

Coventry City Council

Minutes of the meeting of the Audit and Procurement Committee held at

4.00 pm. on 5 August 2013

Present:

Committee Members: Councillor Sweet (Chair)
 Councillor Bains (Deputy Chair)
 Councillor Harvard
 Councillor Sandy
 Councillor Sawdon
 Councillor Thay

Employees (by Directorate):

Finance & Legal Services: M. Burns, L. Commane, J Evans and S. Mangan
Customer & Workforce Services: H. Peacocke

Public business

21. Apologies

Councillor B. Singh

22. Declarations of Interest

There were no declarations of interest.

23. Minutes of Audit and Procurement Committee 8 July 2013

The Minutes of the Audit and Procurement Committee held on 8 July 2013 were agreed and signed as a true record.

24. Exclusion of the Press and Public

RESOLVED to exclude the press and public under Section 100(A)(4) of the Local Government Act 1972 relating to the private report on Item 12 on the agenda: Procurement – Monthly Progress Report, on the grounds that it involved the likely disclosure of information defined in Paragraph 3 of Schedule 12A of the Act as it contained information relating to the financial or business affairs of any particular person (including the authority holding that information) and that in all circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

25. Procurement – Monthly Progress Report

The Committee received a Briefing Note from the Director of Finance and Legal Services on procurement matters.

It was noted that there was a procurements savings target of £8M over the coming 3 years, comprising £2m per annum for 2013/14, an additional £3m from 2014/15 and a further £3m per annum from 2015/16.

RESOLVED that the Committee approve the July monthly progress report on procurement.

26. **Outstanding Issues and Work Programme 2013/14**

The Committee considered the report of the Director of Customer and Workforce Services and Director of Finance and Legal Services on outstanding issues and the Work Programme 2013/14.

It was noted that items 1 to 8 were due at the Committee but that item no. 1 (Network Security) would now be considered at the November meeting within the Internal Audit Quarterly Progress report. Item no. 8, Safeguarding Awareness, had been delayed due to changes in key personnel and this would now be considered at the December meeting.

The Committee noted that the agendas for the November and December meetings looked light and it was proposed that these 2 meetings be amalgamated, with the date to be agreed with the Chair.

An extra meeting would be held on 19 August to consider issues arising from the Chair's JEEP (Justify Expenditure, Examine Performance) Campaign which had the potential to achieve savings for the Council.

RESOLVED that the outstanding issues and The Work Programme (2013-14), as amended, be agreed by the Committee.

27. **Internal Audit Report Update - Council Tax Exemptions and Discounts**

The Committee considered the report of the Director of Finance and Legal Services on Council Tax Exemptions and Discounts. . An audit review in 2012-13 highlighted a number of significant concerns that required urgent action. This report highlighted progress made since the audit including the fact that as a result of the audit findings and a subsequent project set up by the Assistant Directors responsible for Revenue and Benefits and Special Projects Finance, revised bills to the value of £105,000 had been issued to those customers where it has been established that they are no longer entitled to a discount or exemption.

The report highlighted that the project is still on-going and that further work was still required to determine the scale of the issue and the longer solution to addressing the issues raised.

The Committee welcomed the work to date but requested a report in January 2014, to provide an update on the action being taken to address the full concerns raised in the audit. In particular, the Committee were keen that officers focused consideration on more proactive processes to encourage customers to notify the Council when their circumstances change and mean they no longer are entitled to a discount or exemption.

RESOLVED that the Audit and Procurement Committee approve the internal audit update on Council Tax and Exemptions.

28. **Audit Committee Annual Report to Council 2012-2013**

The meeting heard that the Committee was required under the Council's constitution and the Committee's terms of Reference to submit an annual report of its activities to full Council. The Director of Finance and Legal Services in consultation with the Chair had drafted the report for consideration and approval by the Committee.

RESOLVED that the Committee approve the Annual Report 2012-13 for full Council.

29. **Annual Fraud Report 2012-2013**

The Director of Finance and Legal Services presented the Report which was a summary of the Council's anti-fraud activity for the financial year 2012-13, focusing primarily on corporate and benefit fraud. The Committee noted the results of anti-fraud activity during the year and noted the continued improvement in performance of the Benefit Fraud Team. In response to discussions around employee fraud, the Committee asked officers to consider whether current systems in respect of ensuring employees have the right to work in the UK were sufficiently robust and also to consider whether tracking devices should be standard across all Council vehicles. It was agreed that briefing notes would be produced on these matters for consideration by the Committee.

RESOLVED that the Audit and Procurement Committee approve the outcome of the Council's response to fraud activity during 2012-13.

30. **Review of the Effectiveness of the System of Internal Audit**

The Committee considered a report from the Director of Finance and Legal Services on the outcome of the various activities and assessments for the period 2012-13, to aid the Audit and Procurement Committee in undertaking the review of the effectiveness of the Council's System of Internal Audit, on behalf of the Council.

The meeting noted that Officers offer of training and advice to all members of the Committee in order to carry out their roles on the Audit and Procurement Committee.

RESOLVED that the Audit and Procurement Committee:

1. **Approve the findings of the 2012-13 review of the effectiveness of the System of Internal Audit.**
2. **Endorse the areas for development highlighted in the Report.**

31. **Internal Audit Update Report**

The Director of Finance and Legal Services provided an update on a number of recently completed audits that were considered high priority by the Audit Committee in 2012-13. These were deemed high priority as a result of the level of assurance provided when the areas were last audited by Internal Audit.

The four audit reviews in question were:

- CareDirector (Expenditure)
- Housing Benefit Overpayments
- Complaints
- Reed Recruitment Agency – Contract Monitoring

The Committee noted the findings of the report including the significant progress that had been made in addressing audit actions across all four audits.

RESOLVED that the Audit and Procurement Committee approve the progress made in these audits.

32. **Any Other Public Business**

There were no other items of public business.

(The Meeting closed at 5.15 pm)

Signed: _____
Chair.

Date: _____