

# FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 29 May 2012 at the Town Hall, Royal Leamington Spa at 6.00pm.

**PRESENT:** Councillors Cross, Dagg, Edwards, Mrs Knight, Mrs Mellor, Pittarello, Pratt, Mrs Sawdon and Mrs Syson.

ALSO PRESENT: Councillor Mobbs (Portfolio Holder).

Apologies for absence were received from Councillors Barrott and MacKay.

## 1. **SUBSTITUTES**

Councillor Edwards substituted for Councillor Barrott.

## 2. **APPOINTMENT OF CHAIR**

**RESOLVED** that Councillor Mrs Knight be appointed Chair of the Committee for the 2012/13 municipal year.

## 3. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

## 4. **MINUTES**

The minutes of the meeting held on 17 April 2012 were taken as read and signed by the Chair as a correct record.

## 5. **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 30 May 2012.

### Item Number 4 – Oakley Wood Crematorium Proposed Improvements

The Committee was concerned that the crematorium grounds were showing signs of neglect and therefore wanted to see the site accommodated in the new grounds maintenance contract. Members recognised the crematorium's value as a strategic asset and were keen to see investment in it. They considered it to be a good business plan. They also suggested that it may have further marketing potential which should be investigated.

The Committee supported the recommendations in the report, expressing a preference for option iii under recommendation 2.3, which was to maintain the status quo in respect of the pricing policy. Members felt it best to review the prices when all the council's fees and charges were looked at later in the year. They asked to be informed if there was any deviation from the estimated cost.

## **FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)**

### **6. 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.

### **7. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)**

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Wednesday 30 May 2012.

#### Item Numbers 5 & 8 – Feasibility Study of Leamington Assets

The Committee felt the report presented a number of exciting opportunities. Members noted that recommendation 2.15 should read "£20,000 per each of the 5 recommendations" and that the remaining balance on the Service Transformation Reserve should be £354,000. The Committee supported the recommendations, subject to the corrections as stated.

In response to concerns expressed over the number of calls being made on the Service Transformation Reserve, the Committee decided it would be prudent to monitor the Reserve's status on a regular basis.

### **8. INTERNAL AUDIT ANNUAL REPORT 2011/12**

The Committee considered a report from Finance presenting the Internal Audit annual report for the year ended 31 March 2012, which formed part of the evidence for the Annual Governance Statement.

The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 required an opinion on the overall adequacy and effectiveness of the organisation's control environment to be presented to the Committee designated to consider or approve the Annual Governance Statement. Accordingly, the report would be submitted to the Standards Committee in June. The Finance and Audit Scrutiny Committee was asked to address its views to that meeting.

The Audit and Risk Manager responded to members' questions in respect of various elements of the report, focusing particularly on moderate ratings and feedback from questionnaires. The Committee was satisfied with the officer's responses and with the report, and thanked the Audit and Risk Manager for his work.

**RESOLVED** that

- (1) the Internal Audit Annual Report for the year ended 31 March 2012 be noted; and

## **FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)**

- (2) the Standards Committee be informed of the Committee's views as detailed above.

### **9. REVIEW OF EFFECTIVENESS OF INTERNAL AUDIT**

The Committee considered a report from Finance presenting the outcomes from the review of the effectiveness of the Council's system of internal audit for the year ended 31 March 2012.

The review was undertaken in accordance with the Accounts and Audit (England) Regulations 2011, which required such a review at least once a year and presentation of the results to the Committee designated to consider or approve the Annual Governance Statement. Accordingly, the report would be presented to the Standards Committee in June. The Finance and Audit Scrutiny Committee was invited to address its views to that meeting.

The Committee was pleased with the report, but keen to see that succession planning was not overlooked in respect of the Internal Audit function and therefore asked officers to bear this in mind.

#### **RESOLVED** that

- (1) the scope, method and outcomes of the effectiveness of the Council's system of internal audit for the year ended 31 March 2012 be noted; and
- (2) the Committee's views as detailed above be addressed to the Standards Committee.

(Councillor Mobbs left the meeting at the conclusion of this item.)

### **10. 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 18 April 2012.

#### **RESOLVED** that the contents of the report be noted.

### **11. 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

## **FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)**

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.

### **12. REVIEW OF THE WORK PROGRAMME**

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

**RESOLVED** that the work plan for 2012/13 be noted.

### **13. 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 30 May 2012.

Item Number 6(D) – Service Transformation Reserve Bid – Sports & Leisure  
The Committee supported the recommendations in the report, having been reassured by responses made by the Deputy Chief Executive (AJ) to a number of questions.

### **14. 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.

### **15. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)**

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Wednesday 30 May 2012.

Item Number 10 – Approval of Compensation Payment

The Committee supported the recommendations in the report, but requested that officers investigate why the situation arose and how it was discovered, in order to prevent similar circumstances from arising in the future.

Item Number 11 – Corporate & Community Services Review

The Committee expressed confidence that the Employment Committee had done its work and therefore supported the recommendations in the report.

Item Number 12 – Neighbourhood Services Review

The Committee supported the recommendations in the report.

## **FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)**

Regarding both items 11 and 12, it was noted that because of natural wastage and ad-hoc deletion of posts, it was difficult to assess the overall impact on services and the long term risks arising. Any mitigation being suggested needed to be included in risk registers.

It was agreed that the best way to seek reassurances would be when questioning portfolio holders.

### Item Number 9 – Retail Development in Leamington Town Centre – Update Report

The Committee made comments to the Executive which are confidential by reason of the likely disclosure of exempt information within the paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006. The comments are detailed in confidential minutes.

(Councillor Pratt left the meeting during the course of this item.)

(The meeting ended at 8.25 pm)