

AUDIT SCRUTINY COMMITTEE

TUESDAY, 11 SEPTEMBER 2018

Present:

Councillors Clarence (Chairman), Hockin (Vice-Chairman), Dewhirst, Connett, Haines, Peart, Thorne and Wrigley

Members Attendance:

Councillors

Apologies:

Councillors

Officers in Attendance:

Sue Heath, Audit Manager

Claire Moors, Principal Technical Accountant

Nigel Piller, Housing Benefit & Council Tax Team Leader

Richard Rainbow, Drainage and Coastal Manager

Tracey Hooper, Revenue, Benefits & Fraud Manager

James Teed, Leisure Manager

Graeme Smith, Coastal Officer

Peter Briscoe, Project Officer

Mark Devin, Democratic Services Officer (Exeter City Council)

151. APOLOGIES FOR ABSENCE

No apologies received.

152. MINUTES OF THE PREVIOUS MEETING

The minutes of the Audit Scrutiny Committee meeting held on 19 July 2018 were confirmed as a correct record and signed by the Chairman.

153. DECLARATIONS OF INTEREST.

The following Member declared an interest as indicated:-

COUNCILLOR	MINUTE
Councillor Wrigley	160

154. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT - EXCLUSION OF PRESS AND PUBLIC

RESOLVED that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following item on the grounds that it included the likely disclosure of exempt information as defined in paragraph 3, of Part 1 of Schedule 12A of the Act.

155. RISK BASED VERIFICATION POLICY- UPDATE

The Housing Benefit & Council Tax Team Leader presented the report on the Councils Risk Based Verification Policy.

That the Audit Scrutiny Committee noted the report.

Meeting returned to Part I

156. LEISURE EQUIPMENT PROCUREMENT

The Leisure Manager provided a verbal update on the procurement of leisure equipment. He explained that the equipment choices were part of the five year programme to assess equipment for replacement and repair. He had met with suppliers to see the available products and demonstrations of the equipment in use. He had sought feedback from operators of the equipment and undertaken a consultation with staff and customers about what leisure equipment they would require.

Following assessments of leisure centre spaces and requirements, Technogym equipment package had been chosen as the best purchase option. In response to questions from Members, the Leisure Manager and Audit Manager responded:-

- Users had been canvassed both directly and through writing to get their opinions on the equipment based around their requirements;
- Social media had not been used for canvassing information for gym equipment, but had been used for junior services;
- A £40k budget was set but as surplus capital funds were then available, the team were in a position to afford more equipment;
- There had recently been experienced increases in costs for services and repairs, which supported the decision to replace more equipment;
- The procurement officer and Finance Manager had been consulted on the over-spending. It has been waived further along the tendering process to avoid having to later repeat having to go out to tender as a competitive process had

already been followed, the market had been tested;

- Improvements to marketing intelligence and officer training were being put into place and raised awareness of spending would also ensure that procurement was moved forward to ensure no future over spending;
- The threshold for going to waiver was £50,000 or above and would require Senior Management and Council Leader approval at Executive Committee. Improved Scrutiny would also ensure improvements for the future.

Members expressed their concern and dissatisfaction of the overspending and that the report presented was verbal, rather than a written report as requested. They further highlighted their concern that procedure had not been followed.

Resolved

Members requested a written report on the proposals and the measures put in place for procurement for the Audit Scrutiny Committee meeting held on 13 December 2018.

157. GRANT THORNTON: 2017/18 TDC ANNUAL AUDIT LETTER

The Audit Manager passed on the apologies of Grant Thornton. The Principal Technical Accountant stated that the letter summarised the work and key findings from Grant Thornton for the year ending March 2018. She discussed the significant audit risks and the final reports issued and feedback provided.

Members commented that there appeared to be mistakes and missing information in the report and requested a revised report be issued.

Resolved

That Members noted the report but requested a revised report be issued and comments be fed back to the External Auditor.

