

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN COMMITTEE ROOM
2/3, CIVIC OFFICES, ANGEL STREET, BRIDGEND ON THURSDAY, 16 JULY 2009 AT
2.00PM

Present:-

Councillor E Dodd - Chairperson

<u>Councillors</u>	<u>Councillors</u>	<u>Councillors</u>
D Buttle	P A Evans	W H C Teesdale
C Davies	M Gregory	M C Wilkins
G Davies	M Reeves	H M Williams

Officers:-

S Kingsbury	-	Head of Human Resources
A Phillips	-	Head of Property and Finance
G Doak	-	Group Auditor (GD)
E Samways	-	Group Auditor (ES)
J Bryant	-	Employee Relations Manager
J Monks	-	Cabinet and Committee Officer

61 APOLOGIES FOR ABSENCE

Apologies were received from the following Members for the reasons so stated:-

Councillor T Hacking	-	Bereavement
Councillor A Jones	-	Other Council Business

62 DECLARATIONS OF INTEREST

None.

63 MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the minutes of the meeting of the Audit Committee held on Wednesday, 3 June 2009, be approved as a true and accurate record.

64 MATTERS ARISING

Members referred to Minute 59 of the minutes of the last meeting and the Group Auditor (GD) confirmed that he would e-mail Members prior to the next meeting with information in relation to payroll and the actual amounts involved in overpayments.

In response to a question from a Member of the Committee in relation to Minute 60 of the minutes of the last meeting, the Head of Property and Finance gave an explanation for the purpose of clarification on the management of the Authority's valuation of assets, given the current economic climate.

65 INTERNAL AUDIT REPORT ON CRB FUNCTION - 6 MONTHS UPDATE

The Head of Human Resources presented a report updating Members on the progress of the Human Resources Criminal Records Bureau (CRB) function against the targets agreed, as requested by the Committee at their meeting on the 19th November 2008. The numbering of the chart illustrating the recommendations in

the report was the original numbering and therefore the missing items had already been dealt with.

She advised that the situation regarding the change from CRB checks to ISA from schools based employees was being addressed through the HR User Group and briefings at Head teacher fora. The implementation of the Vetting and Barring Scheme would have a greater impact on this practice due to the serious consequences for Head Teachers of non-compliance thus placing greater responsibility on them. She explained that if a Head Teacher were to employ someone and an incident occurred, then dependent on the seriousness of the incident, the Head Teacher could possibly be subject to a custodial sentence. She added that Head Teachers were being given support and advice to overcome this.

The Head of Human Resources then referred Members to work that had been undertaken to obtain umbrella body status. She explained that as a Public Sector organisation, it was occasionally the Authority's role to assist small partnership organisations and some private Care providers who do not have the resources and require CRB checks. Some private agencies who conduct CRB checks were expensive whereas the Authority would only charge the cost of the check together with a small administration fee. She advised that the Authority had not achieved umbrella body status so far as there had been other priorities to deal with.

The Group Auditor (ES) referred Members to the target times for processing CRB applications. She explained that an Internal Audit had been conducted as shown at Reference 4.1.11 of the progress report. She reported that although the CRB Team were dealing with all new applications, there was a backlog of personnel whose CRB checks had expired or there was no evidence of the check. Staff require a three yearly CRB re-check to comply with legislation. As a result of this backlog the categorisation of the report had been graded as limited due to no action plan being put in place to address the backlog. She added that CRB checks took a long time to process and were reliant upon individuals returning the forms.

Responding to a question from Members, the Head of Human Resources explained that permanent staff who had left the Authority would automatically be removed from the TRENT System. She had received an update from the CRB Team in preparation for the meeting which showed that the number of employees who are subject to CRB checks is currently 6,388. This figure increased during the Summer season when the Communities Directorate took on extra gardeners, and sometimes caused a problem if the three year check on temporary staff had expired. However, in readiness for this, a second review was undertaken and a document had been drafted to fall in line with the ISA start date in October 2009. When full details of the implementation are available, a strategy/action plan would be finalised and presented to the Committee. She reassured Members that staff who work in the Care Sector would automatically undergo a three year CRB check. A review of the process was being undertaken by the CRB Team in order to tighten the system.

Members asked for an explanation of the ISA legislation and the Head of Human Resources informed them that it was a system whereby people who are entered on the CRB register would continually receive CRB checks every three years. This incremental plan, although compulsory, was manageable. She added that since the CRB Team was set up on 2007 all new employees are CRB checked.

