

THE MINUTES OF THE MEETING
OF THE AUDIT SCRUTINY COMMITTEE
HELD ON MONDAY 9 MAY 2005

Present: Councillor G Pinkney (Chair)

Councillors B Bates, E Bell,
Mrs G Bleasdale, A Collinson, R Davison,
K Gallagher, H High, Mrs J Maslin,
Mrs M Nugent and
P Stradling

Also Present: Councillor D Myers – Executive Member for E-Government and Scrutiny Liaison

1 **THE MINUTES OF THE LAST MEETING** held on 18 April 2005, a copy of which had been circulated to each Member, were confirmed.

2 **THE MINUTES OF THE MEETING** of the Executive held on 26 April 2005, a copy of which had been circulated to each Member, were submitted.

RESOLVED that the information contained within the Minutes, be noted.

3 **PUBLIC QUESTION AND ANSWER SESSION**

There were no members of the public present.

4 **WORK PROGRAMME ISSUES**

(i) **Internal Audit Progress Report - 2004/05**

Consideration was given to the report of the Audit Manager which gave details of progress in relation to the Internal Audit work for 2004/05, a copy of which had been circulated to each Member.

Appendix 1 to the report summarised the work completed by Internal Audit on the undermentioned audits up to 31 March 2005. The objectives of each audit were shown together with conclusions and actions agreed by the auditee:-

Main Accounting and Budgetary Control System
Cash Office Collections
Petty Cash Checks
Postal System
Groundwork Audit

Appendix 2 to the report was a list of all the planned audit work currently in progress.

In response to Members questions in relation to the petty cash checks the Audit Manager confirmed that a follow-up audit had been carried out in the department concerned and the correct procedures were now being followed. With regard to the efficiency and security issues arising from the

postal system audit, Internal Audit would carry out a follow-up in August 2005 to ensure that the proposals to centralise the postal system had been completed.

The Director of Finance and Corporate Services assured Members that follow-up audits were completed in cases where procedures had not been adhered to, and regular reporting to Audit Scrutiny Committee would highlight any problem areas.

Following discussion it was **RESOLVED** that the information given, be noted.

(ii) **2004/05 Audit Plan Completion**

Consideration was given to the report of the Audit Manager on the 2004/05 Audit Plan completion, a copy of which had been circulated to each Member.

The Audit Manager outlined the audit work completed in 2004/05 as a comparison against the audit work planned. Due to the extra days on contingency and administration decisions had to be made on how to cover for these days.

Days were therefore reduced for those main and other systems audits which were considered not to be a concern by Internal Audit nor were there expected to be any changes in that year. These had been included in next years Plan.

The overrun of days in contingency was due to time spent on a long investigation which took 125 days during the year. The overrun time on Audit Administration was also up to 50 days due to examining some new audit administration software and the introduction of new audit control matrices.

Of the 903 days planned 903 were delivered representing a coverage rate of 100%.

RESOLVED that the information contained within the report, be noted.

(iii) **Procedure for Recording and Responding to Telephone Calls and Enquiries**

A Carr, Senior Corporate Development Officer, advised that the Corporate Development Unit were currently reviewing the system for recording telephone calls and customer queries. The current procedure was to respond within two working days with a full reply within ten days. At present East Durham Homes operated their own procedures for dealing with complaints and queries which was causing some difficulties, therefore, to resolve this it was proposed to produce a single customer complaints leaflet for both East Durham Homes and the Council.

As part of the E-government Agenda a contact centre using the new CRM system would record all contacts made with the Council. Envirocall were currently using this system. Members expressed their concern that the Council and East Durham Homes were operating differently but acknowledged that this would be resolved by the production of a single complaints leaflet. However they were concerned at the current problems

they encountered when reporting their queries and complaints to East Durham Homes and asked what their existing procedures were for responding and dealing with these.

RESOLVED that the information given, be noted and Housing Strategy be asked to provide details of East Durham Homes' current procedures for dealing with Member queries.

(iv) **Policy relating to Applications for Early Retirement**

R Gott, Head of Personnel and Payroll was in attendance to brief Members on the Council's current policies in relation to applications for early retirement. He circulated a briefing note which gave details of the routes to early retirement which included voluntary redundancy, ill health and applications under Regulation 31 of the Local Government Pension Scheme. The note also outlined the Council's Policy Statement for Members' consideration.

He also provided details of the Council's performance in relation to best value performance indicators 14 and 15, early and ill-health retirements over the last three years for Members' information.

Following discussion it was **RESOLVED** that the information given, be noted.

5 **COMMUNICATION AND PUBLICITY**

There were no items to report.

6 **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED that in accordance with Section 100A (4) of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985 the press and public be excluded from the meeting for the following item of business on the grounds that it involved the disclosure of exempt information, as defined in Paragraph 8 Part 1 of Schedule 12A of the Act.

7 **GLEBE CENTRE CONTRACT, MURTON**

Consideration was given to the briefing note of the Audit Manager which responded to questions raised by Members in relation to the Glebe Centre contract at the meeting held on 29 March 2005.

In response to a Members' question as to the confidential nature of the information contained within the briefing note the Director of Finance and Corporate Services advised that the account was still in progress with a third party involved and was therefore exempt under the provisions of the Local Government Act 1972. Members asked if it would be possible to recover the additional expenditure referred to and felt that legal advice should be sought on this.

Councillors K Gallagher and Mrs J Maslin expressed their disagreement with the advice given in relation to confidentiality of the information and subsequently left the meeting.

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Following discussion it was **RESOLVED** that legal advice be sought from the Monitoring Officer and a further report be considered at the next meeting.

CERTIFIED TRUE RECORD

CHAIR

Date

JE/MA/com.audit/050501
23 May 2005