

# Public Document Pack

## Overview and Scrutiny Committee

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Held at Member's Lounge, Ryedale House, Malton  
on Thursday 18 February 2010

### Present

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Councillors Mrs Shields (Chair), Andrews, Mrs L M Burr, Clark, Raper and Windress

### In Attendance

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Trevor Anderson, Paul Cresswell, James Ingham, Jean Pattison, Louise Sandall, Clare Slater, Susan Shuttleworth and Angela Wood

### Minutes

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#### 54 **Bereavement**

The Chairman referred to the recent death of Councillor David Jackson, and a minute's silence was observed as a mark of respect.

#### 55 **Apologies for absence**

Apologies for absence were received from Councillors Cottam, Cussons and Mrs Wilford.

#### 56 **Minutes**

The minutes of the meeting of the Overview & Scrutiny Committee held on 10 December 2009 were presented.

#### **Resolved**

That the minutes of the meeting of the Overview and Scrutiny Committee held on 10 December 2009 be approved and signed by the Chairman as a correct record.

#### 57 **Urgent Business**

The Chairman reported that there were no items to be dealt with at the meeting as a matter of urgency by virtue of Section 100(B)(4)(b).

#### 58 **Declarations of Interest**

No declarations of interest were received.

59        **Matters Referred for Decision in Relation to Call-in**

There were no items to support.

60        **Responses from Full Council, Policy & Resources Committee and  
Community Services Committee to reports of the Overview & Scrutiny  
Committee**

There were no matters to report.

61        **Significant Partnerships**

The Head of Transformation submitted a report (previously circulated), the purpose of which was to reconfirm the Council's list of Significant Partnerships, following adoption of the Partnership Protocol and an audit of partnerships.

Members were reminded that the Council had adopted a partnership protocol in order to ensure participation in successful partnerships that had robust governance arrangements. The next phase of the implementation of the protocol had now been completed and an audit of the Council's partnerships had been undertaken. All of the partnerships on the register had been assessed by officers for their level of significance against the following criteria:

- Partnership costs
- Link to council priorities
- Consequences
- Decision making
- Statutory or regulatory context
- Risk

The report set out the best practice checklist included in the Partnership Protocol, based on the CIPFA principles for good partnerships, and these needed to be applied rigorously to the partnerships determined by the Council to be significant.

A Significant Partnerships Risk Register and Risk Action Plan was to be maintained on Covalent to manage the risks associated with the Council's involvement in these partnerships and a table setting out the risks was appended to the report.

In addition, all the Council's Significant Partnerships would be expected to supply the Council with the following information:

- A risk register and action plan to be presented to this committee annually, with particular reference to the partnerships' arrangements for business continuity
- Performance and finance reports from each partnership to be presented to the Community Services Committee (and at any point in the future the Commissioning Board), summarising the performance management arrangements for monitoring and reviewing how successfully services and outcomes were being delivered and the financial performance of the partnership.

During discussion of the report, concern was expressed about the conditions of service of the partnerships' employees and it was agreed that details of pension arrangements would be identified for Members where possible.

### **Resolved**

That the report be received and that the following list of Significant Partnerships as recommended by Officers be endorsed:

- North Yorkshire Audit Partnership
- North Yorkshire Building Control Partnership
- North Yorkshire Concessionary Fares Partnership
- Moors and Coast Tourism Partnership
- Ryedale Strategic Partnership – Incorporating Safer Ryedale

## **62 Service Risk Register - Finance & Revenues and Customer Services & Benefits**

The Corporate Director (s151) submitted a report (previously circulated) presenting the Service Risk Registers for Finance & Revenues and Customer Services & Benefits.

Members were reminded that risk identification and management formed an integral element of organisational management to secure the achievement of the Council's corporate objectives and should form a key part of any budget making decisions.

Service Risk Registers had originally been established from work undertaken by the Audit Partnership in conjunction with Service Unit Managers. However, since the management restructure, the number of registers had been reduced and were now the responsibility of the Heads of Service and their managers.

