



Leicester
City Council

Minutes of the Meeting of the
AUDIT AND RISK COMMITTEE

Held: WEDNESDAY, 4 FEBRUARY 2015 at 6:00 pm

P R E S E N T:

Councillor Westley (Chair)
Councillor Dr. Moore (Vice Chair)

Councillor Alfonso
Councillor Dr Chowdhury

Councillor Desai
Councillor Naylor

Also Present:

Adrian Benselin – KPMG LLP (External Auditor)

* * * * *

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Grant, and John Cornett, Director KPMG LLP.

2. DECLARATIONS OF INTEREST

Councillor Dr. Chowdhury declared he was in receipt of a concessionary bus pass.

3. MINUTES OF THE PREVIOUS MEETING

The Committee received the minutes of the meeting held on 3rd December 2014.

AGREED:

that the minutes of the previous meeting of the Audit and Risk Committee held on 3rd December 2014 be confirmed as a correct record.

4. ANNUAL REPORT OF THE NATIONAL FRAUD INITIATIVE (NFI)

The Director of Finance submitted a report to update the Audit and Risk Committee of the National Fraud Initiative (NFI) exercise currently under way.

The Head of Revenue and Benefits presented the report, and drew particular attention to the following points:

The Audit Commission identified recommended data-matches. Where there were large volumes of data for checking, officers would select a sample. Examples of different matches included Housing Benefit claimants who were not entitled to claim because they were in receipt of student loans, or housing tenants who appeared to be resident at two addresses. Data submitted to the Audit Commission on 6 October 2014 was expected to be available for checking from 29 January 2015.

In addition to the NFI exercise, the Revenues and Benefits Section also undertook data-matching using a company called Datatank Limited. Council Tax Single Person Discount (SPD) caseload data was sent to Datatank for matching against different datasets. Data required for the 2015 SPD and rising 18's exercise would be submitted later in February 2015, and would be available for checking shortly after.

The Audit and Risk Committee Members commended the Investigations Team for the amount of identified discounts that had been stopped.

RESOLVED:

that the report be noted.

5. EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE - JANUARY 2015

The External Auditor submitted a report with an overview of progress in delivering their responsibilities as external auditors. The report also highlighted the main technical issues which were currently having an impact in local government.

Members were informed that the planning process for the 2015 audit was under way and there was nothing to report presently. The detailed audit plan would be brought to the next meeting of the Audit and Risk Committee. The following were brought to Members' attention:

- KPMG and Shelter launched a joint report on the nation's housing shortage, and talked about putting housing at the centre of City Deals. Further information could be found at the link contained in the report.
- The technical update referred to the Better Care Fund, and the finance, governance, and operational arrangements that Clinical Commissioning Groups (CCGs) and local authorities needed to discuss to ensure funds were managed.
- The new Code of Audit Practice for the audit of local public bodies should come into effect from 1 April 2015.
- The Audit Commission has had approved a supplementary fee of £1,070 for the audit of accounts for 2014/15 for audit work required on business rates.
- Following the published Protecting the Public Purse 2014 (PPP2014) report

(23/10/2014), fraud briefings have been issued to auditors, and the Audit Commission was discussing with officers how best to present information to Members.

Members agreed the projected average house price increase was phenomenal, and that more social housing was required, not just affordable housing. They also believed that the research from KPMG and Shelter regarding more than half of 20-34 year olds living with their parents by 2040 was already evident as there was a shortage of affordable properties.

Members requested further detail on the Council tax and business rate collection value for money briefing. They also asked if the 1% to 32% Council tax debt written off was part of or in addition to the proportion of debt collected. The External Auditor would provide additional information to Members.

The Chair thanked the External Auditor for the report.

RESOLVED:

1. that the Audit and Risk Committee receive the report and note its contents.
2. that the External Auditor provide additional information to Members on Council tax and business rate collection value for money briefing, and detail on the 1% to 32% Council tax debt written off, and if it was part of or in addition to the proportion of debt collected.

6. PROCUREMENT PLAN UPDATE 2014/15

The Director of Finance submitted a report to inform the Audit and Risk Committee of progress against the Plan and approval for the updated 2014/15 Procurement Plan which alerts all stakeholders of the potential up and coming major procurement activity across the Council.

The Head of Procurement informed the meeting that the report set out requirements in the constitution and procedural reports and was an update to the original Procurement Plan. Members were told good progress with procurement had been made, and of the 61 procurement exercises included in the original Plan, 32 were in progress, 10 had not started, 17 had contracts awarded and 2 had been cancelled.

Members were also told that further promotion of the Source Leicestershire website where contract opportunities were published had seen an increase in website visits, now 6,300 per month. The Council has also engaged with smaller businesses, with 57% of contracts won by small organisations (less than 50 employees) in 2013/14. Members were also asked to note that there had been a significant reduction in waivers of Contract Procedure Rules being approved in 2014/15.

The Chair thanked the Head of Procurement for the report.

RESOLVED:

1. that the report and its contents be noted.
2. that the Committee make any recommendations or comments it sees fit either to the Executive or Director of Finance.

7. REVIEW OF WHISTLEBLOWING POLICY

The City Barrister and Head of Standards presented a report that invited the Audit and Risk Committee to review the Whistleblowing Policy which had been in place since May 2013.

