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Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

GOVERNANCE AND AUDIT COMMITTEE**MINUTES OF THE MEETING HELD ON****27 APRIL 2009**

Councillors: Jeff Beck (*Chairman*) (P), Paul Bryant (P), Tony Linden (P), Irene Neill (AP), Julian Swift-Hook (P), Tony Vickers (*Vice-Chairman*) (P), Quentin Webb (P), Peter Argyle (P)

Councillors Also Present: Jeff Brooks and Roger Hunneman (Items 1-5)

Also present: Ian Priestley (Assurance Manager), Moira Fraser (Democratic Services Manager), David Lowe (Policy and Scrutiny Manager) (Item 5), Steve Duffin (Head of Benefits and Exchequer) (Item 4), Andy Walker (Head of Finance) (Items 1 - 4)

PART I**52. APOLOGIES.**

An apology for inability to attend was received on behalf of Councillor Irene Neill. As neither of the named substitutes was able to attend the meeting in accordance with paragraph 7.2.7(c) of the Constitution Councillor Peter Argyle attended as a substitute after receipt of written confirmation from the Leader of the Conservative Group.

53. MINUTES.

The Minutes of the meeting held on 23 March 2009 were approved as a true and correct record and signed by the Chairman.

54. DECLARATIONS OF INTEREST.

There were no declarations of interest received.

55. BENEFITS PERFORMANCE

Steve Duffin introduced benefits performance results in view of the comments received in the Annual Audit Inspection letter (agenda item 4). Steve Duffin reported that the Benefits Team had been surprised and disappointed with the comments set out in the Audit Commission letter and had raised these issues with the author. In the case of new claimants and where change of circumstance were reported the Council's performance had improved on the Department for Works and Pension (DWP) grade ranges and the Team had received a congratulatory letter from the DWP.

The Head of Benefits and Exchequer explained that there had been a 40% increase in new claims over the past six months which was as a direct result of the economic situation. Although the time taken to process claims had increased slightly, from 26.7 days to 28.3 days, this had to be viewed in the context of the increased workload.

The background papers included on the agenda set out examples of how long it would take to process claims. It was noted that were claims were submitted with all the relevant paperwork the claims could be processed relatively quickly (80% were processed within 14 working days and the DWP considered anything under 30 days to be top performing). Delays were caused when not all the paperwork was submitted by claimants. Work had been undertaken to address this including

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revising the claim form, improving the information regarding claims and training Customer Services to ask for all the correct information. Steve Duffin explained that it was possible to fast track claims in special circumstances for example if the claimant would be made homeless.

Councillor Quentin Webb was disappointed that Sovereign Housing had not started undertaking verification which was an initiative that had been suggested through the Safer, Stronger and Sustainable Policy Development Commission work relating to benefits. Steve Duffin explained that there was now a New Rent Services Manager in post at Sovereign Housing and as he had previous experience of doing this work he was eager to implement it and Officers were therefore working with him to achieve this. He noted however that this was a voluntary undertaking and Sovereign Housing was not obliged to assist the Council.

Councillor Paul Bryant noted that the Audit Commission was critical of the Council's performance in recovering overpaid benefits. Steve Duffin noted that the Council had sought to address this by adding an additional post to this small team as an 'invest to save' bid following the SSSC PDC report. It was noted that the Council's performance in respect of recovery of overpaid benefits was average performing. (this had been benchmarked). In respect of fraudulent claims 360 claims had been investigated and in 47 cases action was taken against the claimants.

Councillor Tony Vickers queried what work was being undertaken to develop an online claims process. Steve Duffin explained that Officers had looked into this but at the time could not justify the costs but were continuing to review the situation. The ongoing review was articulated in the Service Plan and discussion continued to take place with the Council's software suppliers about new product development. The Service had to prioritise activity based on limited resources and this year emphasis had been placed on the number of people receiving their money via a BACS transfer rather than by cheque. The claim form was available online but had to be passed to the Council in hard copy along with the supplementary information. Members discussed the potential for increasing the number of fraudulent claims should the ability to submit forms and paperwork electronically be introduced. Councillor Tony Vickers encouraged the team to continue to look at this issue.

Steve Duffin explained that although the DWP had cut the Council's administrative funding by 40% a one off grant of £70k had been received which had been used to employ specialist contractors to deal with the increased workload.

The Committee thanked Steve Duffin for attending the meeting and providing them with some useful insight.

56. THE FUTURE OF SCRUTINY.

David Lowe sought approval of the proposed changes in the operation and structure of the Council's Scrutiny function (agenda item 5). The Policy and Scrutiny Manager noted that the reasons for the restructure were driven by internal and external factors. The new structure would comprise five select committees (aligned to the themes in the Sustainable Community Strategy) and one overarching Overview and Scrutiny Management Commission (OSMC) that would direct and manage the select committee's workload.

