

MINUTES OF THE AUDIT PANEL

Wednesday, 21 November 2012 at 7.00 pm

PRESENT: Councillors Michael Harris (Chair), Philip Peake (Vice-Chair), Jim Mallory, King, Robinson and Webb

ALSO PRESENT:

Apologies for absence were received from Councillor Jenni Clutten and Councillor Ami Ibitson

17. Minutes

RESOLVED that that the Minutes of the meeting of the Panel held on 19 September 2012, which was open to the press and public, be confirmed and signed as a true record of the proceedings.

18. Declarations of Interests

18.1 Councillor Peake declared a personal interest in paragraph 4.5 of Item 5 as his daughter was a pupil at Fairlawn.

18.2 Councillor Mallory declared a personal interest in Item 5 as Chair of the Management Committee at Abbey Manor.

19. Annual Letter 2011/2012

19.1 Robert Mellors, a Group Finance Manager, introduced the report and noted the letter reported that the quality of work was significantly better.

RESOLVED that the Annual Letter be received.

20. Budget Monitoring Financial Forecasts 2012-13

20.1 Robert Mellors, a Group Finance Manager, introduced the report

20.2 Mr King and Councillor Mallory both observed that the information shown in the report was considerably dated. Councillor Mallory suggested the cycle of Audit Panels should be reviewed when the 2013/14 calendar was considered. The Interim Head of Audit & Risk said some Panel meetings were fixed to key dates for considering and approving the Annual Accounts but that officers would examine the schedule to see if adjustments could be made that allowed for more timely financial monitoring.

20.3 Mr Robinson asked to be provided with more information about the capital programme underspend and was told by the Group Finance Manager Community Services that he would circulate further information. to the Panel.

- 20.4 Mr Webb questioned the Customer Services overspend and was informed that the overspend connected to parking would be eradicated, while the overspending in environmental services was because of structural problems which would be adjusted via savings targets.
- 20.5 Councillor Peake asked for clarification on the Community Services figurers and was informed the report should be considered in the context of year on year savings and they represented efficiency improvements related to holding back spending with little, if any, impact on service provision.

RESOLVED that the financial forecasts for the year ending 31 March 2013 be noted.

21. Internal Audit Update

- 21.1 The Interim Head of Audit & Risk introduced the report, and then introduced Alan Docksey, Head of Resources, Children & Young People, who reported on school performance in terms of audit assurance.
- 21.2 Councillor Mallory pointed out the fifth line of Appendix 1 concerning the Abbey Manor Pupil Referral Unit contained an error as the governors had not assumed full delegated powers. The Interim Head of Audit and Risk promised the error would be corrected.
- 21.3 Councillor Harris asked for more information on the limited assurance reported in Appendix 4 on Personalised Budgets. The Group Finance Manager – Community Services said this was a relatively new area involving large sums being devolved to clients and that audit had been hampered by staff sickness but that three of the six medium risks had been implemented and the other three would be tackled in the forthcoming month.
- 21.4 Councillor Harris asked if annual assessment was enough for a vulnerable client group and was assured audit only assessed the validity of claims and not the appropriateness of care. Furthermore the Directorate undertook monthly budget checks and there was a range of mechanisms for Social Workers and other staff to feedback on any problems encountered.
- 21.5 Mr King queried the fieldwork dates in Appendix 1 which were later than the plan period. The Interim Head of Audit & Risk said work had commenced to a new Plan and the dates had not yet been updated.

RESOLVED that the report be noted.

22. Anti Fraud and Corruption Update

- 22.1 The Interim Head of Audit & Risk introduced the report and said a conscious effort had been made to depict information in table form rather than by narrative. Panel members queried the small size of some of the text and were told officers would investigate possible causes and seek remedies for the future.
- 22.2 Mr Robinson asked if 30% was a reasonable success rate in regard to paragraphs 4.4 and 4.5 of section 4. The Interim Head of Audit & Risk said he was surprised

the detection figure was actually so high and that perhaps further efforts would lead to diminishing returns as doing and spending more would not necessarily improve detection.

- 22.3 Councillor Harris praised the safeguards shown at the end of the whistle blowing policy and suggested they figure at the front of the policy.

RESOLVED that the report be noted.

23. Pay Arrangements - Consultants and Senior Interims

- 23.1 The Head of Personnel and Development introduced the report and explained the context.

- 23.2 Councillor Harris said the report represented a big step forward and would help assuage fears given the attention given to the area because of general expenditure cuts.

- 23.4 Councillor Mallory mentioned the general concern felt upon employees having their wages paid to Public Service Companies which were widely regarded as tax avoidance mechanisms. The Head of Personnel and Development said all payments, whether to individuals or Public Service Companies were being reviewed and options for the future of either payroll or agency registration would be introduced. Councillor Mallory asked that the Panel be updated on the next stage of the review. The Head of Personnel and Development said each Directorate would review appointments over the next 12 months and a comprehensive report would be ready after the end of the 2012/13 financial year.

RESOLVED that the current pay arrangements for senior interims and consultants within the Council and the Council's proposal regarding the publication of payments relating to senior interims/consultants be noted.

Meeting ended at 8.48pm