

Minutes

Audit, Scrutiny and Transformation Committee Monday, 29th June, 2015

Attendance

Cllr Kerlake (Chair)
Cllr Barrett
Cllr Clark

Cllr Mynott
Cllr Mrs Slade
Cllr Trump (Vice-Chair, in the Chair)

Substitute Present

Cllr Reed (substituting for Cllr Mrs Murphy)
Cllr Mrs Squirrell (substituting for Cllr Kendall)
Cllr Wiles (substituting for Cllr Mrs Hones)

Also Present

Cllr Poppy
Cllr Ms Rowlands

Officers Present

Zoey Foakes	- Governance & Member Support Officer
Helen Gregory	- Interim Head of Housing
Richard Haynes	- BDO, Internal Audit
Chris Leslie	- Finance Director
Gary Moss	- Interim Chief Accountant
Chris Potter	- Monitoring Officer & Head of Support Services
Greg Rubins	- BDO, Internal Audit
Rick Steels	- Revenues and Benefits Manager
Steve Summers	- Head of Customer Services
Sue White	- Risk and Insurance Officer

59. Apologies for Absence

Apologies were received from Cllr Mrs Murphy with Cllr Reed substituting, Cllr Mrs Hones with Cllr Wiles substituting and Cllr Kendall with Cllr Mrs Squirrell substituting.

In the absence of the Vice-Chair, it was agreed that Cllr Trump would act as Vice-Chair for the duration of this meeting only.

60. Minutes of the Previous Meeting

The minutes of the Audit and Scrutiny Committee meeting held on 9th March 2015 were approved and signed by the Chair as a correct record.

61. Statement of Accounts 2014/15

The report presented the Council's Statement of Accounts for 2014/15. Mr Leslie reiterated that the Committee were only being asked to review the accounts at this stage. The Committee would be asked to formally approve the financial statements after the completion of the external audit at the next meeting in September.

A motion was **MOVED** by Cllr Kerlake and **SECONDED** by Cllr Wiles to agree the recommendation in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

- 1. The Statement of Accounts for 2014/15 and Annual Governance Statement be reviewed.**

REASON FOR RECOMMENDATION

A system of sound financial control and governance arrangements underpins all of the services and priorities of the Council.

62. Internal Audit Annual Report 2014-15

The report presented to the Committee was the Internal Audit Annual report for 2014/15. The report gave a summary of the work performed for the 2014/15 Annual Audit Plan.

Cllr Clark raised the issue to revisit training for Members in relation to IT transformation and data security that had been previously discussed by Cllr Sleep. The Chair agreed that this would be on the next meeting agenda.

A motion was **MOVED** by Cllr Kerlake and **SECONDED** by Cllr Trump to agree the recommendation in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

- 1. The Internal Annual Report for 2014/15 be approved by the Committee.**

REASON FOR RECOMMENDATION

To approve the Internal Audit Annual report for 2014/15.

63. Internal Audit Progress Report

The report detailed the progress to date against the 2014/15 internal audit plan that was agreed by the Audit Committee in March 2014 and the 2015/16 internal audit plan that was agreed by the Audit and Scrutiny Committee in March 2015.

The report also included an update on the progress of the implementation of the recommendations raised in 2013/14 and 2014/15.

The progress report received limited assurance and therefore were included as full reports as supplementary papers to this progress report:

- Partnership Arrangements
- Risk Management
- IT Data Security

A motion was **MOVED** by Cllr Kerlake and **SECONDED** by Cllr Wiles to agree the recommendation in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

- 1. The contents of the reports bereceived and noted by the Committee.**

REASON FOR RECOMMENDATION

Good financial management underpins all priorities within the Corporate Plan.

64. Strategic and Operational Risk Review

The Strategic Risk Register and Operational Risk Registers had been reviewed and were submitted to the Committee for approval.

Cllr Clark asked if there would be additional risk training especially with there being new members. Ms White confirmed Zurich would be offering this.

A motion was **MOVED** by Cllr Kerlake and **SECONDED** by Cllr Wiles to agree the recommendation in the report.

A vote was taken by a show of hands and it was **RESOLVED** that:

- 1. The Strategic and Operational Risk Registers and that the risk scores recorded for each risk which accurately represents the current status of each risk be agreed.**

REASONS FOR RECOMMENDATIONS

With Risk Management a key aspect within the Senior Management Team, Directors and Heads of Services, a review of the top level risks for their

service areas and ensure that any risks were updated to reflect ongoing changes.

In addition, the Risk and Insurance Officer would be working with managers to ensure that any new or emerging risks were identified, assessed and managed appropriately.

65. Corporate Complaints Monitoring and Freedom Of Information Requests

The report before Members monitored and reviewed the complaints received through the Council's formal complaints process and provided information on the number of Freedom Of Information requests received to date. It was intended through the future introduction of a Customer Relationship Management (CRM) system that the Council would be able to understand, monitor and manage better customer's complaints and requests.

Mr Summers confirmed that in terms of formal complaints, 23 Stage One complaints were received in 2014/15 in comparison to 33 and 34 in previous years. There had been 6 complaints that progressed to Stage Two in comparison to 9 and 8 in previous years.

In 2014/15, 3 complaints had progressed to the Local Government Ombudsman in comparison to 7 and 4 in previous years.

