

MINUTES

GOVERNANCE AND AUDIT
COMMITTEE
THURSDAY, 26 SEPTEMBER 2013



COMMITTEE MEMBERS PRESENT

Councillor Jean Bevan (Vice-Chairman)	Councillor Jeff Thompson
Councillor Trevor Scott	Councillor Martin Wilkins
Councillor Rob Shorrocks	Councillor Rosemary H Woolley
Councillor Ian Stokes (Chairman)	

OTHER MEMBERS

Councillor Paul Carpenter (Governance & Communication)
Councillor Mike Taylor (Portfolio: Strategic Resources – Well Run Council)

OFFICERS

Strategic Director, Corporate Focus (Daren Turner)
Head of Finance (Richard Wyles)
Head of People, Projects and Performance (Sue Griffiths)
Operations Director (Ian Yates)
Head of Environmental Services (Mike Butler)
Property Development Manager (Neil Cucksey)
Finance Support Manager (David Scott)
Interim Customer Services Manager (Lee Sirdifield)
Senior Accountant (Gill Goddard)
Principal Democracy Officer (Jo Toomey)
Corporate Health and Safety Advisor (Helen Kettle)

18. APOLOGIES

An apology for absence was received from Councillor John Smith, Portfolio Holder for Healthy Environment.

19. DISCLOSURE OF INTERESTS

No interests were disclosed.

20. MINUTES OF THE MEETING HELD ON 23 JULY 2013

The minutes of the meeting held on 23 July 2013 were proposed, seconded and agreed as a correct record.

21. UPDATES FROM PREVIOUS MEETING

Following the Committee's meeting on 27 June 2013 when Internal Audit presented its audit of flexi-time arrangements, the Head of People, Projects and Performance updated members on progress against recommendations.

She provided a brief explanation of the evolution of the Council's flexible working arrangements from annual hours to a flexi-time model based on 4-week periods. The change allowed tighter management of the accrual of hours and the point at which they were taken. The process had also seen the development of time-recording on spreadsheets rather than paper records.

Members were informed that most recommendations made by Internal Audit related to the spreadsheet, on which some cells and formulas could be amended. These recommendations were implemented in the recording sheets for 2013/14.

One recommendation suggested some clarification within the flexitime policy was required. The policy had been adjusted to reflect this.

A further recommendation related to checking timesheets; Internal Audit initially recommended that human resources should check the timesheets for all staff however the management opinion was that responsibility for this should sit with line managers. It was agreed with Internal Audit that line managers would be responsible for checking and signing-off timesheets and that human resources staff would do spot-checks.

The Committee considered the update and asked a number of questions. Members were informed that under the 4-week system staff would only be able to carry hours forward that were the equivalent to one-working day; any accrued hours exceeding one working day would be lost.

The officer was asked whether information was available on the number of hours taken and the number of hours lost. Members were advised that the information could be collected from service managers but was not held centrally. Consideration was given to whether it would be appropriate for Human Resources to retain all recording sheets centrally to enable officers to analyse working patterns across all services. The organisational view was that the role of human resources should concentrate on organisational development. Members were advised that officers looked at workforce capacity annually and, if necessary, timesheet information could be pulled together through heads of service.

Brief discussion also ensued on further possible developments to flexible working and the introduction of agile working arrangements.

22. ANNUAL GOVERNANCE REPORT 2012/13

Representatives from KPMG presented and summarised key messages from the Annual Governance Report. Members noted that external audit anticipated issuing an unqualified audit opinion by 30 September 2013. This could only be issued following receipt of a signed management representation letter and the sign-off of the Statement of Accounts 2012/13. As part of the audit of the authority's financial statements, KPMG did not identify any material adjustments. A small number of non-trivial adjustments were made; these were mostly of a presentational nature. The Committee was informed that none of the adjustments had an impact on the General Fund.

External Audit also reported that there were no points of concern in relation to the Annual Governance Statement or the control environment to bring to the Committee's attention.

The Audit was also required to give an opinion on two value for money criteria around securing financial resilience and securing economy, efficiency and effectiveness. External audit anticipated giving an unqualified conclusion on value for money arrangements by the end of September.

Members clarified that, given auditors were happy with the working papers with which they were provided, there would be no increase in the audit fee. The Committee congratulated the officers for their work and noted KPMG's report.

23. STATEMENT OF ACCOUNTS 2012/13

Decision:

Members of the Governance and Audit Committee:

- 1. Approve the revised Statement of Accounts 2012/13***
- 2. Note the commentary on the outcome of the audit work***
- 3. Approve the publication on the summary of accounts and that it be published on the Council's website***

The Head of Finance presented report number HOF249 on the Statement of Accounts 2012/13. An addendum had been circulated to Committee members, which amended a date on page 93, note 42 to reflect the date of this meeting. A schedule of the changes it had made at its meeting on 23 July 2013 as well as the changes made by external audit had also been circulated. Members were asked to approve the Statement of Accounts for 2012/13 and the summary document which would be made available for interested members of the public.

Committee members felt the Statement of Accounts reflected the changes it had requested and noted those amendments made by KPMG. The recommendations in report HOF249 were proposed, seconded and agreed.

The meeting was adjourned between 14:35 and 14:41.

24. INTERNAL AUDIT PROGRESS REPORT

Representatives from Internal Audit informed the Committee that 11 reports had been finalised since the start of the financial year including one follow-up report, which was presented at the Committee's meeting in June 2013. The Committee was notified that three days from the contingency allocation had been agreed to conduct a Stamford Car Parks Income Review.

A summary was given of the audits that had been completed, the opinion given and the number of recommendations made.

