

## SCRUTINY COMMITTEE FOR AUDIT AND BEST VALUE

MINUTES of a meeting of the Scrutiny Committee for Audit and Best Value held at County Hall, Lewes on 24 September 2007.

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PRESENT - Councillor Tutt (Chairman)  
Councillors Birch, Gadd, Murphy (Vice-Chairman), Sparks and Whetstone

OFFICERS - Andrew Ogden, Director of Law and Personnel  
Richard Hemsley, Deputy Director of Corporate Resources  
Phil Packham, Assistant Director, Resources  
Russell Banks, Principal Audit Manager  
Greg Roberts, Manager, Strategic Finance for agenda item 8  
(see minute 23)

ALSO PRESENT - Grahame Brown from the Audit Commission for item 6 (see minute 21 below)  
Councillor Glazier, Lead Cabinet Member for Learning and School Effectiveness, for item 9 (see minute 24 below)

### 16. MINUTES

16.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 12 June 2007.

### 17. APOLOGIES

17.1 Apologies for absence were received from Councillor Dyason.

### 18. DECLARATIONS OF INTEREST

18.1 Councillor Tutt declared personal, non-prejudicial interests in item 6 (Review of Annual Governance Report and Statement of Accounts) as a Trustee of the Pension Fund; and in item 9 as the Leader of Eastbourne Borough Council

18.2 Councillor Murphy declared a personal interest in item 6 (Review of Annual Governance Report and Statement of Accounts) insofar as any discussions related to the Pension Fund because he was in receipt of a local government pension.

### 19. REPORTS

19.1 Copies of the reports on the matters dealt with in the minutes below are contained in the minute book.

### 20. RECONCILING POLICY AND RESOURCES

20.1 The Committee considered a report by the Director of Law and Personnel setting out the detailed planning for 2008/09 and beyond as outlined in the State of the County report. The Committee's views were sought on the policy steers for the services under its purview and their contribution to the objectives of the Council prior to their consideration by County Council.

20.2 Members discussed the report in detail and highlighted concerns about the following issues:

- Deficits on the 2006/07 Council Tax Collection Fund Accounts for Eastbourne and Hastings Borough Councils (Appendix 2) – Members noted that a consultant had been employed by Eastbourne Borough Council to undertake a thorough check of the procedures followed. It was anticipated that the situation would be resolved as a result of the work identified, but noted that details were still awaited from Eastbourne Borough Council to show how the error had occurred and the full extent of the one-off and any ongoing financial impact on the County Council. It was understood that situation in respect of the Hastings Borough Council deficit was regarded as a one-off situation.
- BVPIs 197 and 53: Teenage pregnancies and Intensive home care for people aged 65 or over (Appendix 3) – concern was expressed by Members that the 2006/07 outturns represented a worsening position for both BVPIs. It was felt that the Committee's concern about the pressures within the Children's Services Department should be drawn to the Lead Member's attention.

20.3 Members agreed that input into the Reconciling Policy and Resources (RPR) process this year could be managed by the Committee as a whole and the Scrutiny Board to be set up should be convened only if issues arose which required urgent consideration.

20.4 RESOLVED – to (1) inform the Lead Member (a) that the Committee endorses the policy steers and their contribution to the objectives of the County Council; and (b) draws the attention of the Lead Member to the Committee's concerns about the pressures within the Children's Services Department;

(2) agree to establish a Scrutiny Review Board, comprising Councillors Tutt, Murphy and a third Member yet to be nominated, which is empowered to act on behalf of the Committee if an urgent need arises, to provide input into the RPR process; and

(3) note the "architecture" for the RPR process this year.

## 21. REVIEW OF ANNUAL GOVERNANCE REPORT AND STATEMENT OF ACCOUNTS FOR 2006-07.

21.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources which (a) presented the Annual Governance Report and Statement of Accounts for 2006/07; and (b) sought the Committee's views on any issues of concern to be brought to the attention of the Governance Committee. The Chairman welcomed Grahame Brown from the Audit Commission to the meeting.

21.2 Members were referred to the key messages set out in the Annual Governance Report and noted that the Auditors would be issuing an unqualified opinion on the 2006/07 Statement of Accounts to the Governance Committee at its meeting on 25 September 2007.

21.3 Mr Brown and officers responded to Members' questions and it was agreed that there were no specific issues of concern that the Committee considered needed to be drawn to the attention of the Governance Committee.

21.4 RESOLVED – to (1) note the report and its appendices;

(2) thank Mr Brown and his team for all their work for East Sussex County Council over the years; and

(3) thank the Deputy Chief Executive and Director of Corporate Resources and his staff for their work in producing the Statement of Accounts during a difficult time for the Department.

