

FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 10 September 2013 at the Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillor Barrott (Chair): Councillors Mrs Bromley, Illingworth, MacKay, Pittarello, Mrs Syson, Weed and Williams.

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

Apologies for absence were received from Councillors Mrs Mellor, Rhead and Mrs Sawdon.

56. **SUBSTITUTES**

Councillor Illingworth substituted for Councillor Mrs Sawdon.

57. **DECLARATIONS OF INTEREST**

There were no declarations of interest.

58. **MINUTES**

The minutes of the meeting held on 6 August 2013 were taken as read and signed by the Chair as a correct record.

59. **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 11 September 2013.

Item 7 – Bowls England Project

The Committee recognised the benefits of the project, noted why the proposed costs differed from the original estimate and supported the recommendations in the report. Nevertheless, the Committee was staggered that the current estimate was ten times higher than the original and made the following recommendation to the Executive:

That in the future, all projects be drawn up within an adopted standard framework, to be agreed, in order that projects be managed realistically and to give Members confidence in the estimated costs associated with those projects.

The Committee also noted that timescales for the Bowls England Project were very short and therefore wanted assurances that the programme would not slip and, if at all possible, that it would come in under budget. Members were particularly concerned that costs should not increase further.

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With regard to a framework, the Committee was informed of the RIBA work stages guide, a definitive stage by stage guide of project development from inception to completion. It could assist project teams to manage and understand the process and activities needed to assemble and refine project quality, time and cost information. Adoption of this tool would assist Council officers to communicate project progress in a consistent way against defined stages, allowing decision makers to have a clear understanding of the robustness of information which they were being asked to consider throughout the project process.

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

60. ANTI FRAUD AND CORRUPTION ACTION PLAN

Members received a report from Finance which presented an action plan for 2013/14 for the Committee's approval.

This followed a report to the 9 July 2013 meeting of the Committee which had proposed a change to the established reporting procedure, that being to dispense with the action plan. At that meeting Members expressed a desire to retain the action plan and requested that it be submitted to the Committee for approval.

The Committee approved the action plan, noted that it would continue to be presented to Members in the usual way and thanked officers for the report.

RESOLVED that the 2013/14 action plan be approved.

61. INTERNAL AUDIT QUARTER 1 2013/14 PROGRESS REPORT

The Committee received a report from Finance which advised on progress in achieving the Internal Audit Plan 2013/14, summarised the audit work completed in the first quarter (April to June 2013) and provided assurance that action had been taken by managers in respect of the issues raised by Internal Audit.

The Audit and Risk Manager pointed out that, whilst one manager's report had not been submitted when the agenda was published, it had since been received.

The Audit and Risk Manager highlighted two reports where Internal Audit had awarded a less than substantial assurance, those being Catering Concessions and Local Land Charges.

In respect of Catering Concessions, the invoicing and payment of rents had been without problem except in the case of sites managed by one operator, for whom invoices totalling almost £99,000 were outstanding as at 15 May 2013. A payment had since been received leaving a figure of between £10-15,000 outstanding. The Council had a deposit of £22,000 which more than covered the outstanding amount if it was not forthcoming.

The Committee accepted that it would receive an update in due course, but requested a separate report from the Head of Cultural Services detailing

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the catering contract in question, the issues around it and any steps being taken to avoid similar occurrences in future. Responding to a question, the Head of Finance advised Members that there was no other contract with a deficit of any magnitude and agreed to provide the Committee with evidence that other contracts were being managed appropriately and invoices paid.

With regard to Local Land Charges, the Audit and Risk Manager explained that this had been given a lower level of assurance than any audit for some years. Considerable organisational and system development had impacted on the service, alongside changes to statutory regulations and variations in charging policies.

Members were keen to see issues addressed without delay. The Audit and Risk Manager confirmed that an action plan included precise actions to address these issues. The Committee noted that a fees and charges report due to be presented to the Executive in October would include a specific review of land charges, and that an update on land charges would be included in the next Internal Audit quarterly report. The Audit and Risk Manager was asked to ensure that Land Charges was included on the Development Services Risk Register.

The Audit and Risk Manager was thanked for his report.

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

62. 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 11 September 2013.

Item 8 – New Homes Bonus – Government Consultation

The Committee supported the recommendations in the report, with the following recommendation:

That the final sentence under Question 1 be amended to read “If funding is to be passed to LEPs, it should be ring-fenced to the lowest tier authority that the funding originated from”.

Item 9 – Discretionary Partly Unoccupied Relief – Revised guidance notes

The Committee supported the recommendations in the report.

Item 11 – Recruitment of Major Sites Monitoring Officer

The Committee supported the recommendations in the report.

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63. BENEFIT FRAUD INVESTIGATION - PERFORMANCE

The Committee received a report from Finance which provided information regarding the performance of the Benefit Fraud Service for the financial year 2012/13.

Members noted that performance had dipped during 2010/11 but had now recovered to 2009/10 levels due to staff changes. During the intervening period there had been only one consistent member of staff who had made it a priority to train two other officers. The benefits of that training were now becoming apparent.

Members were assured that allowances were made for unintentional mistakes. They were pleased to hear that whenever there was a benefit overpayment, the Council automatically received 40% of that payment back from government, but that the Council would still try to claim back the overpayment as well.

RESOLVED that the contents of the report be accepted.

64. COMMENTS FROM THE EXECUTIVE

A report from Civic and Committee Services summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 7 August 2013.

RESOLVED that the contents of the report be noted.

65. FORWARD PLAN

The Committee considered the latest published version of the Forward Plan.

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.

As the latest version of the Forward Plan had only been published a few hours before this meeting, it was suggested that Members take up any issues with the appropriate report authors. The Chair did, however, note that there had been a lot of item slippage.

The Committee was informed that the Overview and Scrutiny Committee was giving some consideration to the Sexual Entertainment Venues Task & Finish Group. A meeting of the Task & Finish Group was due to take place in the next couple of weeks.

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RESOLVED that, at present, there were no forthcoming Executive decisions which Members wished to have an input into before the Executive make their decision.

66. REVIEW OF THE WORK PROGRAMME

A report from Civic and Committee Services detailed the Committee's work programme for 2013/14.

With regard to the Committee's ongoing review of risk registers and its suggestion that all registers adopt the approach used by Housing and Property Services, the Chair read out a letter from the Chief Executive responding to this suggestion. The letter stated the Chief Executive's opinion that this was an operational issue and that additional information should be included in risk registers at the individual Head of Service's discretion. Members were disappointed by this, suggesting that the Committee's role in scrutinising registers would be undermined by the lack of information. The Committee did, however, note that Development Services' risk register, due to be presented to the Committee's next meeting, would include the level of detail which Members had requested.

The Chair agreed to circulate the Chief Executive's letter to the Committee.

RESOLVED that the work programme for 2013/14 be noted.

67. 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, 3 and 7 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

68. MINUTES

The confidential minutes of the meeting held on 6 August 2013 were taken as read and signed by the Chair as a correct record.

69. CONFIDENTIAL COMMENTS FROM THE EXECUTIVE

A report from Civic and Committee Services summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 7 August 2013.

RESOLVED that the contents of the report be noted.

(The meeting ended at 7.26 pm)