Committee members asked questions about the audit of pool cars, which had been given an amber-red opinion. 7 recommendations had been made (4 medium risk and 3 low risk) which had been agreed with management. Of most concern to the Committee were arrangements for ongoing licence checks. Managers would be required to do annual checks of licences and sign-off copies to say they had seen originals. There was also a duty on staff members to inform their manager of any changes to their licence.

The Committee also gave consideration to the policy relating to vehicle checks before and after use. A new pool car policy would introduce a procedure for ensuring checks were carried out and recording the outcome of those checks. The other issue of particular interest for members was officers who did not use the cars they had booked.

A question was asked about the audit of leisure management arrangements in relation to Disclosure and Barring Service checks. Councillors were informed that the authority's contract required the contractor to ensure all staff had been subject to a Disclosure and Barring Service check. As part of the contract the council should ensure those checks were being undertaken.

The report also included an audit of Waste and Recycling following a limited opinion in November 2012. During the initial audit, 6 recommendations were raised, 4 of which had been fully implemented. The outstanding recommendations were re-raised and internal audit confirmed they were satisfied with the arrangements in place to implement them.

Members asked the officers present about how they ensured operatives did not start collecting waste before the time residents were required to put out their bins. Members were informed that vehicles only left the depot when there was sufficient time for them to reach their first pick-up ready for the 7:30am

collection to begin. The Bartech system would record any bins that were collected before 7:30am; in those instances the three-strikes missed bin policy would not be invoked. Brief discussion also ensued on whether 7:30am was an appropriate time to start collections.

The Committee noted the contents of the report.

25. COUNTER-FRAUD ANNUAL REPORT 2012/13

Decision:

The Governance and Audit Committee noted the contents of report number HOF250 and approved the action plan included in the report.

The Finance Support Manager presented HOF250 on the Counter Fraud Annual Report 2012/13 and action plan. The report included a summary of the annual report produced by the Audit Commission: 'Protecting the Public Purse' and the National Fraud Initiative.

The report also provided a summary of Housing Benefit and Council Tax Support and/or Universal Credit Fraud Performance. This summarised the number of referrals and the action taken by the authority's fraud investigators. Members briefly discussed the Council's obligation to investigate allegations of fraud and the proportionality between the cost of investigation and any potential action against the estimated value of the fraud.

Members were also informed that one whistle-blowing case was reported to the Council and investigated by Internal Audit and that the authority was working with insurers to identify any suspicious claims.

A training and awareness raising campaign was planned for October/November 2013. Consideration would be given to training for all Councillors and the most appropriate method of delivery.

The Committee noted the report and approved the action plan.

15:17: Councillor Shorrock left the meeting.

26. COUNTER-FRAUD, CORRUPTION AND BRIBERY FRAMEWORK UPDATE

Decision:

The Committee approves the content of report number HOF251 on the Counter Fraud, Corruption and Bribery Framework.

The Finance Support Manager presented report number HOF251 on the Counter Fraud, Corruption and Bribery Framework, which the Committee was required to review and update every two years. He explained that some small

amendments had been made to the Whistleblowing Policy to incorporate changes introduced by the Enterprise and Regulatory Reform Act 2013 and the introduction of a Housing Benefit/Council Tax Support and/or Universal Credit Counter Fraud Policy. A copy of the whole framework, incorporating amendments, was attached to the report, which Members approved.

27. OMBUDSMAN ANNUAL REVIEW LETTER 2012/13

The Committee noted LDS108, which incorporated the Ombudsman Annual Report letter for 2012/13. The Ombudsman confirmed it had received 6 complaints about the Council, plus a further 5 premature complaints which were referred to the Council to be dealt with through the corporate complaints process. This compared favourably with previous years and the average number of complaints made against district authorities.

Of the complaints investigated by the Ombudsman, no findings of maladministration were made. Members also noted that the Ombudsman did not report any delays in the Council supplying requested information.

The reduced number of complaints was attributed to changes which were being made to the Council's customer feedback arrangements. Members agreed that the report was positive and noted its content.

Councillor Taylor left the meeting.

28. HEALTH AND SAFETY ANNUAL REPORT 2012/13

The Operations Director presented the Health and Safety Annual Report (ENV593). Highlighted in particular was the specialist training given to relevant staff (e.g. asbestos, legionella) and taking appropriate action when people do not follow the training. The Committee noted the report.

29. CUSTOMER FEEDBACK

Decision:

The Governance and Audit Committee approves the amendments to the customer feedback process as outlined in report number CSCL001.

The Head of People, Projects and Performance and the Interim Customer Services Manager presented report number CSCL001 which detailed proposals for dealing with customer feedback. The report detailed the way customer feedback would be handled to minimise the number of complaints that were escalated and to ensure the organisation captured and shared good practice and lessons learned.

Officers explained that ongoing work had seen staff training in customer service to improve consistency and performance across the authority. A draft feedback

form for members of the public was also circulated; a small number of formatting modifications were suggested.

The proposed changes at each stage of the Council's complaints procedure were highlighted. Members were advised that the complaints process would still have three stages but would see the removal of the Member Panel in favour of review by independent senior officers. If a customer was still not satisfied after their complaint had been through all three stages of the process, they could refer it to the Ombudsman. An additional stage of consideration, an independent tenant panel, would consider housing complaints before they could be referred to the Ombudsman.

Members asked whether the training given to officers had been successful. Reference was made to improvements reported in the Ombudsman letter and officers said they felt there had been positive changes across the authority. Committee members approved the report.

30. CLOSE OF MEETING

The meeting was closed at 15:42.