Councillor Tony Vickers noted that although paragraph 6.8(10) mentioned that the OSMC would be responsible for considering Executive items that had been called in this was not articulated in the OSMC terms of reference. The Committee agreed that the terms of reference would need to be amended.

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Councillor Vickers reported that he not convinced that the current structure was operating badly. He agreed that it would be useful to undertake some external scrutiny and therefore agreed that it would be useful to align the select committees to the structure of the Local Strategic Partnership. He was however concerned about the lack of focus on internal scrutiny and felt that the size and composition of the OSMC would not be conducive to internal scrutiny. He felt that the current size (12 Members) was more suitable as it was more likely to represent a balanced perspective. He therefore felt that the current size of the Commission should be maintained in the revised structure. Councillor Vickers felt that in order to have a robust procedure that would last through a change of administration both groups should have been consulted earlier in the process.

Councillor Quentin Webb felt that a smaller OSMC was an effective size. He felt that as most of the work would be undertaken by the select committees the current volume of membership on the commission was not required.

Councillor Julian Swift-Hook reported that he was also concerned about the composition and size of the OSMC especially given that they would be the body responsible for considering called-in items. Councillor Swift-Hook felt that it was essential to include some backbenchers, from both groups, on the OSMC to ensure that backbenchers in particular were engaged and participated in the democratic processes.

Councillor Tony Vickers proposed that the OSMC should consist of 12 Members, the majority of whom should not be chairs of the select committees and that proportionality rules should still be applied.

Councillor Swift-Hook in seconding the proposal noted that the Commission would comprise a Conservative Chairman, a Liberal Democrat Vice Chairman, 7 Conservative Members and 3 Liberal Democrat Members (the majority of members not being select committee chairman). Councillor Swift-Hook felt that the present membership was working well and there was therefore no need to amend the structure. The proposed amendment would provide an opportunity to give the backbenchers an opportunity to be involved. And that a lot of members would be excluded if the original recommendation was pursued.

The amendment was put to the vote and **LOST**. Councillor Julian Swift-Hook and Tony Vickers requested that their vote in favour of the amendment be recorded.

Councillor Paul Bryant queried the rationale behind the number of Members on the Select Committees as he was concerned that they would have sufficient breadth of knowledge. The Committee acknowledged that smaller groups tended to work well and although there would be regular attendees other Members would be able to attend as guests to assist the Members of the Select Committee.

Councillor Paul Bryant also queried the derivation of the work programme of the Select Committees. David Lowe explained that although the OSMC would be responsible for managing the work programme the select committees would be able to select topics of their own any suggestions would have a set of criteria applied to them to ensure suitability. Councillor Bryant requested that this modus operandi be clarified in the text of the report.

Members were supportive of the size of the select committees.

Councillor Julian Swift-Hook noted that in paragraph 6.8 (5) of the report it was stated that the work of the OSMC would be 'guided' by the Chief Executive.

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Members felt that as this was a member led authority the report should be amended to say 'supported'. This amendment was agreed by the Committee.

Councillor Julian Swift-Hook proposed an amendment that as there were a number of issues that needed to be resolved the report should be brought back to Governance and Audit for further discussion and clarification prior to going to Full Council even if this meant delaying implementation. He proposed setting up a small cross party working group to look at the proposals. This amendment was put to the vote and **LOST**.

Councillor Paul Bryant suggested that one of the first functions of the OSMC could be to discuss the modus operandi. David Lowe stated that additional detailed work had been done but that it was not considered necessary to include all the detail in the report.

In response to a query David Lowe informed the Committee that internal operation of services would be scrutinised by the Resource Management Select Committee.

Members requested that paragraphs 6.3 and 6.4 of the report be clarified to ensure that it was clear that there would be five select committees within the structure.

RESOLVED that the Committee approve the proposals for change for endorsement by Full Council subject to the following amendments:

- Call-in be included in the terms of reference of the OSMC;
- Clarification of paragraphs 6.3 and 6.4;
- And amending the word 'guided' to 'supported in paragraph 6.8(5)

And subject to a caveat that some of the detail still requires amending.

This proposal was put to the Committee and was **CARRIED**. Councillor Julian Swift-Hook and Tony Vickers requested that their vote in against the proposal be recorded. They noted that this was with regret because although they supported the principles they could not approve all of the details.

REASON FOR THE DECISION: Approval of the Governance and Audit Committee is required under the terms of reference of the Council's Constitution.

57. PROPOSED CHANGES TO THE CONSTITUTION - LICENSING.

Moira Fraser proposed changes to the Council's constitution to allow applications for review of premises licences under s52(2) / club premises certificates under s88(2) of the Licensing Act 2003 to be delegated to Licensing Sub-Committees to determine (agenda item 6).

