, Mrs N Graves, Mrs P Hardwick, Mr P Jarvis and Mr S Morley

Members not present: Mr T Dempster and Mr F Hobbs

In attendance by invitation: Mr P King (Ernst & Young LLP), Mr M Bleakley (South Downs National Park) and Ms E Munns (West Sussex County Council)

Officers present all items: Mr J Ward (Head of Finance and Governance Services), Mr S James (Principal Auditor), Mrs B Jones (Principal Scrutiny Officer), Ms N Golding (Principal Solicitor and Monitoring Officer), Mr D Hyland (Community and Partnerships Support Manager), Miss L Le Vay (Design and Implementation Manager), Miss A Loaring (Partnerships Officer), Mrs A Stevens (Environment Manager) and Ms D Kirkham (Revenues and Benefits Service Manager)

1 **Chairman's Announcements**

The Chairman welcomed all to the first meeting of this committee following the elections, especially the new members. Apologies had been received from Mr T Dempster and Mr F Hobbs.

2 **Approval of Minutes**

The Chairman advised that the report on Coinco at minute 237 would be delayed to the September meeting of this committee. The minutes of the meeting held on 12 March 2015 were agreed as a correct record.

3 **Urgent items**

There were no urgent items.

4 **Declarations of Interest**

There were no declarations of interest.

5 **Public Question Time**

No public questions had been received.

6 Audit Plan progress report 2014/15 and sector update

Mr P King from Ernst & Young LLP presented these agenda reports (copies attached to the official minutes).

In response to a question on Transport Infrastructure Assets, Mr Ward advised the committee that the Council, being a non-highway authority, had no assets and he was not aware of any roads on industrial estates which were not currently adopted.

RESOLVED

- 1) That progress against the Audit Plan 2014/15 be noted.
- 2) That the EY sector report be noted.

7 Annual Audit and Certification Fees 2015/16

Mr P King presented this agenda report (copy attached to the official minutes).

Mr King drew members' attention to the reduction in certification fees for 2015/16 which was a result of the Audit Commission closure and the retendering of contracts. This reduction was on top of the 40% reduction from 2013/14. Further reductions in fees may be possible in the future if larger scale local authority procurement is carried out. It would not be possible to get these reductions in smaller procurement groups.

RESOLVED

That the Ernst & Young LLP Audit and Certification Fees 2015/16 be noted.

8 Partnerships Annual Report

The committee considered this agenda report (copy attached to the official minutes).

Miss Loaring provided answers to questions on performance information included in the strategic partnership information relating to Manhood Peninsular Partnership funding, Killed & Seriously Injured (KSI) rates and the Human Trafficking Group work.

She also explained the changes made to the Partnership Guidance as a result of the recommendation made by the Strategic Risk Group on 8 December 2014. Additional guidance had been included for officers working with grant applications or being commissioned by a partner to ensure all risks were being considered before finalising financial agreements. Training would be provided to officers and members over the next few months.

RESOLVED

- 1) That the Council's strategic partnerships have appropriate governance measures in place.
- 2) That the revised Partnership Guidance be noted.
- 3) That the committee continue to receive an annual report of the Council's strategic partnerships.

9 Internal Audit: Audit Plan Progress

Mr James presented this report (copy attached to the official minutes).

The two audit reports were considered. Mrs D Kirkham, Revenues and Benefits Manager, informed the committee of plans to restructure the Housing Benefit service to deal with accuracy checks more robustly and therefore to meet audit requirements. In response to concerns from members about the lack of resources and loss of staff, Mr Ward reassured the committee by giving an update on the changes to the Accountancy service which had taken place over the last two years and current and future proposed vacancy levels.

Mr James confirmed that the Internal Audit team was on target with resourcing the current Audit Plan.

RESOLVED

- 1) That the audit reports on G4S and Key Financial Systems 2014/15 be noted.
- 2) That progress against the Audit Plan 2015/16 be noted.

