

FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 8 January 2013 at the Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillor Mrs Knight (Chair): Councillors Barrott, MacKay, Pittarello, Rhead, Mrs Sawdon, Mrs Syson and Williams.

ALSO PRESENT: Councillors Mrs Grainger (Portfolio Holder for Corporate and Community Services) and Vincett (Portfolio Holder for Housing & Property Services).

114. **SUBSTITUTES**

There were no substitutes.

115. **DECLARATIONS OF INTEREST**

There were no declarations of interest made.

116. **MINUTES**

The minutes of the meeting held on 11 December 2012 were taken as read and signed by the Chair as a correct record.

117. **2012/13 AUDIT OPINION PLAN**

The Committee considered a report from Finance that set out the Audit Plan for 2012/13 from the external auditors, for consideration.

The Committee could set any further information required for either officers or the Council's Auditors, if they felt it was appropriate. This document was reported to the Committee to aid understanding of the role of the Council's external auditors.

The Council's External Auditors attended the meeting to respond to outline the report and respond to questions from the Committee.

RESOLVED that the Audit Plan 2012/13, as appended to the report, be noted.

118. **EXTERNAL AUDIT REPORT – CERTIFICATION OF CLAIMS AND RETURNS – ANNUAL REPORT**

The Committee considered a report from Finance that reported the external auditors' audit of several grants and returns that had been prepared by officers. A separate report had been issued on these claims and returns relating to 2011/12.

FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)

The Certification of claims and returns – annual report should be considered by the Finance and Audit Scrutiny Committee. The external auditors attended the meeting to present the report.

Of the nine claims referred to in the report, only four required formal certification and, of these, only one required any amendment.

The Housing and Council Tax Benefit claim was qualified by the auditors. Whilst this was disappointing, as noted in previous years, it was the exception nationally for this claim to be unqualified. As referred to in the report (paragraph 2.4), the qualification was due to a single claim where benefit had been underpaid. The total underpayment for 2011/12 amounted to £9.12. This was not an item for which the subsidy claim needed to be altered. For the claimant, the benefit had been amended with the underpayment having been backdated. The amount of this underpayment would be part of the 2012/13 claim and would be eligible for subsidy from the Department for Work & Pensions (DWP) as part of that claim.

The adjustments to the Housing and Council Tax Benefit claim related to subsidy being incorrectly allocated on the subsidy claim form resulting in a reduced amount of £13,827 due from DWP.

RESOLVED that the report be noted.

119. PROCUREMENT BI-ANNUAL REPORT

The Committee considered a report from Finance that updated progress on procurement over the first part of the financial year 2012-13.

It was agreed at the July 2010 Executive as part of the procurement strategy that Members would receive an annual update on the progress of procurement and the procurement strategy. This would be complemented by half yearly updates on the progress of procurement to this Committee.

The Committee were content with the report but had concerns over the time being taken to recruit to the Procurement Officer role because the reduced resources would impact on the procurement action and also the delivery of effective procurement support for the Council. In turn this could result in lost opportunity for savings through improved procurement processes.

The Procurement Manager informed the Committee that there were significant issues with regard to the signing of the new waste collection contract. Steps had been put in place to resolve this by the end of the week and an update would be provided to the Executive meeting on 9 January 2013. The other major contracts had all been signed except the cleaning element but this had been agreed and copies were now waiting for signing by both parties.

RESOLVED that the report be noted.

FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)

120. SERVICE RISK REGISTER PRESENTATION – CORPORATE & COMMUNITY SERVICES

The Committee considered a report from Finance that set out the process for the Committee to review the risk register of Corporate & Community Services.

The Head of Service outlined the current risk register for the Service Area and responded to questions from the Committee. The Committee were very pleased with the understanding and actions of the Service. They felt the approach taken was the best of the Service Areas to date and saw this as a model approach for others to follow.

The Committee considered the view of the Head of Service, and agreed, that the greatest risk was the potential impact of partnership working, when reductions were made by partners; such as the community partnership team where staff number had been reduced and how that would impact on the delivery of service.

RESOLVED that the report be noted.