Responding to a question from a Member on the increasing number of backlog CRB checks, the Group Auditor (ES) explained that projected numbers were increasing year on year as checks carried out by the CRB team in recent years start to expire. No timeframe could be provided on how long it would take to bring the checks up to date. The Head of Human Resources advised that 5,718 had already

been CRB checked, leaving a balance of 1,143 outstanding. She assured Members that although the Children's Directorate was the largest, in terms of risk all teachers were required to have CRB clearance before they can be registered with the General Teaching Council for Wales.

RESOLVED: That the Committee note the contents of the report.

66 **COMPLETED AUDITS**

The Corporate Director - Resources submitted a report which summarised for Members the findings of the audits recently completed by the Internal Audit Division.

The Service areas covered by the completed audits, which numbered six in total were shown in table format in paragraph 4.1 of the report. The Criminal Records Checks audit had been discussed as part of the previous item.

Transport Unit

The Group Auditor (GD) referred to the audit of the Transport Unit where adequate assurance had been given. He informed Members that concern was raised over the monitoring of subsidised bus routes to ensure the public were getting the best service. Internal Audit had suggested ways for improvement including better communication within the Directorates. Concern had also been expressed over the assurance that all relevant employees of contractors had been adequately vetted due to their contact with vulnerable children and adults. The Integrated Transport Unit had identified these concerns and now intend to carry out regular checks with contractors and have set up a dedicated database to log relevant information.

Members were concerned that contractors were not always complying and believed the problem could escalate when the service that is currently provided is extended to include transport for nursery schools. The Group Auditor (GD) assured the Committee that this issue had been flagged up and would be revisited next year when the Integrated Transport Unit has had an opportunity to establish their plan of action.

Procurement Unit

The Group Auditor (GD) referred Members to the internal audit which had been carried out on the Procurement Unit, and informed Members that as well as establishing contracts for some services, the Procurement Unit tendered for certain supplies by participating in the Wales Purchasing Consortium, negotiating prices with suppliers, and worked closely with Value Wales in order to improve procurement. He further advised the Committee that Internal Audit had recommended that the new Contract Procedure Rules (CPR) should include a requirement for consultancy services to be subject to tendering, recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) as he believed they should be subject to the same competitive process. The Unit had responded by agreeing to the Procurement Champions Group which considering the need for consultant tendering over the next few months.

A question was asked as to how much the Authority spent on consultancies and if a list was available on the areas covered by consultants within each Directorate.

The Group Auditor (GD) explained that a large degree of analysis on procurement had already been undertaken as the total spent had exceeded the European Rules

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requirement. He confirmed that he would request a report from the Procurement Unit on how money is spent on consultancy, as this covered a wide area and was difficult to define.

The Head of Property and Finance informed the Committee that whenever there was a significant value on a contract the Procurement Unit did go through a competitive process of putting it out to tender. However, there were some areas that required specialist consultants and in such cases the choice was restricted to one or two consultants, particularly if a consultant had been recommended due to the extent of their expertise in a particular field, and a selective list depicting quality and a scale of charges had been drawn up.

Members requested a report setting out the costings and the Head of Property and Finance confirmed that he would provide this information to the Committee at a future meeting.

Health and Safety Follow Up

The Group Auditor (GD) referred Members to Minute 58 of the last meeting and that a follow up review had taken place of the centralised unit that provides support and advice to managers in fulfilling their health and safety responsibilities, including assistance with identifying and providing training. He was pleased to report that there had been significant improvements to the service since the original audit and most of the recommendations had already been implemented.

Licensing Income

The Group Auditor (GD) referred the Committee to the review of controls over licensing and registration income. This review had been undertaken at the request of the Head of Public Protection due to restructuring having recently taken place within Civic Offices reception. The Internal Audit had suggested improvement in respect of ensuring all income due is credited to the service.

Council Tax and NNDR

The Group Auditor (ES) advised Members that this was a routine audit carried out each year. The Authority is responsible for the collection of Council tax for approximately 59,000 dwellings in the Borough and National Non-Domestic Rates (NNDR) for approximately 3,900 commercial properties. She highlighted the use of electoral data to undertake a matching exercise against those claiming single persons discount. She pointed out that the Internal Audit had made some suggestions for improvement including maintaining up to date insurance certificates for Professional Indemnity, Public Liability and Employers' Liability for the recovery agency used.

RESOLVED: That the Committee notes the report.

The meeting closed at 3.30pm.