The Service Risk Registers (SSR) for the Finance & Revenues Service and the Customer Services & Benefits Units were appended to the report. It was envisaged that each register would be presented to this committee on a rotational basis, highlighting changes to risks and work undertaken to mitigate those risks.

Further reports would be brought to the Overview & Scrutiny Committee as the responsible committee for monitoring and evaluating risks within the Council.

The two SSRs were presented by the appropriate Service Managers and were discussed in detail. Sickness absence statistics for 2009/2010 for the Customer Services and Benefits unit were noted.

### **Resolved**

That the report be received.

## **63 Internal Audit - 2010/11 Audit Plan**

The Corporate Director (s151) submitted a report (previously circulated), the purpose of which was to present the Internal Audit Plan for 2010/11 from the North Yorkshire Audit Partnership.

Members were reminded that Internal Audit was a legal requirement for Councils and underpinned delivery of the Corporate Plan and the Council's strategic themes by ensuring that the control environment was reviewed on a structured and logical basis.

The CIPFA Code of Practice for Internal Audit in Local Government identified that the shared interests of the audit committee and internal audit required an effective working relationship. Part of that was the monitoring of progress against the internal audit strategy and plan.

The Audit Manager presented the Internal Audit Plan (appended to the report) which had been drafted using the Partnership's risk assessment model and which set out the work to be covered in the forthcoming year.

### **Resolved**

That the report be received and that the plan appended thereto be endorsed.

## **64 Internal Audit - Quarter 3 Report**

The Corporate Director (s151) submitted a report (previously circulated), the purpose of which was to present the Interim Internal Audit Report covering the period to 31 January 2010 from the North Yorkshire Audit Partnership.

The report provided an assurance statement for the financial systems of the Council, based on the work undertaken to date and past experience and highlighted issues that the audits had identified and provided a summary of these. It also outlined any issues emerging from the audits of the principal financial systems of the Council, together with any significant comments from other audits completed during the year to date.

The Audit Partnership provided the Council with a clear statement of assurance reflecting its opinion of the Internal Control Framework. This was based upon the audits completed, complemented by its existing knowledge and understanding of the control framework.

The report was discussed in detail and Councillor Clark drew attention to what he considered to be a lack of information relating to issues in connection with Property Services. He was of the opinion that the Internal Audit report submitted to Deloitte LLP in November 2009 should have been presented to this Committee. However, the Corporate Director (s151) clarified that the report was not part of the routine work of the Audit Partnership and as such was not to be presented to the Committee. The report from Deloitte's would be considered at the next meeting, which would cover the issues raised in the Internal Audit report.

### **Resolved**

That the Interim Internal Audit Report outlining progress against the approved internal audit plan be noted.

**NB** Councillor Clark requested that his vote against the above decision be recorded on the basis that he had not had sight of the report completed by the Audit Partnership in November 2009.

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### **Annual Governance Statement Action Plan**

The Corporate Director (s151) submitted a report (previously circulated) in which Members were informed on progress with the actions identified in the 2008-09 Annual Governance Statement (AGS) action plan.

Members were advised that the purpose of the AGS was to provide a continuous review of the effectiveness of the organisation's internal control and risk management systems in order to give assurance on their effectiveness. This allowed remedial action to take place at the earliest opportunity, thereby improving the internal control framework.

The Action Plan appended to the report set out the current position with comments on the actions proposed in the plan. It was noted that the AGS for 2009/10 would be reported to the Committee in June and would complete the reviews of this action plan as they would be incorporated into the Action Plan for the 2009/10 AGS.

During discussion of the report it was noted that a Code of Conduct for Members had been adopted and signed by all Members as a condition of office and, in response to a Member's question, it was confirmed that Officers would endeavour to present a report on the Code for Officers to the Policy & Resources Committee on 1 April 2010.

### **Resolved**

That the progress with identified actions in the 2008-09 Action Plan be noted.

## **66 Ryedale District Council Annual Audit Letter**

The Chairman welcomed John Ritchie representing Deloitte LLP to the meeting. Mr Ritchie presented a report (previously circulated) in connection with the Council's Annual Audit Inspection Letter.

