MINUTES of
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE
24 OCTOBER 2019

PRESENT

Councillors	E L Bamford, Mrs P A Channer, CC, M F L Durham, CC, A S Fluker, B E Harker, M S Heard, K W Jarvis, J V Keyes, K M H Lagan, S P Nunn, N J Skeens, W Stamp, C Swain and Mrs M E Thompson
Substitute Members	Councillor B S Beale MBE
In attendance	Councillors R G Boyce MBE, C Mayes, C Morris and N G F Shaughnessy

484. APPOINTMENT OF CHAIRMAN

The Director of Strategy, Performance and Governance called for nominations for Chairman.

It was proposed by Councillor M S Heard and duly seconded that Councillor Mrs J C Stilts be elected as Chairman of the Committee for the remainder of the municipal year. The Director then called for any other nominations and Councillor Mrs M E Thompson proposed that Councillor E L Bamford be elected as Chairman of the Committee. At this point Councillor Heard referred to the procedure followed at the Strategy and Resources Committee which the Director advised he was happy to replicate for this meeting.

In accordance with Procedure Rule No. 13 (3) Councillor Heard requested a recorded vote.

For the recommendation:
Councillors B S Beale, M S Heard, K M H Lagan, S P Nunn and W Stamp.

Against the recommendation:
Councillors E L Bamford, Mrs P A Channer, M F L Durham, A S Fluker, B E Harker, K W Jarvis and Mrs M E Thompson.

Abstention:
Councillor C Swain

The motion was therefore declared lost and the Director sought other nominations. Councillor Mrs Thompson proposed, and it was duly seconded that Councillor E L Bamford be elected as Chairman. Upon a vote being taken the Director declared that Councillor Bamford was appointed as Chairman of the Committee for remainder of the municipal year.

RESOLVED that Councillor E L Bamford be elected as Chairman of the Committee for the remainder of the municipal year;

IN THE CHAIR : COUNCILLOR E L BAMFORD

485. APPOINTMENT OF VICE-CHAIRMAN

The Chairman sought nominations for Vice-Chairman of the Committee. It was proposed by Councillor E L Bamford and duly seconded that Councillor K W Jarvis be elected as Vice-Chairman of the Committee for the remainder of the municipal year. Councillor M S Heard proposed Councillor W Stamp and this was duly seconded. The Chairman advised that she would take the proposal in the name of Councillor Mrs Thompson first.

The Chairman then put the proposal for Councillor Jarvis as Vice-Chairman. Upon a vote being taken this was agreed and she declared that Councillor K W Jarvis was therefore appointed as Vice-Chairman of the Committee for remainder of the municipal year.

RESOLVED that Councillor J W Jarvis be elected as Vice-Chairman of the Committee for the remainder of the municipal year.

486. CHAIRMAN'S NOTICES

The Chairman drew attention to the list of notices published on the back of the agenda.

487. APOLOGIES FOR ABSENCE AND SUBSTITUTION NOTICE

Apologies for absence were received from Councillors Mrs J C Stilts.

In accordance with notice duly given Councillor B S Beale was attending as a substitute for Councillor Mrs Stilts.

488. DISCLOSURE OF INTEREST

There were none.

489. PUBLIC PARTICIPATION

No requests had been received.

490. INTERNAL AUDIT - FRAUD RISK ASSESSMENT - ADVISORY REPORT ADDRESSING THE RECOMMENDATIONS

The Committee considered the report of the Interim Section 151 Officer seeking Members' consideration of the Council's Internal Auditors review of the Council's Fraud Risk Assessment Process and awareness of fraud risk across the organisation.

It was noted that having considered the findings of the Internal Audit Fraud Risk Assessment – Advisory report, the Finance and Corporate Services Committee, at its last meeting, resolved that an update on the progress of work in respect of the Internal Audit recommendation be brought to a meeting of the Performance, Governance and Audit Committee.

The Interim Section 151 Officer provided an update on the work he had been doing in relation to the recommendations and in response to questions outlined the training which would be provided to both Officers and Members in respect of fraud prevention and ensuring checks and controls were in place.

A debate ensued and in response to questions the Interim Section 151 Officer advised that according to the Council's Constitution the ultimate responsibility for ensuring fraud and corruption sat with the Monitoring Officer and Section 151 Officer who would work together to take appropriate action or implement procedures. However, as part of the new Council structure it was suggested that an individual officer should be charged with ensuring messages were going out and that regular assessments were taking place.

