

CIVIC AFFAIRS

26 June 2013
(6.00 - 9.00pm)

Present: Councillors Rosenstiel (Chair), Cantrill (Vice-Chair), Ashton, Herbert, Johnson and Pitt

Officers present:

Chief Executive- Antoinette Jackson

Director of Resources – David Horspool

Head of Accounting Services – Julia Minns

Head of Human Resources – Deborah Simpson

Head of Internal Audit – Steve Crabtree

Head of Legal Services - Simon Pugh

Strategic Procurement Advisor – Debbie Quincey

Principal Auditor – Bridget Bishop

Ernst & Young (External Auditors) – Mark Hodgson

Independent Persons – Sean Brady and Rob Bennett

FOR ADOPTION BY THE COUNCIL

CIV/33/13 Apologies for absence

Apologies were received from Cllr Benstead.

CIV/34/13 Minutes of previous meeting

The minutes of the meetings held on 17 April, 13 and 23 May were signed as correct records by the Chair.

CIV/35/13 Declarations of Interest

There were declarations of personal interests under 13/41/CIV by Councillor Johnson (member of Unison trades union) and Councillor Pitt (member of NTL trades union).

CIV/36/13 Public Questions

There were no public questions.

CIV/37/13 Annual Review of the Effectiveness of Internal Audit - 2012-13

The Director of Resources introduced the report which had incorporated a new Standards regime for internal audit in the UK, the 'Public Sector Internal Audit Standards'. An important action under the Compliance and Quality Improvement Plan (pages 42-43) was that External Assessments must be conducted at least once every five years from a qualified independent assessor from outside the organisation. The Head of Internal Audit would be bringing a report to committee setting out how this new arrangement could work and noted Cllr Cantrill's comment that it should be within three years, not five.

Resolved-

To note the Review of the Effectiveness of Internal Audit 2012/13

CIV/38/13 Head of Internal Audit - Annual Audit Opinion 2012-13

The Head of Internal Audit introduced the report reviewing the past year. There had been a year on year increase in audits delivered since 2011/12, an improvement in the assurance ratings and overall the direction of travel was positive. Risk management software has improved internal processes.

Cllr Herbert asked about the ten audits that gave only limited assurance and what follow up had there been undertaken to ensure actions were complete. He challenged the wording of the overall Opinion (in para 3.1) bearing in mind the budget forecasting error which had been debated at April's committee meeting. The Head of Internal Audit undertook to provide the detail on the ten audits listed in summary in 4.6 of the Opinion. He also advised that the Opinion was given solely on the basis of the work Internal Audit had undertaken in 2012/13.

In response to a question from Cllr Cantrill on how are outstanding actions were escalated, the Head of Internal Audit advised that Risk Registers were discussed at Departmental Management Teams quarterly and strategic risks

were reported to Strategic Leadership Team (with the next due in July) and as appropriate also shared with Executive Councillors.

Members of the committee welcomed the report and having reviewed and provided challenge to the opinion of the Head of Internal Audit, were of the view that a half year update, including a review of outstanding actions should be provided to the November committee meeting.

Resolved-

That an interim progress report from the Head of Internal Audit be brought to its 20 November meeting.

CIV/39/13 Assurance Framework and Draft Annual Governance Statement 2012-13

The Head of Legal Services introduced the report. In response to a question from the Chair, the Head of Legal Services advised that a report would be submitted to the committee on developing the role of the Independent Persons (Mr Sean Brady and Mr Rob Bennett).

The committee noted and reviewed the Annual Governance Statement and;

Council is recommended

To approve the Code of Corporate Governance.

CIV/40/13 Statement of Accounts 2012-13

The Head of Accounting Services introduced the report and circulated a table of minor typographical corrections to the accounts as published in the agenda (members of the committee reported other minor errors during debate which were noted).

In response to a request from Councillor Pitt, the Head of Accounting Services would consider how best to provide councillors with a non-technical briefing prior to the 19 September meeting at which the accounts are submitted for signing off.

Resolved –

To note the draft Statement of Accounts presented and that accounting policies and treatments on which they are prepared be approved.

CIV/41/13 Annual Report on Prevention of Fraud & Corruption Policy and Implications of the Bribery Act

The Principal Auditor introduced the report. Regarding the changes to the Code of Conduct for Employees, Councillor Johnson asked for an update to the comments in paragraph 9.1 regarding consultation between the Head of HR and the unions. The Committee was advised by the Head of HR that there were on-going discussions about trade union activity outside of the Council and in relation to the Council employee's role for the Council. It could be following these discussions that clearer guidance/advice to employees is required.

Cllr Herbert asked if there could be greater transparency in officer interests eg. if a town planner has links with a developer then that should be publicly known. This goes beyond the senior officer interests which the Chief Executive reviewed annually. Openness should reflect the areas of work that council officers engage in and the relationship that work has with the decision-making of the Council. The Chief Executive undertook to look at this with the Head of Legal Services.

The committee noted the details of fraud/whistle-blowing activity for the two years 2011/12 and 12/13 and recorded its thanks for the work undertaken on preventing fraud and corruption.