With Freedom Of Information requests, 622 were received in 2014/15 compared to 661 in 2013/14 and 432 in 2012/13.

A motion was MOVED by Cllr Kerslake and SECONDED by Cllr Trump to agree the recommendation in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

- 1. The complaints received through the Council's formal complaints process and the number of Freedom Of Information requests received be noted.**

REASON FOR RECOMMENDATION

To monitor the Freedom Of Information requests and complaints received.

66. Fraud Statistics

The report provided Members with details of the work of the Fraud Investigation team for the period of January 2015 through to May 2015. The number of completed investigations and the subsequent sanctions applied to offenders bore no relation to the number of investigations opened during the same period.

174 referrals of potential fraud were reported between January 2015 and May 2015. With the exception of 2 potential housing tenancy frauds, 172 of the

referrals were for suspected Housing Benefit (HB) and/or Local Council Tax Support (LCTS) fraud.

25 cases were successfully investigated during the period, all for benefit fraud. The Fraud Investigation team applied sanctions to all 25 cases.

The Chair congratulated Mr Steels and the team on the positive media coverage success which sent out a strong message.

Mr Steels confirmed this would likely to be the last Fraud Statistics report of its kind due to the Fraud Investigation team being transferred to the Department of Working Pensions (DWP) as of 1st September 2015. There had not been any indication from the DWP on how reporting would be done in the future.

Mr Steels assured Members that the Council Tax base would be protected by the introduction of the new compliance roles with the service which had been funded by Essex County Council. BDO had been commissioned to undertake fraud risk assessment who had given Officers a report to review and made recommendations which would be addressed in due course. BDO would be commissioned to look into the risk assessment for corporate fraud.

The Committee requested appropriate reporting from DWP back to the committee in order for continuous monitoring of the statistics.

The Chair thanked Mr Steels for the work he had done for the Committee and Council.

A motion was **MOVED** by Cllr Kerlake and **SECONDED** by Cllr Wiles to agree the recommendation in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

- 1. The contents of the report be noted by Members.**

REASON FOR RECOMMENDATION

To note the work of the Fraud investigation team.

67. Annual Audit and Certification Fees 2015/16

The report set out the proposed Audit and Certification work proposed for 2015/16, together with the fees.

The proposed Audit Fee for 2015/16 was a reduction from 2014/15 following a retendering of contracts in March 2014.

A motion was **MOVED** by Cllr Kerlake and **SECONDED** by Cllr Slade to agree the recommendation in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

1. **The proposed fees for 2015/16 of £68,006 for audit work and £18,070 for certification work be approved.**

REASON FOR RECOMMENDATION

For Members to receive information on the indicative Audit Fees for 2015/16.

68. Scrutiny Work Programme 2015/16

Thanks CThe Audit and Scrutiny Committee would develop the annual work programme to guide its work for 2015/16. The work of the Audit, Scrutiny and Transformation Committee would be delivered by both Members working in groups and through formal Committee reports. The Committee would make recommendations to other decision making committees and Council as necessary.

Members discussed item 2.3 (removal of task and finish group to consider member engagement with the press from the work programme 2015/16) of the report and came to an agreement that the highly informative Communications training received by Mrs Murray-Green, together with a review of the Code of Conduct would be the best way to counteract the removal of this item.

An amendment was **MOVED** by Cllr Barrett and **SECONDED** by Cllr Kerslake where the following should be added to item 2.1 of the report:

Review of the Members Code of Conduct in January 2016 with specific reference to, but not limited to member engagement with the media.

A motion was **MOVED** by Cllr Kerslake and **SECONDED** by Cllr Trump to agree the recommendations in the report.

A vote was taken by a show of hands and it was **RESOLVED UNANIMOUSLY** that:

1. **The scrutiny work programme 2015/16 includes:**
 - **Review of the annual work programme**
 - **Hackney carriage fare setting process**
 - **Member/Officer communications and casework management**
 - **Budget Scrutiny**
 - **Revenues and Benefits shared service**
 - **Annual Report of the Audit, Scrutiny and Transformation Committee**
 - **William Hunter Way lessons learned Task and Finish Group**
 - ***Review of the Members Code of Conduct in January 2016 with specific reference to, but not limited to member engagement with the media.***

2. **The Transformation and New Ways of Working Programme includes:**
 - **Contact Centre performance and progression of the Customer Access Strategy/the integration of further service areas into the Contact Centre.**
 - **The progress and implementation of the New Ways of Working programme, highlighting major milestones achieved and to follow.**
 - **A review of the ICT work programme that supports both of the above.**
 - **Liaison with other Chairs (to ensure co-ordination particularly any work to be undertaken pre-scrutiny).**
3. **The following from the 2014/15 work programme be removed for 2015/16:**
 - **An officer report on the Appointment of an Interim Chief Executive.**
4. **The work programme be reviewed and updated at each meeting of the Committee.**
5. **The Annual Report of the Committee at Appendix C to be taken to the next meeting of Ordinary Council.**

REASON FOR RECOMMENDATION

To enact the provisions of Part 4.4 of the Constitution that the Audit and Scrutiny Committee prepare an annual scrutiny work programme.

69. Urgent Business

There was no urgent business to discuss.

The meeting ended at 20:40.