

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 Friday 4 March 2011.

- PRESENT - Councillor Sparks (Chairman)
Councillors Bennett (Vice-Chairman), Birch, Ensor,
St. Pierre and Whetstone.
- OFFICERS - Becky Shaw, Chief Executive for item 6 (see minute 41)
Philip Baker, Assistant Director, Legal and Democratic Services
Duncan Savage, Assistant Director, Audit and Performance
Gillian Mauger, Scrutiny Lead Officer
Shelagh Powell, Senior Economic Development Manager for item
6 (see minute 41)
Leatham Green for item 12 (see minute 47)
Rawdon Phillips, Insurance and Risk Manager for item 13 (see
minute 48)
John Morris, Assistant Director CRD (Property) for item 14 (see
minute 49)
Ann Phillips, Senior Schools Property Manager, for item 14 (see
minute 49)

ALSO PRESENT - Richard Bint, External Auditor, for item 7 (see minute 42).

37. MINUTES

37.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 10 November 2010.

38. URGENT ITEM

38.1 Councillor Sparks reported that he intended to take as an urgent item a note by the Assistant Director, Corporate Resources on the management of asbestos in schools. The matter had arisen since the publication of the agenda and members wished to discuss it as a matter of urgency to enable them to decide if further investigation was required. The item was discussed under minute 50.

39. APOLOGIES FOR ABSENCE

39.1 Apologies for absence were received from Councillor Lambert. It was noted that Councillor St. Pierre was substituting for Councillor Lambert.

40. REPORTS

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

41. RECONCILING POLICY AND RESOURCES 2010/11

41.1 The Committee considered a report by the Director of Governance and Community Services seeking the Committee's views on its input into the Reconciling Policy and Resources process to establish whether there were lessons for improvement in future.

41.2 RESOLVED – to note the outcomes from the Reconciling Policy and Resources process during 2010/11.

42. ECONOMIC DEVELOPMENT: UPDATE

42.1 The Committee considered a report by the Director of Governance and community Services updating Members on the evolving economic development landscape.

42.2 The following key points emerged from the discussion:

- 1) Schemes in Hastings had been the focus for the first round of funding from the Regional Growth Fund as these stood the most chance of being successful. Further rounds of funding would focus on Eastbourne and possibly Newhaven.
- 2) The best way in which the County Council could support young people who are NEET (not in education, employment or training) was to help create the right economic environment that can then provide the jobs and training opportunities that they need.
- 3) A communications strategy was currently being developed to ensure that the County Council and its partners were kept up to date on all developments on the Local Enterprise Partnership.

42.3 RESOLVED – to note the report, in particular the latest position on the Local Enterprise Partnerships; the Regional Growth Fund submission; the Local Economic Assessment and evolving Economic Development Strategy for the County; Broadband; and the Localism Bill.

43. EXTERNAL AUDIT PLAN 2010/11

43.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources submitting the External Audit Plan for 2010/11.

43.2 The following key points emerged from the discussion:

- 1) Future external audits would still provide a pass or fail judgement and benchmark the County Council against best practice and audits from other local authorities.
- 2) Where risks had been identified by both PKF and the county council, PKF ensured that they did not duplicate work already done by the internal audit process.

43.3 RESOLVED - to note the External Audit Plan for 2010/11.

44. EXTERNAL AUDIT PLAN FOR EAST SUSSEX PENSION FUND 2010/11

44.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources submitting the External Audit Plan for East Sussex Pension Fund for 2010/11.

44.2 RESOLVED - to note the External Audit Plan for the East Sussex Pension Fund for 2010/11.

45. EXTERNAL AUDIT REPORT ON GRANTS CLAIM CERTIFICATION

45.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources submitting the External Auditor's findings from grant certification work in 2011/12 in line with the requirements of the Audit Commission.

45.2 RESOLVED – to note the report.

46. INTERNAL AUDIT PROGRESS: QUARTER THREE (1 OCTOBER – 31 DECEMBER 2010)

46.1 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 the performance of the Internal Audit Service during Quarter 3.

46.2 The Committee raised concerns about the financial management at Hillcrest School. Internal Audit had been working closely with Children's Services to resolve matters at the school and would be carrying out a follow up review in due course.

46.3 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 an update report to the June committee meeting on the implementation of audit recommendations relating to financial management at Hillcrest School.

47. USE OF CONSULTANTS

47.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources updating Members on the progress made with improvements in the Council's use of consultants.

47.2 RESOLVED – to note the action taken in relation to the use of consultants at the County Council.

48. SCRUTINY REVIEW OF THE USE OF AGENCY STAFF IN EAST SUSSEX COUNTY COUNCIL

48.1 The Committee considered a report by the Director of Governance and Community Services detailing the latest information available about the use of agency staff via the Comensura Project and highlighting any key performance indicators that are causing concern.

48.2 The following key points emerged from the discussion:

- 1) There had been a cultural shift over the past two years towards reducing the use of agency staff. However, there were still occasions when agency staff had to be used to fill posts where permanent recruitment had not been possible (eg care staff).
- 2) When compared to other similar sized local authorities, the ESCC spend on agency staff was considerably lower.

48.3 RESOLVED – to note the findings and conclusions from the latest information available on the use of agency staff in the County Council.

49. STRATEGIC RISK MANAGEMENT

49.1 The Committee considered a report by the Deputy Chief Executive and Director of Corporate Resources which (a) updated Members on the current strategic risks faced by the Council; their status and mitigating actions; and (b) introducing the revised Risk Management Strategy.

49.2 RESOLVED – to (1) note the current strategic risks, the update of their status and the mitigation actions proposed and implemented by Chief Officers; and

(2) note the revised Risk Management Strategy for 2011-2014.

50. SCRUTINY WORK PROGRAMME

50.1 The Committee considered the Committee's planned programme of work for the forthcoming year.

50.2 A previously circulated note on asbestos in schools was discussed. Officers confirmed that the County Council had not received any claims for injury or illness caused by asbestos in schools. Members also provided feedback on the recent briefing on NEETs that had been held on 28 February 2011.

50.3 RESOLVED – to: (1) agree to take no further action at this time on the matter of asbestos in schools or NEETs; and

(2) note the Committee's planned programme of work for 2010/11.

51. FORWARD PLAN

51.1 The Committee considered the Council forward Plan for the period 1 March to 30 June 2011.

51.2 RESOLVED – to note the Forward Plan.

The meeting closed at 12.25pm