

# NORTHAMPTON BOROUGH COUNCIL

## AUDIT COMMITTEE

Monday, 11 January 2010

**PRESENT:** Councillor Woods (Chair); Councillors Davies, Lill, Wilson and Yates

### 1. APOLOGIES

Apologies were received from Councillor Palethorpe.

### 2. MINUTES

The minutes of the meeting held on 16<sup>th</sup> November 2009 were signed by the Chair.

### 3. DEPUTATIONS / PUBLIC ADDRESSES

There were none.

### 4. DECLARATIONS OF INTEREST

There were none.

### 5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED

There were none.

### 6. RISK AND BUSINESS CONTINUITY UPDATE

The Director of Finance and Support submitted a report which provided the Risk Management update and elaborated thereon. She confirmed that the service planning process was underway for 2010/11 and had included the risk review annual process. The Strategic Risk Register was appended to the report and which introduced improved risk management for the partnership and key partnerships. There were minor improvements which would be submitted to the Committee in March. Assessments for the risk benchmarks were being taken. At the next meeting new members of the Committee would be briefed and the responsibilities explained.

The Director of Finance and Support confirmed that from a Business Continuity perspective the failure of power at Cliftonville had been an opportunity to test plans and learn from it. The service areas which had been impacted were reviewing what had worked and what had not. This would also be discussed as part of the next item. She referred to a query from the last meeting concerning extending the business continuity plan to beyond seven days and commented that any gaps would be targeted.

Councillor Woods advised that the point he had sought to clarify at the last meeting was the relationship between the Business Continuity Plan and Emergency Plan. In particular how the Business Continuity Plan to 'slow burn' events that would extend beyond seven days.

The Director of Finance and Support confirmed that they would review the wording to ensure the requirements were clear beyond seven days and act accordingly.

In response to a question from Councillor Woods, the Director of Finance and Support confirmed that she would review the Business Continuity Plan again to ensure that there

were no significant overlaps or duplication.

In response to further questioning from Councillor Woods, the Director of Finance and Support confirmed that as the organisations 'risk maturity' improved not all risk would be managed to the same level and that 'risk appetite' should set a balance.

**Resolved: -**

- 1. That the recent progress in risk and business continuity management across the authority be noted.**
- 2. That the Risk Register be noted.**

## **7. CLIFTONVILLE POWER FAILURE AND BUSINESS CONTINUITY PLANS**

The Director of Finance and Support confirmed that the power failure at Cliftonville had been caused by smouldering within the substation leading to an electrical fault on the terminals of the main incoming electricity supply. The electrical company had accepted responsibility and an insurance claim was to be made. The impact on the Authority had been the loss of power, heat and IT which made Cliftonville House unworkable. Facilities management had taken control of the situation. All staff at Cliftonville House were temporarily relocated to the Guildhall and sent to one collection point. There had been a series of meetings with the Chief Executive to ascertain the problem, understand the impact and the critical functions affected. A temporary power generator had been supplied and people were able to return to work the following day.

The Director of Finance and Support advised that a meeting had been held to review the process and its successes and failures. A number of areas were being reviewed and improvements made. One issue had been that access to the internet from the Guildhall had been affected so information to the public regarding the effected services had not been possible. Plans were now in place to allow access to edit the front page of the website. The redirection of the telephones had taken longer than expected. The Director praised reaction of the staff especially in the IT department and electrical services and confirmed that had been a high level of staff commitment; it was an excellent example of Team Northampton.

The Director of Finance and Support confirmed that there would be a report submitted at the next meeting which would provide assurance that the Business Continuity Plan would be adjusted to include the areas of weakness.

In response to a question from Councillor Perkins, the Director of Finance and Support confirmed that there was no loss of data as the UPS kept the system going for four hours after the power failure. Telephone calls had been transferred to the Revenues and Benefits department in the Guildhall and a back up Contact Centre established. The Business Continuity Plan would be reviewed and updated if conditions changed.

The Internal Auditor advised that had been a good opportunity to put the Business Continuity Plan in practise and to learn from the experience.

