

SCRUTINY COMMITTEE

Date: 11 December 2013

Venue: East Northamptonshire House, Cedar Drive, Thrapston

Time: 7.30 pm

Present: Councillors:- Philip Stearn (Chairman)

Tony Boto	Derek Capp
Richard Gell	David Read
Alex Smith	Jake Vowles
Sarah Peacock	Peter Wathen
Brian Northall	Clive Wood
Colin Wright	

Before the meeting started the Welland Internal Audit Manager provided a briefing for the Committee in connection with the Development of the Audit Plan.

281. MINUTES

The minutes of the meeting held on 23 September 2013 were approved and signed by the Chairman.

282. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Sylvia Hobbs, Sylvia Hughes, and Barbara Jenney.

283. DECLARATIONS OF INTEREST & QUESTIONS UNDER COUNCIL PROCEDURE RULE 10.3

There were no declarations of interest or questions under Council Procedure Rule 10.3.

284. DEVELOPMENT OF AUDIT PLAN FOR 2014/15

The Welland Internal Audit Manager provided a brief presentation of the Audit Plan for 2014/15. Public Sector Internal Audit Standards now required the use of a risk-based approach to internal audit planning. The approach proposed by the Head of the Consortium reflected the fact that individual managers had a responsibility to manage their risks, the Heads of Service and the Executive Director would therefore be required to identify any significant risks to the delivery of the service and the corporate and strategic objectives for which they are responsible.

The Committee was asked to consider any key areas of risk, arising from their activities or knowledge, which they felt should be considered in the production of the next Internal Audit Plan. Any views expressed by the Committee would be discussed in meetings with the Heads of Service and the Executive Director prior to an initial report being prepared for the Corporate Management Team.

It was noted that there was an end of January deadline for the production of the Audit Plan for 2014/15. Discussion would be held on the areas where the Committee felt the plan should concentrate.

RESOLVED:

- (1) That the proposed risk-based approach to the development of the Plan be endorsed.
- (2) That members of the Committee contact the Chair of Internal Audit with suggestions of areas where internal audit assurance might be required in 2014/15.

(Reason – To demonstrate that the Committee is discharging its responsibilities in conformance with the Public Sector Internal Audit Standards)

285. PROGRESS ON IMPROVEMENT PLAN

The Welland Internal Audit Manager presented a report on the recent progress made by the Consortium on the implementation of the Improvement Plan.

As previously reported, the new mandatory Public Sector Internal Audit Standards (PSIAS) had come into effect on 1 April 2013. One of the changes introduced by the Standards was the requirement to commission periodic reviews of the effectiveness of Internal Audit undertaken by a qualified and independent external assessor.

An early independent external review of the effectiveness of Internal Audit had been carried out by the lead authority for the Consortium. This identified weaknesses in the way audit assignments were designed and reported. The Consortium were on track to deliver the related Improvement Plan and the outcome of all the changes that had been carried out so far had had a positive effect.

RESOLVED:

That the progress of the Consortium against the Improvement Plan be noted.

(Reason – To demonstrate that the Committee is discharging its responsibilities in conformance with the Public Sector Internal Audit Standards)

286. AUDIT CHARTER

The Welland Internal Audit Manager presented a report on a revised Internal Audit Charter, following new rules which came into force on 1 April 2013. These guidelines specified the way in which the independence of a local authority's internal audit service must be demonstrated including the key requirement for an Internal Audit Charter.

A draft Internal Audit Charter was presented to the Committee which had been developed inline with guidance from the Chartered Institute of Internal Auditors.

The PSIAS stated that the Scrutiny Committee should periodically review the internal audit charter and present it to senior management and the board for approval.

RESOLVED:

That the Internal Audit Charter be endorsed.

(Reason – To demonstrate that the Committee is discharging its responsibilities in conformance with the Public sector Internal Audit Standards)

287. WELLAND INTERNAL AUDIT CONSORTIUM – INTERNAL AUDIT UPDATE 2013/14

The Welland Internal Audit Manager presented a report outlining the progress made by the WIAC on the delivery of the Annual Audit Plan for 2013/14 and associated measures of performance.

The WIAC provided an internal audit service for East Northamptonshire Council for 230 audit days to deliver the 2013/14 Audit Plan. The PSIAS required periodic reporting to the 'Audit Committee' of the Authority, including the performance of Internal Audit against the agreed plan and any key findings regarding the Council's risk management and control arrangements highlighted in the course of work completed.

Information was provided on the progress of audit assignments as well as performance information. A Schedule of Work linked to budgets for the remainder of the year had been produced.

Following the review of the Effectiveness of Internal Audit Work; work was underway to comply with the recommendations made. Work would focus on improvement to processes; training and development of staff; and training of 'Audit Committees' where appropriate. It was proposed that the work programme be adjusted to reflect this work

RESOLVED:

- (1) That the progress and performance of the Consortium be noted, and
- (2) That approval be given to the changes to the plan as detailed in Appendix A of the report in line with the 'gatekeeper' role defined in the Public Sector Internal Audit Standards.

