
MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD**ON THURSDAY 27 JUNE 2013****AT 10.00 A.M. IN THE CONNAUGHT ROOM, TOWN HALL, CLACTON-ON-SEA**

Present: Councillors Griffiths (Chairman), Challinor, I Henderson and D R Mayzes

In Attendance: Chief Executive (Ian Davidson); Audit and Governance Manager (Steve Blake); Commercial Manager (Life Opportunities) (Mark Westall) (Item 7 only); Democratic Services Manager (Colin Sweeney), and Finance and Procurement Manager (Richard Barrett)

Also in Attendance: External Auditor (Neil Harris) and Ernst and Young LLP

1. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

An apology for absence was submitted on behalf of Councillor Skeels (Vice-Chairman), with Councillor D R Mayzes substituting.

2. MINUTES OF THE LAST MEETING HELD ON 21 MARCH 2013

The minutes of the meeting of the Committee held on 21 March 2013 were approved as a correct record and signed by the Chairman.

3. DECLARATIONS OF INTEREST

There were none on this occasion.

4. VERBAL UPDATE BY OFFICERS

RESOLVED, that this matter be deferred to the next meeting of the Committee, to be held on Thursday 26 September 2013.

The Chairman altered the remaining order of business as recorded below in these minutes

5. REPORTS OF CORPORATE DIRECTOR (CORPORATE SERVICES)

A.4 External Auditor's Audit Plan 2012/13 and Audit and Certification Fee Letter 2013/14

The Committee had before it a report of the Council's Finance and Procurement Manager, which sought the Committee's consideration and agreement to the External Auditor's Audit Plan for 2012/13, and Audit and Certification Fee Letter for 2013/14.

It was reported that the External Auditor's Audit Plan for the year ending 31 March 2013, which was attached to the agenda, set out the planned audit work in respect of the 2012/13 Financial Statements and Value for Money conclusion. It was noted that the Plan had been developed to take into account a number of factors, such as strategic, operational and financial risk, which provided a reporting focus on the areas that mattered and which were likely to be more relevant to the Council.

Also attached to the Plan was a separate Audit and Certification Fee Letter for 2013/14, which continued to reflect a significant reduction in the External Auditor's annual fee.

The Chairman welcomed to the meeting, the Council's external auditor, Mr Neil Harris, for and on behalf of Ernst and Young LLP

Mr Harris advised the Committee that, following a procurement exercise being carried out, Ernst and Young LLB had been appointed as the Council's external auditors.

Mr Harris assured the Committee that there would be no reduction in quality from the newly-appointed external auditors as he had a good knowledge of strategic and financial risk as well as wider statutory powers that he could act upon if required to do so.

In respect of the Council's Value for Money conclusion, Mr Harris said that he would be looking carefully at areas common to all local authorities and, in particular, significant changes around business rates and Council Tax.

Mr Harris reflected on a specific issue around governance, which was set out in the External Audit Plan, along with an action point for the Council against which, he would maintain a watching brief.

Issues raised by the Committee included:

- (1) Ensuring that staff have interchangeable skills where they can perform all of the roles assigned to their respective teams;
- (2) S106 Monies in respect of linking with opportunities with Essex County Council and making it readily available for all.
- (3) Administration of the Clacton to Holland Sea Defence Scheme.

It was **RESOLVED** that, having considered the External Auditor's Audit Plan for 2012/13 and the Audit and Certification Fee Letter 2013/14, these be agreed.

A.5 Annual Governance Statement 2012/13

The Committee had before it a report of the Council's Audit and Governance Manager, which sought the Committee's approval of the Annual Governance Statement for 2012/13.

RESOLVED, that:

1. The Annual Governance Statement, as set out at Appendix A to the report, be approved;
2. Subject to (1) above, the Chief Executive and Leader of the Council be advised of the outcome of the annual review and, further, be authorised to sign the Annual Governance Statement, as set out at Appendix A to the report; and
3. The actions identified within the Annual Governance Statement be included within future table of outstanding issues reports.

A.6 Audit Committee – Table of Outstanding Issues

The Committee had before it a report of the Council's Finance and Procurement Manager, which presented to the Committee, a reviewed and updated table of outstanding issues, since it had last been considered by the Committee on 21 March 2013, together with the progress against outstanding actions identified by the Committee.

It was reported that, to date, there had been no significant issues to bring to the attention of the Committee, and that any updates provided against individual items were as set out in Appendix A to the report, or elsewhere within the agenda.

It was noted that the item which related to member representation on outside bodies had now been completed and therefore no longer appeared as an outstanding item within Appendix A. It was also noted that the ongoing activity shown in Appendix A, which related to actions against Audit Commission recommendations, was usually covered in more detail within a separate report presented elsewhere within the agenda however, as there only remained one outstanding activity, which related to regeneration, an update had been provided within Appendix A rather than under cover of a separate report.

