

# EAST STAFFORDSHIRE BOROUGH COUNCIL

## **SCRUTINY (AUDIT AND VALUE FOR MONEY COUNCIL SERVICES) COMMITTEE**

Minutes of the Meeting of the Scrutiny (Audit and Value for Money Council Services) Committee held in the Meeting Room at the Brewhouse Arts Centre, Burton upon Trent on 27<sup>th</sup> March 2018.

### **Present:**

Councillors S. Smith (Chairman), S. Andjelkovic, M. J. Bowering, D. Florence-Jukes, S. Gaskin, D. Goodfellow, H. Hall, P. Hudson, J. Killoran and C. Smith.

### **Officers Present:**

Head of Service (Sal Khan), the Chief Accountant, the Corporate and Commercial Manager and the Senior Democratic Services Officer.

Apologies for absence were received from Councillors A. A. Chaudhry, M. Fitzpatrick, L. Milner and Mrs B Toon.

### **Also Present:**

Mr T. Ridout (Internal Auditor – CW Audit), Mr M. Stocks and Ms L. Griffiths (Grant Thornton)

#### 83/18 **DECLARATIONS OF INTEREST**

Councillors M. Bowering, S. Gaskin and P. Hudson declared a non-pecuniary interest in Executive Decision Record 862/18.

#### 84/18 **MINUTES**

##### **Resolved:**

That the Public Minutes of the meeting of the Scrutiny (Audit and Value for Money Council Services) Committee held on 5<sup>th</sup> February 2017 be approved and signed as a correct record.

#### 85/18 **URGENT BUSINESS**

There was no urgent business submitted to the meeting pursuant to Rule 12.

#### 86/18 **EXTERNAL AUDIT PLAN**

(Grant Thornton) The representative from Grant Thornton gave an overview of the planned scope and timing of their audit. A report outlining the consequences of their work, to discuss issues of risk, the concept of materiality with them, and to identify any areas to undertake additional procedures, was submitted prior to the meeting for Members consideration.

The representative from Grant Thornton also gave a short presentation on 'informing the audit risk assessment' report circulated prior to the meeting for Members consideration. It outlined the purpose of the report, which contributed towards the effective two-way communications between the auditors and the Council's Audit Committee, as 'those charged with governance'. The report also covered some important areas of the auditors

risk assessment which they were required to make inquiries of the Audit Committee under auditing standards.

As part of the assessment procedure the external auditors were required to obtain an understanding of management processes and the Audit Committee's oversight on several areas namely; Fraud, Laws and Regulations, Going concern, Related party transactions and Accounting for estimates. The report included a series of questions on each of those areas and the responses received from the Council's management.

Members were requested to consider whether those responses were consistent with its understanding and whether there were any further comments they wished to make.

An opportunity for questions followed.

**NOTED**

87/18 **EXTERNAL AUDIT UPDATE**

(Grant Thornton) The representative from Grant Thornton updated the Committee on their progress in delivering their responsibilities as the Council's external auditors. The report set out their planned work for the year, as well as a summary of national issues and developments that may be relevant to the Council which the Committee may wish to consider.

An opportunity for questions followed.

**NOTED**

88/18 **PROGRESS REPORT**

(CW Audit) The Internal Auditor gave a report summarising the work of internal audit, outlining the progress against the audit plan, the key findings and conclusions arising from their work, details of planned work and to update the Committee on the progress made in implementing previously agreed recommendations.

An opportunity for questions followed.

**NOTED**

89/18 **INTERNAL AUDIT PLAN**

(CW Audit) The Internal Auditor gave a short presentation setting out the proposed plan of internal audit coverage for the period April 2018 to March 2019. The aim of the plan was to deliver a risk focussed audit programme, be proactive and forward looking, to add value and to provide assurance to management and the Audit Committee.

An opportunity for questions followed.

**Resolved:**

Members agreed to accept the plan.

90/18 **REVENUE AND CAPITAL OUTTURN REPORT 2017/2018 – QUARTER 3**

Members considered the report of the Chief Finance Officer in accord with the Council's financial regulations, presenting the forecast outturn position in relation to the Council's revenue budget, capital programme of expenditure and treasury management activities.

Sal Khan (Head of Service) gave a short presentation on the third quarterly report in the annual cycle of financial monitoring for the financial year 2017/2018.

An opportunity for questions followed.

**NOTED**

91/18 **PERFORMANCE REPORT – QUARTER 3**

The Report of Sal Khan, Head of Service, regarding the Quarter 3 Performance was considered. The Corporate and Commercial Manager provided an overview of the report to the committee.

An opportunity for questions followed.

**NOTED**

92/18 **REVIEW OF INCOME GENERATION UPDATE**

In the absence Councillor Fitzpatrick, the Corporate and Commercial Manager updated the Committee on the Income Generation review.

**NOTED**

93/18 **REVIEW OF DISABLED FACILITY GRANTS UPDATE**

In the absence of Councillor Allen, the Corporate and Commercial Manager update the Committee on the Disabled Facility Grants review.

**NOTED**

94/18 **REVIEW OF REPRESENTATIONS ON OUTSIDE BODIES**

The Corporate and Commercial Manager updated the Committee on the Representations on Outside Bodies review.

An opportunity for questions followed.

**NOTED**

95/18 **SCRUTINY – WORK PROGRAMME**

Members received an update on the scrutiny work programme circulated with the agenda.

The Corporate and Commercial Manager confirmed that the work programme would be updated as and when the reviews were completed.

An opportunity for questions followed.

**NOTED**

96/18 **INDEPENDENT MEMBERS**

The Corporate and Commercial Manager confirmed that he had received letters of resignation from the two independent members on the Committee. He requested that Members gave consideration to the recruitment to fill the two vacancies.

An opportunity for questions followed.

Discussion followed.

**Resolved:**

That the Corporate and Commercial Manager made arrangements for the recruitment of new independent members to the Committee.

97/18 **PUBLIC EXECUTIVE DECISION RECORDS**

Members considered the Private Executive Decision Records.

An opportunity for questions followed.

**NOTED**

98/18 **QUESTIONS**

Questions from Councillors D. Florence-Jukes and H. Hall received prior to the meeting, pursuant to Rule 18 were circulated at the meeting and appended to the Minutes.

99/18 **DATE AND VENUE OF NEXT MEETING**

**Resolved:**

That the next meeting take place on 12<sup>th</sup> June 2018 at 6.30pm in the Coltman VC Room, Town Hall, Burton upon Trent.

100/18 **EXCLUSION OF THE PRESS AND PUBLIC**

**Resolved:**

That, in accordance with Section 100(A) (4) of the Local Government Act, 1972, the Press and Public be excluded from the Meeting during discussion of the following items as it would likely, in view of the nature of the business to be transacted or the nature of the proceedings that there would be disclosed exempt information as defined in the paragraph of Part 1 of Schedule 12A of the Act indicated in brackets before each item number on the Agenda:

**PRIVATE MINUTES**

**PRIVATE EXECUTIVE DECISION RECORDS**

101/18 **PRIVATE MINUTES**

**Resolved:**

That the Private Minutes of the meeting of the Scrutiny (Audit and Value for Money Council Services) Committee held on 5<sup>th</sup> February 2018 be approved and signed as a correct record.

102/18 **PRIVATE EXECUTIVE DECISION RECORDS**

Members considered the Private Executive Decision Records.

An opportunity for questions followed.

Councillor Goodfellow asked as to why discretionary rates were not granted to one of the applicants' on EDR 855/18. It was agreed that Sal Khan would respond outside of the meeting.

**NOTED**

**Chairman**