(Reason – To demonstrate that the Committee is discharging its responsibilities in conformance with the Public Sector Internal Audit Standards).

288. NORTHAMPTONSHIRE FIRE & RESCUE SERVICE PRESENTATION

Due to service commitments, the representative from the Northamptonshire Fire & Rescue Service (NFRS) was unable to attend. Information was provided to the Committee on the Integrated Risk Management Plan. As the consultation period would end on 13 January 2014, the NFRS asked that members of the Committee complete the questionnaire provided.

RESOLVED:

That a letter be sent to the NFRS requesting clarity on the use and value for money of the Chelveston Training Facility highlighted in the consultation.

289. QUARTERLY PERFORMANCE REPORTING – Q2 2013/14

The Policy & Performance Manager presented a report which detailed high level performance information from across the Council in relation to agreed performance indicators, progress with internal audit recommendations and risk actions, and other statistics that supported the monitoring of performance.

The purpose of the report was to assess how service areas were progressing towards delivering key priorities and outcomes, the identification of problem areas, to provide peer challenge and to identify and record good performance

Members were advised that Performance Clinics for Quarter 2 had taken place in October/November 2013 with the results of the clinics being discussed by the Corporate Management Team in consultation with Councillor Sarah Peacock and Councillor Colin Wright on 22 November 2013.

The report provided overall performance information for the Committee. One area of discussion was the statistics for Freedom of Information requests where additional information was provided by the Executive Director. In 2009 the Council had received 246 requests for information, compared to 466 so far this year. Work was being carried out to share information between teams where a common theme amongst requests may occur.

The Committee noted the excellent figures regarding fly tipping incidents and asked for their thanks to be passed on to the team concerned.

RESOLVED:

That the report be noted.

290. ENGAGEMENT WITH PARTNERS – TOWN AND PARISH COUNCILS

The Executive Director provided a verbal report on a recent consultation regarding engagement with Town and Parish Councils across the District. Seven questionnaires had been returned. The results noted generally good engagement although one response noted that there was room for improvement. The planning process was a particular concern, both with the local processes and the level of understanding.

There were varying levels of understanding of some key areas: Community Right to Challenge and the Local Council Tax Support scheme had the lowest levels of understanding, whereas there were high levels of understanding of Community Plans/Neighbourhood Plans and New Homes Bonus Community Facilities Fund. The impact of the Community Infrastructure Levy and related infrastructure on individual councils was less clear.

The Committee agreed that further visits for the project should be deferred until the responses to the recent meetings had been analysed. It was important not to lose sight of the aims of the project. Outcomes and feedback would be provided during the first half of 2014.

RESOLVED:

That the report be noted.

291. REVISED TERMS OF REFERENCE FOR THE SCRUTINY COMMITTEE

The Executive Director presented a report on the draft new Terms of Reference for the Committee following the proposal by the Committee Review Working Party to create a separate Governance and Audit Committee, which would absorb some of the responsibilities currently lying with the Scrutiny Committee.

The Policy & Resources Committee had agreed in November 2013 that, whilst there was no longer a legal requirement for a Scrutiny Committee, this Council wished to continue with that option. The Working Party, in carrying out its review, noted the wide remit of the current Scrutiny Committee Terms of Reference and the increase in the governance role since the changes to the standards arrangements.

After consideration of the issues, the Working Party had concluded that the audit, governance and risk roles should be separated from the Scrutiny Committee and a new Governance and Audit Committee of seven members should be created. This proposal would be considered by Council in January 2014. If accepted, changes to the Terms of Reference of this Committee would be required.

The main areas of activity for the proposed Governance and Audit Committee would be Audit (internal and external), Constitution and Governance, Ethics and Probity and Risk Management and Internal Control.

The Committee Review Working Party also recommended that the members of the new Governance and Audit Committee should not serve on a policy making committee or Scrutiny Committee in order to ensure independence of function. This would also be incorporated into the revisions to the Constitution to be presented to Council in January.

A discussion was held on the various alternative work programmes for the newly formed Scrutiny Committee and consideration was given to the draft revised Terms of Reference provided, including the number of members for the revised committee and the need to review the Call-In process accordingly. Members agreed that such a review should be carried out when the new Scrutiny Committee started.

In addition, now that the Terms of Reference of Committees had been included in the Constitution, it was noted it was proposed to delete Article 7 from the Constitution.

RESOLVED:

1. That this Committee recommends a minimum of 12 Members to serve on the proposed new Scrutiny Committee, and
2. Recommend that the new Terms of Reference be presented to Council in January 2014 together with details of any other associated changes to the Council's Constitution.

Chairman