

Minutes of the meeting of the **Audit Committee** held on 14 November 2013 at 10:00 am in the Elisabeth Room, Endeavour House, Ipswich.

Present: Councillors Michael Bond (**Chairman**), Jenny Antill (**Vice-Chairman**), Peter Bellfield, David Busby, Peter Byatt, Bert Poole and Chris Punt

Also present: Councillor Sandra Gage
Councillor Tony Goldson (for Minute No. 39 below)
Councillor Len Jacklin

Neil Harris, Ernst & Young, external auditors
Tina Meyer, Ernst & Young, external auditors

Supporting officers present: Geoff Dobson, Head of Strategic Finance
Aidan Dunn, Assistant Director Strategic Finance, Head of Procurement (for Minute No. 41 below)
Peter Frost, Interim Head of Audit Services
Richard Hart, Principal Audit Services Manager
Sue Morgan, Head of Democratic Services (for Minute No. 39 below)
Linda Pattle, Democratic Services Officer
Tim Ryder, Monitoring Officer (for Minute No. 42 below)

33. **Public Participation Session**

There were no applications to speak in the Public Participation Session.

34. **Apologies for Absence and Substitutions**

There were no apologies for absence.

35. **Declarations of Interests and Dispensations**

Councillor Chris Punt subsequently declared a local non-pecuniary interest in Agenda Item 9, Suffolk County Council's Approach to Divestment, by virtue of the fact that he is a member of the Board of Suffolk Norse (a divested organisation).

36. **Minutes of the Previous Meeting**

The minutes of the meeting held on 30 September 2013 were confirmed as a correct record and signed by the Chairman.

37. **Annual Audit Letter 2012/13**

At Agenda Item 5 the Committee received the Annual Audit Letter from the external auditor. Mr Neil Harris introduced his letter. He reminded members that, as reported at their previous meeting, Ernst & Young were considering an additional fee for additional work carried out in

2012/13. He undertook to report back to the Committee on this after discussions with officers.

Decision: The Committee agreed to receive the Annual Audit Letter for 2012/13.

Reason for Decision: The Committee was satisfied with the content of the letter. Members were pleased to learn that in the opinion of the external auditor, the quality of the process for producing the accounts, including the supporting work papers, was very good.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

38. **Audit Services – Progress Report 2013/14**

At Agenda Item 6 the Committee considered a report setting out a summary of the activities carried out by Audit Services for the year to date.

Decision: The Committee agreed:

- a) To request from the Administration a clear statement as to what action it intended to take about the low level of resourcing in Audit Services.
- b) To request further information on the following areas of work where the controls and checks in place had been found to be ineffective:
 - i) Purchasing card expenditure (already scheduled to be considered at the Committee's meeting to be held on 18 March 2014)
 - ii) Data quality in Children and Young People's Services follow-up

Reason for Decision:

- a) The Committee heard that it was the intention that one of the current vacant posts in Audit Services would be filled. Nevertheless, members expressed concern at the low level of resourcing in Audit Services.

Members were aware that all local authorities were faced with the problem of trying to provide a framework whereby they could be assured that the correct controls were in place and that procedures were being followed, with a relatively small internal audit workforce. They heard that discussions were underway with senior officers to examine the overall assurance framework for the County Council.

- b) The Committee was aware that where Audit Services considered that the controls in place in a certain area of work were ineffective, they would make recommendations to rectify the situation. In some cases these recommendations were not being implemented, and

the Committee wished to receive an explanation as to why the actions were still outstanding. If necessary, this could involve the relevant manager coming before the Committee to explain the situation.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

39. **Annual Report of the Democracy Working Group**

Councillor Tony Goldson, Chairman of the Democracy Working Group, gave an oral report of the work of the Group in 2012/13. An outline of his report is attached as Appendix A to these Minutes.

Decision: The Committee agreed to note the report.

Reason for Decision: The Committee was responsible for monitoring and reviewing member training and development, including the planning and implementation of the induction of new members, in partnership with the Democracy Working Group. Members were satisfied with the information provided.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

40. **Annual Report of the Audit Committee**

At Agenda Item 8 members considered the draft Annual Report of the Committee.

Decision: The Committee agreed that the report at Agenda Item 8 should be submitted to the County Council at its meeting on 19 December 2013.

Reason for Decision: Members were satisfied that the report provided a fair summary of the work of the Audit Committee in 2012/13. They heard that, at the Committee Chairman's invitation, Councillor Byatt had agreed to second the motion to the Council recommending acceptance of the report. As Councillor Byatt was a member of the opposition Labour Group, it was hoped that this would emphasize the cross-party nature of the Committee's work.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

41. **Suffolk County Council's Approach to Divestment**

Aidan Dunn, Assistant Director Strategic Finance, Head of Procurement, introduced a report at Agenda Item 9, describing the County Council's approach to divestment from a process and service perspective, setting out the key lessons learned, and reviewing the contract management arrangements for each divestment.

Decision: The Committee agreed that the Chairman and Vice-Chairman, in consultation with members of the Committee, should draw up a programme, whereby the Committee would receive more detailed reports about the Council's divestments, with a view to ascertaining the extent to which they were achieving the objectives set out in their original business plans.