The report summarised the key matters arising from the work that Deloitte had carried out in respect of the year ended 31 March 2009 and had been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission.

The report was set out under the following headings:

- Key Messages
- Purpose, responsibilities and scope
- The audit of the accounts
- Value for Money Other Matters
- Closing Remarks

It was noted that there were no material weaknesses and that the Council needed to:

- Continue to focus on meeting the reporting timetable, whilst striving to further improve quality standards of all deliverables and ensuring compliance with the applicable guidance
- Consider appropriate action in respect of the control observations raised in our report to those charged with governance

- Monitor progress against the Use of Resources action plan
- Increase its focus on International Financial Report Standards implementation to ensure that the required timescales are met.

**Resolved**

That the report be received

67 **Grant Claims and Return 2008/09 Audit Letter**

Mr Ritchie from Deloittes submitted a report (previously circulated) in connection with the above.

The report gave details under the following headings:

- Grant claims and returns certified for 2008/09
- Adjustments and qualification letters issued
- Commentary on Housing Benefit and Council Tax Claim
- Observations and recommendations arising from certification work
- Closing Remarks

It was noted that there had been two claims requiring judgement. The report also included an analysis of certification fees showing a total of £25,400 for 2009 compared to £16,500 for 2008.

With regard to Housing Benefit and Council Tax claims, reference was made to the Council's proposal to change the benefits software from Civica to Northgate during 2010. The importance of having a project manager for the changeover was stressed. In particular, it was important to take measures during the changeover to provide a full audit trail and enable the audit of the claim to run smoothly in 2010/11.

Members were pleased to note Deloitte's offer to share their experiences of conversion to Northgate in a separate meeting in order to help the process run as smoothly as possible. However, it was considered important that this should take place prior to the Council's implementation of Northgate.

**Resolved**

That the report be received.

68 **International Financial Reporting Standard**

The Corporate Director (s151) submitted a report (previously circulated), the purpose of which was to inform Members of the current position of this Council with regard to the transition to International Financial Reporting Standards (IFRS) and of the likely impact it would have on the Statement of Accounts.

The annual financial statements for this Council and other local authorities were currently prepared using UK accounting standards (UK GAAP). The Government had determined that the whole of the public sector would prepare its accounts using IFRS. Central government and the NHS would be reporting under IFRS in 2009/10 and local authorities from the next financial year 2010/11.

Although IFRS was to be effectively implemented in the 2010/11 financial year, there would be a stepped transition to the production of the Council's Statement of Accounts on a solely IFRS basis and the report included details of the system and the key stages of its implementation, together with an indication of progress that had been made by officers to date.

There would be significant changes to the main statements and the new format would need to be explained to Members at an early stage prior to the submission of the Statement of Accounts for scrutiny. IFRS required more disclosure notes than was currently the case and it was expected that this would result in a significant increase in the size of the Statement of Accounts. Whilst some of the changes would give rise to a change in the net expenditure reported each year, CIPFA had stated that any impact on Council Tax would be mitigated through statutory adjustments.

**Resolved**

That the contents of the report be noted.

69 **Treasury Management Strategy Statement and Annual Investment Strategy 2010/11**

The Corporate Director (s151) submitted a report (previously circulated), the purpose of which was to consider the Treasury Management and Annual Investment Strategies, the Minimum Revenue Provision Policy and set the Prudential Indicators for 2010/11.

In the light of the Icelandic situation in 2008, CIPFA had amended the CIPFA Treasury Management in the Public Services Code of Practice (the Code), Cross-Sectoral Guidance Notes and the template for the revised Treasury Management Policy Statement. It was also a requirement of the Code that this Council should formally adopt the Code and a copy of the revised Code



and the revised Treasury Management Policy Statement were appended to the report.

Details were also given of the arrangements for reporting and approving the Council's Treasury Management Strategy together with a summary of the aims of these arrangements.

Also included in the report were details of changes made by CIPFA to the Prudential Code, primarily covering borrowing and the Prudential Indicators. All indicators were to be presented together as one suite and these were appended to the report.

