



AUDIT COMMITTEE

MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN, YSTRAD MYNACH ON WEDNESDAY 9TH DECEMBER 2015 AT 10.00 AM

PRESENT:

Councillor D. Rees - Chair
Mr N. Yates - Vice Chair

Councillors:

Ms. L. Ackerman, Mrs K. Baker, D. Carter, N. Dix, Ms J. Gale, C. Hawker, Mrs G.D. Oliver, Mrs J.A. Pritchard and D. Rees.

Together with:

S.J. Byrne (Wales Audit Office), and I. Davies (PriceWaterhouseCoopers LLP).

N. Scammell (Acting Director of Corporate Services and Section 151 Officer), S. Harris (Interim Head of Corporate Finance), G. Williams (Interim Head of Legal Services and Monitoring Officer), C. Jones (Head of Performance and Property Services), R. Harris (Internal Audit Manager), R. Roberts (Corporate Performance Manager), C. Forbes-Thompson (Scrutiny Manager) and A. Dredge (Committee Services Officer).

1. APOLOGIES

Apologies for absence were received from Councillors Mrs E. Aldworth and Ms J. Jones.

2. DECLARATIONS OF INTEREST

There were no declarations of interest made at the beginning or during the course of the meeting.

3. MINUTES – 9TH SEPTEMBER 2015

RESOLVED that the minutes of the meeting of the Audit Committee held on 9th September 2015 (minute nos. 1 - 12) be approved as a correct record and signed by the Chair.

REPORTS OF OFFICERS

Consideration was given to the following reports.

4. PRESENTATION ON FINDINGS OF OUR DATA QUALITY REVIEW

Sara-Jane Byrne (Wales Audit Office) presented Members with findings of the Council's data quality review for 2015/16.

The review assessed the robustness of the Council's arrangements to check that performance data is accurately captured, calculated and reported in a timely manner. The corporate arrangements and their application were examined through testing the following six performance indicators (PIs):

- SCC025 - Percentage of appropriate statutory visits.
- SCC037 - The average external qualifications point score for 16 year old looked after children, in any local authority maintained learning setting.
- THS012 - The percentage of principal roads, non-principal (B) roads and non principal (C) roads that are in overall poor conditions.
- Local - The number of homes brought up to WHQS as recorded on annual return to Welsh Government.
- Local - Number of homes compliant with WHQS in respect of external elements or Number of homes compliant in terms of internal elements.
- Local - Percentage of cases who have had their risk of homelessness prevented by assistance to remain in their existing accommodation.

The findings show that the Council has further improved its data quality assurance arrangement resulting in increasingly robust quality in services measured by both national and local indicators and is now in a better position to strengthen how it uses performance information to improve services.

The Committee noted that there were a number of Corporate Strengths highlighted within the arrangements, such as a performance calendar in place with dates for data collection, data submission, self-assessment, CMT and Performance Reports. A standardised CMT scorecard for Directorate performance reports has been set up and PI owners are all provided with relevant statutory PI guidance.

Members discussed both local and national PIs and were informed that local PIs are developed by the Council who consider what is relevant and can be challenged by Officers. The sample national PIs taken were positive.

Members noted that the WAO had expressed its appreciation to Mrs Scammell and all the staff involved with the work undertaken in their area of activity.

The Scrutiny Committee thanked Ms Byrne for her informative presentation and for responding to queries raised during the course of the debate.

5. REQUEST FOR REPORT ON COMPLAINTS AND REPRESENTATIONS – CAERPHILLY HOMES

Catherine Forbes-Thompson (Scrutiny Manager) provided Members with an update on the request for a report to be presented to Policy and Resources Scrutiny Committee relating to housing complaints and representations.

It was explained that at the meeting of the Audit Committee on 11th March 2015, a request was made for a report to be presented to the Policy and Resources Scrutiny Committee in

relation to complaints about Caerphilly Homes because Members were specifically concerned about housing complaints. The report was subsequently presented to the Policy and Resources Scrutiny Committee on 30th September 2015.

Members were informed of the process in bringing this report to Committee and were reminded of the recent Scrutiny review and its recommendations. The Council is taking steps to reduce the pressure on scrutiny agendas by limiting the number of items for discussion to 4 per agenda and that each Scrutiny Committee will also discuss its Forward Work Programme at each meeting. In addition, Scrutiny Chairs are now able to add urgent items to work programmes.

The Audit Committee thanked Mrs Forbes-Thompson for the report and noted the contents.

