

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 1 June 2012.

- PRESENT - Councillor Sparks (Chairman), Councillors Barnes, Ensor, Lambert, S Shing, B Tidy and Whetstone
- OFFICERS - Simon Hughes, Assistant Chief Executive, Governance and Community Services
Duncan Savage, Assistant Director, Corporate Resources, Audit and Performance
Russell Banks, Principal Audit Manager
Philip Baker, Assistant Director, Legal and Democratic Services
Rawdon Phillips, Insurance and Risk Manager
Pete Bowley, Head of Service - Maintenance
Claire Hunt, Personnel Manager – Personnel Support Unit
Sarah Hills, Personnel Manager
Harvey Winder, Scrutiny Support Officer
- ALSO PRESENT - Katherine Needham - External Auditors

1. MINUTES

1.1 RESOLVED – to approve as a correct record the minutes of the meeting of the Committee held on 28 February 2012.

2. APOLOGIES FOR ABSENCE

2.1 There were no apologies for absence.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. REPORTS

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

Audit & Risk Items

5. INTERNAL AUDIT STRATEGY 2012/13 AND ANNUAL PLAN

5.1 The Committee considered a report by the Interim Director of Corporate Resources summarising the Internal Audit Strategy 2012/13 and Annual Plan.

5.2 The following key points emerged from the discussion:

- The Internal Audit Service (IAS) held vacancies during 2011/12 in anticipation of reduced resources from 2011/12 to 2012/13 as highlighted by the Internal Audit Service Review. Therefore, the number of planned days is broadly similar to 11/12.
- There was confidence that the reduction in contingency days from 200 in 2011/12 to 150 in 2012/13 could be accommodated within the plan. The reduction reflected

both the reduction in the overall size of the plan and the lower level of work in progress at year end.

- The plan included an appropriate level of flexibility to address changing risks and priorities and unplanned work e.g. investigations but the impact of these would be monitored through the year.

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

(2) to endorse the Council's Internal Audit Strategy 2012/13 and Annual Plan; and

(3) to approve the updated Internal Audit Charter.

6. INTERNAL AUDIT SERVICES: ANNUAL REPORT AND OPINION

6.1 The Committee considered a report by the interim Director of Corporate Resources summarising an opinion on the County Council's control environment for the year from 1 April 2011 to 31 March 2012.

6.2 The following key points emerged from the discussion:

- It is unclear whether a conflict of interest exists between the Council roles of regulation and trading services to schools. As part of their Human Resources traded services, the Council offers schools challenging advice over their current HR provision in order to develop long-term partnerships, rather than see a school as solely a client.
- The Traded Services team need to develop marketing skills and acumen to ensure that they are sufficiently flexible when working with schools
- Benchmarking risk factors against those of other authorities is difficult because it is so subjective. However, if key issues emerge in one authority it often triggers other authorities to examine the same thing.

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

(2) to note that there the following significant control issue should be included in the Council's annual governance statement for 2011/12:

- With regard to risks and control weaknesses in schools there needs to be a distinction between those issues where the County Council has the ability to ensure recommendations are implemented and those where it can only advise schools and their governing bodies. For example, those issues identified in the reports on recruitment and selection in schools and procurement and contract management in schools.
- It was the Committee's view that the Local Government Association should help to lobby for change on the Council's behalf; and

(3) to note that the Council's system for internal audit has proved effective during 2011/12.

7. ASSESSMENT OF THE CORPORATE GOVERNANCE FRAMEWORK AND CORPORATE ASSURANCE STATEMENT 2011/12

7.1 The Committee considered a report by the Monitoring Officer that (1) provided information on compliance with the Council's Code of Corporate Governance and any

changes to it that may be necessary to maintain it and ensure its effectiveness in practice; and (2) sought to gain approval of the Council's Annual Governance Statement in compliance with the requirements of the Accounts and Audit Regulations 2011.

7.2 The following key points emerged from the discussion:

- There was reassurance that, whilst directorates, divisions and teams may interpret key policies and processes differently, there is an overall consistency to how they are implemented. For example, if there is a breach of the Data Protection Act, it will always be reported to the same central point (the Monitoring Officer) to ensure that it is dealt with consistently.
- There is an increasing concern that the Council should examine the role of partnership working, especially in relation to Public Health. It is important that public accountability be maintained in partnership working.

7.3 RESOLVED – (1) to note the action taken over the last twelve months to address the issues in last year's action plan and to approve the action plan for the next year;

(2) to confirm the level of assurance provided through this report and the Council's governance framework and processes is satisfactory;

(3) to note the concerns about accountability of partnerships raised by the Audit, Best Value and Community Services Scrutiny Committee;

(4) to recommend that the Council's role in influencing partners on public health matters should be included in the Council's Annual Governance Statement as a significant governance issue; and

(5) to approve the Annual Governance Statement for signature by the Leader and the Chief Executive and publication within the Statement of Accounts.