Members were informed the policy had been written to explain clearly what whistleblowing was and the relationship to other council policies, which Members had to ensure was readable and fit for purpose.

The City Barrister and Head of Standards stated no revisions had been made to the policy, which had assisted potential whistleblowers after they had read the policy, and directed them to line management or above. He added that as Monitoring Officer he was satisfied that the policy appropriately provided for employee protection, and was simple to read. He added the policy did discourage people from making anonymous complaints, but people would be protected from adverse treatment.

Members noted the policy and agreed that no changes were necessary.

The Chair thanked the City Barrister and Head of Standards for the report.

RESOLVED:

1. that the report and its contents be noted.
2. that the Committee make any recommendations or comments it sees fit either to the City Barrister and Head of Standards.

8. RISK MANAGEMENT AND INSURANCE SERVICES UPDATE REPORT

The Director of Finance submitted a report updating the Audit and Risk Committee on the work of the Council's Risk Management and Insurance Services Team's activities.

The Head of Internal Audit and Risk Management introduced the report, and drew Members' attention to the following:

- Following incidents and near-misses in several parks in Leicester, the Head of Service for Parks was proactive in requesting risk assessment training to 16 staff members, and a further session was arranged for the remaining 14 staff members. There were also a further 145 staff in Housing who wanted the same training.
- A summary report of claims against the Council received between 1 April 2014 and 31 December 2014 was included in the report. The year-on-year figures for claims continued to go down as more claims were investigated in-house, and processes were working well.

- Two significant events were reported, although none required formal intervention by the Corporate Business Continuity team. Firstly there was power loss to Greyfriars over a period of two days in November 2014, with further shorter power cuts over several days which had been resolved. Secondly, Phoenix House was evacuated when a suspicious package was located outside of the building on 25 November 2014. Evacuating the building was the wrong thing to do, and the Risk Management and Insurance Services Team have visited to introduce procedures, which will be rolled out across the council. The council was also working with police on counter terrorism, and asked for people to be vigilant.
- At the time of the meeting there were 1,400 tonnes of grit alt in stock for winter road gritting.
- Members' attention was drawn to a report in *The Times* newspaper on 4th November 2014, and recycling rates in Great Britain. A positive report on recycling and composting rates in Leicester was given at 43% for 2013/14, which compared favourably with other city councils.

Members asked whether Biffa would be penalised for non-collection of refuse bins during the recent snow. Officers did not have details of the contract with Biffa, but did believe the company had a duty of care for their staff during hazardous conditions, and speculated they would not have taken the decision to cancel refuse collection rounds lightly. The Director of Finance said a note on the contractual arrangements with Biffa would be made available to Audit & Risk Committee Members.

The recent collapse of scaffolding on Charles Street was raised. It was reported a strategic director and an operational director were quickly on site, alongside emergency services. A Health and Safety Executive (HSE) also visited the site, and Highways closed the roads, which were re-opened around 4.30pm once the HSE had finished.

The Chair thanked the Head of Internal Audit and Risk Management for the report.

RESOLVED:

1. that the report be noted;
2. that the Director of Finance provide a note on the contractual arrangements with Biffa to Audit & Risk Committee Members.

9. LEICESTER CITY COUNCIL'S RISK MANAGEMENT AND BUSINESS CONTINUITY MANAGEMENT STRATEGIES AND POLICIES FOR 2015

The Director of Finance submitted a report for the Audit & Risk Committee to note the final version which remained as agreed at the Audit and Risk Committee Meeting on 29th October 2014. The reported was presented by the Head of Internal Audit and Risk Management.

The Committee was recommended to note the 2015 Corporate Risk Management Strategy and Policy Statement at Appendix 1, which sets out the

Council's attitude to risk and the approach to be adopted to manage the challenges and opportunities facing the Council, and note the 2015 Corporate Business Continuity Management Strategy and Policy Statement at Appendix 2.

The Chair thanked the Head of Internal Audit and Risk Management for the report.

RESOLVED:

that the Committee

1. note the 2015 Corporate Risk Management Strategy and Policy Statement at Appendix 1.
2. note the 2015 Corporate Business Continuity Management Strategy and Policy Statement at Appendix 2.

10. ANY OTHER URGENT BUSINESS

The Head of Revenue and Benefits gave a brief outline of the new telephone system at the Council. Members were informed the main council line took approximately 60,000 calls per month for a range of council services, which was higher than the 54,000 benchmark. General enquiries included information on parking, local taxation, housing benefit, housing repairs and school admissions.

The meeting was informed that some of the issues and barriers to performance resulted from the absence of agency staff (call handlers), with regular 10% absence of staff. There had also been system issues over the past quarter, with service outage and extended waiting times due to electrical issues. The move of the Data Centre had caused widespread system slowness and issues in July 2014. The system had also taken on additional services, for example, Electoral Services in July 2014. There had been a lot of disruption through which staff had coped extremely well, and waiting times were now managed.

Members queried why they could not see the phone number of officers who had called them from the Council. They added they used to have the direct numbers of officers they wished to speak to, and were finding it difficult to carry out their role as Councillor. Members were informed the new system could not have separate phone numbers and all phone numbers had changed, but the automated system allowed Members to say the name of the person they wished to be connected to.

11. CLOSE OF MEETING

The meeting closed at 7.35pm.