6. REVIEW OF A) THE CORPORATE COMPLAINTS POLICY AND B) THE POLICY AND PROCEDURE OF DEALING WITH UNACCEPTABLE PERSISTENT AND UNREASONABLE ACTIONS BY COMPLAINANTS

Gail Williams (Interim Head of Legal Services) presented the report that sought views on the changes proposed to the Corporate Complaints Policy as set out in Appendix 1 of the report and the current Policy and Procedure for Dealing with Unacceptable, Persistent and Unreasonable Actions by Complainants as set out in Appendix 2, prior to its presentation to Cabinet.

Members were informed that on the 12th December 2012 the Audit Committee considered the implementation of the Council's new Corporate Complaints Policy which was subsequently endorsed by Cabinet and implemented on 1st April, 2013. The policy was developed with a view to ensuring that complaints were dealt with in a consistent manner across Wales with the significant change being the number of stages in the process being reduced from three to two. This provision remains prescriptive and cannot under any circumstances be varied. The Audit Committee receives six monthly update reports on the complaints received under the Corporate Complaints Policy and has recently received an Annual report reviewing the complaints policy for the period 1st April 2014 to 31st March 2015. The Audit Committee were advised that the policy is working well and there are no proposals to significantly amend the Policy other than to include those referred to in Appendix 1 of the report.

It was explained that the introduction of the Policy and Procedure for Dealing with Unacceptable Persistent and Unreasonable Action by Complainants was considered by Audit Committee on 6th November 2013 and adopted by Cabinet in November 2013. The Policy is subject to a two yearly review, this was due in November 2015. Members were informed that it remains the case that the majority of complainants pursue their complaints with the Authority in an appropriate manner. However a small number of complainants pursue their cases in a way that can impede investigation of their complaint or have significant resource implications in dealing with the case, for example the sheer number or nature of their enquiries may lead to them being considered as persistent. Members were advised that although there have been no formal referrals under this Policy since its introduction in November 2013, Officers have had regard to its provisions when considering the actions of any complainant whose behaviour is becoming unacceptable or persistent in nature. As such it remains a useful tool to Officers when dealing with complainants under the Corporate Complaints Policy.

In concluding, Mrs Williams confirmed that telephone calls are not recorded within Legal Services relevant notes are maintained and this is currently manageable.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved and recommended to Cabinet. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report it be recommended to Cabinet that:-

- (i) the changes proposed to the Corporate Complaints Policy as set out in Appendix 1 of the report be agreed;
- (ii) the current Policy and Procedure for Dealing with Unacceptable, Persistent and Unreasonable Actions by Complainants as set out in Appendix 2 of the report be agreed.

The Committee thanked Mrs Williams for her report.

7. REGULATOR PROPOSALS FOR IMPROVEMENT PROGRESS UPDATE

Ros Roberts (Corporate Performance Manager) introduced the report and updated members on the progress against the proposals made by all regulators since the Audit Committee in May 2015.

Since May 2015, 10 proposals have been addressed and 4 new ones have come onto the proposal register, 2 from the Financial Resilience Report and 2 that were transferred from the Improving Governance Panel, who have now disbanded following successful completion of their action plan.

Members were advised that the Council currently has 24 proposals, 10 of which have been addressed and should now be closed following their consideration by Audit Committee. Closing 10 proposals would leave 14 outstanding as of the end of November 2015. There are only 4 new proposals which are included in the above figures. 2 of the new proposals relate to Financial Resilience work, which are not statutory recommendations. They are suggestions for improvement and are included for the first time into this register for monitoring at the Audit Committee.

In terms of Asset Management, Members were informed there were 6 proposals outstanding and there has been no further progress made on this recommendation as previously agreed with the Policy and Resources Scrutiny Committee. Until the financial/political future for the Authority becomes clearer it is difficult to foresee any immediate progress. Individual strategies are being formulated as part of the Council's MTFP considerations. Mrs Scammell reassured Members that an Asset Management Group has been established that reports to Cabinet. The Authority has a duty to ensure the market value is received for assets sold. The Committee were informed that although there is no strategy in place, the principle adopted is trying to keep front line services functioning.

In conclusion, Ms Roberts confirmed that good progress had been made overall.

The Chair thanked the Officer for her report and Members questions were welcomed.

Following consideration and discussion, it was moved and seconded that the recommendation in para 9.1 of the report be noted (by a show of hands this was unanimously agreed) and the recommendation in relation to para 9.2 be approved (by a show of hands and in noting there was 1 abstention) this was supported by the majority present).

