

**Coventry City Council**

**Minutes of the Meeting of the Audit and Procurement Committee held at  
3.00pm on Monday 1 December 2014 at Council House, Coventry**

Present:

Members: Cllr. D Galliers (Chair)  
Cllrs. S Bains, L Harvard, R Sandy and T Sawdon

Employees (by Directorate): L Commane, Resources  
P Jennings, Resources  
S Mangan, Resources  
H Peacocke, Resources  
L Welton, Resources

External Auditors: J Gregory (Grant Thornton)

Apologies: Cllr. D Welsh

**Public Business**

**37. Minutes of Previous Meeting**

**The minutes of the meeting held on 20 October were approved by the meeting and signed as a true record.**

**38. Matters arising on the minutes**

- i. A meeting was scheduled with Ernst and Young to discuss their proposals on contract management reviews before requesting other tenders on a complete risk basis. The Committee would receive a further update at the next meeting.
- ii. There were still 2 replies outstanding to the Skills Assessment and these would be followed up.
- iii. The chair attended a meeting of the network of Audit Committees, promoted by Grant Thornton and a briefing note on risk management arrangements was circulated to the Committee members. (A further network meeting is planned for early 2015)
- iv. A letter has been drafted for the Chair to send to the governors of Stoke Heath Primary School.
- v. The Committee received a briefing note on discretionary payments under section 17 of The Children's Act. It was noted that the actions requested were being progressed and there would be a further update to the Committee in March/April 2015.
- vi. Further to the concern raised at the previous meeting regarding checks on agency workers, the Committee noted that while there was a minor level of non-compliance, it was not a significant concern.

- vii. The Committee noted recent developments regarding the Ricoh Arena and were satisfied that following the transfer of the Council's shares in ACL that this did not represent a risk to the Council.
- viii. It was agreed that for future meetings, actions arising would be included in the Work Programme.

39. **Declarations of Interest**

Councillor Galliers declared that his wife is the chair of the City College Trust (referred to in the recommendations from item 8: 2014/15 Second Quarter Financial Monitoring Report (to September 2014)

40. **Work Programme 2014/15**

The Committee considered a report of the Executive Director, Resources, on the Work Programme for the rest of the Municipal year.

It was noted that the programme was relatively light for January and agreed that these items could be deferred to February.

41. **Annual Audit Letter 2013-14**

Mr John Gregory, of Grant Thornton (The Council's external auditors), presented the Annual Audit Letter for financial year ended 31 March 2014.

The Letter summarised the key findings arising from the audit work carried out at Coventry City Council ('the Council') for the year ended 31 March 2014. The Letter communicated key messages to the Council and external stakeholders, including members of the public.

It was noted that the Whole of Government accounts were submitted late and plans were in place to ensure that this would not happen next year.

In response to questions, the external auditors were not unduly concerned about the level of reserves held by the Council. The meeting heard that Scrutiny board 1 would be considering this matter and the presentation would be sent to the committee.

**RESOLVED that the Coventry City Council Annual Audit Letter 2013/14 be agreed.**

42. **Half Yearly Fraud Update**

The Committee received a Report of the Executive Director of Resources providing a summary of the Council's anti-fraud activity during the financial year 2014-15 to date.

**Resolved: that the Audit and Procurement Committee note:**

- 1. The outcome of the Council's response to fraudulent activity during 2014-15 to date.**
- 2. The update provided in respect of the implementation of the Single Fraud Investigation Service.**

43. **Internal Audit Recommendation Tracking Report**

The Committee received a report of the Executive Director of Resources updating on the progress made in implementing audit recommendations since the last update in October 2013.

**Resolved that the Audit and Procurement Committee:**

- 1. Note the current procedure for following up audit recommendations and**
- 2. Note the progress made in implementing audit recommendations and confirm its satisfaction with progress made and the proposed action by the Internal Audit and Risk Manager for audits where actions remain outstanding.**

44. **Quarter Two Revenue and Corporate Capital Monitoring Report 2014-15**

The Committee considered a Report of the Executive Director of Resources which advised the Cabinet on the 4<sup>th</sup> November 2014 of the forecast outturn position for revenue and capital expenditure and the Council's treasury management activity as at the end of September 2014. The headline revenue forecast for 2014/15 was an underspend of £0.4m.

The Committee noted:

- the changes to the Council's Financial Management Strategy and credit rating issues, as advised
- the payment holiday on the lease with City College Coventry
- the increase in the estimated capital costs of the Customer Service Centre, from £1m to £3M. The Committee heard that Scrutiny board 1 would be considering how to improve such estimates in the future and that recommendations would be made to the Cabinet Member, Strategic Finance and Resources
- that the Kickstart programme was expected to achieve savings of £5m per annum

**Resolved that the Audit and Procurement Committee note the Quarter Two Revenue and Corporate Capital Monitoring Report 2014-15.**

45. **Procurement - Contract Monitoring / Social Value**

The Committee received an update from the Executive Director of Resources on the work that had been undertaken since the introduction of Coventry's Social Value Policy adopted by Cabinet on 11<sup>th</sup> February 2014. It contained highlights of the report that would be taken to Finance and Corporate Services Scrutiny Board on 2 February 2015 and Cabinet Member , Strategic Finance and Resources, on 9 March 2015.

**Resolved that the Audit and Procurement Committee endorse the work carried out on delivery and implementation of the Social Value Policy.**

46. **Exclusion of Press and Public**

47. **Procurement Monthly Progress Report**

Savings surplus showing 14-15

The Committee considered a report of the Executive Director, Resources, including confidential financial matters in respect of Procurement and Commissioning across the Council for the month of November.

The Committee heard that it was expected that procurement savings would exceed their target in 2014-15 and that some work remained to plan the savings expected in 2015-16.

**RESOLVED that the Committee note the monthly progress and savings delivered in respect of Procurement and Commissioning.**

(Meeting closed at 4.20pm)