Members were advised that the recommendations identified in the Fraud Risk Assessment were addressed in the report and it was confirmed that this Committee would receive a subsequent report which would report on the execution of the recommendations.

RESOLVED

(i) that the contents of the report, in particular reference to Section 3 and Appendix 1 be noted;

(ii) that Committee notes the Interim Section 151 Officer's approach and his views and advice on ensuring that the corporate anti-fraud activities and awareness together with the appropriate processes and polices are all linked together and embedded into the normal operational working of the Council and that the ownership and accountability for the exercise of the function is identified in an individual role;

(iii) that in view of the current ongoing structure change in the Council, the findings and recommendations of the Advisory Report be implemented in full by December 2019 with a combination of in-house resources and tailored external support from BDO the balance of activities between the two to be determined by the Corporate Leadership Team; and

(iv) that the responsibility and accountability and hence the ownership for corporate fraud prevention function overall within the Council is clearly defined to an individual resource to lead on.

491. APPOINTMENT OF REPRESENTATIVES ON LIAISON COMMITTEES / PANELS

With the permission of the Chairman, Councillor M S Heard addressed the Committee and referred to the number of working groups that Councillors Fluker, Miss White, Mrs Channer, Helm and Mrs Thompson would sit on. He referred to the percentage of seats held by Independent Members of the Council and how they would support good decisions and oppose bad ones.

The Chairman advised the Committee that it did not need to appointment a representative to the Health, Overview and Scrutiny Committee as this would be carried out by the Overview and Scrutiny Committee. She explained the process she would be adopting in relation to the appointment of representatives to these groups.

Brickhouse Farm Management Committee
The Chairman proposed the representatives for this Committee be Councillors E L Bamford and M F L Durham. This was duly seconded.

Councillor Heard proposed that Councillor J C Stilts also be appointed as she was the Ward Member. The Chairman advised Councillor Heard that she would not be considering this proposition.

Councillor Mrs M E Thompson raised a point of order advising that the proposition from the Chairman came first and should therefore be dealt with prior to any other proposition.

In accordance with Procedure Rule No. 13 (3) Councillor W Stamp requested a recorded vote in relation to all appointments. This was duly seconded.

The Chairman then put the proposal for Councillors Bamford and Durham. At this point the Chairman advised that if a Member was appointed to one of these bodies it was essential that they attend meetings. Upon a vote being taken the voting was as follows:

<u>For the recommendation:</u>
Councillors E L Bamford, Mrs P A Channer, M F L Durham, A S Fluker, B E Harker, K W Jarvis, J V Keyes, K M H Lagan and Mrs M E Thompson.

<u>Against the recommendation:</u>
Councillors B S Beale, M S Heard, S Nunn, W Stamp.

<u>Abstention:</u>
Councillor C Swain.

The motion was therefore agreed.

Maldon Citizens Advice Bureau Liaison Committee
The Chairman proposed Councillors E L Bamford, Mrs P A Channer and K W Jarvis as representatives on this Liaison Committee. This was duly seconded. Councillor Heard proposed Councillor S P Nunn which was duly seconded. The Chairman advised Councillor Heard that if he wished to make an alternative proposal he needed to

nominate three Members. She then put the proposal for Councillors Bamford, Durham and Jarvis. Upon a vote being taken the voting was as follows:

<u>For the recommendation:</u>
Councillors E L Bamford, Mrs P A Channer, M F L Durham, A S Fluker, B E Harker, K W Jarvis, J V Keyes and Mrs M E Thompson.

<u>Against the recommendation:</u>
Councillors B S Beale, M S Heard, K M H Lagan, S Nunn and W Stamp.

<u>Abstention:</u>
Councillor C Swain.

The motion was therefore agreed.

Maldon District Museum Liaison Committee
The Chairman proposed Councillors E L Bamford and M F L Durham as representatives on the Maldon District Museum Liaison Committee. This was duly seconded. Upon a vote being taken the voting was as follows:

<u>For the recommendation:</u>
Councillors E L Bamford, Mrs P A Channer, M F L Durham, A S Fluker, B E Harker, K W Jarvis, J V Keyes and Mrs M E Thompson.

<u>Against the recommendation:</u>
Councillors B S Beale, M S Heard, S Nunn, C Swain and W Stamp.

<u>Abstention:</u>
Councillor K M H Lagan.

The motion was therefore agreed.

Maldon Livewell Partnership Group
The Chairman advised that as the representatives for this Group were named there was no need to vote separately on them. This was agreed.

Parish Clerk's Forum
The Chairman advised that as the representatives for this Group were named there was no need to vote separately on them. This was agreed.

