

**BRIGHTON & HOVE CITY COUNCIL**

**AUDIT & STANDARDS COMMITTEE**

**4.00pm 23 SEPTEMBER 2014**

**COUNCIL CHAMBER, HOVE TOWN HALL**

**MINUTES**

**Present:** Councillors Hamilton (Chair), A Norman (Opposition Spokesperson), Lepper, Littman (Opposition Spokesperson), Summers, Phillips, Simson and K Norman

**Independent Persons & Co-opted Members:**

**PART ONE**

**22 PROCEDURAL BUSINESS**

**22a Declarations of substitutes**

22.1 Councillor Simson declared she was substituting for Councillor Janio  
Councillor K Norman declared he was substituting for Councillor Smith.

**22b Declarations of interests**

22.2 There were none

**22c Exclusion of the press and public**

22.3 In accordance with Section 100A of the Local Government Act 1972 ("the Act"), the Committee considered whether the public should be excluded from the meeting during consideration of any item of business on the grounds that it is likely in view of the business to be transacted or the nature of the proceedings, that if members of the public were present during it, there would be disclosure to them of confidential information as defined in Section 100A (3) of the Act.

22.4 **RESOLVED** - That the public are not excluded from the meeting.

**23 MINUTES**

23.1 **RESOLVED** – That the Chair be authorised to sign the minutes of the meeting held on 24 June 2014 as a correct record.

**24 CHAIR'S COMMUNICATIONS**

24.1 The Chair informed the Committee of the following:

Standards Panel training took place for members of this committee on 21 and 22 July. For those members unable to attend in July, a further training session would take place on 29 September, after which, all members of this Committee would be eligible to serve on Standards Panels for the remainder of 2014/15.

A cross-party working group would be set up to review the council's Code of Conduct for Members. Membership of the group and the date it would meet to be decided. The group would report its recommendations to this Committee on 18 November 2014.

Following the resignation of Dr Lel Meleyal in June, work was underway to appoint a replacement Independent Person. The position would be advertised shortly and a panel of members and officers would interview shortlisted candidates. A recommended appointment would then be put to full Council for approval.

## **25 CALL OVER**

25.1 The following items on the agenda were reserved for discussion:

Item 28 Member Complaints Update

Item 29 Strategic Risk Map Focus Review Dates; Risk Map Focus on SR19 Implementation of the Care Act; SR20 Better Care Fund; SR13 Safeguarding Vulnerable Adults

Item 30 Corporate Fraud Update and Risks

Item 31 Internal Audit Progress Report 2014/15

Item 32 EY 2013/14 Audit Results Report

Item 33 Statement of Accounts 2013/14

Item 35 Treasury Management Policy Statement (Incorporating the Annual Investment Strategy) End of Year Review 2013/14

## **26 PUBLIC INVOLVEMENT**

26.1 There were no Petitions, Written Questions or Deputations.

## **27 MEMBER INVOLVEMENT**

27.1 There were no Petitions, Written Questions, Letters or Notices of Motion.

## **28 MEMBER COMPLAINTS UPDATE**

28.1 The Committee considered the report of the Monitoring Officer, which was presented by the Standards and Complaints Manager. The report provided an update of the complaints received about Member conduct following the last report to the Audit & Standards Committee on 24 June 2014.

28.2 Councillor Simson noted that some complaints against Members were reported in the media, and asked what steps were taken to reassure the public that those matters were

being investigated. The Standards and Complaints Manager said that this report was available to the public, and if a matter was referred to a Standards Panel those papers would also be made available. Officers worked with the Communications Team to deal with media enquiries.

28.3 **RESOLVED:** That the report be noted.

## **29 STRATEGIC RISK MAP FOCUS REVIEW DATES; AND RISK MAP FOCUS ON SR19 IMPLEMENTATION OF THE CARE ACT; SR20 BETTER CARE FUND; AND SR13 SAFEGUARDING VULNERABLE ADULTS**

29.1 The Committee considered the report of the Executive Director of Finance and Resources, which focused on the Strategic Risk MAPs and was attended by the Executive Director, Adult Services who was present to answer Member's queries relating to this Strategic Risk Maps: SR19 Implementation of the Social Care Act, SR20 Better Care Fund, and SR13 Safeguarding Vulnerable Adults.

29.2 Councillor K Norman referred to SR 19 and said the implementation of the Act would entail additional work for staff, and asked for confirmation that staff would be able to undertake it and what the risk would be if they couldn't. The Executive Director, Adult Services said that the Authority was doing what it could to mitigate any risk i.e. ensuring staff were fully trained. However, at this stage it was not known what the full impact on staff would be. The Chair asked whether the department had sufficient staff. The Executive Director, Adult Services said that there should be, and that there would be additional resources to employ additional staff to undertake the care assessments.