The Committee welcomed the opportunity to endorse training around risk management and discussed the Council's enforcement role in respect of Planning and across the Council in general.

RESOLVED, that:

1. Having reviewed its progress, the table of outstanding issues, be noted; and
2. An update on the Council's enforcement role in respect of Planning be brought before the Committee at its next meeting to be held on Thursday 26 September 2013.

6. REPORTS OF THE AUDIT AND GOVERNANCE MANAGER

A.1 Report on Internal Audit: March to May 2013; Annual Report of the Audit and Governance Manager 2012/13 and Annual Review of the Effectiveness of the System

The Committee had before it a periodic report of the Council's Audit and Governance Manager, which addressed the internal audit function for March to May 2013; the Audit and Governance Manager's Annual Report for 2012/13, in his role as Head of Internal Audit, and the annual review of the effectiveness of the system of internal audit, as required to comply with legislative requirements and best practice.

Appendix A to the report provided details of Audit Subjects, as contained within the 2012/13 Internal Audit Plan, together with their previous and current status, opinion and comments. Appendices B (limited assurance) and C (adequate assurance) to the report provided details of those Internal Audit reports which had findings of a medium or higher risk.

Where a common outcome from Internal Audit had been identified, it was proposed on asking senior management to raise awareness of the specific issue to limit its reoccurrence in future

RESOLVED, that:

1. The contents of the report, be noted; and
2. The S106 audit report completed in the period be presented at the next meeting of the Committee as part of the Planning update.

A.2 Public Sector Internal Audit Standards

The Committee had before it a report of the Council's Audit and Governance Manager, which (1) provided information on the Public Sector Internal Audit Standards (PSIAS); and (2) sought the Committee's approval to adopt the Internal Audit Charter.

It was reported that the PSIAS had come into effect on 1 April 2013 and had replaced the previous CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. It was further reported that the PSIAS now formed the proper practices for Internal Audit, as required by the Accounts and Audit (England) Regulations 2011, and that compliance with the requirements of the PSIAS by local authorities was mandatory.

RESOLVED, that the Internal Audit Charter, as set out at Appendix B to the report, be approved.

7. REPORT OF COMMERCIAL MANAGER

A.3 Report on Risk Issues Relating to the Repair and Maintenance of Closed Circuit Television (CCTV) Cameras

The Committee had before it a report of the Council's Commercial Manager, which gave details of the Council's current CCTV provision and a review of issues which the Committee may have wished to consider.

It was reported that, although provision of CCTV was not a statutory requirement for the Council, many residents considered it an integral part of keeping Tendring's residents safe in the community. It was noted that preventing crime and reducing the fear of crime were high priorities for the Tendring Community Safety Partnership.

It was reported that the Council was currently addressing many of the issues which had been highlighted, including putting together a tender for quotes in respect of the cost of undertaking an audit of all equipment, bringing the hardware back into good order and to reinstate a regular maintenance contract.

RESOLVED, that:

1. The contents of the report, be noted; and
2. The following recommendations be made to **CABINET** following a review of the issues:
 - Steps be taken to simplify paperwork associated with the acquiring of roving cameras;
 - Consideration be given to a programme for replacing old or irreparable cameras;
 - An audit be undertaken to identify where reliable cameras are situated;
 - That all possible commercial opportunities be explored and reported back upon;
 - The deployment of mobile units be considered;
 - That appropriate training and licensing of key personnel be undertaken;
 - Opportunities for expanding the service be explored as a means of increasing revenue;
 - Ensure that all signage complies with the requirements of the law;
 - Review siting and altering positions of cameras

- Monitor the log maintained by the Council's officers and the Police

8. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

In order to allow for the matter to be published well in advance, and to afford members of the public a better opportunity to attend the meetings, the Chairman advised the Committee that, in exercising his powers as Chairman, future scheduled meetings of the Audit Committee would be held in the Council Offices at Weeley and would commence at 7.30pm.

9. ITEMS FOR THE NEXT MEETING OF THE AUDIT COMMITTEE

It was noted that the following matters would be brought before the Audit Committee for consideration at its next meeting, to be held on Thursday 26 September 2013:

- Verbal Update – Regeneration Services
- Annual Governance Report
- Internal Audit Monitoring Report
- Audit Committee Self-Assessment Update
- Risk Strategy and Risk Register
- Table of Outstanding Issues
- Local Audit Bill Update
- Review of Code of Corporate Governance
- Planning Update

The meeting was declared closed at 11.50am.

Chairman