158. INTERNAL AUDIT REPORT

The Audit Manager presented the report which advised members of the recent progress against the Audit Plan, the outcomes of the completed audits and the additional duties undertaken by the audit team. The Audit Plan was approved annually by the Audit Scrutiny Committee and progress was reported back at each meeting. She highlighted that the emergency planning audit had been completed but had not been shown in the report.

She discussed recent management changes, which now meant the Audit team having responsibility for Freedom of Information (FOI) and Data Protection. The temporary Auditor was GDPR qualified and would provide Data Protection support until 31 March 2018. A further assessment would then be made of the Council's

needs. The Audit Manager explained that, in order to accommodate the Data Protection work it had been proposed to remove the Leisure Centres, Licensing and Register of Interests audits from the Audit Plan. The remaining audits would be managed through additional hours worked by the part time auditor and additional external support.

Members were informed about the completed internal audits, and the data protection and FOI work, noting that there had been an increase in Subject Access Requests. The Audit Manager gave an overview of reported data breaches investigated.

Members discussed the safeguarding audit score and expressed concerns, with the low level of completed Member and officer training in safeguarding. Further comments included concern with the training portal functionality, Leisure Centres needed to remain on the audit plan, and Members' access to risk information.

In response to questions from Members, the Audit Manager responded:-

- The audit plan could be re-worked to incorporate Leisure Centres, but another area may have to be removed, which would be discussed with senior management;
- A corporate email footer showing the Council's privacy notice is now in place;
- An email good practice guide had been issued to staff. Further advice could also be issued to members in addition to that already provided in the Members' Newsletter;
- Comments on safeguarding training and the training portal would be taken back to the Auditor.

Resolved

That further information on the Safeguarding audit and the measures taken to address the recommendations be provided at the Audit Scrutiny Committee meeting to be held on 13 December 2018.

159. FINANCIAL INSTRUCTIONS AND CONTRACT PROCEDURE RULES

The Audit Manager presented the report which detailed where and why the financial instructions and contract procedure rules had been waived.

The Project Engineer explained the waiver and reasoning for the former Europlas building, highlighting that a request for quotation was issued to six contractors, but the value of quotations exceeded the threshold above which invitations to tender are required. Due to timescales it had been agreed not to restart the tender process and accept the most economically advantageous quotation received.

In response to Member questions, the Project Officer explained:-

- A mistake had been made on the tender portal, request for quotation had been selected instead of invitation to tender;
- There were structural and architectural disciplines based on the percentage of the overall building works. This percentage was an estimate based on the information available.

Resolved

That the Audit Scrutiny Committee noted the report.

160. TEIGN ESTUARY AND COASTAL PARTNERSHIP AUDIT

The Coastal Officer and Drainage and Coastal Manager presented a verbal report on the Teign Estuary and Coastal Partnership, explaining the history of the Partnership, how it functions and the work undertaken.

In response to Member questions, the Coastal Officer and Drainage and Coastal Manager responded:-

- Management meetings between the Coastal Officer and the Drainage and Coastal Manager were held on a monthly basis over the last eight months, since the appointment of the Coastal and Drainage Manager.
- Steering group meetings with the Partnership would provide a timeline for dates for completion of projects. The strategic delivery of partnership projects was overseen by the Coastal Partnership's Steering Group;
- Information and project dates could be provided to Members through audit reports and updates at the Audit Scrutiny Committee. The Council would also be kept informed through Portfolio Holder and Members who would also sit on the Partnership's Steering Group;
- The Partnership was currently undertaking a scheduled five year review of Strategic Policies and associated project delivery priorities to cover the period 2019-24 and a written draft supplementary report could be provided to the Committee at the December meeting, or a complete report including public consultation and Steering Group adoption could be provided in March 2019.

Resolved

That the Audit Scrutiny Committee agreed for a final written report be provided for the Audit Scrutiny meeting on 21 March 2019.

Cllr Chris Clarence
Chairman