

FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 13 September 2011 at the Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillors Dagg, Edwards, Illingworth, MacKay, Pratt, Rhead, Mrs Sawdon, Mrs Tyrrell, Williams and Wreford-Bush.

ALSO PRESENT: Councillor Mobbs (Portfolio Holder for Finance).

Apologies for absence were received from Councillors Cross, Mrs Knight and Pittarello.

47. **SUBSTITUTES**

Councillor Illingworth substituted for Councillor Cross and Councillor Wreford-Bush substituted for Councillor Pittarello.

48. **APPOINTMENT OF CHAIR**

RESOLVED that Councillor Edwards be appointed Chair of the Committee for this meeting.

49. **DECLARATIONS OF INTEREST**

Minute 60 – Executive Agenda (Non-Confidential Items & Reports) – Item 11 Use of Delegated Powers

Councillor Edwards declared a personal interest due to being a Deputy Group Leader, who originally approved the use of delegated powers.

Councillors Illingworth and Wreford-Bush declared personal interests because they were members of the Regulatory Committee.

50. **MINUTES**

The minutes of the meeting held on 9 August 2011 were taken as read and signed by the Chair as a correct record.

51. **EXECUTIVE AGENDA (NON-CONFIDENTIAL ITEMS & REPORTS)**

The Committee considered the following non-confidential item which would be discussed at the meeting of the Executive on Wednesday 14 September 2011.

Item Number 6 – Proposal to install Photovoltaic Systems to suitable WDC Housing and Corporate Properties

The Committee supported the recommendations in the report, but expressed a desire for one supplier to install and maintain the Photovoltaic Systems, to minimise the risk of disputes over whether faulty systems were due to poor installation or lack of maintenance. If it was necessary to

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appoint a second supplier to maintain the systems, it was suggested that the supplier who installed the systems should set the maintenance schedule for the maintenance contractor.

(Councillor Vincett attended the meeting for this item.)

52. 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 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

53. LEISURE CENTRES ANNUAL MEMBERSHIPS INVESTIGATION

The Committee received a report detailing issues investigated concerning leisure centre memberships, and actions taken by the Council to address those issues and improve controls in the future.

Members noted that an update on implementation of the report's recommendations would be presented to the Committee in due course, and suggested that this be formally incorporated into the Committee's work programme.

Officers agreed that copies of the Council's revised policy for staff use of facilities would be circulated to Members for information.

RESOLVED that the report be noted and its contents accepted.

54. INTERNAL AUDIT QUARTER 1 2011/12 PROGRESS REPORT

The Committee received a report from the Audit and Risk Manager detailing progress achieved in the Internal Audit Plan 2011/12, summarising audit work completed in the first quarter and providing assurance that action had been taken by managers.

An analysis of progress made in completing the Audit Plan for 2010/11 was set out as an appendix to the report.

In June 2010 the Committee had decided that they wished to receive extracts from internal audit reports issued during the quarter only where the assurance opinion was moderate or below. Moderate assurances had been given in two cases, both of which were summarised by the Audit and Risk Manager for the benefit of Members.

Members noted that Oracle, the replacement for the Snowdrop system, was likely to be up and running in November. Councillor Rhead requested a copy of the report which had presented the proposed replacement to the Committee.

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RESOLVED that the report be noted and its contents accepted or, where appropriate, acted upon.

55. REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT 2010/11 – ACTION PLAN

The Committee considered a report from Finance which presented the actions proposed by Internal Audit to address outcomes from the review of the effectiveness of the Council's system of internal audit for the year ended 31 March 2011, undertaken in accordance with the Accounts and Audit (Amendment)(England) Regulations 2006.

It was agreed that an update on actions would be presented to the Committee in February or March 2012.

RESOLVED that the actions proposed by Internal Audit to address issues raised from the review of the effectiveness of internal audit for the year ended 31 March 2011 be endorsed.

(Councillors Mobbs and Pratt left the meeting during the course of this item.)

56. RISK MANAGEMENT ANNUAL REPORT

The Committee considered a report from the Audit and Risk Manager advising on progress in embedding risk management within Warwick District Council. As part of this ongoing objective, the report updated the Risk Management Strategy and detailed progress in implementing last year's action plan.

RESOLVED that

- (1) the report and its contents, in particular that which sets out members' responsibility for risk management, be noted;
- (2) the Council's risk strategy, including the action plan for 2011/12 be affirmed; and
- (3) the Committee confirms it is satisfied with the progress being made in implementing a risk management framework, specifically noting the progress made in implementing actions for 2010/11.

57. COMMENTS FROM THE EXECUTIVE

A report from Committee Services summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 10 August 2011.

RESOLVED that the contents of the report be noted.

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58. FORWARD PLAN

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

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 they wished to have an input into before the Executive make their decision, at present.

59. REVIEW OF THE WORK PROGRAMME

A report from Members' Services detailed the Committee's work programme for 2011/12.

The following additions to the work programme were agreed:

- Effectiveness of Internal Audit Action Plan Update – February/March 2012
- Leisure Centre Annual Memberships – update (date to be agreed)
- Royal Spa Centre Business Plan – an update 6 months after sign-off of the plan by the monitoring group

RESOLVED that the work plan for 2011/12 be noted.

60. 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 14 September 2011.

Item Number 8 – Update on the Fit for the Future Change Programme
The Committee supported the recommendations in the report.

Item Number 10 – Equipment Renewal Reserve
The Committee noted that paragraph 2.1 should read "...recommendations 2.2, 2.3 and 2.5 below" and supported the recommendations in the report.

Item Number 11 – Use of Delegated Powers
The Committee made no comment, recognising that a decision had already been taken and that Executive was being asked only to note the decision.

(Councillors Illingworth and Wreford-Bush realised that they had personal interests in this item as members of the Regulatory Committee and

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declared their interests at this point in the proceedings. Councillor Edwards also declared a personal interest due to being a Deputy Group Leader that originally approved the use of delegated powers.)

61. 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 items, by reason of the likely disclosure of exempt information within paragraphs 1 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

62. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Wednesday 14 September 2011.

Item Number 14 – Wilton House – Affordable Housing Contribution

The Committee did not want action on Wilton House to set a precedent, but supported the recommendations in the report.

Item Number 15 – Request for Redundancy and Early Retirement Payment

The Committee supported the recommendations in the report.

(The meeting ended at 8.10pm)