RESOLVED that for the reasons contained in the Officers report:-

- (i) the content of the report be noted and it be agreed to close the proposals that are noted as 'recommended to be closed' within Appendix A of the report;
- (ii) the merging of recommendations as detailed in para 4.7 of the report be approved.

8. CORPORATE RISK MONITORING

Colin Jones (Head of Performance and Property Services) provided Members with an update of the Corporate Risk Register in accordance with the recommendations to Audit Committee at their meeting 17th September 2013.

The Audit Committee were afforded the opportunity to satisfy itself that appropriate arrangements are in place for the council's risk management processes to be regularly and robustly monitored and scrutinised.

He advised that Members have a critical role to play in evaluating the council's risk management arrangements and in particular understanding how the council identifies, manages and, where possible, mitigates/removes risk. Risk Management is crucial to the effective delivery of council services.

At its meeting on 17th September 2013, Audit Committee accepted the council's new Risk Management Strategy and supporting Guidelines, which were subsequently approved by Cabinet on the 2nd October 2013.

The Strategy identified the role of Audit Committee on the risk management process as being:

- Review the effectiveness of the risk management and internal control framework.
- Review the Council's Risk Management Strategy and how it is being implemented.
- Review and challenge the risk register and resultant action plans for the council's key strategic and corporate risks.
- Satisfy itself that robust processes and procedures exist and are applied for the management of operational risks including health and safety risks.

Members were advised that for some time Corporate Management Team (CMT) has identified and monitored the council's key corporate risks. Monitoring arrangements have been strengthened following the introduction of the Risk Management Strategy. CMT now monitor the Council's Corporate Risks on a monthly basis and report progress to Cabinet on a regular basis. The Strategy identifies that the Corporate Risk Register should be owned and understood by Cabinet and CMT. It also recognises that Audit Committee would be the guardians of the risk management strategy and should satisfy itself that it is being adhered to.

It was explained that a programme of Risk Management Training has been introduced for members commencing with Audit Committee (30th October 2013). Cabinet Members have also received training. Further and continuous training will be provided to satisfy one of the Proposals for Improvement identified in the Auditor General's Corporate Governance Follow Up Report.

The Audit Committee thanked Mr Jones for his report and full discussion ensued.

Having fully considered the report, it was moved and seconded that the Audit Committee accept the Corporate Risk Register Update. By a show of hands this was unanimously agreed.

RESOLVED that the Corporate Risk Register Update be accepted.

9. UPDATE IN RESPECT OF THE AREA FOR IMPROVEMENT IN THE ANNUAL GOVERNANCE STATEMENT FOR 2014/15

Catherine Forbes-Thompson (Scrutiny Manager) presented the report and advised the Audit Committee of the progress in respect of the area for improvement agreed in the Annual Governance Statement for 2014/15 'to improve the effectiveness of current scrutiny arrangements'.

Members were informed that in June 2015, Audit Committee agreed an area for improvement 'The effectiveness of the current scrutiny arrangements'. The report provides an update on the progress made to date. Council approved 20 recommendations to improve the effectiveness of Scrutiny on 6th October 2015, following the Scrutiny Review. These will be implemented between October 2015 and May 2016, and will be reviewed via a self-evaluation process after 12 months.

It was explained that each Scrutiny Committee will discuss their respective forward work programme in detail in February 2016 and the limit of no more than 4 agenda items will be introduced from the Committee meetings after April 2016.

Members were advised that communication, engagement and training as well as detailed protocols and guidance will be essential to ensuring successful implementation.

The Committee thanked Mrs Forbes-Thompson for her report and noted the contents.

10. AUDIT COMMITTEE FORWARD WORK PROGRAMME

The Forward Work Programme up to September 2016 was presented for Member consideration.

Having fully considered its detail the Audit Committee noted its content.

11. INFORMATION ITEMS

The Committee received and noted the following information items:-

- (1) Examples of a Partially Upheld Complaints Under the Corporate Complaints Policy.
- (2) Regulation of Investigatory Powers Act 2000.
- (3) Officers Declarations of Gifts and Hospitality.
- (4) Certificate of Compliance – Audit of Caerphilly County Borough Council's Assessment of 2014-15 Performance.
- (5) Annual Audit Letter – Caerphilly County Borough Council Partnership and Collaborations Work Programme.
- (6) Corporate Governance Panel Minutes – 22nd May 2015.
- (7) Corporate Governance Panel Minutes – 28th September 2015.

The meeting closed at 11.30am.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 9th March 2016, they were signed by the Chair.

CHAIR