8. STRATEGIC RISK MONITORING

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

8.2 The Committee also considered an update by the Director of Corporate Resources of the Contractors Insurance Top-Up Facility. The Committee welcomed the news that the national forum for risk management in the public sector (ALARM) has nominated the Top-Up Facility for an award. The Top-up Facility is in the top three finalists so will be commended even if it does not win. The results will be announced on 25 June 2012.

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

(2) to recommend that the risk to the financial stability of private sector nursery providers be considered as a risk.

9. TREASURY MANAGEMENT: STEWARDSHIP 2011/12

9.1 The Committee considered a report by the interim Director of Corporate Resources summarising the County Council's performance on treasury management for the year 2011/12.

9.2 RESOLVED – to note the report and its appendices.

10. CARBON MANAGEMENT

10.1 The Committee considered a report by the interim Director of Corporate Resources summarising the activities undertaken and planned to reduce the Council's carbon footprint from its own activities and services.

10.2 The Committee highlighted the fact that the cost of mass-producing solar technology is falling and so the Council should continue to consider solar power as a viable energy source.

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

(2) to request that officers consider the potential reduction in the Council's carbon footprint made by switching off streetlights between 12.00am and 5.00am and reducing the temperature of council buildings by 1-2 degrees Celsius during winter.

Scrutiny Items

11. COMMUNICATIONS SERVICE REVIEW: UPDATE

11.1 The Committee considered a report by the Assistant Chief Executive, Governance and Community Services summarising the progress of the Communications Service Review to date.

11.2 The following key points emerged from the discussion:

- The Communications team is looking at how it can help other teams deliver their service. For example the Looked After Children's Service: the Communications team recognises that there is a sub set of people who want to help vulnerable children but are unable to articulate what it is they wish to do. The team is aiming to target that specific group to point out ways in which they can help. There is a minimal cost associated with such activity but it can help to market effectively a service (protection of vulnerable children) to people who are willing to provide assistance.
- The Communications team is 'listening' to comments about the reputation of the Council. In particular, the team is monitoring social media to identify and act on complaints before they are reported to the Council (or point out that they are not the responsibility of the Council).
- The team is changing the Council website to reflect how people are accessing information. For example, only 20% of people access the information they require through the front page, the majority of people find what they want by running a web-search. Therefore, points of interest or targeted campaigns should be situated next to the most popular pages; for example, including the fostering campaign on the same page as the popular 'school opening times' webpage.
- 'Your County' magazine remains an important medium for advertisers and its value for promoting Council services is being explored by monitoring the number of calls to unique numbers published in the magazine.
- As printed news continues to decline, there is an increasing trend towards niche 'blogsites' and the Communications team is now targeting them with 'press releases'. Whilst the team cannot the response, this is nevertheless a worthwhile activity.

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

(2) to recommend that only the headline is included in the subject line of future press release emails.

12. USE OF AGENCY STAFF: UPDATE

12.1 The Committee considered an annual report by the Assistant Chief Executive, Governance and Community Services summarising the latest information available about the use of agency staff via Comensura, the agency responsible for supplying staff to the Council.

12.2 The following key points emerged from the discussion:

- The increased expenditure on agency staff in the Adult Social Care (ASC) Department is the result of hiring extra front line and administrative staff during the ongoing ASC Assessment and Care Management Pathway Service Review. The review has put a temporary halt on the recruitment of permanent staff, which necessitates the use of frontline agency staff to fill temporarily vacant posts. There has been a 13.8% increase in costs and a 30% increase in hours worked.
- The fall in agency staff spending in the Children's Services Department is partly attributable to the tightening of restrictions in hiring agency staff and the involvement of Children's Services DMT in recruitment decision making.
- The completion of a Children's Services service review in 2010 also accounts for some reduction in spending. The ASC Department expects that completion of the Pathway service review will deliver a similar result in those areas affected.
- The Corporate Resources Department has ongoing high profile ICT projects that require specific skills that are not available in the existing workforce. This necessitates the hiring of agency staff or consultants.

12.3 RESOLVED – to note the report and its appendices.

13. JOINT REVIEW BOARD WITH CHILDREN'S SERVICE SCRUTINY COMMITTEE ON LOCAL AUTHORITY POWERS, RESPONSIBILITIES AND ROLES IN RELATION TO SCHOOLS: TO AGREE MEMBERSHIP

13.1 The Committee agreed membership of a Joint Review Board with Children's Service Scrutiny Committee on local authority powers, responsibilities and roles in relation to schools.

13.2 RESOLVED – the following members of the Audit, Best Value & Community Services Scrutiny Committee will sit on the panel:

Councillor Sparks, Councillor Barnes and Councillor B Tidy.

14. SCRUTINY WORK PROGRAMME

14.1 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.

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

- An introduction of the coroners service by the County Coroner, Alan Craze on 4 September 2012

15. FORWARD PLAN

15.1 The Committee considered the Forward Plan for the period 1 June to 30 September 2012.

15.2 RESOLVED – to note the Forward Plan.