29.3 The Chair asked for confirmation that the Health and Wellbeing Board were involved with this, and was advised they were and had signed off the Better Care Plans.

29.4 Councillor K Norman asked about the Better Care Board, and was advised that the Board met once a month and was attended by a range of care providers.

29.5 The Chair drew the attention of the Committee to the changes presented in Appendix 1 which provided more detail on the schedule for Risk Focus items as part of the Risk Management input at Audit & Standards Committee 2014/15.

29.6 **RESOLVED** – That the Committee noted the report.

## **30 CORPORATE FRAUD UPDATE AND RISKS**

30.1 The Committee considered the report of the Executive Director of Finance and Resources, which was presented by the Acting Head of Internal Audit. The report provided an update on the proposed role and resourcing of the Corporate Fraud Team following the transfer of staff to the Department of Work and Pensions (DWP) under the Single Fraud Investigation Service (SFIS) programme.

30.2 Councillor A Norman asked what resources the Council had to address fraud within the Authority. The Acting Head of Internal Audit said that there was a team of four people.

Councillor Summers noted that one of that team would be primarily involved in supporting the DWP and asked if that post was funded by the DWP. The Acting Head of Internal Audit said they would but the funding was quite complex and the detail was still being agreed.

30.3 **RESOLVED:** That the Committee noted the revised service arrangements and revised service priorities.

### 31 INTERNAL AUDIT PROGRESS REPORT 2014/15

31.1 The Committee considered the report of the Executive Director of Finance and Resources, which was presented by the Acting Head of Internal Audit. The report updated Members of the progress made against the Internal Audit Plan 2014/15, including outcomes of specific audit reviews completed and tracking of the implementation of recommendations.

31.2 Councillor A Norman referred to paragraph 6.3 of the report and asked about the progress of the VFM project. The Acting Head of Internal Audit said that procurement and legal experts would look at opportunities.

31.3 Councillor Summers referred to paragraph 4.1 and asked for more information about highways and Blue Badges. The Acting Head of Internal Audit said that with regard to Highways, an overpayment had been made and clarification was needed that it had been recovered. However, he said he was not sure of the details regarding Blue Badges but would find out and provide information after the meeting.

31.4 **RESOLVED:** That the Committee noted the progress made in delivering the Annual Internal Audit Plan 2014/15

### 32 EY 2013/14 AUDIT RESULTS REPORT

32.1 The Committee considered the report of the External Auditors, EY. The report was presented by Helen Thompson and Simon Mathers from EY.

32.2 Councillor Summers noted that the Authority had relatively high levels of spending and asked if, when setting the budget, comparisons were made with other Local Authorities, and was advised that they were.

32.3 Councillor A Norman noted that comparisons were made with the nearest similar Authorities, but asked if there were other ways that VFM could be assessed on areas such as dealing with homeless people or children who needed social care. Simon Mathers said that was a good point and comparisons could be made with other authorities with a similar population and not just neighbouring ones. The Executive Director of Finance and Resources said that the city had similar characteristics with some London borough and faced similar issues with homelessness and children in need.

32.4 **RESOLVED:** that the Committee noted the report

### 33 STATEMENT OF ACCOUNTS 2013/14

33.1 The Committee considered the report of the Executive Director of Finance and Resources. The report provided information about the audit of the Council's 2013/14 Statement of Accounts and recommended approval of the 2013/14 accounts the Letter of Representation on behalf of the Council. It also provided information about additional disclosure in the Annual Governance Statement.

33.2 The Chair thanked Jane Strudwick, Head of Finance (Corporate Financial Services) and her team for their work in preparing the accounts.

**33.3 RESOLVED:**

That the Committee:

- (1) Noted the findings of EY in their Audit Results Report;
- (2) Noted the adjusted misstatements to the 2013/14 accounts (paragraph 6.3 and Appendix 4);
- (3) Noted the results of the public inspection of the accounts;
- (4) Approved the Letter of Representation on behalf of the council;
- (5) Approved the audited accounts for 2013/14;
- (6) Approved the revised Annual Governance Statement.

**34 TARGETED BUDGET MANAGEMENT (TBM) 2014/15 MONTH 2**

34.1 **RESOLVED:** That the report be noted.

**35 TREASURY MANAGEMENT POLICY STATEMENT (INCORPORATING THE ANNUAL INVESTMENT STRATEGY) END OF YEAR REVIEW 2013/14**

35.1 **RESOLVED:** That the report be noted.

**36 ITEMS REFERRED FOR COUNCIL**

The meeting concluded at 6.00pm

Signed

Chair

Dated this

day of