

Coventry City Council

**Minutes of the Meeting of The Audit and Procurement Committee held at 4.00 pm
on 18 November 2013.**

Present:

Members: Councillor H Sweet (Chair)
Other Members: S Bains (Deputy Chair), L Harvard, T Sawdon, R Sandy
B Singh

Employees (by Directorate) S Brake, B Hastie, P Jennings, H Lynch, S Mangan,
K Malone, H Peacocke and L Welton.

Apologies: None.

Public Business

66. **Declarations of Interest**

There were no declarations

67. **Minutes of Previous Meeting**

The Committee approved the minutes of the meeting held on 21 October and the Chair signed them as a true record.

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

The Committee considered the report of the Executive Director, Resources, setting out the outstanding issues for the Audit and Procurement Committee and the Committee's Work Programme for the rest of the Municipal Year.

The following items were noted:

- add JEEP (Justify Expenditure Explain Performance) update to the January agenda
- The Grant certification letter is on the February agenda
- "Corporate Risk Register Update – Safeguarding Awareness" and "Council Tax Exemptions and Discounts" on the January agenda.

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

69. **Annual Audit Letter for year ended 31 March 2013.**

Mr Tony Parkes, of Grant Thornton (The Council's external auditors), presented the Annual Audit Letter for financial year ended 31 March 2013.

The audit conclusions which provided in relation to 2012/13 were as follows:

- an unqualified opinion on the accounts which give a true and fair view of the Council's financial position as at 31 March 2013 and its income and expenditure for the year
- an unqualified conclusion in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

The auditors told the Committee that the statement of accounts was not yet finalised, pending the investigation of an outstanding objection, regarding the charge for a dropped kerb, which could take a few more weeks to resolve.

The letter highlighted 4 issues:

1. The challenging financial future facing the Council,
2. The impact of savings on the Children, Learning and Young Peoples Directorate
3. The introduction of the Council's new financial system, Agresso, from 2 December, and
4. The need for the Council to satisfy itself on the financial status of Arena Coventry Limited

RESOLVED that the Coventry City Council Annual Audit Letter 2012/13 be agreed.

70. **Half Yearly Fraud Update 2013-14**

The Audit and Procurement Committee received from the Executive Director, Resources a summary of the Council's anti-fraud activity for the first half of the financial year 2013-14, focusing primarily on corporate and benefit fraud.

The Internal Auditor drew the Committee's attention to the following matters in the report:

- The National Fraud Initiative had identified £213,000 of overpayments/errors, mainly housing benefit (paragraph 2.1.1)
- The uncertainty arising from the government's proposal to merge local authority benefit fraud teams with their counterparts based in the DWP and HMRC, in order to create the Single Fraud Investigation Service (paragraph 2.2.1)
- The details regarding significant fraud (financial impact in excess of £10,000) as set out in appendix 1.

RESOLVED that the Audit and Procurement Committee endorses the Fraud Update for the first half of 2013-14.

71. **Covert Surveillance of Employees Policy and Procedure**

The Committee considered the report of the Executive Director, Resources, which provided an overview of the proposed procedure for submitting and authorising applications for the covert surveillance of employees.

RESOLVED that the Audit and Procurement Committee endorse the content of the report and recommend approval of the Covert Surveillance of Employees Policy and Procedure.

72. **JEEP (Justify Expenditure, Explain Performance) Update**

The Assistant Director for ICT provided the Committee with responses from ICT Services to staff suggestions made under the JEEP campaign.

RESOLVED that the Audit and Procurement Committee notes the responses to ICT suggestions under the JEEP campaign.

73. **Any other business**

It was agreed that future agendas should clearly distinguish between “Audit” items and “procurement” items.

74. **Procurement Progress Report**

The Committee received a Briefing Note from the Executive Director, Resources on procurement matters. It was noted that the procurements savings to date were on target to achieve £2M. It was noted that the fostering framework was being retendered in a way that will reduce cost of placements although there is currently a significant increase in demand. The Council was also retendering its Support for adults with learning difficulties.

It was agreed that as the meeting in December had been cancelled that the monthly report would be emailed to Committee Members.

RESOLVED that the Audit and Procurement Committee notes the November monthly progress report on procurement.

75. **Arena Coventry Limited Update**

The Committee received in private, a verbal update on the issues facing the Council arising from its financial restructuring of ACL. The issues included financial and reputational matters and the Committee noted that the Council’s ACL Shareholders’ Panel met on a regular basis to address these.

The Committee requested a further update in 6 months.

RESOLVED that the Audit and Procurement Committee note the update on Arena Coventry Limited.

(Meeting closed at 5.00 pm)