



OVERVIEW, SCRUTINY AND AUDIT COMMITTEE

PHOENIX HOUSE, MELTON MOWBRAY

8 JUNE 2010

PRESENT

Councillors E. Holmes (Chairman)
C.O. Chapman, S. Dungworth,
J. Illingworth, D. Orson, M.R. Sheldon, N. Slater

Ms. A. Breadon of
PricewaterhouseCoopers, External Auditors

Chief Executive
Assistant Chief Executive (CW)
Head of Welland Internal Audit Consortium
Secretariat & Reprographics Supervisor

OS1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Cumbers and Holt.

OS2. MINUTES

The minutes of the meetings held on 9 February 2010, 25 February 2010 and 21 April 2010 were confirmed and authorised to be signed by the Chairman.

OS3. DECLARATIONS OF INTEREST

Councillor Holmes declared a personal and non-prejudicial interest in any matters relating to Leicestershire and Rutland Improvement Partnership (LRIP).

OS4. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations from other Committees.

OS5. RISK MANAGEMENT ANNUAL REPORT

The Chief Executive submitted a report (copies of which had previously been circulated to Members) which briefed Members on the action taken and

progress made with respect to Risk Management within the organisation in 2009/10 together with identifying actions required within this financial year.

A sample of the Corporate Risk Register was included with the Risk Management Policy and Strategy and Members were informed that the full register was available to view if required. Members requested that any additions to the register be brought to the attention of the Committee.

RESOLVED that

- (1) the amended Risk Management Policy and Strategy be approved;
- (2) the progress made and actions taken with respect to Risk Management within the organisation be noted;
- (3) the focus upon raising awareness and communicating the principles of Risk Management through the whole organisation be approved;
- (4) any amendments to the Corporate Risk Register be brought to the attention of the Committee.

OS6. ANNUAL AUDIT 2009/10

Ms. A. Breadon, the external auditor, provided a verbal update of progress on the 2009/10 external audit. She stated that the majority of external audit work had been conducted around accounts and this was due for completion in 2 months time. Interim work had been conducted around financial systems and functions where they had not identified any significant control weaknesses.

She further stated that in previous years External Audit had carried out an assessment of the Council's use of resources, had given an opinion and had scored against other authorities. This part of their work had now been stopped by the new Government however as a great deal of work had already been completed in this area, feedback of their findings would be provided and a formal report would be brought to the next meeting.

A Member queried whether there would be any financial savings and if so, could this be quantified. Ms Breadon stated there would be a potential saving from 2011/12. The fees for 2010/11 were already determined.

RESOLVED that the update be noted.

OS7. ANNUAL REPORT OF INTERNAL AUDIT FOR 2009/10

The Head of Welland Internal Audit Consortium submitted a report (copies of which had previously been circulated to Members) which satisfied the Accounts and Audit Regulations by providing Members with the opportunity to consider a report from the head of the Council's Internal Audit function on the performance of Internal Audit during the year and the "Internal Audit Opinion" on the Council's system of internal control and its arrangements for risk management and governance.

A general discussion took place around the Summary of Assurance Ratings following Planned Audits 2009/10. The Head of Welland Audit Consortium confirmed that on a quarterly basis the Committee would be provided with a summary of all reports completed in that quarter as he considered a routine report would allow for improved monitoring.

RESOLVED that the Annual Report of Internal Audit for 2009/10 and the Internal Audit Opinion that it supported be noted.

OS8. TRAINING REQUIREMENTS OF THE AUDIT COMMITTEE

The Head of Welland Internal Audit Consortium submitted a report (copies of which had previously been circulated to Members) which made Members aware of the specialist role that the Committee discharges when functioning as the Council's Audit Committee and to outline proposals for training to support the effective discharge of that role.

The Head of Welland Audit Consortium asked the Committee if they would commit to training in order to improve its capacity. Members considered that they would benefit if they were trained in the systems and processes.

The Chairman suggested that instead of Workshop meetings, additional Committee meetings be introduced to fulfil the Committee's Audit role. The Head of Welland Audit Consortium stated that there were particular tasks that the Audit Committee had to discharge which should operate from a different mindset of an Overview and Scrutiny Committee and asked the Committee if they would be prepared to accept and support the additional meetings. It was stressed that at the moment this was a discussion point and consideration needed to be given to how many meetings were required and how many meetings could be supported by Democratic Services.

Members considered that dedicated audit meetings would be the best way forward and various other options were considered such as an earlier start time. The Assistant Chief Executive (CW) suggested putting together options to bring along to the next meeting to include possible dates.

With reference to training, the Assistant Chief Executive (CW) confirmed that training was being arranged for the Committee on its Overview and Scrutiny role in addition to its role as Audit Committee.

RESOLVED that

- (1) Members agreed to participation in training in the role and responsibilities of the Audit Committee;
- (2) Officers prepare a report for the next meeting setting out options for the delivery of the Committee's audit role.

OS9. CIPFA DRAFT STATEMENT ON THE ROLE OF THE HEAD OF INTERNAL AUDIT

The Head of Welland Internal Audit Consortium submitted a report (copies of which had previously been circulated to Members) which determined whether Members wished to respond to the consultative document and to inform Members of the extent to which the Council's current arrangements were consistent with the draft Statement.

