

SCRUTINY COMMITTEE FOR AUDIT, BEST VALUE AND COMMUNITY SERVICES

MINUTES of a meeting of the Scrutiny Committee for Audit, Best Value and Community Services held at County Hall, Lewes on 28 February 2012.

PRESENT - Councillor Sparks (Chairman), Councillors Barnes, Ensor, D Shing, B Tidy and Whetstone

Councillor Freebody was also in attendance

OFFICERS - Simon Hughes, Assistant Chief Executive, Governance and Community Services
Duncan Savage, Assistant Director, Corporate Resources, Audit and Performance
Penny Gaunt, Deputy Director of Children's Services (for item 15)
Amanda Walker, Deputy Director of Finance
Irene Campbell, Assistant Director: Community Services (for item 5)
Rawdon Phillips, Insurance and Risk Manager (for item 14)
Paul Dean, Scrutiny Manager
Harvey Winder, Scrutiny Support Officer

ALSO PRESENT - Janine Combrink and Katherine Needham - External Auditors

38. MINUTES

38.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 9 November 2011.

39. APOLOGIES FOR ABSENCE

39.1 Apologies for absence were received from Councillor Lambert and Philip Baker, Assistant Director, Legal and Democratic Services.

40. DECLARATIONS OF INTEREST

40.1 Councillor Ensor declared a personal, non prejudicial interest as a Fellow of the Chartered Institute of Purchasing & Supply.

41. REPORTS

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

Scrutiny Items

42. REVIEWING AND IMPROVING LIBRARY SERVICES

42.1 The Committee considered a report by the Assistant Chief Executive, Governance and Community Services, summarising the ongoing review of Library Services.

42.2 The following key points emerged from the discussion:

- The survey has been promoted through parish councils, children centres, schools, the Council website, a press release and on Twitter.

- The tick box format and ease of access to the online version should encourage people to fill out the survey. ICT are able to monitor 'bounce rates' of people who accessed the online survey to determine whether they then filled it out.
- Library Services are at the forefront of the Council's promotion of computer skills training for residents. This training will be offered in conjunction with the rolling out of superfast broadband.
- Library Services should ensure they retain a large amount of book stock.

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

(2) to receive further updates on the service review when appropriate; and

(3) to recommend to Library Services that they do more to promote online reference journals.

43. SURREY AND EAST SUSSEX PROCUREMENT PARTNERSHIP

43.1 The Committee considered a report by the Director of Corporate Resources summarising the Surrey and East Sussex Procurement Partnership.

43.2 The following key points emerged from the discussion:

- There was reassurance that the Surrey and East Sussex Procurement Partnership would facilitate joint working opportunities through the South East Seven Partnership in the long term.
- The combining of our spend will give Surrey and East Sussex greater leverage with the market, especially where we share the same supply base.
- Different methods of coding may explain the noticeable differences in spend between Surrey and East Sussex on certain category levels. Improvements in our procurement data and information are a key element of our move to category management.
- The partnership does not at this stage create a separate legal entity so any joint contracts would be achieved by one acting as lead contractor and the other accessing that contract. This is common practice in collaborative procurement.
- Both authorities have committed to supporting the local economy and the Partnership will ensure the importance of doing business with local Small and Medium Enterprises (SMEs) is built into its future plans and strategies.
- That the Partnership provides an opportunity to fast track changes to our procurement approach, which will enhance our ability to deliver savings and support service improvements.

43.3 RESOLVED – to note the report and its appendices.

44. RECONCILING POLICY, PERFORMANCE AND RESOURCES 2011/12

44.1 The Committee considered a report by the Assistant Chief Executive, Governance and Community Services, summarising the input made by the Audit, Best Value and Community Services Board into the Reconciling Policy, Performance and Resources (RPPR) process during 2011/12.

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

(2) to change the focus of future RPPR Boards to concentrate on the impact of proposed spending decisions for the coming year.

Audit & Risk Items

45. EXTERNAL AUDIT PLAN 2011/12

45.1 The Committee considered a report by the Chief Executive and the Director of Corporate Resources summarising the content of the External Audit Plan 2011/12.

45.2 The Committee were reassured that the outcomes of the Internal Audit service review should not affect the external audit fee.

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

(2) to receive conformation of whether or not the “new household waste recycling site in Newhaven” in para. 3.15 of appendix 1 referred to the Energy Recovery Facility.

46. EXTERNAL AUDIT PLAN FOR EAST SUSSEX PENSION FUND 2011/12

46.1 The Committee considered a report by the Director of Corporate Resources summarising the content of the External Audit Plan for the East Sussex Pension Fund 2011/12.

46.2 RESOLVED – to note the report and its appendices.

47. EXTERNAL AUDIT REPORT ON GRANT CLAIMS CERTIFICATION

47.1 The Committee considered a report by the Director of Corporate Resources summarising the external auditor’s findings from grant certification work for the financial year 2010/11 in line with the requirements of the Audit Commission.

