

**THE MINUTES OF THE MEETING OF THE
AUDIT SCRUTINY COMMITTEE
HELD ON MONDAY, 5TH DECEMBER, 2005**

Present: Councillor G. Pinkney (Chair)

Councillors B. Bates, E. Bell,
Mrs. G. Bleasdale, A. Collinson,
R. Davison, M. Nicholls and
Mrs. M. Nugent

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

Apologies: Councillors H. High, P. Stradling and B. Quinn

1. **THE MINUTES OF THE LAST MEETING** held on 14th November, 2005, a copy of which had been circulated to each Member, were confirmed, subject to paragraph 5 of minute numbered 4(i) being amended to read as follows:-

“With regard to the car mileage allowance audit a Member referred to the incidents of over claiming and asked that advice be provided to relevant staff to prevent a reoccurrence.”

2. **THE MINUTES OF THE MEETING OF THE EXECUTIVE** held on 22nd November, 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) **Care and Repair Service Owner/Occupier Landlord Contributions**

Consideration was given to the report of the Audit Manager which provided an update on the audit carried out on the payment of owner occupiers/landlords contributions for the work for the Housing Group Repair Grant Schemes. A copy of the report had been circulated to each Member.

The Audit Manager advised that a follow-up was carried out on 21st November, 2005 on the total outstanding amount of £53,001 and it was found that £41,575 remained outstanding. Full details were set out in Section 4 in the report.

I. Morris, Head of Housing Strategy, advised that a review of all outstanding works was being carried out and an action plan would be drawn up to resolve the disputes. Before deciding on any legal action, advice would be sought from the Monitoring Officer and the Audit Manager.

In response to a Member's question, G. Fletcher advised that there was a debtors' recovery procedure in place for recovering the money owed but that the difficulty here was that agreement/consent forms had not been signed.

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However this had been rectified since. I. Morris added that a thorough review of the whole policy was currently being undertaken.

Following discussion it was **RESOLVED** that:-

- (a) an action plan be compiled to resolve all the outstanding payment of accounts to include:-
 - (i) identifying those who had disputes with the work;
 - (ii) ensuring that payment was made for all completed work and to consider any possible legal action;
 - (b) Internal Audit carry out a further follow-up in February 2006 and report back to the Committee.
- (ii) **Quarterly Performance Report Against Best Value Performance Indicators (BVPIs)**

Consideration was given to the report of the Assistant Chief Executive which gave details of the Council's performance against BVPIs for the second quarter of 2005/2006, a copy of which had been circulated to each Member.

In providing the information for the second quarter emphasis was given to the Performance Indicators (PIs) the Council had selected for particular attention because performance in these areas needed to be accelerated. It also gave details of how the Council had performed in the first two quarters in comparison to the year end results for 2004/2005.

With six months data it was now easier to determine how the Council was performing overall and whether it was on track to reach the targets set by the year end.

With regard to the eleven areas of performance that had caused concern the Principal Corporate Development Officer made reference to those where there had been significant improvement as set out in appendix 2 to the report. Eight out of the eleven areas of concern had improved, particularly in the areas of planning, benefits, recycling and sickness absence.

Of the three that had not shown improvement a major area of concern was BV156 (authority buildings open to the public accessible by the disabled). This was significantly short of meeting its target as well as remaining firmly in the bottom quartile. In relation to this, the Asset and Property Manager advised that the Council was fully compliant in its reception areas, leisure centres and housing offices. Work on six aged persons units had been prioritised but 20 day centres were non-compliant. Before work was carried out on these buildings it was felt that clarification was required of the definition of compliance from the ODPM. The definition stated that services had to be accessed on a day to day basis and the day centres did not fall within this. In addition, a review of warden services was ongoing which should be completed by March/April 2006. This could mean that the services provided by the day centres may change and it was considered prudent not to spend money on these in the short term.

As a consequence 16 out of 36 buildings (44%) in total were compliant. However, once clarification of the definition had been received and the review of warden services was completed, he was confident that 100% compliance would be achieved. The Principal Corporate Development Officer advised that

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it was proposed that this target be formally project managed with regular progress reports made to Service Delivery Scrutiny Committee.