**Resolved:**

- 1. That the report be noted.**
- 2. That a full report of the Cliftonville Power Failure incident be brought to the next meeting of the Committee.**

## **8. SICKNESS ABSENCE ACTION UPDATE**

The Head of Human Resources submitted a report and advised the Committee of progress

over the past 12 months. Better management information was now available to be able to deal with absence and progress was tracked in Appendix A of the report. Over the last few years the average number of absence days for the authority had been static at around 12 days and this had now been reduced to 11 days.

The Head of Human Resources confirmed that the Charter for Wellbeing and People Plan had been adopted by the authority and the proactive and reactive side of absences were being addressed. A system would be introduced by which staff would report their absence to a 24 hour nurse system. The absence policy would be adopted and adhered to. This system would be proactive and provide immediate support to the absentee, better data and could be monitored on a day to day basis whereas at present it was a month in arrears.

In response to a question from Councillor Yates, the Head of Human Resources confirmed that she would be able to present figures on different Directorates in the authority to the next meeting however, the system was unable to produce the information based on the different sections. Indicators from other authorities showed that short term absences would be reduced once this methodology had been introduced together with the tools to enhance it.

The Head of Human Resources confirmed that the nurse system would be the same as the NHS Direct helpline and the nurse would be able to give advice whereas Managers were unable to provide the same level of assistance. The procedure was approved and would be implemented later in the year.

In response to a question from the Internal Auditor, the Director of Finance and Support advised that the financial link to reducing absences could provide a false situation as in reality the remaining staff may not be able to cover the extra work this information could be used inappropriately.

**Resolved:-**

- 1. That the progress on sickness absence management be noted.**

## **9. TEMPORARY ACCOMMODATION**

The Housing Solutions Manager submitted a report in relation to the outstanding items on Temporary Accommodation Audit report and elaborated thereon. He confirmed that at the time of the audit the Council had the highest usage of temporary accommodation in the country and the majority of actions implemented had produced an improvement in the services. Of the findings of the audit there were no critical issues but four high priority issues, five medium and two low. No contracts were in place for Bed and Breakfast accommodation and in January 2009 this particular accommodation had not been used. The Council had kept records of multiple debts which were very high but now were at £4000 in the current financial year. A contract was in place with East Midlands Housing Association.

The Housing Solutions Manager advised that the IBS system had now been implemented with plans, a framework and procedures. It had operated successfully since September 2009 and daily, weekly and monthly reports were in place. The IBS system also monitored the debt outstanding and chased accordingly.

There were now 51 private sector landlords through accredited letting agencies. Choice Based Lettings and all accommodation was inspected by officers. The best authority in the country was Derby City Council who had 74 landlords and their example would be followed. The time spent in temporary accommodation had now improved and there was a report which would propose the Bed and Breakfast accommodation to go to tender to achieve

value for money and quality accommodation. There had been a poor use of the temporary accommodation budget but this had now been rectified and all 11 action points had been implemented and verified on Team Central.

In response to a question from Councillor Yates, the Housing Solutions Manager confirmed that the temporary accommodation at Brer Court consisted of 12 units and seven were occupied. They had managed to reduce temporary accommodation by 95% and now had access to 400 private properties so there were wider options and assistance. Improvements were ongoing.

**Resolved:**

- 1 That the report be noted and that 100% of all of the recommendations had been implemented.**

## **10. RENT ARREARS ACTION PLAN**

The Head of Landlord Services submitted a report and referred to the action plan to improve rent arrears collection, appended to the report. She confirmed that the results of a survey from the tenants was outstanding and the Plan would be amended to incorporate their recommendations. Once it had been updated the Plan would be circulated to the Committee. She confirmed that the rent arrears were now at the lowest level for a number of years but compared to other authorities there were still improvements which could be made. The amount of arrears did not include any write offs.

The Internal Auditor commented that there was a large amount of activity due to take place over the next three months which would have an impact on staff's primary roles.

The Head of Landlord Services confirmed that one person from each team would be working on the plan on a temporary basis for the next six months. She confirmed it was an ambitious plan but was impressed with the work completed so far.

The Internal Auditor confirmed that it was a good idea for service users to comment and benchmarks set.

In response to a question from Councillor Yates, the Head of Landlords Services confirmed that to enable tenants to view their balance online further work would needed on the IBS system.

Councillor Woods suggested that a report be submitted to the Committee in six months time subject to the Audit Commission inspection.

