

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 19 June 2008.

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

OFFICERS - Andrew Ogden, Director of Law and Personnel
Duncan Savage, Assistant Director, Audit and Performance
Paul Dean, Scrutiny Manager
Rawdon Phillips, Insurance and Risk Manager for item 5 (see minute 3)
John Morris, Assistant Director, Property for item 11 (see minute 10)

ALSO PRESENT - Grahame Brown, Audit Commission for item 6 (see minute 4)
Richard Bint and Stuart Frith, External Auditors for item 7 (see minute 5)

1. MINUTES

1.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 10 March 2008.

2. REPORTS

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

3. RISK MANAGEMENT ANNUAL REPORT 2008

3.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources updating Members on further progress in relation to the development and embedding of Risk Management procedure and practice.

3.2 Members (a) highlighted some apparent inconsistencies in the categorisations of risk between the Risk Management Log and the Internal Audit Plan and suggested that, in future, they should be cross referenced for clarification; and (b) sought clarification about the wording of some of the Adult Social Care areas of risk. On the latter point, the Director of Law and Personnel undertook to seek clarification from the Director of Adult Social Care on the areas of risk and notify Members accordingly.

3.3 The Committee was reminded that the Risk Management Log was only draft at this stage and was in the process of being refined by Chief Officers. An updated version would be submitted to Cabinet on 8 July and reported to the Committee at its September meeting. Members asked that the updated version be emailed round to them as soon as it became available.

3.4 RESOLVED – to (1) note the developments in risk management in the last 12 months;

(2) note the current strategic risks, update of their status and the mitigating actions being proposed and implemented by Chief Officers;

(3) note the proposed actions set out in Section 5 of the report.;

(4) request the Deputy Chief Executive and Director of Corporate Resources to email the updated Risk Management Log to Members as soon as it becomes available.

4. EXTERNAL AUDIT AND INSPECTION ANNUAL LETTER

4.1 The Committee considered a joint report by the Chief Executive and the Deputy Chief Executive and Director of Corporate Resources submitting the Audit Commission's Audit and Inspection Annual Letter. The Chairman welcomed Grahame Brown from the Audit Commission to the meeting.

4.2 Members pointed out that, as the Annual Letter had been considered by Cabinet before being submitted to the Scrutiny Committee, their opportunities for input were restricted. The Committee asked the Director of Law and Personnel to take this issue into account when compiling the timetable of meetings for 2009.

4.3 RESOLVED – to (1) note the Audit Commission's draft Audit and Inspection Letter; and

(2) request the Director of Law and Personnel to look at the future timetabling of meetings to ensure that External Audit and Inspection Letters and Plans would be considered by the Audit and Best Value Scrutiny Committee prior to their consideration by the Cabinet.

5. EXTERNAL AUDIT AND INSPECTION PLANS 2008/09

5.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources appraising the Committee of the External Audit and Inspection Plans. The Chairman welcomed Richard Bint and Stuart Frith of PKF, the Council's external auditors, to the meeting.

5.2 Members noted the areas for improvement in the Council's performance, highlighted at paragraph 5.5 of the Annual Audit and Inspection Plan, and asked that they be kept updated on progress.

5.4 RESOLVED – to (1) note with satisfaction the External Audit and Inspection Plans for 2007/08; and

(2) request the Chief Executive and the Deputy Chief Executive And Director of Corporate Resources to report back to the Committee on the progress of those areas highlighted for improvement in the Council's performance

6. INTERNAL AUDIT SERVICES: ANNUAL AUDIT REPORT AND OPINION

6.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources seeking the Committee's views on the Internal Audit Service's opinion

on the County Council's control environment for the year from 1 April 2007 to 31 March 2008.

6.2 RESOLVED – to (1) note the internal Audit Service's opinion on the Council's control environment; and

(2) confirm that the Council's system for internal audit has proved effective during 2007/08.

7. INTERNAL AUDIT STRATEGY 2008/09 AND ANNUAL PLAN

7.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources presenting the Council's Internal Audit Strategy 2008/09 and Annual Plan.

7.2 RESOLVED – to endorse the Council's Internal Audit Strategy 2008/09 and Annual Plan.

8. REVIEW OF THE ASSESSMENT OF THE CORPORATE GOVERNANCE FRAMEWORK AND CORPORATE ASSURANCE STATEMENT FOR 2007-2008

8.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources reviewing the Monitoring Officer's draft report to the Governance Committee giving the Annual Assessment of the Corporate Governance Framework and Corporate Assurance Statement for 2007/08 in line with the responsibilities set out in its terms of reference.

8.2 Members raised the issue of oral questions from Councillors to Lead Cabinet Members at County Council meetings: there was no timescale in the Constitution for the receipt of written replies and often none were received. The Director of Law and Personnel explained that a protocol on Customer Focus Standards was now in place which set a 10 day timescale for written responses to correspondence, and, if for any reason, that timescale could not be met a holding response was required to be sent. He would expect the same standard to apply to written responses to oral questions at County Council and undertook to look into the issue.

8.3 RESOLVED – to (1) note the draft report to the Governance Committee and its appendices;

(2) confirm that there are no changes to the report that the Committee wishes to recommend to the Governance Committee; and

(3) request the Director of Law and Personnel to look into the issue of written responses to Members' oral questions at County Council meetings.

9. PROMPT PAYMENT OF INVOICES: PRIORITY PERFORMANCE INDICATOR

9.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources detailing performance on the performance indicator "Prompt Payment of Invoices".

9.2 It was suggested, and agreed, that the feasibility of introducing a process whereby invoices still awaiting payment after an agreed time period should be escalated automatically to senior managers should be investigated.

9.3 RESOLVED – to (1) endorse the actions already taken;

(2) note that the bid for management capacity funding, to examine what further system and process changes may be possible to improve performance on this indicator, has been successful; and

(3) request the Deputy Chief Executive and Director of Corporate Resources to look into the possibility of introducing an automatic escalation procedure to senior managers to ensure the prompt payment of invoices.

10. CARBON MANAGEMENT PLAN ANNUAL REPORT

10.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources advising Members of progress made since the adoption of the Carbon Management Plan by Cabinet on 19 April 2005.

10.2 RESOLVED – to (1) note the report and welcome the progress made to date; and

(2) agree that progress continues to be reported to the Committee on an annual basis.

11. FUTURE SCRUTINY WORK PROGRAMME

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

11.2 Members discussed the possibility of undertaking a Scrutiny Review into an aspect of economic development. It was suggested, and agreed, that the Review should look into the extent to which the Council's procurement processes offer a level playing field to local small and medium sized enterprises who wish to access contract opportunities with the Council.

11.3 RESOLVED – to (1) note the Committee's programme of work for 2008; and

(2) agree that a Scrutiny Review be set up as outlined above, the membership of the Scrutiny Project Board to comprise Councillors Tutt, Gadd and Whetstone.

12. FORWARD PLAN

12.1 The Committee considered the Forward Plan for the period 1 June 2008 to 30 September 2008.

12.2 RESOLVED – to note the Forward Plan without comment.