Resolved –

To approve the changes to the Prevention of Fraud and Corruption (PFC) Policy and the content of the addendum to the PFC Policy plus the changes proposed to the Officer Code of Conduct to reflect the requirements of the Bribery Act.

To approve the amendments proposed to the Officer Code of Conduct to reflect the changes made to the guidance on gifts and hospitality and declarations of conflicts of interest.

CIV/42/13 Update on actions to address issues emerging from the budget forecasting error

The Chief Executive introduced the report. The Committee welcomed the proposals to change the approach for the MTS process and member scrutiny by Strategy & Resources Scrutiny Committee on 30 September. Members explicitly requested the mid-year financial review should also cover financial performance for the first quarter of 2013/14, reporting in-year variances and in-year specific issues. There was general agreement of the need to make the report understandable so that it could be a useful tool for Members in performing their duties.

Cllr Herbert requested further information at a later stage on the structure of the Budget Setting Report.

With regard to the recommendation on designating a new Head of Finance post as Section 151 Officer, the Chief Executive highlighted to the Committee that this proposal would be a departure from CIPFA guidelines (para 4.3/4.6) and reference would need to be made in future Annual Governance Statements.

Cllr Herbert stated that the word 'endorse' in the recommendation was presumptuous as the Chief Executive's report to the Leader and the Strategy and Resources Scrutiny Committee on a restructure of senior management in the Resources Department had only just been published and therefore this committee did not have the detail before it. The Committee agreed to a more appropriate resolution by removing 'endorse' with 'raises no concerns about'.

Resolved –

Subject to more detailed consideration by the Council, following the Chief Executive's report to the Leader and Strategy & Resources Scrutiny Committee, the Committee raises no concerns about the proposal to designate a new Head of Finance post as Section 151 Officer.

Council is recommended-

That the Budget Setting Report should be the place where the Council sets out its medium term financial strategy in future years, rather than being produced as a separate Medium Term Strategy document

That the Council undertakes a Mid-Year Financial Review in its autumn cycle comprising the following core elements:

- a) To consider the implications of year-end actuals on both revenue and capital expenditure going forward and level of reserves and first quarter performance against agreed budget
- b) To consider any implications from the Annual Statement
- c) To reflect any changes from the Government's Budget and Spending Review Announcements
- d) To test underlying assumptions about inflation and interest rates in the light of latest information and conditions
- e) To review forecasts on retained business rate and Council Tax in light of actual growth and latest projections
- f) To consider what impact all of the above have on reserves and future savings targets

That the proposed Mid-Year Financial Review document should be considered by Strategy & Resources Scrutiny Committee before the Leader makes a recommendation to Council.

To delegate authority to the Chief Executive to amend the Council's Constitution to reflect these new arrangements.

CIV/43/13 Review of the Council's Contract Procedure Rules (Part 4G of the Constitution)

The Strategic Procurement Advisor introduced the report. Members of the Committee debated the pros and cons of having one written quotation (as recommended) or two, for contract values under £10,000 and on whether seeking 'best value' was preferred to 'value for money'. The Strategic Procurement Advisor stated that a lot of these contracts would, in time, be picked up in wider corporate contracts and the guidance given to officers would explain that it was good practice to obtain more than one quotation. The Committee was satisfied to keep with one written quotation as the mandatory requirement but to re-word the table at the front of the Rules to emphasise the

need to get best value. The Committee did agree that it was important to obtain (rather than just invite) in writing quotes (£10,000-£49,999).

The Committee welcomed the fact there would be clarity over who took responsibility for procurements and requested that the summary table at the front of the Rules include an additional column to reflect who would be accountable and who would appoint that person.

Council is recommended –

To approve the changes to Part 4G of the Constitution, Contract Procedure Rules for implementation with effect from 1 November 2013. (Nb. These are appended to the adoption minute with the Committee's changes incorporated and highlighted)

CIV/44/13 Elections May 2013 (Review), Elections in 2014 (Issues) Individual Electoral Registration and consultation on electoral fraud

The Chief Executive introduced the report. Referring to the location of polling stations, members of the Committee asked that with the upcoming polling district review, an opportunity to look at location for stations would be welcomed. The Chair asked that the signage showing the alphabetical split by address within the dual stations is made clearer.

In discussion on the complaint alleging a forged signature on a nomination paper, Cllr Pitt stated for the record that he believed (but did not know for sure as identities had not been revealed as it was with the police) that the complainant was known to him.

On the part of the report focussed on the Electoral Commission's Issues Paper on electoral fraud and specifically postal voting, more of the Committee were against any ideas to restrict postal voting to help combat fraud.

Resolved –

To agree that the Annual Meeting of the Council is held on Thursday 12 June 2014 if the date of the local elections are confirmed as 22 May 2014 and that officers report to the next meeting with committee dates for 2014/15.

Agree that a response to the Electoral Commission's issues paper on electoral fraud be circulated to the committee with a final response sent following consultation with Chair and spokes.

The meeting ended at 9.00pm

CHAIR