47.2 RESOLVED – to note the report and its appendices.

48. INTERNAL AUDIT PROGRESS REPORT: QUARTER 3

48.1 The Committee considered a report by the 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.

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

(2) that there were no new or emerging risks identified for consideration for inclusion in the internal audit plan.

49. TREASURY MANAGEMENT UPDATE

49.1 The Committee considered a report by the Director of Corporate Resources that provided an update on Treasury Management and summarised the Treasury Management Strategy for 2012/13.

49.2 RESOLVED – to note the report and its appendices.

50. INTERNAL AUDIT SERVICE REVIEW

50.1 The Committee considered a report by the Director of Corporate Resources summarising the outcome from the Internal Audit Service Review.

50.2 The Committee approved of the recommendations of the Internal Audit Service Review and felt they ensured the continued delivery of high quality internal audit whilst also reducing costs in line with corporate expectations.

50.3 RESOLVED – to note the report and its appendices.

51. STRATEGIC RISK MONITORING

51.1 The Committee considered a report by the Director of Corporate Resources summarising the current strategic risks faced by the Council, their status and mitigating actions.

51.2 The Committee also welcomed an update by the Director of Corporate Resources of the Contractors Insurance Top-Up Facility. It was noted that:

- Take up of the scheme in schools was gathering momentum, with approximately 100 uses of the scheme in schools.
- The main focus has shifted to extending the scheme to Approved List contractors, with a letter going out shortly to potential contractors.
- The insurance brokers for the scheme, Jardine Lloyd Thompson, in conjunction with Catlin Insurance Company, have received expressions of interest in the scheme from several other councils.

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

(2) to recommend that the threat of industrial action and the implications of an extended drought are added to the Strategic Risk Log;

(3) to receive the Strategic Risk Log with updated mitigating actions for the key theme area: “Risks from implementing the NHS White Paper”; and

(4) to receive updates on the Contractors Insurance Top-Up Facility as part of the work programme.

52. COUNTY COUNCIL DUTIES AND RESPONSIBILITIES IN RELATION TO SCHOOLS

52.1 The Committee considered a report by the Director of Children’s Services summarising the progress to date in relation to the work being undertaken to assess the Council’s roles, responsibilities and powers in schools.

52.2. The following key points emerged from the discussion:

- Day-to-day interaction with schools in areas such as procurement and appointment procedures suggest that school staff and governing bodies have a low level of awareness and compliance with Council guidelines.
- There is a general recognition that governing bodies are prepared to take more risk than the Council would advise.
- The Council retains a duty of care to provide risk awareness and best practice advice to schools. However, a more robust approach to mitigating risk, such as sending schools official warnings or directly intervening, may be limited by the restriction on the Council to intervene only in matters where specific criteria are met; usually concerned with standards and quality of provision. This is the case for personnel issues where the Council cannot intervene even though it is liable as the employer. Furthermore, overseeing the procurement and appointment practices of all governing bodies would be labour intensive and impractical.
- Government policy is freeing schools from monitoring and consulting with the local authority. This will make it even more difficult for the Council to intervene directly; the need to build relationships with schools in order to maintain influence continues.

- Local Education Authority (LEA) governors are offered the same voluntary training as all other governors and once they are appointed the Council has no direct influence over how much training they attend. However, there is a clear expectation of certain criteria that LEA governors need to meet and the Governors' Panel applies those rigorously.

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

(2) to recommend to Children's Services that LEA governor vacancies should be better advertised, local councillors should be made aware of the terms of service for LEA governors in their divisions, and LEA governors should receive appropriate training.

53. FUTURE OF LOCAL PUBLIC AUDIT: UPDATE

53.1 The Committee considered a report by the Director of Corporate Resources summarising the Department for Communities and Local Government's response to the consultation paper on the future of local public audit and the progress of the Audit Commission's outsourcing exercise.

53.2 RESOLVED - to note the report and its appendices.

54. SCRUTINY WORK PROGRAMME

54.1 The Committee considered a report by the Assistant Chief Executive, Governance and Community Services setting out the Committee's planned programme of work for the forthcoming year.

54.2 RESOLVED – to add to the Committee's programme of work for 2012/13 as follows:

- The Audit, Best Value and Community Services Scrutiny Committee to recommend to the Environment, Transport and Economy Scrutiny Committee that they carry out a review of potential water shortages in East Sussex and look at whether there is an emergency plan to deal with a prolonged drought.
- The Chairmen of Audit, Best Value and Community Services and Children's Services Scrutiny Committees to meet to discuss the possibility of a reference group to look at the Council duties and responsibilities in relation to schools.
- The options for implementing the recommendations of the Communications team service review are to be presented at the 1 June 2012 meeting.
- Property Division will run a seminar before the 1 June 2012 to inform the Committee of issues relating to property asset management, agile working and SPACES.
- An update of the service review of Library Services is to be presented to the Committee as soon as is practicable following the end of the consultation period.

55. FORWARD PLAN

55.1 The Committee considered the Forward Plan for the period 1 March 2012 to 30 April 2012.

55.2 RESOLVED – to note the Forward Plan.