

# Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday, 30 September 2014 at the Town Hall, Royal Leamington Spa at 6.00pm.

**Present:** Councillor Barrott (Chair): Councillors Mrs Bunker, Pittarello, Rhead, Mrs Syson, Wilkinson and Williams.

**Also Present:** Councillors Cross and Shilton (Portfolio Holders).

Apologies for absence were received from Councillors MacKay and Mrs Mellor.

## 55. **Substitutes**

Councillor Wilkinson substituted for Councillor Mrs Knight.

## 56. **Declarations of Interest**

Minute Number 63 – Agenda Item 9 – Executive Agenda (Non Confidential Items and Reports) Executive Item 6 – St Mary’s Lands Business Strategy

Councillor Barrott declared an interest because he had been part of the Steering Group relating to St Mary’s Lands.

## 57. **Minutes**

The minutes of the meeting held on 2 September 2014 were taken as read and signed by the Chair as a correct record.

## 58. **Executive Agenda (Non Confidential Items & Reports) – Wednesday 1 October 2014**

The Committee considered the following item which would be discussed at the meeting of the Executive on Wednesday 1 October 2014.

### Item 3 – Scrap Metal Dealers Act 2013

The Finance & Audit Scrutiny Committee supported the recommendations in the report and was pleased that collectors would now be licensed. However, residents had highlighted concerns to Members about the noise omitted by the collectors’ vehicle sirens when collecting scrap metal and proposed that an amendment to the Policy, banning the use of sirens exclusively, be considered by the Executive.

In addition, it was felt that the Scrap Metal dealers could be encouraged when applying for, or renewing, a licence to contact potential customers by more traditional methods ie. leaflet drops and advertising.

## 59. **National Fraud Initiative**

The Committee received a report from Finance which informed Members of the outcomes from the Council's investigations into the data matches from the 2012/13 National Fraud Initiative (NFI) Programme.

Members had requested annual updates on NFI activities. Additionally, the Audit Commission had released an outcomes information pack for Members, which was attached as Appendix 1 to the report.

The NFI considered itself to be a major contributor to public sector counter-fraud activity and continually sought to expand its influence in both the public and private sectors. From Warwick District Council's perspective the contribution of NFI to counter fraud activity had always been marginal, but offered significant value as a source of independent assurance on the effectiveness of the Council's preventative controls and as a deterrent against fraud.

Benefit fraud cases revealed by NFI typically accounted for only a small percentage of the proven fraud cases processed by the Council's Benefit Investigations Team. No actual fraud cases had ever been identified in any of the other areas within its scope, typical reasons for matches where no fraud or irregularity was involved had been summarised in Appendix 2 to the report.

The results from the 2012/13 NFI programme were summarised in paragraph 8.1 of the report. The second phase of NFI 2012/13, the processing of the council tax discount matches, was still in progress at the time of writing the report.

The Audit and Risk Manager was thanked for his report and for answering Members' questions.

**Resolved** that the outcomes to date from the 2012/13 round of National Fraud Initiative programme, be noted.

## 60. **Risk Management Annual Report**

The Committee received a report from Finance which updated the Risk Management Strategy, attached as Appendix A, and detailed progress in implementing risk management throughout the organisation including the implementation of items in last year's risk management action plan, attached as appendix B to the report.

Members were responsible for overseeing the organisation's risk management arrangements and were therefore asked to note the report and its contents.

The report also requested that members affirm the Council's risk management strategy and confirm they were satisfied with the progress

being made in embedding risk management in the Council, noting the review of Year Three of the 4-year Action Plan.

The Audit and Risk Manager attended and answered a number of questions from the Committee. Members asked if there could be more detail in the Summary of Responsibilities, at Annexe 3, such as who was responsible, who had been consulted and who had acted on the responsibilities listed.

The Audit and Risk Manager was thanked for his report, and the Committee

**RESOLVED** that

- (1) the report and its contents, in particular that which sets out members' responsibility for risk management, were noted;
- (2) the Council's risk management strategy, attached at Appendix A to the report, was affirmed; and
- (3) Members confirm they are satisfied with the progress being made in embedding risk management in the Council, noting the review of Year Three of the 4-year Action Plan, attached at Appendix B to the report.

**61. Neighbourhood Services Risk Register Review**

The Committee received a report from Neighbourhood Services which set out the process for the review by Finance & Audit Scrutiny Committee of the Neighbourhood Services Risk Register.

In January 2012, the Executive agreed that service area managers should review their respective Service Risk Registers quarterly with their service area managers. In addition, the Finance and Audit Scrutiny Committee would review service areas risk registers and the relevant Portfolio Holder would attend to present their report and answer any questions.