Members expressed concern over benchmarking which they considered could be done as normal working practice.

It was suggested that the solutions given within the 5 Principles which supported the Statement were for larger Councils and could potentially cost Melton Borough Council a great deal proportionately therefore the size of the Council should be stressed.

The Chief Executive suggested that this could be linked to the benchmarking as the Council did have a practice for this area that was followed.

RESOLVED that a response to the draft Statement be issued which stressed the size and nature of the Council.

OS10. ANNUAL GOVERNANCE STATEMENT AND STATEMENT OF INTERNAL CONTROL

The Assistant Chief Executive (CW) submitted a report (copies of which had previously been circulated to Members) on behalf of the Monitoring Officer and S151 Officer which

- (1) explained the requirements for the Council to produce an Annual Governance Statement (AGS) and invited the Committee to consider the Council's draft AGS for 2009/10 before its approval by Policy, Finance and Administration Committee on 29 June 2010;
- (2) explained the Annual Governance Statement was a key component of the Council's governance arrangements and as such, those who were responsible for those arrangements must approve it.

The External Auditor stated that the last sentence under Use of Resources, Section 10 of the Annual Governance Statement 'this years Use of Resources Assessment process has provided a score of 3 with notable improvement in some areas' needed to be removed as this was no longer applicable.

The Assistant Chief Executive confirmed the amendment would be highlighted for the Policy, Finance and Administration Committee.

RESOLVED that the Committee considered and approved the Council's Annual Governance Statement (AGS), as set out in Appendix A, subject to amendments highlighted above and noted the progress made with the actions from last year as set out in the action plan at Appendix B.

OS11. OVERVIEW AND SCRUTINY WORKSHOP TEAMS 2009/10 AND 2010/11

The Assistant Chief Executive (CW) submitted a report (copies of which had previously been circulated to Members) which

- (a) appointed Members to Workshop Teams A and B for 2010/11;
- (b) agreed the dates and times of the Workshop Teams for 2010/11;
- (c) reviewed the annual report for 2009/10.

The Assistant Chief Executive (CW) informed Members that they may wish to dispense of the Workshop Teams as previously discussed under Minute OS55 but could retain in the interim until a decision in how the Committee would work was made.

The items already earmarked for forthcoming Workshop Team meetings were discussed and it was considered that the Melton Local Development Framework item required urgent attention and therefore needed to be dealt with in the near future.

RESOLVED that

- (1) an Overview, Scrutiny and Audit Workshop Team be scheduled for 28 July 2010 at 6:30 p.m. to discuss the Melton Local Development Framework processes with membership as follows:-

Councillors
C. O. Chapman
P. Cumbers
S. Dungworth
J. Illingworth
N. Slater

- (2) further Committee meetings be arranged for 2010/11 in accordance with minute OS55;
- (3) the Annual Report for 2009/10 be noted.

OS12. PROGRAMME OF WORK AND PROGRESS

The Assistant Chief Executive (CW) submitted a proposed Programme of Work and progress for 2010/11 for consideration.

This matter was discussed under the previous item.

RESOLVED that the Committee's Programme of Work and Progress for 2010/11 be updated.

In accordance with Section 100(B)(4) of the Local Government Act 1972, the Chair, in exercising her statutory powers, agreed that the following

two items be considered as matters of urgency to meet the regulatory requirements and timescale.

OS13. LISTENING TO COMMUNITIES – STATUTORY GUIDANCE ON THE DUTY TO RESPOND TO PETITIONS

The Assistant Chief Executive (CW) circulated a report on behalf of the Monitoring Officer which requested the Committee to

- (a) consider a Petitions Scheme under the provisions of the Local Democracy, Economic Development and Construction Act 2009 which imposed a duty on local authorities to respond to petitions;
- (b) refer the proposed Petitions Scheme at Appendix A to the Council for adoption;
- (c) request that the Council review the scheme and include an E-Petitions element to meet the 15 December 2010 deadline for this facility.

Members expressed concern in relation to the suggested number of signatures required in order to trigger an Officer giving evidence and considered that a further option be included where the Overview, Scrutiny and Audit Committee considered any petitions which fell under the 750 signature threshold.

RESOLVED that

- (1) with regard to an Officer giving evidence, the Overview, Scrutiny and Audit Committee also consider any petitions under the 750 signature threshold;
- (2) the Petitions Scheme at Appendix A be updated in accordance with the above and referred to the Council for adoption and thereafter be published on the Council's website;
- (3) the Council be requested to review the scheme later in the year to meet the 15 December 2010 deadline for the inclusion of E-Petitions.

OS14. CONSTITUTION REVIEW TASK GROUP

The Committee was requested to

- (a) reconstitute the Constitution Review Task Group with the following terms of reference

“To review the Council's Constitution and to make appropriate recommendations”

- (b) appoint the Members thereto.

RESOLVED that

- (1) the Constitution Review Task Group be reconstituted with the following terms of reference :-

'To review the Council's Constitution and to make appropriate recommendations';

- (2) Councillors Dungworth, Holmes and Illingworth be the Committee's representatives on this Task Group;
- (3) Group Leaders be consulted to appoint other Members to the Task Group.

The meeting which commenced at 6.30 p.m., closed at 8.00 p.m.

Chairman