Places for People Liaison Committee
The Chairman proposed that Councillors E L Bamford and M F L Durham with Councillor Mrs M E Thompson as substitute be appointed to this Liaison Committee. This was duly seconded. Councillor Heard proposed Councillor Mrs J C Stilts and Councillor W Stamp as substitute. This was duly seconded. The Chairman advised Councillor Heard that the first proposition had been seconded before his was received.

Councillor Mrs Thompson raise a point of order that it was the Chairman's proposal that counted, and this must count first.

The Chairman then put the proposal for councillors Bamford and Durham with Councillor Mrs Thompson and substitute and upon a vote being taken the voting was as follows:

<u>For the recommendation:</u>
Councillors E L Bamford, Mrs P A Channer, M F L Durham, A S Fluker, B E Harker, K W Jarvis, J V Keyes and Mrs M E Thompson.

<u>Against the recommendation:</u>
Councillors B S Beale, M S Heard, K M H Lagan, S Nunn and W Stamp.

<u>Abstention:</u>
Councillor C Swain.

The motion was therefore agreed.

River Crouch Coastal Community Team (Management Team)
The Chairman advised that as the representatives for this Group were named there was no need to vote separately on them. This was agreed.

RESOLVED that the following representatives be appointed to the bodies detailed below, for the remainder of the municipal year:

Body	Representative
Brickhouse Farm Management Committee	Councillors E L Bamford and M F L Durham CC
Maldon Citizens Advice Bureau Liaison Committee	Councillors E L Bamford, Mrs P A Channer CC and J W Jarvis
Maldon District Museum Liaison Committee	Councillors E L Bamford and M F L Durham CC
Maldon Livewell Partnership Group (formally Maldon Health and Wellbeing Partnership Group) (01/09/15)	Chairman and Vice-Chairman of the Performance, Governance and Audit Committee *Substitute: Leader of the Council*
Parish Clerk's Forum	Chairman of the Performance, Governance and Audit Committee *Substitute: Vice-Chairman of the Performance, Governance and Audit Committee*
Places for People Liaison Committee	Councillors E L Bamford and M F L Durham CC *Substitute: Councillor Mrs M E Thompson*
River Crouch Coastal Community Team (Management Team)	Chairmen and Vice-Chairmen of the Performance, Governance & Audit and Strategy & Resources Committee ***NB: This body aligns with both the PGA and Strategy & Resources Committees**

492. EXTERNAL AUDIT VERBAL UPDATE

The Interim Section 151 Officer advised that he had been liaising with External Audit and was currently working to present the following items to the next meeting of this Committee:

- Statement of Accounts;
- Auditors report for the year;
- Annual Governance Statement;
- Audit Fee Letter (to be presented by the External Auditor)

The Council's External Auditor were currently going through the final version of the Statement of Account to ensure they were happy with all changes and that any questions previously raised had been answered. The Interim Section 151 Officer reported that at this stage the accounts balanced, and the External Auditors had indicated that they were mindful to issue an unmodified audit opinion – a clean bill of health.

In response to a number of questions the Interim Section 151 Officer provided the Committee with further information, which included:

- The key issues resulting in delays with the Statement of Accounts related to IT and outage in the network along with experienced staff leaving including the Director of Resources that had affected the work which could be done in the time period with the available knowledge and experience.
- The Interim Section 151 Officer advised that he thought the Auditors may include in their final report a comment about the length of time it took for the Council to provide required information.
- Sometime had been spent explaining matters to the Auditors as some of their staff, although experienced auditors, were new to Local Government Audits. In response to a question regarding a reduction in fees regarding this, the Interim Section 151 Officer advised the Committee that they may want to challenge any additional fees which may be levied.
- It was noted that additional time had been required as the Auditors were following codes of practice and testing procedures
- It was noted that the External Auditors were appointed externally for a fixed period.
- Internal Audit could be requested to carry out a review of the production of the statement of accounts, but the Interim Section 151 Officer advised that both himself and his successor would ensure such delays did not happen in the future.

In response to a question regarding whether a time scale for completion of the task was given to the External Auditors at the time of Tender, the Chairman advised that this could be included in the report being brought back to the Committee.

Councillor A S Fluker proposed that the verbal update be noted and any points raised by the Committee be actioned. This was duly agreed.

RESOLVED that the verbal update from the Interim Section 151 Officer be noted and any points raised by the Committee be actioned.

The meeting closed at 8.20 pm.

E L BAMFORD
CHAIRMAN