

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

FINANCE, AUDIT & PERFORMANCE COMMITTEE

10 JUNE 2013 AT 6.30 PM

PRESENT: Miss DM Taylor - Chairman

Mr JG Bannister, Mrs R Camamile, Mr PAS Hall and Mr JS Moore

Also in attendance: Mark Watkins

Officers in attendance: Cal Bellavia, Katherine Bennett, Julie Kenny and Rebecca Owen

31 APOLOGIES AND SUBSTITUTIONS

Apologies were submitted on behalf of Councillors Mayne and Morrell.

It was noted that Mark Watkins was in attendance in place of Tim Ridout.

Apologies were also submitted on behalf of Sanjiv Kohli.

32 MINUTES OF PREVIOUS MEETING

It was noted that it had been M Jones, not M Watkins, in attendance at the previous meeting.

RESOLVED – subject to the abovementioned amendment, the minutes be confirmed as a correct record and signed by the Chairman.

33 DECLARATIONS OF INTEREST

No interests were declared at this stage.

34 AUDIT PROGRESS REPORT

Mark Watkins of CW Audit Services presented the Audit Progress report. During discussion, the following points were made:

- In terms of the assessment of risks posed, it was explained that a level 3 was 'medium' which meant that it was an isolated issue and delivery of objectives was not affected. A high level risk would prevent delivery of project objectives and a 'critical' risk would affect the delivery of corporate objectives.
- The Revenues & Benefits Partnership was reviewing its policies, the timetable for which had been produced. It was noted that policies and procedures were continually being reviewed and revised due to changes in Central Government policy, for example the introduction of universal credits.
- Budgetary control and payroll had achieved full assurance with just one minor recommendation each.
- The IT audit had led to a recommendation regarding the reduction in the number of system users with 'Administrator' rights to ensure security. Members were reassured, however, that this was normal with new systems as there's a need for greater access during implementation.
- With regard to the audit of debt collection, it was noted that whilst this was currently robust and the authority was proactive in this area there was likely to be an increase in rent debts as a result of the changes to the benefit system.

Attention was drawn to the recommendation that consideration should be given to adding the costs of collection and court costs to arrears as Members recalled that the authority had previously rejected this approach. It was clarified that the recommendation was to revisit this decision regularly to ensure it was still the way the authority wished to deal with such matters. Members agreed that they needed an idea of the court costs before discussing the matter any further. The Chief Officer agreed to bring a report to a future meeting on court costs for debt which could include a breakdown into types of debt.

- The issue of purchase orders being place retrospectively was raised and it was confirmed that the Corporate Operations Board was currently looking into this matter.
- At the previous meeting a question had been asked about fuel controls. The Chief Officer confirmed that there was CCTV in the fuel room at the Jubilee site.

RESOLVED –

- (i) a report be produced on debt (broken down into type) over the last two years including court costs;
- (ii) the report be noted.

35 ANNUAL INTERNAL AUDIT

Mark Watkins presented the annual report, explaining that it was a review of the last year of audit work and provided the overall opinion of the Internal Auditor. It was noted that individual items would have been reported throughout the year and that full or significant assurance had been given throughout with one area of concern in Housing Repairs being highlighted, although this had been reported and was being addressed.

RESOLVED – the report be noted.

36 ANNUAL GOV STATEMENT

The Annual Governance Statement was presented to Members, during which is was acknowledged that the financial impact of housing repairs was included in the report.

RESOLVED – the Annual Governance Statement be received and endorsed.

37 PERFORMANCE MANAGEMENT FRAMEWORK

The Committee received the Performance Management Framework which provided the Council's end of year position for 2012/13 with regard to performance indicators, Service Improvement Plans and corporate risks. It was noted that whilst the benchmarking group of authorities was still keen on collecting and comparing data, there was concern that not all authorities were collecting it in the same way and therefore the information could not be relied upon. It was hoped that these issues would be ironed out by the end of the year.

Attention was drawn to the appendix which highlighted the exceptions.

RESOLVED – the report be noted.

38 TREASURY MANAGEMENT TO 31 MARCH 2013

The Treasury Management quarterly report to 31 March was presented in conjunction with the Prudential Code & Treasury Management Annual Report 2012/13. It was reported that no prudential limits had been breached and the authority was on track with the strategy for the year.

RESOLVED – the Treasury Management quarterly report be noted.

39 PRUDENTIAL CODE & TREASURY MANAGEMENT ANNUAL REPORT 2012/13

The Prudential Code and Treasury Management Annual Report 2012/13 was presented with the Treasury Management quarterly report (above).

RESOLVED – the Annual report be noted.

40 HOUSING REPAIRS REVIEW

Members were provided with an update on progress made against the Action Plan discussed at the previous meeting. It was explained that the backlog was not with carrying out repairs, but in the details being put through the system. Budgets had been reviewed and were now fit for purpose and all staff had been reminded of their responsibility in respect of budgets and were part of 'finance surgeries' to assist them in understanding the impact of their day to day work on overall budgets. It was also reported that there had been a staffing review to re-allocate resources within budget constraints.

It was explained that the issue was not an overspend, but that due to the delay in jobs going through the recording system and payment being requested it had been paid in the following financial year, rather than the year in which the work had been completed, so had distorted the figures.

Members were assured that the Housing Repairs Service, whilst having a greater expenditure than previously expected, was still below the cost of the service before it was brought in-house.

The Chief Officer reported that in future jobs would be 'closed' more promptly once completed, and in addition the schedule of rates was being reviewed. It was explained that whilst fit for purpose, the schedule of rates was unwieldy and relied on the judgement of the user to record the matter in order to cost it.

It was acknowledged that internal budget monitoring had identified the potential problems, which showed the robustness of budget monitoring processes, and internal audit would be undertaking detailed follow up reports. It was reported that the external auditor had also been informed.

Members requested very regular reports to update on progress against the action plan.

RESOLVED – the report be noted and quarterly reports be brought back to the Finance, Audit & Performance Committee.

41 WORK PROGRAMME

Members gave consideration to the work programme and agreed the abovementioned report on housing repairs be added to alternate meetings and the report on debt be brought in September.

42 MATTERS FROM WHICH THE PUBLIC MAY BE EXCLUDED

RESOLVED – in accordance with section 100A(4) of the Local Government Act 1972, the public be excluded from the following item of business on the grounds that it involves the disclosure of exempt information as defined in paragraphs 3 and 10 of Part I of Schedule 12A of that Act.

43 HINCKLEY CLUB FOR YOUNG PEOPLE

Members were provided with an update on the current position of Hinckley Club for Young People. It was reported that due to the condition of the club when handed over by the builders, funding from insurance disbursements had had to be released, however members were assured that the club had money and reserves available. It was acknowledged that the council's input into the club was limited as it was a registered charity and as such the Charities Commission would look at its accounts.

It was agreed that the Club would be offered the use of Internal Audit to support them and that a further report would be prepared once the Club's accounts were publicly available, and when the councillor who had raised the original concerns was present.

RESOLVED –

- (i) the position of Hinckley Club for Young People be noted;
- (ii) a further report be presented when end of year accounts are available.

(The Meeting closed at 8.20 pm)

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CHAIRMAN