10 2014/15 Annual Governance Statement and Corporate Governance report

Mr James presented this agenda report (copy attached to the official minutes).

There were some comments made about the content of the Annual Governance Statement relating to its form and developing a more positive tone. Some amendments were suggested and it was agreed that these would be incorporated and the revised draft statement sent to Mrs Hardwick and Mrs Tull for final approval before this is signed off by the Leader and the Chief Executive.

RESOLVED

That in future a draft of the Annual Governance Statement be circulated to the Chairman and the Cabinet Member for Finance & Governance for review before it is considered by the Senior Leadership Team.

RECOMMENDED TO COUNCIL

That the Corporate Governance & Audit Committee's annual report on the Council's governance arrangements be noted.

11 Budget Carry Forward Requests

The committee considered the agenda report (copy attached to the official minutes).

Mr Ward explained to the committee the process followed in considering unspent balances in 2014/15 and reconsidering these for inclusion in the budget for 2015/16.

RECOMMENDED TO CABINET

That the requests totalling £215,500 for budgets to be carried forward in 2015/16 be approved.

12 S106 Annual Monitoring Report

Mrs L Le Vay attended to present this agenda report (copy attached to the official minutes).

Mr A Frost provided an oral update on the progress of implementing the Community Infrastructure Levy (CIL).

Mr Oakley, with permission from the Chairman to speak, raised the issue of the bus shelter at Farris Field (pg 182 of the agenda papers), money which had not been spent since 2002 and was now lost unless the developer were to be approached. As a County councillor Mr Oakley was requested to take this up with WSCC as bus shelters were under their remit.

Mr Oakley requested that monies held or unspent by West Sussex be included in the report information reflecting monies spent in the last year (page 162). This will be included in future.

Mr Barrett requested to know when monies from developers was forthcoming on the Donnington roundabout project. Ms Munns, WSCC, advised that she would take this back and respond to the committee on the timing of the release of these funds.

Mr Barrett asked about trigger points for S106 contributions payable for the Chaucer Drive, West Wittering Development. Mrs Le Vay undertook to provide an answer to Mr Barrett.

Mrs Hardwick was concerned about the Council's resources in place to cope with new CIL procedure and processes. Mr Frost was currently considering the resources required to be in place to support CIL processes.

Mr Bleakley, South Downs National Park, gave a brief update on S106 funding at that organisation. £572,000 had been collected with £1.22m to be received. The

funds were split 75% to district councils and 25% to WSCC for affordable housing, community facilities and public art.

Mrs Le Vay explained that even once CIL is in place, S106 funding would still be spendable in the future over a number of years.

RESOLVED

- 1) That the income and expenditure between 1 April 2014 and 31 March 2015 in respect of S106 contributions be noted.
- 2) That the information on agreements within two years of the expenditure target date, set out in Appendix 4 of the report, be noted.
- 3) That the details of non-financial obligations, set out in Appendix 5, be noted.
- 4) That the current situation with respect to the implementation of the Community Infrastructure Levy (CIL), set out in Section 8 of the report, be noted.

13 Election of members to represent the committee on the Strategic Risk Group

RESOLVED

That Mr G Barrett, Mr G Hicks and Mrs T Tull be appointed as the committee's representatives on the Strategic Risk Group.

14 Exclusion of the Press and Public

RESOLVED

That in accordance with section 100A of the Local Government Act 1972 (the Act), the public and the press be excluded from the meeting during the consideration of the following item on the agenda for the reason that it is likely in view of the nature of the business to be transacted that there would be disclosure to the public of exempt information' being information of the nature described in Paragraph 5 (information in respect of which a claim or legal professional privilege could be maintained in legal proceedings) of Part I of Schedule 12A to the Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

15 Potential liabilities of outstanding litigation

Ms Golding, Principal Solicitor, reported to the committee on the Council's current on-going legal negotiations.

RESOLVED

That the potential liabilities of the Council be noted.

The meeting ended at 4.10 pm

CHAIRMAN

Date: