

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 12 September 2008.

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

OFFICERS - Andrew Ogden, Director of Law and Personnel
Sean Nolan, Deputy Chief Executive and Director of Corporate Resources
Duncan Savage, Assistant Director Audit and Performance
Phil Packham, Assistant Director, Resources
Russell Banks, Principal Audit Manager
Becky Shaw, Director Policy and Communications for items 5 and 6 (see minutes 17 and 18)
Kieran Macnamara, Head of Strategic Economic Development and Skills for item 5 (see minute 17)
John Morris, Assistant Director Property for items 9 and 10 (see minutes 21 and 22)

ALSO PRESENT - Richard Bint and Stuart Frith, External Auditors PKF, for item 7 (see minute 19)

13. MINUTES

13.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 19 June 2008.

14. APOLOGIES

14.1 Apologies for absence were received from Councillors Gadd and Whetstone.

15. DECLARATIONS OF INTEREST

15.1 Councillor Tutt declared a personal, non-prejudicial interest in item 7 (Review of Annual Governance Report and Statement of Accounts) as a Trustee of the Pension Fund.

15.2 Councillor Murphy declared a personal interest in item 7 (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.

16. REPORTS

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

17. ECONOMIC DEVELOPMENT

17.1 The Committee received a presentation from the Head of Strategic Economic Development and Skills on –

- The Council Policy Steer
- The East Sussex Economy – evidence base
- The role of East Sussex County Council and Council priorities
The wider regional and national context
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A copy of the presentation is appended to the minutes.

17.3 RESOLVED – to (1) thank the Head of Strategic Economic Development and Skills for his interesting and informative presentation; and

(2) request that a relationship map of all interested and involved organisations be circulated to the Members of the Committee.

18. RECONCILING POLICY AND RESOURCES

18.1 The Committee considered a report by the Director of Law and Personnel setting out the detailed planning for 2009/10 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.

18.2 Members discussed the report in detail and highlighted, in particular, the theme of localised investment in Appendix 1 to the report (National and Local Policy Context). It was suggested that the County Council could take this forward by considering the creation of a framework for area forums to encourage the involvement of local people and also ward budgets for Members. Clearly it would be important to ensure that the intent of the initiative was delivered rather than creating a costly, bureaucratic framework.

18.3 RESOLVED – to (1) inform the Lead Members (a) that the Committee endorses the policy steers and their contributions to the objectives of the whole Council (the County Council Promise) in light of national and local policy context and performance stories prior to their consideration by County Council; and (b) draws the attention of the Lead Members to the Committee's concerns about the need for more localised investment and community involvement;

(2) establish a Scrutiny Board empowered to act on behalf of the Committee to provide input into the RPR process this year and, in particular to consider the proposed portfolio plan, the membership of the Board to comprise Councillors Tutt, Ensor and Murphy; and

(3) note the current strategic risks, set out in Appendix 4 to the report, the update of their status and the mitigating actions being taken.

19. REVIEW OF ANNUAL GOVERNANCE REPORT AND STATEMENT OF ACCOUNTS FOR 2007-08.

19.1 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 2007/08; 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 Mr Bint and Mr Frith from the external auditors, PKF, to the meeting.

19.2 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 2007/08 Statement of Accounts to the Governance Committee at its meeting on 23 September 2008.

However, two objections to the Accounts had been received relating to Eastbourne Parking and the Waste PFI and the Audit of the Accounts could not be closed formally until investigations into the objections had been concluded. It was noted that a previous complaint about the Waste PFI had not been substantiated following investigation by PKF.

19.3 Mr Bint, Mr Frith 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.

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

(2) thank the Deputy Chief Executive and Director of Corporate Resources and his staff for their work in producing the Statement of Accounts; and

(3) thank the external auditors for all their work and request that they report back to the Committee on the outcomes of their investigations into both objections to the Accounts.

20. INTERNAL AUDIT PROGRESS REPORT – QUARTER 1 (1 APRIL 2008 – 30 JUNE 2008)

20.1 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.

20.2 Officers reported on and responded to questions about the key audit findings set out in Appendix A to the report. Members noted the four weak audit opinions reported and their concerns were focussed, in particular, on the key audit findings in relation to:

- ESCC and Serco SAP 'Transport' Process
- Use of Consultants

20.4 RESOLVED – to (1) receive the report;

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

(3) request the Deputy Chief Executive and Director of Corporate Resources to report back to the Committee on progress with addressing the weaknesses identified in respect of (a) the ESCC and Serco SAP 'Transport' Process; and (b) Use of Consultants.

21. CAPITAL PROJECTS: IMPROVING DELIVERY

21.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources detailing the actions taken to secure improved delivery of capital projects and seeking continued support. Members welcomed the progress that had been made and the positive results of the Post Project Reviews.

21.2 The Deputy Chief Executive and Director of Corporate Resources undertook to circulate a note to Members on the impacts of the recent alterations carried out at St. Mark's House and St. Mary's House, Eastbourne.

21.3 RESOLVED – to (1) note and endorse the actions in place and planned to secure improvement in delivery of capital projects; and

(2) agree that a one day tour of recent projects be undertaken by Members of the Committee.

22. CORPORATE SUSTAINABLE BUILDINGS POLICY AND STRATEGY

22.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources concerning the adoption of the Sustainable Buildings Policy and plans for its implementation.

22.2 RESOLVED - to note the adoption of the Sustainable Buildings Policy and measures planned for its implementation.

23. SCRUTINY WORK PROGRAMME FOR 2007/2008 AND 2008/09

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

23.2 RESOLVED – to (1) note the Scrutiny Committee's programme of work;

(2) agree that Councillor Ensor should join the Project Board for the Scrutiny Review of Council procurement and local small and medium sized enterprises; and

(3) request the Director of Law and Personnel to report back to the Committee on the protocols for confidential issues, particularly in relation to dealings with partner organisations.

24. FORWARD PLAN

24.1 The Committee considered the Forward Plan for the period 1 October 2008 to 31 January 2009.

24.2 RESOLVED – to note the Forward Plan.

25. FUTURE MEETINGS

25.1 The Director of Law and Personnel reminded Members that, at their last meeting, Members had asked him to review the timetabling of meetings to ensure that External Audit and Inspection Letters and Plans could be considered by the Committee prior to their consideration by the Cabinet. To that end it was now suggested that the March 2009 meeting should be rescheduled from 12 March to a later date. The 10 September 2009 meeting was more problematical to reschedule and it might be best to retain that meeting date.

25.2 RESOLVED – To agree (1) that the 12 March 2009 Audit and Best Value Scrutiny Committee be rescheduled and held on Tuesday 24 March 2009 at 10.00am; and

(2) that the 10 September 2009 meeting date for the Committee be retained.