Reason for Decision: Members agreed that the information contained in the report at Agenda Item 9 provided a very useful overview of the Council's approach to divestment. However, they wished to investigate the spin-offs in further detail, in order to ensure that the new arrangements represented value for money for the Council. For each topic, the Committee would wish to invite the appropriate Cabinet Member and the Chief Executive Officer of the relevant organisation to attend the meeting.

Alternative options: None considered.

Declarations of interest: Councillor Punt declared a local non-pecuniary interest in this Agenda Item, as set out in Minute No. 35 above.

Dispensations: None noted.

42. **Standards Update**

At Agenda Item 10 the Committee considered a report by the Monitoring Officer, providing an update on matters relating to Standards.

Decision: The Committee agreed to note the Standards Update at Agenda Item 10.

Reason for Decision: Members recognised that the information had been provided to assist them in fulfilling their responsibility for promoting and maintaining high standards of conduct by councillors, co-opted members and church and parent governor representatives. Some members expressed their disagreement with the views of the Committee on Standards in Public Life, as set out in paragraph 7 of the update.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

43. **Forward Work Programme**

The Committee approved the Forward Work Programme at Agenda Item 11, subject to the changes agreed during the meeting. (Minutes 38 and 41 refer.)

44. **Urgent Business**

There was no urgent business.

The meeting closed at 12:09 pm.

Update for Audit Committee: Annual report of the Democracy Working Group (DWG)

Key Actions/Achievements during 2013

Since reporting to Audit Committee on 21 March 2013 the Democracy Working Group has:

1. Approved the publication of information relating to the **role of a county councillor** and some **frequently asked questions** for people interested in becoming a councillor.
2. **Considered and approved the IT devices** offered to county councillors upon their election in 2013.
3. Approved the style and content of a '**welcome pack**' specifically tailored to each County Council Division, which was handed to the successful candidate at the election count.
4. Developed priorities for Councillor **induction** following 2013 County Council elections – an intense and wide ranging induction was provided for all county councillors. It included IT and the help available from Democratic Services, the Suffolk Observatory and Our Place Officers.
5. **Commissioned specific programmes** including equality and diversity, effective interventions, scrutiny training, speed reading for councillors, corporate parenting and safeguarding, health and safety for councillors.
6. Commissioned a range of **written briefing information** and created a separate link to these on the Council's intranet in the Councillor's area.
7. Held a **workshop with district and borough councillors** to develop a pilot programme focusing on developing localism in practice.
8. Nominated 4 members (Cllrs Goldson, Gower, Patience and Busby) to participate in the Suffolk Member Development Programme Pilot commencing December 2013.
9. Reviewed **on-line learning modules** made available through the learning pool.
10. Approved a pilot programme of training for councillors to use an **on-line expenses system**.

Next steps

1. Continue to focus on addressing assessed need for training and development of councillors which is not directly locality related (e.g. ICT training, e-learning, corporate parenting, media training)
2. Roll out the on-line learning material for councillors.
3. Where training is evaluated as helpful and may be of interest to councillors in other local authorities these programmes could be actively promoted to other councils.

Background detail

Democracy Working Group - role and purpose

1. To put in place a Councillor learning and development 'offer' based around the skills and knowledge necessary to fulfil the agreed councillor profile.
2. Identify and provide councillors with opportunities to exercise their revised role in practice
3. Develop and maintain models of officer support that will ensure councillors are enabled to effectively meet future challenges.
4. Communicate details of progress to councillors, Suffolk County Council staff and other stakeholders.

As a cross party forum, with links back to the main political groups within the Council, the DWG is a useful forum for on-going input for and from councillors about what training and development councillors need and the effectiveness of training provided. This has made it more straightforward to commission and develop suitable material and programmes.

Membership as at October 2013

1. Councillors Nick Barber, Trevor Beckwith, Peter Beer, Tony Brown, David Busby, Tony Goldson (Chairman), Anne Gower, Keith Patience and Robert Whiting.
2. Officer support from: Sue Morgan (Head of Democratic Services), Sara Blake (Business Development), Sarah Bradfield (Democratic Services) and Linda Pattle (Democratic Services).

Accountability

1. Formerly to Andy Fry, Chief Fire Officer and CMT lead for councillor development, currently to Sue Cook.
2. Councillor Rebecca Hopfensperger, as Cabinet Member for localities has an interest in the development of councillors in respect of localism and locality working.
3. Councillor Michael Ladd is the Chairman of the Policy Development on localities.
4. Audit Committee is responsible for overseeing standards and councillor development and receives updates from the Chairman.
5. The 'Localism in Practice' programme is being developed in conjunction with district and boroughs in Suffolk and the LGA. Sara Blake is the lead officer, and Charlie Adan, Chief Executive of Mid Suffolk and Babergh District Councils, is the sponsor on behalf of Suffolk Public Sector Leaders. This work is allied to the Democracy Working Group, but has clear linkages within Suffolk County Council, to the Policy Development Panel for Localities.