**Resolved:**

- 1. That the Action Plan be noted.**
- 2. That an update be brought to the Committee in six months dependant on the Audit Commission inspection.**

## **11. FUEL MANAGEMENT**

The Head of Neighbourhood Environmental Services submitted a report and confirmed that since the last meeting she had reviewed fuel reconciliations and the information was available on the shared drive. There were still funding issues for the new fuel system and the budget would be reviewed.

A discussion ensued on fuel tank readings and their accuracy. The Head of Neighbourhood Environmental Services confirmed that there were no major discrepancies and had been assured by the Auditors that the fuel was not being used for personal use. She confirmed that the recommendations needed to be updated on Team Central and this would be completed in the next week.

**Resolved:-**

- 1. That the progress against each recommendation be noted.**

**12. PAYROLL AUDIT REPORT FEEDBACK**

The Director of Finance and Support submitted a report and confirmed that three outstanding high risk recommendations from the last meeting had now been implemented. A segregation of duties between Human Resources and the Payroll department had been put in place and quality checks; sample basis checks and system-generated checks were carried out. The system also now highlighted new starters and their start dates. All three recommendations had been completed and were awaiting review on the system.

**Resolved:-**

- 1. That the report and progress be noted.**
- 2. That it be noted that the three high risk recommendations had all be implemented.**

**13. BUDGET OPTION RISK ASSESSMENT REVIEW**

The Director of Finance and Support submitted a report which provided the risk assessment of the budget proposals for consideration. The budget options were appended to the report where the relevant Heads of Service had completed a risk assessment which had reviewed planning, deliverability and progress to date.

The Director of Finance and Support confirmed that the saving following the implementation of current restructuring in ACE had now received a green status and removing grants to trusts was also a green status. Work was still ongoing for the delivery of the Efficiency Plan and the status was still highlighted red.

The Head of Neighbourhood Environmental Services advised that her two projects were for value for money and detailed process plans for delivery were being drawn up. The restructure had been implemented and the service now worked in a different way. Tasks were highlighted red as work was still ongoing and would be completed by the end of January 2010.

The Director of Finance and Support confirmed that she would be meeting with the Director of Environment and Culture to discuss projects which would be delivering large savings in the budget and to ensure that they were deliverable. Arrangements needed to be in place for delivery to timescales agreed.

The Head of Neighbourhood Environmental Services confirmed that detailed action plans would be produced and circulated to the Committee.

The Director of Finance and Support confirmed that the Leisure Services had been reviewed. The budget consultation would be taking place and Overview and Scrutiny would review specific items and invite people to attend those meetings. The options reviewed

would include the short and long term impact of equality impact assessments.

**Resolved: -**

- 1. That the report be noted.**

#### **14. EXTERNAL AUDIT UPDATE**

The External Auditor submitted a report. Detailed work would commence within the next few weeks and significant matters reported to the Committee. If there were no significant matters then the report would be included as part of the Annual Governance report submitted in September.

**Resolved:-**

- 1. That the report be noted.**

#### **15. INTERNAL AUDIT UPDATE**

The Internal Auditor submitted a report detailing the progress made against the approved internal audit plan. He confirmed that the plan would be completed by the end of March and work and discussions were ongoing with Management to avoid duplication of resources. The International Financial Reporting Standards had changed and the Council had been asked to be a part of an independent review. Work in this area would be delayed until the review had been completed. Discussions for the internal audit plan for 2010/11 were taking place and would be submitted to the next meeting for approval.

The Internal Auditor confirmed that there were no assurance rating for the grounds maintenance issues. Implementation dates from Legal Services were awaited. Reviews were in draft form for the Risk Management and Business Continuity which had been given a moderate level of assurance although there was evidence that there was improvement in that area.

Councillor Woods confirmed that Treasury Management had received an excellent report with no critical, medium or low risks; this was a great improvement.

The Head of Neighbourhood Environmental Services confirmed that there was an extensive three year plan in place which tackled historic issues. The work undertaken was due to provide a £3 million saving this financial year and they now had value for money partners to help with practices and cultural changes. The plans would provide the capacity to include management restructure, reduce costs and recreating jobs.

Councillor Woods requested a report be submitted to the Committee in March including an action plan.

**Resolved:-**

- 1. That the report be received.**

The meeting concluded at 20.23