

Minutes

Audit and Scrutiny Committee Tuesday, 30th September, 2014

Attendance

Cllr Clark (Chair)	Cllr Sleep
Cllr Barrett (Vice-Chair)	Cllr Mrs Squirrell
Cllr Dr Naylor	

Apologies

Cllr Kerlake
Cllr Mrs Hones
Cllr Chilvers

Substitute Present

Cllr Hossack
Cllr Quirk
Cllr Reed

Also Present

Cllr Baker
Cllr Mynott

Officers Present

Ben Bix	Corporate and Democratic Services Manager
Christine Connolly	Ernst & Young, External Audit
Claire Hayden	Governance and Member Support Officer
Jo-Anne Ireland	Acting Chief Executive
Gary Moss	Interim Chief Accountant
Rick Steels	Revenues and Benefits Manager
Steve Summers	Head of Customer Services
Sue White	Risk and Insurance Manager
Debbie Hanson	Ernst & Young, External Audit
Liana Nicholson	BDO, Internal Audit
Greg Rubins	BDO, Internal Audit
Christopher Potter	Monitoring Officer and Head of Support Services

150. Apologies for Absence

Apologies were received by Cllr Kerslake, Cllr Hones and Cllr Chilvers.

151. Minutes of the previous meeting

The minutes of the Audit and Scrutiny Committee meeting held on 1.7.2014 were approved and were signed by the Chair as a correct record.

Cllr Mynott asked for the following amendments to Min. 32 are made to the Overview and Scrutiny Minutes of 25.2.2014 as the sentences were incomplete.

358. William Hunter Way

~~Following a full discussion,~~ Cllr Mrs Hones MOVED and Cllr Tee SECONDED the recommendation in the report and it was **RESOLVED**.

359. Update on Crossrail Project

~~Following a full discussion,~~ Cllr Mrs Hones MOVED and Cllr Dr Naylor SECONDED the recommendation in the report and it was **RESOLVED**.

362. Draft Overview and Scrutiny Annual Report

~~Following a full discussion,~~ Cllr Braid MOVED and Cllr Mrs Coe SECONDED the recommendation in the report and it was **RESOLVED**.

152. Statement of Accounts

The Chair informed the Committee that Item 3 and 4 for the agenda will be discussed concurrently and then voting on the items will be taken separately.

The report presents the Council's 2013/14 Statement of Accounts for approval. There are a number of changes to the draft Statement presented to the Committee in July. The external audit results report is elsewhere on the agenda.

A supplementary report (3a) to the Statement of Accounts was presented to members, outlined the following amendments.

Page 13 Penultimate paragraph – replace “19th September” with “26th September”.

Page 34 Note 3, final bullet point – delete “and there is a contingent liability for future years”.

Page 34 Note 4, Property, Plant and Equipment, final paragraph - delete “decrease”.

Page 35 Note 4, Business Rates (NNDR) appeals – delete “There is also a contingent liability for successful appeals in future years.”

- Page 35 Note 6 – replace “19th September” with “26th September”.
- Page 60 Note 22.1, 2013/2014. Increase/(decrease) in creditors.. – replace “(587)2 with “(562)”. Other non-cash movement – replace “682” with “657”.
- Page 83 Note 36 – replace existing note with “The Council had no contingent liabilities at 31 March 2014.”
- Page 86 Note 37, penultimate paragraph – replace “However, there would have been a significant increase or reduction (£8 million or £9.8 million) in the fair value of the borrowing. “ with “However, a 1% change in the fair value of the borrowing would result in movement of £709,000.”

A motion was **MOVED** by Cllr Clark and **SECONDED** by Cllr Hossack to receive the recommendation set out in the report, subject to an alteration by the mover.

- 2.1 That Members approve the Statement of Accounts for 2013/14 as *amended by Supplementary Agenda Item 3a.*

RESOLVED UNANIMOUSLY to:

That Members approve the Statement of Accounts for 2013/14 as amended by Supplementary Agenda Item 3a.

153. External Audit Results Report 2013/14

The report updates the Committee on the work undertaken by the External Auditors in respect of the audit of the Council’s Statement of Accounts for 2013/14; and proposes the Council’s responses to some reported adjustments to the accounts.

A motion was **MOVED** by Cllr Clark and **SECONDED** by Cllr Quirk to receive the recommendations set out in the report, subject to an additional recommendation by the mover.

- 2.1 To receive and note the contents of the Audit Results Report 2013/14.
- 2.2 To endorse the decision not to adjust the accounts for the uncorrected audit misstatements report as Appendix A to the Audit Results Report, for the reasons set out in this report.
- 2.3 *To agree the Letter of Representation attached as Appendix B to the report.*

RESOLVED UNANIMOUSLY:

To receive and note the contents of the Audit Results Report 2013/14.

To endorse the decision not to adjust the accounts for the uncorrected audit misstatements report as Appendix A to the Audit Results Report, for the reasons set out in this report.

To agree the Letter of Representation attached as Appendix B to the report.

The meeting was adjourned for 5 mins for the Letter of Representation and Statement of Accounts to be signed

154. Internal Audit Progress Report

The report details the progress to date against the internal audit plan that was agreed with in the Audit Committee on March 2014.

The report also includes an update on the progress of the implementation of the recommendations raised by the previous internal auditors.

During the debate, Members asked that the Business Case for the Customer Contact Centre be circulated to the Committee Members and that a report is presented to the Audit and Scrutiny Committee on 26th November 2014.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Barrett to receive the recommendation set out in the report.

RESOLVED UNANIMOUSLY:

To receive and note the contents of the report.

155. Full Risk Review

The Strategic Risk Register has been reviewed and is submitted to the Committee for approval.