22. INTERNAL AUDIT PROGRESS REPORT – QUARTER 1 (1 APRIL 2007 – 30 JUNE 2007)

22.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources summarising the key audit findings, progress on delivery of the audit plan and performance of the internal audit service during Quarter 1.

22.2 Officers reported on and responded to questions from Members about the key audit findings set out in Appendix A to the report. Members' concerns were focussed, in particular, on the key audit findings in relation to the following:

- SAP User Authorisations – it was noted that, whilst this review had been subject to a weak audit opinion an action plan had been agreed and would be followed up to ensure satisfactory implementation of the internal audit recommendations.
- Adult Social Care Business Transformation Programme – Members were advised that a rigorous process was in place and audit staff were working closely with the Director of Adult Social Care to ensure that current controls and arrangements and new systems and procedures meet audit requirements.
- Capital Project Management: Beacon Community College and Bexhill to Hastings Link Road – Members noted the steps which had been taken to address the issues identified relating to the management of these two capital projects.
- Procure to Pay (Accounts Payable and Procurement) – the Committee was advised that the controls in place for this system overall were satisfactory and an action plan was in place to address the weaknesses identified in the report.

22.3 The Committee was advised that a review would shortly be undertaken to assess the effectiveness of the Audit and Best Value Scrutiny Committee and identify any ways in which its work might be improved. A short questionnaire would be issued to Members and officers supporting the Committee and a report with any proposals to be taken forward, brought to the next meeting in November.

22.4 RESOLVED – to (1) receive the report; and

(2) endorse the actions being taken to address the issues raised in the key audit findings.

23. SCHOOL SURPLUSES AND DEFICITS

23.1 The Committee considered a report by the Director of Children's Services setting out the position on school balances as at 31 March 2007 and the action taken to address excessive surpluses. Members noted that the 2007 comparison figures with other education authorities would be available in a few months

23.2 RESOLVED – to (1) note the position in respect of school balances at 31 March 2007 as set out in the report;

(2) agree that future annual and periodic reports, as appropriate, are submitted to the Children's Services Scrutiny Committee to allow them to monitor progress on school balances; and

(3) request the Director of Children's Services to circulate to Members the report on Schools Final Under/Overspendings 2006/07.

## 24. BEST VALUE REVIEW OF PASSENGER TRANSPORT

24.1 The Committee considered a report by the Chairman of the Best Value Review Board presenting the outcomes of the Best Value Review of Passenger Transport in East Sussex. Councillor Glazier, as a member of the Review Board, reported on the Review's recommendations and responded to Members' questions.

24.2 The Committee discussed the report and its recommendations in detail, highlighting, in particular, the following points and concerns:

### Home to School Transport

- Recommendation 2 – Members welcomed (a) the reassurance from Councillor Glazier that, whilst transport needs and policy were important when planning home to school transport, the Board recognised that the educational needs of the children should be the paramount concern; and (b) the recent appointment of two SEN transport officers which should help to resolve many of the transport process issues in managing SEN home to school transport efficiently and effectively.

### Adult Social Care Passenger Transport

- Recommendation 3 – the Committee expressed concern about the length of time taken to finalise the Service Level Agreement between the Adult Social Care and Transport and Environment Departments because of outstanding key issues still to be addressed;

### Child Bus Fare Arrangements

- Recommendation 11 – Members expressed interest in the reduced fares schemes being piloted by Kent and West Sussex County Councils and noted the Board's recommendation that the current East Sussex child fare arrangements should be reviewed in the future in the light of the impact of the pilot schemes;

### Taxi Contracts

- Recommendation 14 – concern was also expressed about the feasibility of engaging with a single taxi provider to provide a passenger service for the County Council.

24.3 RESOLVED - to (1) welcome the report; and

(2) draw to Cabinet's attention the Committee's concerns in respect of the following:

- Recommendation 3 (Adult Social Care Passenger Transport) – the length of time taken to finalise the Service Level Agreement (SLA) between the Adult Social Care and Transport and Environment Departments; a definite timeframe should be set to agree the SLA;
- Recommendation 14 (Taxi Contracts) - the ability of the County Council to engage a single taxi provider on a term contract. It is more important that a single contract should be established to include all operators who provide a taxi type passenger service for the County Council;

25. SCRUTINY WORK PROGRAMME FOR 2006/2007 AND 2007/08

25.1 The Committee considered a report by Director of Law and Personnel setting out the Scrutiny Committee's work programme for the forthcoming year.

25.2 RESOLVED – to note the Scrutiny Committee's programme of work.

26. FORWARD PLAN

26.1 The Committee considered the Forward Plan for the period 24 September 2007 to 31 December 2007.

26.2 RESOLVED – to note the Forward Plan.