

# Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday 26 September 2017 at the Town Hall, Royal Leamington Spa at 6.00pm.

**Present:** Councillor Barrott (Chair), Councillors Ashford, Davies, Gallagher, Gifford, Howe, Illingworth, Margrave, Murphy and Quinney.

**Also present:** Councillors Grainger, Phillips, Thompson and Whiting.

## 57. **Apologies and Substitutes**

- (a) Apologies were received from Councillor Noone; and
- (b) Councillor Ashford substituted for Councillor Cain.

The Chair, Councillor Barrott, took the opportunity to officially welcome Councillor Murphy as a new Member to the Finance & Audit Scrutiny Committee.

## 58. **Declarations of Interest**

Minute 63 – Item 8 – Warwick District Infrastructure Delivery Plan (IDP)

Councillor Gifford declared an interest because he was a Warwickshire County Councillor.

## 59. **Minutes**

The minutes of the meeting held on 30 August 2017 were taken as read and signed by the Chairman as a correct record.

## 60. **Procurement Strategy Half Year Update**

The Committee received a report from Finance which gave a bi-annual update on the current work programme and continued development within the Council's Procurement team during the financial year 2017/18 and which provided key performance indicators.

In July 2010, it was agreed that, as part of the Procurement Strategy, Members would receive updates on the progress of procurement.

The report advised that substantial changes to the Council's procurement Strategy, policy and procedures had been implemented and embedded in day-to-day working practices. Further developments were planned for 2017/ 18 to continue to enhance the capacity and capability to deliver good procurement outcomes. This would enable the Council to obtain better value for money by removing barriers in procurement processes and would also assist a wider range of suppliers, especially small businesses, to bid for contracts.

There were a number of documents attached to the report, labelled as appendices one to six, including the progress against the Procurement

Action Plan 2017, Summary of Contracts Register and WDC's progress towards National Procurement Strategy.

The Procurement Manager outlined the report and recommended that the progress be noted. He felt that progress was moving along comfortably and highlighted the training events detailed at section 3.5 of the report. Councillors felt that considerable progress had been made and sought clarification on a number of gaps in the Summary of Contracts Register, attached as appendix 3 to the report. In particular, Councillor Quinney wanted to know why there were discrepancies between the number of contracts and the number of signed copies of contracts for Development Services and the Chief Executive's office. The Procurement Manager agreed to come back to Councillor Quinney with the answers.

In response to a question, the Senior Committee Services Officer advised that the Elected Members Procurement Training was in hand and would be delivered in the autumn.

The Committee thanked the Procurement Manager for his report and therefore

**Resolved** that progress across the procurement function is noted.

**61. Internal Audit Quarter 1 2017/18 Progress Report**

The Committee received a report from Finance which advised on progress in achieving the Internal Audit Plan 2017/18, summarised the audit work completed in the first quarter and provided assurance that action had been taken by managers in respect of the issues raised by Internal Audit.

The report outlined the role and responsibilities of audit committees and explained that to help fulfil these responsibilities, they should review summary internal audit reports and the main issues arising, seeking assurance that action had been taken when necessary. The type and content of reports the Committee should receive from internal audit was summarised in Appendix 1 to the report.

Members noted that each audit report gave an overall opinion on the level of assurance provided by the controls within the area audited. The assurance bands were detailed at paragraph 11.2 of the report.

The report advised that three audits had been completed in the first quarter of 2017/18 and a link to the reports issued during the quarter was provided. The areas audited were Housing Benefit & Council Tax Reduction, Corporate Training and Lone Worker Arrangements and the associated action plans were set out at Appendix 3 to the report.

The Lone Worker Arrangements audit was awarded a lower than substantial assurance opinion and, in line with procedure, was set out at Appendix 4 for specific scrutiny.

The Audit & Risk Manager introduced the report and highlighted the Lone Worker Arrangements. This issue had been audited following concerns raised by the Head of Health & Community Protection. The issues which

came out of the audit were that there was a lack of training on lone working and in some cases, had been provided but not attended.

Councillor Ashford raised a concern that elected Members were also exposed to the risks of lone working and requested that similar training be delivered to Councillors.

In response to questions, the Audit & Risk Manager advised that insufficient attention had been paid to this issue in the past and completion of the audit had helped to raise its profile.

The Committee therefore

**Resolved** that the report be noted.

62. **Annual Governance Statement 2016/17 Action Plan: Review of Progress**

The Committee received a report from Finance which reviewed the progress that was being made in addressing the 'Significant Governance Issues' facing the Council set out in its Annual Governance Statement 2016/17. The appendix accompanying the report set out the progress in addressing the Significant Governance Issues.

The Annual Governance Statement described governance arrangements relating to the Council's corporate priorities and key strategic projects that were reflected in Fit for the Future. The Fit for the Future programme was also based on an agreed set of values amongst which were the ones of openness and honesty. This was integral to the consideration of governance in an organisation; governance issues needed to be discussed and debated and mitigations put in place in order to prevent or rectify weaknesses.

Members were asked to review the Action Plan set out in the appendix to the report and confirm whether they were satisfied with the progress being made in addressing the Significant Governance Issues pertaining to the Annual Governance Statement 2016/17.