The Principal Corporate Development Officer then highlighted the indicators where performance was static or continuing to decline, other than those that had already been identified for specific attention. These included early retirements as a percentage of the total workforce, proportion of local authority homes that were non-decent at 1st April, 2005, the number of fraud investigations per thousand caseload, number of prosecutions/sanctions per thousand caseload, the percentage of standard searches carried out in ten working days and violent crimes per thousand population in the local authority area.

With regard to searches G. Reed advised that problems had been encountered because of the implementation of the new IT system. This and capacity problems had caused a decline in performance resulting in searches not being returned to the Democratic Services and Administration Unit within the required time period. Measures relating to resources and IT improvements were being put in place to help resolve the situation.

In relation to the two benefits indicators referred to, the Director of Finance and Corporate Services explained that the Council did have a policy in place relating to prosecutions. The District had a high percentage of elderly on benefits which was low risk in terms of potential fraud investigations and prosecutions. In addition, the Council undertook an exercise over the summer months which further increased the number of benefit claims from the elderly.

Members referred to the indicator showing an increase in violent crimes per thousand population in the local authority area. It was noted that this increase was due to changes in how violent crime was recorded by the Police across County Durham. There had been no perceived increase in the actual level of violent crime as experienced by partners in the Community Safety Partnership. This had been discussed by Service Delivery Scrutiny Committee.

With regard to the reasons for the decline in performance in waste collection, it was noted that the service was under review and it was suggested that the Director of Community Services be invited to attend the meeting when the figures for the third quarter were reported.

To conclude, overall Members felt that it was a positive report and acknowledged that a lot of work had been carried out on the eleven areas of under-performance.

Following discussion it was **RESOLVED** that:-

- (a) the quarterly performance of the Council as represented through the BVPI's be noted;
- (b) the progress in relation to the eleven areas of under-performance be noted;
- (c) BV156 accessible buildings be formally project managed and reported to Audit Scrutiny Committee on a regular basis.

5. **AUDIT COMMITTEES-PRACTICAL GUIDANCE FROM THE CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)**

Consideration was given to the report of the Head of Democratic Services and Administration which gave details of the guidance document issued by CIPFA on Audit Committees, a copy of which had been circulated to each Member.

The Head of Democratic Services and Administration advised that the role of those responsible for corporate governance and the financial reporting process continued to be open to scrutiny by regulators, legislators and the general public. Audit Committees were increasingly viewed as a critical component in the overall corporate governance process.

CIPFA had developed a set of principals for Audit Committees in local government and the guidance had been written to help those authorities that did not already have an Audit Committee to implement one effectively and to help those authorities that had Audit Committee arrangements in place to assess whether they were as effective as they needed to be to contribute to good governance.

He advised that although legislation did not require local authorities to establish Audit Committees, a Council was required to ensure that its financial management was adequate and effective in that it had a sound system of internal control which facilitated the effective exercise of its functions. In addition, section 151 of the Local Government Act 1972 required the Council to make arrangements for the proper administration of its financial affairs.

Whilst CIPFA acknowledged that a local authority's Chief Finance Officer was key to discharging these requirements, to be truly effective they felt that the Chief Finance Officer required an effective Audit Committee to provide support and challenge, as well as adequate and effective internal audit.

The report detailed the four key features which formed the framework of the CIPFA guidance, and the Head of Democratic services and Administration took Members through each.

To conclude, he advised that whilst the report had been produced for Information it could be seen from the content that there were potential implications with the Council's existing political management and corporate governance arrangements which would need to be addressed.

Members referred to the Risk Assessment completed and asked for details of the risks identified. The Head of Democratic Services advised that he would circulate this to Members.

Following discussion it was **RESOLVED** that:-

- (a) the information contained within the report, be noted;
- (b) the report be referred to the Council's Political Management Working Group to discuss the potential management and corporate governance arrangements.

6. **COMMUNICATION AND PUBLICITY**

There were no items to report.

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