121. PUBLIC AND PRESS

RESOLVED that under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item, by reason of the likely disclosure of exempt information within paragraphs 1, 3 and 7 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

122. REVIEW OF CORPORATE CASH COLLECTION AND BANKING PROCEDURES

The Committee considered a report from the Audit and Risk Manager which advised Members of the outcomes of the council-wide review of income collection and banking procedures.

The Audit and Risk Manager reminded Members that the review had been instigated at their request and expressed his view that it had been a worthwhile piece of work. Members agreed and were pleased that the report addressed all of their concerns. The officer was thanked for his excellent work.

The Committee was keen to see that the recommendations in the report were implemented and noted that progress would be reported in due course.

RESOLVED that the report be noted and its contents accepted.

FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)

123. EXECUTIVE AGENDA (NON-CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 9 January 2013.

Item 5 - General Fund Housing Investment Programme

The Committee noted the recommendations in the report.

Item 6 - Provision of WDC Legal Services

The Scrutiny Committee supported the recommendations in the report and welcomed the continuation of the excellent level of service received by this Council.

Item 11d - Significant Business Risk Register

The Committee was pleased to see that trails had now been included and asked that in future the register would identify who the owners were for the individual risks.

They also asked that in future, when a risk moved, the report should include details as to why this had moved, what impact mitigation had had so far on the risk and what time frame was anticipated for the impact of any revised mitigation.

The Chairman of the Committee would also be writing to the Leader and Chief Executive asking them to provide a written response regarding details about risks 2, 6 and 8. On behalf of the Committee she would ask what was happening with these risks and what action was being taken to reduce the risks to the Council. If the Committee did not feel the questions have been answered satisfactorily they would then invite the Leader, Chief Executive and appropriate risk owner to attend the March meeting of the Committee for further discussion.

The Committee had already received some assurances on item 17 within the Risk register and had asked Councillor Caborn to attend their February meeting to discuss this further.

The Committee also had significant concerns regarding the major contract award. They were aware the contract for cleaning had not yet been signed but that the signing was imminent following some amendments over Christmas. However the Committee were deeply concerned about the Waste collection contract where the preferred contractor appeared to be stalling. They were being issued with a final letter demanding a response by close of play on Wednesday and signing of contracts by Friday. However if this did not happen the Council would need to look at the second choice supplier. This move would be a lengthy process and could see an impact on service delivery and therefore the Committee recommended that the Executive should take immediate action to remedy this situation and include it within the risk register as previously highlighted by this Committee.

FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)

As a note the Committee were also disappointed with the news about the waste contract as similar problems had occurred with this contractor previously and because the Portfolio Holder had promised this matter would be resolved swiftly at an earlier meeting of the Committee.

11e - Risk Management Annual Report

The Committee supported the recommendations in the report and were pleased to note that risk assessment and management was becoming a growing part of council culture.

124. PUBLIC AND PRESS

RESOLVED that under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item, by reason of the likely disclosure of exempt information within paragraphs 1, 2 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

125. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following confidential item which would be discussed at the meeting of the Executive on Wednesday 9 January 2013.

Item 14 - Warwick Heritage Improvement Programme (Saltisford) – Transfer of Land off Albert Street, Warwick

The Committee supported the recommendations in the report.

126. COMMENTS FROM THE EXECUTIVE

A report from Civic and Committee Services summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 13 December 2012.

RESOLVED that the contents of the report be noted.

127. REVIEW OF THE WORK PROGRAMME

A report from Civic and Committee Services detailed the Committee's work programme for 2012/13.

RESOLVED that the work programme for 2012/13 be noted.

128. FORWARD PLAN

The Committee considered a report from Civic and Committee Services informing them of the current Forward Plan, attached as an appendix to the report.

FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)

One of the five main roles of overview and scrutiny in local government was to undertake pre-decision scrutiny of Executive decisions. If the Committee had an interest in a future decision to be made by the Executive it was within the Committee's remit to feed into the process.

The Forward Plan detailed the future work programme for the Executive. If a non-executive member highlighted a decision which was to be taken by the Executive which they would like to be involved in, Members could then provide useful background to the Committee when the report was submitted to the Executive and they were passing comment on it.

RESOLVED that there were no forthcoming Executive decisions which the Committee wished to have an input into before the Executive make their decision, at present.

(The meeting ended at 8.00 pm)