The Audit & Risk Manager outlined the report and signposted Members to Appendix 1A in the report which brought together all of the learning points from the procurement of the Electrical Maintenance Contract. In addition, it was noted that there was a requirement to update the Council's Local Code of Corporate Governance in light of the recently revised CIPFA / SOLACE guidance.

Members were pleased with information provided and felt it was in line with the advice received from the Procurement Manager earlier in the meeting.

The Committee therefore

**Resolved** that it was satisfied with the progress being made in addressing the Significant Governance Issues pertaining to the Annual Governance Statement 2016/17.

63. **Warwick District Infrastructure Delivery Plan (IDP)**

The Committee received a report from Development Services which updated Members on the progress made regarding the Infrastructure Delivery Plan (IDP), associated with the District's future growth requirements to 2029. The IDP continued to be updated to reflect the latest information arising from ongoing discussions with infrastructure providers and reflected emerging infrastructure requirements necessary to support the Local Plan.

Members were aware that, in order to progress the implementation of the Local Plan and assimilate the associated growth during the plan period successfully, it was necessary to prepare and continually monitor progress of an Infrastructure Delivery Plan (IDP).

The updated IDP was set out in Appendix 2 to the report. This would continue to be refreshed to reflect Infrastructure requirements and progress of their implementation throughout the plan period.

Members were asked to note the content of the report, Appendix 1 which provided an update on key infrastructure and Appendix 2, the updated IDP table.

A number of revisions had been circulated electronically prior to the meeting and the Business Manager for Policy & Development presented the latest version of the IDP at the meeting. He also explained to Members the changes and the different tabs of the workbook which helped to highlight the areas where there funding gaps.

Members discussed the imminent receipt of the Inspector's report on CIL and noted that there was already a White Paper suggesting an alternative way forward. This was likely to be a similar mechanism as CIL but with a different way of funding.

Clarification was sought on the funding gaps in education, health and sports.

Ms Neale, Warwickshire County Council's Infrastructure Delivery Manager, addressed Members and explained that there were some anomalies in the figures because some expansions had already taken place and health was funded a year in arrears. This was because Foundation Trusts did not receive funding until 12 months after someone had been in existence.

Members felt that the format of the information was useful and the different tabs helped them to navigate the subject matter. In addition, Members were mindful that a working group had been in existence previously, one member of which had now moved into the Portfolio Holder role. It was proposed that a cross party working group be established to continue to monitor the IDP and Section 106 contributions.

The Committee therefore

**Resolved** that

- (1) the contents of the report, Appendix 1 (update on key infrastructure) and Appendix 2 (updated IDP Table), be noted;
- (2) officers will report back to Committee in six months' time with a further update; and
- (3) a cross-party working group, comprising of Councillors Gifford, Margrave, Murphy and Quinney continue to monitor the IDP.

(The Audit and Risk Manager left the meeting during deliberation of this item.)

64. **Executive Agenda (Non-Confidential Items & Reports – Wednesday 27 September 2017)**

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 27 September 2017.

Item 3 – Fees and Charges 2018/19

The Committee supported the recommendations in the report, including those detailed in the addendum.

Item 7 – Risk Management Annual Report 2016-17

The Committee supported the recommendations in the report.

65. **Review of Finance Contract Register**

The Committee received a report from Finance which set out the Finance Contract Register for review and highlighted any issues which needed to be addressed within the next 12 months.

In March 2014 the Finance and Audit Scrutiny Committee requested that it review each departmental Contract Register in turn. These reviews were intended to follow the approach used to review the Risk Register, whereby the relevant Portfolio Holder and Head of Service were available to answer the Committee's questions.

The review of the Finance Contract Register allowed members of the Finance and Audit Scrutiny Committee the opportunity to consider the robustness of the register, make appropriate suggestions on how the register could be improved, and consider the document within the context of promoting sound procurement practice across the Council.

The register was attached as Appendix 1 to the report, however, a revised version was circulated at the meeting.

The Finance Contract Register had 17 current contracts which were actively managed by the relevant officers. The Register was regularly reviewed by the Finance Management Team and at one-to-one meetings. Many of the contracts had been arranged in collaboration with other local authorities, or through the use of frameworks.

A number of notable contracts, due to end in the next six months, were detailed at section 9.3 of the report and included the External Audit by Grant Thornton and the ICT Internal Audit.

Members felt that clear and concise explanations had been given for all of their queries and were satisfied with the content of the register.

The Committee therefore

**Resolved** that the Finance Contract Register be noted.

66. **Comments from the Executive**

The Committee considered a report from Democratic Services which summarised the Executive's response to comments given by the Finance & Audit Scrutiny Committee on reports submitted to the Executive on 31 August 2017.

**Resolved** that the report be noted.

67. **Review of the Work Programme & Forward Plan**

The Committee considered its Work Programme for 2017/2018 and the Forward Plan.

**Resolved** that the report be noted.

68. **Public & Press**

Resolved that under Section 100A of the Local Government Act 1972 that 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.

69. **Confidential Minutes**

The confidential minutes of the meetings held on 27 June and 25 July 2017 were agreed and signed by the Chairman as a correct record. The confidential minutes of the meeting held on 30 August 2017 were not finished and would be submitted to the next meeting.

(The meeting ended at 7.38pm)