

Coventry City Council
Minutes of the Meeting of the Audit and Procurement Committee held at 3.30 pm
on Monday, 11 April 2016

Present:

Members: Councillor T Skipper (Chair)
 Councillor S Bains
 Councillor J Blundell
 Councillor L Harvard
 Councillor B Singh

Employees (by Directorate):

Resources M Burn, B Hastie, P Jennings, L Knight, K Tyler

Apologies: Councillor T Sawdon

Public Business

62. Declarations of Interest

There were no disclosable pecuniary interests.

63. Minutes of Previous Meeting

The minutes of the meeting held on 15th February 2016 were agreed and signed as a true record.

There were no matters arising.

64. Exclusion of 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 in Minute 69 below headed “Procurement and Commissioning Progress Report” on the grounds that the report involves the likely disclosure of exempt information defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial and business affairs of a particular person (including the authority holding that information) and that, in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

65. Work Programme 2015/16

The Committee considered a report of the Executive Director of Resources, which set out the work programme for the Committee.

The Committee noted that the item on the Contract Management Review had been rescheduled for this meeting would be deferred for consideration in the 2016/17 municipal year.

RESOLVED that the Audit and Procurement Committee approve the work programme.

66. Internal Audit Planning Process 2016-17

The Committee considered a report of the Executive Director of Resources, which outlined the approach for developing the draft Internal Audit Plan for 2016/17.

A draft internal Audit Plan is produced on an annual basis and reported to the Audit and Procurement Committee to allow the Committee to discharge its responsibility to “consider the Head of Internal Audit’s Annual Report and Opinion, and a summary of internal audit activities (actual and proposed) and the level of assurance given within the Annual Governance Statement incorporated in the Annual Accounts.” This allowed the Committee to comment on the content and scope of the proposed Internal Audit Plan as a key stakeholder to the Internal Audit Service.

The Plan was normally presented to the Committee in April each year. However, the production of the plan for 2016/17 had been delayed due to the need to ensure that the planning process met the Public Sector Internal Audit Standards (PSIAS) and also incorporated an assessment of the resources required to provide to provide adequate audit coverage across the organisation, to inform the completion of the Legal and Democratic Services Review in relation to the Internal Audit Service.

The production of the draft Internal Audit Plan for 2016/17 was proposed to follow a three stage process which would include determining any factors that limit the scope of audit work; identifying the Audit Universe (i.e. a list of areas that may require auditing); and completing a risk assessment to establish priorities. The Committee noted that where the risk assessment process identified areas which should be included within the draft Internal Audit Plan, an assessment would be made of the resources required to deliver this, both in terms of capacity and skills, and consider any resource constraints that exist. The results of this would then be used to inform the decision making process in regards to the review of the structure of Internal Audit, which formed part of the Legal and Democratic Service review. This approach was different to that taken in 2015-16 because there was a need to ensure that there was an appropriate evidential basis upon which to complete the process.

RESOLVED that the Audit and Procurement Committee approve the planned approach for developing the draft Internal Audit Plan 2016/17.

67. Corporate Risk Register

The Committee considered a report of the Executive Director of Resources which provided an update on the Council’s corporate risk profile and the controls in place to address these risks.

The Committee recognised that local government was currently operating within an environment of substantial budget cuts and major policy changes with significant impact on service delivery and organisational structures. The pace and scale of changes required the Council to constantly assess its risk profile and

implement suitable controls to manage those risks. There was a requirement within the Council's Risk Management Strategy that the Audit and Procurement Committee receive reports on the Corporate Risk Register on a six monthly basis.

The report submitted covered only those risks that were viewed as the most critical for the Council and were considered at a corporate level. However, risk management activity continued at other levels throughout the organisation in respect of risks of a lower rating.

Appendix 1 of the report set out the corporate risks under two categories of operational / business as usual (those risks that could affect the underlying and fundamental operations and structure of the Council) and specific / project (those risks that could affect specific projects or the major change initiatives to how the Council operated). The risks set out in the Appendix included:-

- Adult Social Care
- Arena Coventry Ltd / Coventry City Football Club
- Coventry fails to provide a high quality education for its children
- Creation of a Combined Authority for the West Midlands and agreement (or not) on a Devolution Deal
- Customer Journey
- Finance
- Friargate Business District
- ICT Infrastructure and Change
- Kickstart – Move to Friargate
- Ofsted Improvement Notice
- Provision of SEN Transport
- Safeguarding / Protecting Vulnerable Adults, Children and Families
- Workforce Strategy

Details of the risks within each of these areas was set out, along with the planned mitigation, the timescales for completion, progress to date and the status of the risk. The Committee recognised that, to some extent, all of the matters identified involved some external factors over which the Council had little or no control. However, although in these cases mitigation may be limited, the Council ensured that any action was as robust as possible.

The Committee indicated that some risks were listed as being 'closed' and sought clarification on how this status was achieved in respect of the 'Customer Journey'. The Executive Director of Resources indicated that the risk in relation to the Customer Journey related to the governance arrangements and acknowledged that, as a consequence, would not address issues in relation to call waiting times and overall levels of capacity, which would be dealt with through other management arrangements.

RESOLVED that the Audit and Procurement Committee note the current Corporate Risk Register having satisfied themselves that the corporate risks are being identified and managed.

68. **Any other items of public business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no other items of public business.

69. **Procurement and Commissioning Progress Report**

The Committee considered a report of the Executive Director of Resources which provided an update on the procurement and commissioning undertaken by the Council since the last report, submitted to the meeting on 15th February 2016. Details of the latest positions in relation to individual matters were set out in an appendix attached to the report.

RESOLVED that the Audit and Procurement Committee:

1. **Note the current position in relation to the Commissioning and Procurement Services.**
 2. **Do not intend to make recommendations to either the Cabinet Member for Strategic Finance and Resources, Cabinet or Council on any of the matters reported.**
 3. **Do not require any changes to the format of the report at this time.**
70. **Any other items of private business which the Chair decides to take as a matter of urgency because of the special circumstances involved.**

There were no further items of private business.

(Meeting closed at 4.00 pm)