

MID DEVON DISTRICT COUNCIL

MINUTES of a **SPECIAL MEETING** of the **AUDIT COMMITTEE** held on Wednesday 10 December 2014 at 5.30pm

Present

Councillors R Evans (Chairman), R M Deed, F J Rosamond and R Wright

Apology

Councillor: M D Binks

Also Present

Councillor: Mrs J Roach

Also Present

Officers: K Finan (Chief Executive), A Tregellas (Head of Communities and Governance and Monitoring Officer), C Yandle (Internal Audit Team Leader) and S J Lees (Member Services Officer)

59 **PUBLIC QUESTION TIME**

There were no members of the public present.

60 **MINUTES OF THE PREVIOUS MEETING**

The Minutes of the Meeting held on 2 December 2014 were approved as a correct record and **SIGNED** by the Chairman.

61 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements to make.

62 **AUDIT REPORT RECOMMENDATIONS (00:02:08)**

The Committee had before it 3 sets of appendices * showing a) the overall position of high, medium and low recommendations since 2012 for each audit b) a summary of the high priority outstanding recommendations and c) a full list of missed milestones, projects behind, ahead or on schedule.

Discussion took place regarding each of the appendices commencing with the overall summary position. The Chief Executive was asked to provide his comments on what appeared to be a significant number of overdue recommendations. He stated that he felt the summary showed a reasonably healthy position, that the Council had an active and diligent audit service and that it was good to have recommendations for improvement. With severe budget cuts managers had been placed under increasing pressure. There were some 'quick fixes' that could be achieved but other improvements were more complex and would need the involvement of other services such as ICT.

It was suggested that a culture existed where managers' compliance with agreed audit recommendations had secondary importance compared to the 'day job'. It was stated that such a situation would not be allowed to exist in the commercial world. However, the Chief Executive responded by saying that the recommendations needed to be viewed within the context of increased financial pressure and less staff resource. There was a difficulty when people left the organisation, as frequently happened, where recommendations got passed on to new members of staff who needed to be given time to familiarise themselves with their service area before acting on them.

It was felt that certain staff were being placed under extreme pressure as staff left or were made redundant. There was a fear that this additional pressure would lead to stress and sickness levels would rise. Cllr Mrs Roach stated that Members would need to look very carefully at what services the Council could strip out in the coming years given the severe financial pressures and effect upon the staff. Regarding audit recommendations managers would need to recognise that they had a responsibility to look carefully at these and to challenge recommendations if they were not realistically achievable within available resources.

The Chief Executive informed the Committee that the Council was about to have an audit by the Devon Audit Partnership which would include a survey which could reveal how the staff were coping with the extra pressure due to increased workloads. Cllr Mrs Roach, as Chairman of the Scrutiny Committee, also offered the services of her Committee to undertake a survey in this area.

Specific discussion took place regarding the following service areas:

Building Control

The audit had been completed in 2012, however, seven recommendations from this remained outstanding. The Chief Executive was questioned as to why this was. It was explained that there had been a recent redundancy meaning that extra work had been assigned to another member of staff. Going forwards, it was hoped that a solution could be found by working more closely with North Devon particularly in relation to ICT provision. It would take several months to see how this progressed, improvements would not be immediate.

Recording driver's insurance details

It was felt that lapses in the reviewing and recording of such documentation could leave the Council exposed to significant liability. It was explained that the recommendation related to casual users who may only use their own vehicles, once or twice a year, if the pool cars were not available. The Chief Executive stated that it was the individual's responsibility to provide proof of insurance should a situation occur, it was not the Council's responsibility. The Internal Audit Team Leader pointed out that occasional business use had been added to the Council's insurance cover. In addition to this the new Waste and Transport Manager was in the process of drawing up an all-encompassing Transport Policy which would cover such issues. However, the Committee felt that the last review had set a target of 6 months in order to

complete this project and they felt this to be too long. They considered that all high priorities risks should be given a maximum target date of 3 months because they needed immediate attention.

It was requested that clarity be sought regarding where Members stood on providing insurance cover when conducting official duties and using their own vehicles this would need investigating.

Waste Management

The Chairman stated that it was not acceptable to have 5 recommendations listed as behind schedule with the same repeated explanation being that 'The Waste and Transport Manager has discussed the report with the auditors and will look at the recommendations'. It was explained that the new manager had only started 3 months ago and had been reluctant to be pinned down to unachievable targets. He had taken on two large service areas and a meeting was planned with him in January to discuss his risk assessments. It was further explained that he had had to deal with a new depot location, new vehicles and had to organise a pilot for the new waste and recycling scheme in February 2015. Nevertheless it was felt by the Committee that the objective regarding the website could at least be achieved immediately. It was confirmed by the Head of Communities and Governance that this would be dealt with by her team as soon as possible whilst updating the business pages on the new website.

Leisure

The question was asked as to why ICT could not take more responsibility for ensuring that the Leisure software system was fit for purpose. It was explained that ICT were not experts in particular service areas, they were the interface between the users and the suppliers and had chief responsibility for maintaining the integrity of all the Council's systems.

It was **AGREED** that:

- a) An annual in depth discussion take place by the Audit Committee in May or June each year regarding outstanding audit recommendations as part of the annual Internal audit Outturn Report in preparation for preparing the Annual Governance Statement.
- b) The Chief Executive will have a discussion with service managers, looking at the outstanding audit recommendations and decide which needed to be prioritised. He also needed to inform them that the Audit Committee would be monitoring the situation closely.
- c) Target dates needed to be specific wherever possible and no more than 3 months long for high priority recommendations.

Notes: * Appendices previously circulated; copy attached to the signed Minutes.

(The meeting ended at 7.15pm)

CHAIRMAN