

24 June 2013 – At a meeting of the Committee held at 2.15 p.m. at County Hall, Chichester.

Present: Mr Sheldon (Chairman), Mr Bradbury, Ms James, Mr Lamb, Mr Lanzer, Mr Patel and Mr Rae.

**Declarations of Interest**

1. In accordance with the code of conduct, Mr Sheldon declared a personal interest in the internal audit report 2012/13 (adult safeguarding) as an Adults' Safeguarding Champion.

**Minutes**

2. Resolved – That the minutes of the Committee held on 11 March 2013 be approved as a correct record and that they be signed by the Chairman.

**Terms of Reference**

3. The Committee noted its terms of reference (copy attached to the signed minutes).

**External Audit Report**

4. The Committee considered audit plans for the County Council and the West Sussex Pension Fund by the external auditor (copies attached to the signed minutes).

5. The report was introduced by Kate Handy and Grahame Brown of EY, external auditors. They highlighted capital accounting as being a key area of the audit, particularly in relation to schools subject to the private finance initiative. They clarified that the work of Internal Audit would be tested, but the current assumption was that it was robust and that controls were in place. They had a good working relationship with County Council officers which would be helpful if any further information was required during the audit. No risks were highlighted on the pension fund audit. The results of the audits would be presented to the Committee on 27 September 2013.

6. The Committee noted the work of EY and confirmed that it did not consider that there were any internal control deficiencies, irregularity or fraud occurrence, legal non-compliance or accounting risks that should be reported to the external auditor.

7. Resolved – That the report be noted.

**Annual Internal Audit Report 2012/13**

8. The Committee received a report by the Director of Finance and Assurance (copy attached to the signed minutes).

9. The report was introduced by Gavin Jones, Head of Internal Audit, who advised that there were no issues requiring qualification of the 'satisfactory' internal audit opinion.

10. The Committee questioned whether the 'satisfactory assurance' rating, which most services had received, was a good enough assurance rating, but received assurances that in audit ratings, 'satisfactory assurance' was a very positive result.

11. In relation to the limited assurance ratings for Adults' Safeguarding, Dr Mike Sadler, Director of Health and Social Care, advised that following the recent judicial review finding and the audit report, a Local Government Peer Review had been undertaken and a number of recommendations were underway to address the areas of limited assurance. Contract management staff were now in place to ensure that future commissioning included a clear specification of standards and robust data. In response to questions, he agreed that it was important to carry out stringent monitoring and to be proactive and to take action quickly, as had happened in the recent closure of a nursing home in Crawley where standards had been of concern.

12. Resolved – That the report be noted.

#### **Internal Audit Plan 2013/14**

13. The Committee received a report by the Director of Finance and Assurance (copy attached to the signed minutes).

14. The report was introduced by Gavin Jones, Head of Internal Audit, who advised that the plan included a self-assessment against the newly introduced Public Sector Internal Audit Standards.

15. The Committee was supportive of the Plan and noted the intention to work closely with other councils.

16. Resolved – That the Internal Audit Plan 2013/14 be approved.

#### **Risk Management Report**

17. The Committee considered a report by the Director of Finance and Assurance and Principal Manager, Performance and Operational Support (copy attached to the signed minutes).

18. The report was introduced by Vicky Chuter, Chief Accountant, who advised that the restructure of the Council had led to risk management now being aligned by each directorate. The risk policy had been redeveloped and an officer practice group was now in place to promote risk monitoring across the whole organisation.

19. The Committee noted the update and requested that it should monitor the work of the Corporate Risk Management Practice Group at appropriate times during the year to ensure that risk was being identified and monitored appropriately.

20. Resolved –

- (1) That the report be noted.
- (2) That the work of the Corporate Management Risk Management Practice Group be monitored at appropriate times during the year.

### **Treasury Management Compliance Report – Fourth Quarter 2012/13**

21. The Committee received a report by the Director of Finance and Assurance (copy attached to the signed minutes).

22. The Committee noted the update and accepted that the amended strategy to allow investments with HSBC to exceed £25m for one day would be useful in exceptional circumstances, as had occurred three times. It was advised that the current Heritable bank situation was positive and that up to 90% of the investment could eventually be recouped.

23. Resolved – That the report be noted.

### **Statement of Accounts 2012/13 Update**

24. The Committee considered a report by the Director of Finance and Assurance and Head of Corporate Finance (copy attached to the signed minutes).

25. The Director of Finance and Assurance reported that progress on the accounts was positive and that work was on schedule.

26. The Committee welcomed current progress and asked that the Chairman and Vice-Chairman be informed of any problems that arose, which could then be circulated to the whole Committee if they felt that to be necessary.

27. Resolved – That the report be noted.

### **Draft Annual Governance Statement**

28. The Committee received a report by the Director of Finance and Assurance and Head of Law and Governance (copy attached to the signed minutes).

29. The Committee supported the draft Statement but asked that the 'talk with us' sessions at County Local Committees should be explicitly mentioned and that the descriptions of customers/residents and stakeholders should be reviewed to ensure consistency. The Committee asked that the Action Plan be strengthened and submitted to the next meeting of the Committee, together with a timetable for the completion of the next Statement.

30. Resolved –

- (1) That the draft Annual Governance Statement be supported and recommended for adoption through the signatures of the Leader and Chief Executive.

- (2) That the Annual Governance Statement Action Plan be strengthened and submitted to a future meeting of the Committee, together with a timetable for the completion of the next Statement.

**Date of Next Meeting**

31. The Committee noted that its next scheduled meeting will be held at 2.15 p.m. on 27 September 2013, at County Hall, Chichester.

The meeting ended at 4.00 p.m.

Chairman