The report updates members of the Audit and Scrutiny Committee on new, closed or changes to the strategic and operational risks in accordance with the agreed strategy.

The report updates the Committee on recent risk management activity undertaken by the Council.

After a full discussion an additional recommendation was suggested by Cllr Sleep, the Chair accepted the amendment.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Sleep to receive the recommendations set out in the report.

- 2.1 To agree the revised Strategic Risk Register and that the risk scores recorded for each risk accurately represents the current status of each risk.
- 2.2 To agree the amendments to the Council's Operational Risk Register and that the risk scores recorded for each risk accurately represents the current status of each risk.
- 2.3 *To continually monitor the process and examine and prioritize the risks indentified.*

RESOLVED UNANIMOUSLY:

To agree the revised Strategic Risk Register and that the risk scores recorded for each risk accurately represents the current status of each risk.

To agree the amendments to the Council's Operational Risk Register and that the risk scores recorded for each risk accurately represents the current status of each risk.

To continually monitor the process and examine and prioritize the risks indentified.

Termination of Meeting

During the preceding item, in accordance with Rule 28 of Part 4.1 – Council Procedure Rules, the business of the meeting not having concluded by two hours after its start, Members voted to agree to continue with the meeting for a further 30 minutes.

156. Corporate Complaints Monitoring

The report is before Members to monitor and review the complaints received through the Council's formal complaints process and provide information on the number of Freedom of Information requests received to date. It is intended through the introduction of a Customer Relationship Management (CRM) system the council will be able to understand, monitor and manage better customer's complaints and requests.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Sleep to receive the recommendation set out in the report.

RESOLVED UNANIMOUSLY:

That the Committee noted the complaints received through the Council's formal complaints process and the number of Freedom of Information Requests received.

157. Fraud Statistics

The report provides Members with details of the work of the Fraud Investigation team for the period June 2014 through to August 2014. The number of completed investigations and the subsequent sanctions applied to offenders bears no relation to the number of investigations opened during the same period.

215 referrals of potential fraud were reported between June 2014 and August 2014. With the exception of 1 potential housing tenancy fraud, 214 of the referrals were for suspected Housing Benefit (HB) and/or Local Council Tax Support (LCTS) fraud.

7 cases were successfully investigated during this period, all for benefit fraud. The Fraud Investigation team applied sanctions to all 7 cases, 2 of which were successful prosecutions.

Cllr Quirk requested that Appendix A is updated to show the totals for each column and is circulated to the Committee and remains part of future Fraud Statistic Report presented to this Committee.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Mrs Squirrell to receive the recommendation set out in the report.

RESOLVED UNANIMOUSLY:

That Members note the contents of this report.

158. RIPA Update

The Office of Surveillance Commission conducts periodic inspections of local authorities' use of their powers under the Regulation of Investigatory Powers Act 2000 (**RIPA**). The purpose of these inspections – usually conducted by a High Court judge – is to examine the Council's policies, procedures, operations and administration in relation to directed surveillance and covert human intelligence sources (**CHIS**) under RIPA.

Prior to the current OSC inspection, which took place on 21 July 2014, the previous inspection was in 2010. This report provides an update as to: the positive outcome of the current OSC inspection; a revised RIPA policy for the Committee's consideration (which addresses the 2010 recommendations as well as the intervening changes in the law); and finally an annual report of the Council's use of RIPA over the previous 4 years.

A motion was **MOVED** by Cllr Clark and **SECONDED** by Cllr Sleep to receive the recommendation set out in the report.

RESOLVED UNANIMOUSLY:

That the Committee note the outcome of the 2014 OSC Inspection report.

That the Committee approves the amendments to the Corporate RIPA policy in order to address the 2010 Inspection recommendations and intervening changes in the law.

That the Committee note the statistical information relating to the use of RIPA over the preceding 4 years.

159. Scrutiny Work Programme

The work of the Audit and Scrutiny Committee will be delivered both by Members working in groups and through formal Committee reports. The Audit and Scrutiny Committee will make recommendations to decision making committees and Council as necessary. The Audit and Scrutiny Committee is invited to consider its 2014/15 scrutiny work programme.

After a full discussion, a motion was **MOVED** by Cllr Clark and **SECONDED** by Cllr Barrett to receive the recommendations set out in the report.

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

The Audit and Scrutiny Committee agree its scrutiny work programme 2014/15;

An additional meeting of the Audit and Scrutiny Committee be scheduled for 28 October 2014.

Termination of Meeting

During the preceding item, in accordance with Rule 28 of Part 4.1 – Council Procedure Rules, the business of the meeting not having concluded by two hours after its start, Members voted to agree to continue with the meeting for a further 30 minutes.

160. Local Council Tax Support - Report of the Task and Finish Group

At the previous meeting of this Committee on 1st July 2014, it was agreed to form a Member's Task & Finish Group to consider changes to the current Local Council Tax Support (LCTS) scheme for 2015/16 and also to consider changes to the current policy regarding awards of Council Tax discounts and exemptions.

The Task & Finish Group met on 28th August 2014 and agreed to propose a number of technical changes to the current LCTS scheme and to propose the introduction of a 50% empty homes premium to properties that have been empty for more than two years increasing the average Council Tax on these properties from £1,465 per annum to £2,197.50.

These proposals are currently subject to public consultation and on completion of the consultation period; officers will submit a report to Council recommending the adoption of the agreed amendments.

A motion was MOVED by Cllr Clark and SECONDED by Cllr Quirk to receive the recommendation set out in the report.

RESOLVED UNANIMOUSLY:

To agree that the contents of this report are presented to Ordinary Council, 10 December 2014.

161. Urgent Business

There are no items of urgent business.

162. Local Government Act 1972 - Exclusion of Press and Public

Not applicable.