Moira Fraser explained that the purpose of the report was to ensure that the Council's Licensing Policy and Constitution were aligned.

Members were informed that additional anomalies had been identified since the report had been drafted in that under s39(3), s44(5) and 48(3) of the Licensing Act 2003 applications had to be determined by the full licensing committee if a police representation was received. Legal Officers had examined the Act, the Regulations, Government Guidance and the Council's Licensing Policy. They had determined that under the Act the only body who could make a representation under these sections was the Police. However nothing in the Act or any of the other documents stated that anything other than the "relevant licensing authority" had to make the determination, although under s10(4)(iv), (v) & (vi) of the Act determinations under s39(3), 44(5) & 48(3) could not be delegated to officers. When the scheme of

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delegation was established under part 3 of the constitution, the Council designated that the full Licensing Committee had to determine applications under the aforementioned sections. However it was possible for these determinations to be delegated to a sub-committee, if the Council wished to change this system. Licensing officers concurred with this opinion. Members therefore agreed that authority should also be delegated to the sub-committee to deal with these applications and these amendments should be included in the report to be considered by Full Council.

RESOLVED that subject to the amendment set out above Governance and Audit recommend the amendments to the Constitution to Full Council for approval.

REASON FOR THE DECISION: To enable the determination of a review of the premises licence/ club premises certificate to be dealt with by a Licensing Sub-Committee.

58. INTERNAL AUDIT STRATEGY AND PLAN 2009-12.

Ian Priestley introduced the proposed work programme of Internal Audit for consideration (agenda item 7). The Assurance Manager noted that the report had been brought back to this meeting to give Members the opportunity to consider the report once the Corporate Board amendments were included.

Ian noted that the report was drafted to reflect the fact that there was one vacancy in the Internal Audit Team in order to achieve the managed vacancy factor target and in addition one of the team would be on maternity leave during 2009/10. As a consequence audits set out in green were those that would be undertaken, yellow signified those audits that would be undertaken if the team was at full strength and red those that would be included if the team had no resource restrictions.

Ian Priestley explained that the main function of Internal Audit was to provide assurance to the Council that the Council's systems and processes were effective. The main financial systems were monitored on an annual basis and the schools financial management needed to be assessed every three years. The rest of the programme was based on the Strategic Risk Register and Service Risk Registers which highlighted areas that posed a significant risk to the Council if the systems and processes were to fail. The staffing levels had been assessed against other similar sized unitary authorities and seemed appropriate.

RESOLVED that the work programme of Internal Audit be approved.

REASON FOR THE DECISION: To ensure that there is an adequate internal audit of the Council's systems and procedures so that an audit opinion can be given on the soundness of the Council's internal control framework.

59. CHANGES TO THE CONSTITUTION.

Moira Fraser sought consideration to amend the Members Allowances Scheme (Part 15 of the Constitution) to reflect changes arisen from the introduction of the Local Assessment Complaints procedure (agenda item 8).

Councillor Julian Swift-Hook noted that the report did not consider any expenses that a Member would need to provide on an annual basis (such as a broadband contract) which they would have entered into in good faith and requested that a comment on claw back be included in the report.

Members were broadly supportive of the principle set out in the report.

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RESOLVED that Part 15.1.11 of the Constitution be amended to permit the Standards Committee or its relevant Sub-Committee to suspend or partially suspend a Member’s Allowance for the period for which they are suspended or partially suspended if they are deemed to have breached the Code of Conduct.

REASON FOR THE DECISION: To align the members Allowances Scheme and the Local Determination of Complaints Procedures.

60. DATE OF NEXT MEETING.

Members agreed that the next meeting would take place on the 29 June 2009 at 6.00pm.

(The meeting commenced at 6.00pm and closed at 7.27pm)

CHAIRMAN

Date of Signature:

**GOVERNANCE AND AUDIT COMMITTEE
MINUTES OF THE MEETING HELD ON
TUESDAY 12 MAY 2009**

Councillors: Jeff Beck (P), Paul Bryant (P), Tony Linden (P), Irene Neill (P), Julian Swift-Hook (P), Tony Vickers (P), Quentin Webb (P)

PART I

1. ELECTION OF CHAIRMAN.

RESOLVED that Councillor Jeff Beck be elected Chairman of the Governance and Audit Committee for the 2009/10 Municipal Year.

Councillor Jeff Beck in the Chair.

2. APOLOGIES.

There were no apologies for absence received.

3. APPOINTMENT OF VICE-CHAIRMAN.

RESOLVED that Councillor Tony Vickers be appointed Vice-Chairman of the Governance and Audit Committee for the 2009/10 Municipal Year.

CHAIRMAN

Date of Signature: