

# FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Monday, 28 September 2009, at the Town Hall, Royal Leamington Spa at 6.00pm.

**PRESENT:** Councillor Mrs Knight (Chair); Councillors, Edwards, Guest, Illingworth, MacKay, Pittarello, Rhead, Mrs Tyrrell and Vincett.

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

## 52. DECLARATIONS OF INTEREST

No declarations were made at the meeting.

## 53. MINUTES

The minutes of the meeting held on 25 August 2009 were taken as read and signed by the Chair as a correct record.

## 54. EXTERNAL AUDITORS GOVERNANCE REPORT

The Finance & Audit Scrutiny Committee considered a report from the Council's external auditors that set out their governance report about the Council for the financial year 2008/09.

The Council's external auditors had issued their final Annual Governance Report in respect of 2008/09, which was appended to the report. This followed the completion of their audit of the 2008/09 Statement of Accounts for which they proposed to issue an unqualified audit opinion. The accounts would then be formally published ahead of the 30 September deadline.

The report was also due to be considered by the Executive on 29 September 2009.

### **RESOLVED** that

- (1) the content of external auditors Annual Governance report for 2008/09, be noted;
- (2) the adjustments to the financial statements as set out in Appendix 2 to this report, be noted;
- (3) the Value For Money Conclusion and Use of Resources score, be noted;
- (4) the letter of representation on behalf of the Council as set out at Appendix 3, be approved;

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

- (5) response to the proposed action plan, as set out at Appendix 4, be approved;
- (6) the following comment be passed to the Executive regarding this matter, "The Finance and Audit Scrutiny Committee congratulated officers for their excellent efforts on the preparation work which ensured a good response from the Audit Commission. The Committee noted that the Auditors were also very impressed with the staff responses and efficiency whilst dealing with complex matters".

### **55. 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 Tuesday 29 September 2009.

#### Item Number 6. - The Efficiency Agenda

The Finance and Audit Scrutiny Committee noted the content of the report.

#### Item Number 7 - Budget and Improvement Programme

The Finance and Audit Scrutiny Committee noted the report and did not wish for any further projects to be added to the programme.

### **56. DATA QUALITY**

The Finance & Audit Scrutiny Committee considered a report from Chief Executive's Office that updated them on the Data Quality Strategy and its associated plan.

The Deputy Chief Executive reported at the meeting that in addition there was ongoing discussion between authorities to ensure that data shared between them could be trusted as being correct and that everyone worked to the same standards. Details of the outcomes of this would be reported in the next update report.

**RESOLVED** that the revised Data Quality Strategy and action plan for this, be approved.

### **57. COMMENTS FROM THE EXECUTIVE**

The Committee considered a report from Members' Services which summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 26 August 2009.

The report was produced to create a dialogue between the Executive and the Finance & Audit Scrutiny Committee, ensuring that the Scrutiny Committee was formally made aware of the Executive's responses. The same arrangement

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applied previously to the Executive and the Audit & Resources Scrutiny Committee.

A discussion took place regarding a legal requirement for the Executive to formally respond to the recommendations put forward by the scrutiny committees.

### **RESOLVED** that

- (1) the responses made by the Executive, be noted; and
- (2) the following comment be passed to the Executive under item number 13 on their agenda The Finance & Audit Scrutiny Committee wished to highlight to the Executive that it did not always appear to be considering the comments of the Committee, and explaining the reasons for not taking these comments on board. The Executive were legally required to provide a response under section 122 of the Local Government and Public Involvement in Health (LGPIH) Act 2007..

## **58. FORWARD PLAN**

The Committee considered a report from Members' Services which informed the Members of the current Forward Plan which was attached at appendix 1 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 was the future work programme for the Executive. If a non-executive member highlighted a decision(s) to be taken by the Executive which they would like to be involved in, the member(s) could then provide useful background to the Committee when the report was submitted to the Executive and passed comment on it.

**RESOLVED** that no further items from this version of the forward plan be brought forward to this committee.

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

The Committee considered a report from Members' Services that detailed their work programme for the year.

**RESOLVED** that the work programme be approved.

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

### **60. 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 the paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

### **61. DISTRICT PROCUREMENT PROCESS**

The Committee considered a report from Procurement Working Party that set out their findings, the achievements of the procurement process, outstanding issues, areas of concern and their recommendations.

**RESOLVED** that the members of the working party meet with the Section 151 Officer, Deputy Chief Executive and Portfolio Holder for Finance to discuss the report in detail before it is submitted for consideration by the Executive.

### **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 26 August 2009.

#### **Item Number 16 - Spencer Yard**

The Committee noted the content of report. The members also sought assurance that recommendation 2.5 was budgeted for and identified within the risk register, with mitigation allocated specifically for this area of work within the project.

The Committee were concerned about the 'Right to Light' issue set out in paragraphs 3.4.3 to 3.4.6. The members requested assurance that the sum had been allocated within the risk log and contingency and this had been set aside, as it could comprise the whole scheme.

The Committee wanted to see the updated risk register as soon as possible including the details of the contingency budget and what had been spent to date.

The Committee also expressed concern that the Spencer Yard Working Group had not met since before November 2008 and it needed to meet as soon as possible.

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

### Additional Item. Housing Opportunities – Purchase of Midland Heart Limited Residential Accommodation

The Finance & Audit Scrutiny Committee welcomed this opportunity, however the Committee wished inspect the complete business case for this project, before the final decision to purchase was made in November 2009.

(The meeting ended at 8.30pm)