The latest Neighbourhood Services Risk Register was set out at Appendix 1 to the report and the major risks identified were detailed at 10.3 of the report.

The Portfolio Holder outlined the report, and explained that this was a living document which was continuously changing. He attended along with the Head of Service, Mr Hoof, and responded to robust questioning from the Committee.

Clarity was sought on the ICT system and the difficulties experienced by the contact centre following the transfer of data. It was explained that this had had to be implemented very quickly, with minimal input from

Warwick District. Training was a priority now to ensure that the frontline service continued to be delivered.

In response to questions regarding risks 9 and 10, Accidents / Health and Safety, the Head of Service advised that there had been no accidents involving Council employees. However, the risk remained high in this area of work and robust systems were in place to deal it. Mr Hoof advised that he could supply Members with a record of 'near misses'.

Members discussed risks 13 and 14 in the register which dealt with growth within Warwick District and the ability for the service to continue to be delivered. The Committee were advised that contracts could be 'scaled up' to deal with an increase in demand but as yet the demand on staff was an unknown quantity. The responsibility for providing disposal sites was a County Council issue and officers were still waiting for contingency plans from them.

Mr Hoof advised Members that the due dates detailed against risks 11 and 12 should have been updated and contracts were under constant review. Members agreed that they would like to see when departments had managed to reduce the level of risk and hoped that the register could detail more movement.

The Portfolio Holder assured the Committee that some risks had reduced significantly since the process had started but this wasn't always being explained in the report.

The Audit and Risk Manager advised that he would encourage officers to show more movement and was thanked for his report. The Committee

**RESOLVED** that the Neighbourhood Services Risk Register, and the comments detailed above, be noted.

## 62. **Review of the Work Programme & Forward Plan**

The Committee considered its work programme for 2014/15 and the latest published version of the Forward Plan.

**Resolved** that

- (1) the work programme for 2014/2015 be noted;  
and
- (2) at present, there were no forthcoming Executive decisions which Members wished to have an input into before the Executive make their decision.

63. **Executive Agenda (Non Confidential Items & Reports) –  
Wednesday 1 October 2014**

The Committee considered the following item which would be discussed at the meeting of the Executive on Wednesday 1 October 2014.

Item 4 – Fees and Charges

The Finance & Audit Scrutiny Committee supported the recommendations in the report and thanked the officers for attending and assisting with their robust questioning.

One of the main concerns was the overall trend to increase prices in Cultural Services. Members felt that there was some unfairness in the increase of the Health and Fitness Casual Use fees for the over 60's / Disabled / Unemployed categories but accepted that benchmarking exercises had been undertaken and the Council still charged significantly lower fees than the private sector.

Members also felt strongly that recommendation 2.3 needed challenging. The recommendation was to ensure charging consistency but Members highlighted the lower charges for Kenilworth car parks compared to Leamington and Warwick.

Item 6 – St Mary's Lands Business Strategy

The Finance & Audit Scrutiny Committee supported the recommendations in the report and was satisfied with the assurances given by the Deputy Chief Executive at the meeting. Members had significant concerns by the high costs and man hours that had been spent reacting to enquiries about St Mary's Lands.

Item 7 – Multi-Storey Car Park Structural Surveys

The Finance and Audit Scrutiny Committee supported the recommendations in the report but felt that 2.1 needed to include reference to the correct Procurement procedures.

Members also queried whether any of the structural damage would be covered under insurance policies and proposed an additional recommendation 2.4 to cover this.

Item 8 – Significant Business Risk Register

The Committee proposed that the Executive should defer this item because the Leader of the Executive had been unexpectedly called away from their meeting and, therefore, could not answer any questions that Members had.

Item 11 – Skills Initiative

The Committee supported the recommendations in the report.

### Item 13 – Asbestos Contract

The Finance & Audit Scrutiny Committee supported the recommendations in the report but had significant concerns that this was the second time an exemption to the Code of Procurement Practice had been requested. Members appreciated the circumstances behind the request but advised that the Finance and Audit Scrutiny Committee would be unable to support any exemptions to this contract in the future.

#### 64. **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.

#### 65. **Comments from the Executive**

A report from Civic and Committee Services summarised the Executive's responses to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 3 September 2014.

**Resolved** that the contents of the report be noted.

#### 66. **Minutes**

The confidential minutes of the meeting held on 2 September 2014 were taken as read and signed by the Chair as a correct record.

(The meeting ended at 8.30 pm)