The report set out in detail the Treasury Management Strategy for 2010/11 covering:

- Treasury limits in force which will limit the treasury risk and activities of the Council
- Current portfolio position
- The borrowing requirement
- Prudential and Treasury Indicators
- Prospects for interest rates
- The borrowing strategy
- Policy on borrowing in advance of need
- The Minimum Revenue Provision strategy
- The investment strategy
- Creditworthiness policy
- Policy on use of external service providers

### **Resolved**

That the report be received.

## **70 Half Year Risk Management Actions Monitoring Report**

The Head of Transformation submitted a report (previously circulated) in which the latest actions being taken to monitor corporate risks were presented.

The Corporate Risk Register appended to the report was developed and managed by the Council's Senior Management Team. All service areas were, therefore, involved in its development through the service delivery planning cycle. Details were set out under the following headings:

- Significant Partnerships
- Capital Programme
- Staff Management
- Affordable Housing

- Procurement
- Health and Safety
- Business Continuity Planning
- Governance Arrangements
- Major Incident
- Council Assets
- Customer Expectations
- Fraud and Corruption
- Data Quality
- Delivering Efficiencies

Risk identification and management was an integral element of organisational management to secure the achievement of the Council's corporate objectives. Risk Management should also form a key part of any budget making decisions. It was considered that the risks within the corporate risk register were all being managed effectively within no significant levels of risk currently identified.

#### **Resolved**

That the report be received and that the actions taken by officers in monitoring and mitigating the risks within the Corporate Risk Register be endorsed.

### **71 Customer Complaints - Quarter 3**

The Customer Services and Benefits Manager submitted a report (previously circulated) in which Members were informed of the number and type of complaints received under the Council's complaint procedure for the period October-December 2010.

The report included complaints monitored under individual service complaints systems and a summary of customer feedback to Community Leisure Ltd (CLL) for the period October-December 2009, together with action taken where appropriate.

During discussion of the report a Member drew attention to the low level of customer feedback relating to Derwent Pool compared to that for Ryedale Pool and it was agreed that ways of improving this be investigated.

#### **Resolved**

That the report be noted

## **Sickness Absence Review (Consideration of Task Group 10 February 2010)**

The Head of Organisational Development submitted a report (previously circulated) summarising the key points from UNISON's presentation on 10 February 2010 to the Overview & Scrutiny Task Group. This report was to be read in conjunction with the paper UNISON had supplied to Members on 10 February 2010.

Members were reminded that UNISON had presented six subjects for consideration when reviewing sickness absence and the report now submitted gave details of UNISON's suggestions together with Management's responses, which were broadly supportive of the proposed amendments. Details were set out under the following headings:

- Data Collection and Analysis
- Setting Targets
- The Use of Incentives – Rewards and Penalties
- Intervention and Support
- Positive Work Environment
- Management of Attendance Policy

The report was discussed in detail and Members expressed appreciation for the way that UNISON had participated in the exercise, which they considered had resulted in a positive outcome.

However, concern was expressed about the amount of time worked by some members of staff over and above that for which they were paid. The Head of Organisational Development reported that this had been previously investigated and only a few isolated examples were identified and in each case the relevant manager was informed and asked to monitor the situation.

A view was also expressed that there should be provision for Member involvement in the proposed Health and Well Being Group and/or the Joint Health and Safety Committee. It was clarified that, under the terms of the Constitution, this was not within Members' remit.

It was noted that a representative from Selby District Council would be attending the next meeting of the Committee to report on their approach to the issue of Sickness Absence.

### **Resolved**

That the report be received and that the management response to the UNISON suggestions be noted.

73 **Decisions from other Committees**

Lists of Decisions from the following Committees were submitted:

Community Services Committee held on 28 January 2010  
Special Policy & Resources Committee 4 February 2010

**Resolved**

That the lists of decisions of the Community Services Committee held on 28 January 2010 and the Policy & Resources Committee held on 4 February 2010 be received.

74 **Any other business that the Chairman decides is urgent.**

There were no urgent items