

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD IN COMMITTEE ROOM  
2/3, CIVIC OFFICES, ANGEL STREET, BRIDGEND ON TUESDAY, 11 APRIL 2006 AT  
1.00 PM

Present:-

Councillor A E Davies - Chairperson

Councillors

Councillors

D T Anderson

W May

G Davies

M Mathias

P A Evans

J C Spanswick

R M Granville

Officers:

Mr L M James - Deputy Chief Executive - Executive Director Resources  
Ms H Anthony - Executive Director - Learning  
Mr N Meredith - Head of Internal Audit  
Mr G Doak - Group Auditor  
Ms E Pranker - Internal Audit  
Mr S Clark - Cabinet and Committee Officer

89 MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the minutes of the Audit Committee dated 10 March 2006, be approved as a true and accurate record.

90 APOLOGIES FOR ABSENCE

Apologies were received from the following Members/Officers:-

Councillor D A D Brett – Family illness.  
Councillor M L Simmonds – Dental appointment.  
Councillor W H C Teesdale – Unwell.  
Mr Ian Pennington – KPMG.

91 DECLARATIONS OF INTEREST

None.

92 CORPORATE PAYROLL

Having resolved at the previous meeting of the Audit Committee to receive a follow-up report on Corporate Payroll from Internal Audit in May 2006, the Committee agreed to instead receive a further report from the Head of Internal Audit at the meeting provisionally scheduled to take place on 01/06/2006.

93 PAYROLL - EDUCATION, LEISURE AND COMMUNITY SERVICES

The Executive Director – Learning gave a verbal update of improvements required to Payroll operations in the Education, Leisure and Community Services Directorate, following the request from members at the meeting of the Audit Committee on 10 March 2006 in light of their concerns with certain areas of work within this Section.

The Executive Director – Learning explained that she had been aware of problems within the Directorate prior to taking up her post and that she recognised the constraints that Payroll officers operated under. She drew attention to the fact that in the Education, Leisure and Community Services Directorate, Payroll officers were responsible for double the number of staff than Payroll officers in other Directorates. In addition, there was a capacity issue with a high turnover of staff – this had been as high as 50% in 2001 and was around 40% this year.

The Executive Director – Learning confirmed that she had met with the Education, Leisure and Community Services Payroll Team Leader, Mr Bill Davies, and his Line Manager to establish if the Payroll team was trying to do too much work. It was subsequently agreed that staff would cease to attend most appointment meetings for Primary School staff given the large amount of staff time taken up by these meetings.

The Executive Director – Learning advised that monitoring of Payroll operations had now increased from a monthly to fortnightly process. A guidance note had also been produced regarding the role of Head Teachers in ensuring information on teaching staff held on file was up-to-date, following concerns raised by Internal Audit over missing pieces of information.

As part of the Post Estyn Inspection Action Plan, the Executive Director – Learning confirmed that a Review of Service and Trading Agreements in the Education, Leisure and Community Services Directorate had taken place to remove services that were not completely necessary. This would allow staff to focus on the core business, getting this right and making their work programme manageable. The challenge given to the Directorate was to tailor their work-load to the size of the organisation, to adopt recommendations arising from Internal Audit and to ensure that up-to-date corporate policies were being used.

Members raised concerns with certain areas of work within Payroll operations in the Education, Leisure and Community Services Directorate and in response to the update given by the Executive Director – Learning at this meeting. They began by asking the Executive Director – Learning to advise of what the future held for Payroll Services and if there should be a centralised Payroll Service or a separate Payroll Service for each Directorate.

The Executive Director – Learning advised that an awaited Cultural Review – HR Flagship Project report would consider this issue. Whilst she had no problems with Payroll Services being centralised and appreciated that there wasn't an equitable distribution of staff, it was highlighted that expertise was needed in different service areas, e.g. schools were managed locally. The Executive Director – Learning added that the Education Team had advised her that they saw many benefits of having a centralised Payroll system and agreed that the distribution of staff would be fairer if the system was centralised.

The Executive Director – Learning also confirmed that she and the Payroll Team leader had spoken to all HR and Payroll staff and they were happy to talk and work together to find solutions.

Members requested an update on the Management Action Plan (previously presented to the meeting of the Audit Committee on 10 March 2006).

The Executive Director – Learning advised that some timescales had already passed. The issue of authorised signatories had been dealt with whilst the establishment of clear procedures was ongoing. Capacity issues meant that it could not be guaranteed that all old files were up-to-date with required information but moving forward, it would be ensured that all files were now up-to-date. The Executive Director – Learning conceded that there were volume problems with filing and the way that it was organised. Looking forward, she added that Tracer cards were now being used and an I.T. base was established for filing procedures. Furthermore, staff resources would be freed up by not attending Primary School appointment meetings.

The Executive Director – Learning confirmed that SLAs had been adjusted to reflect the HR input regarding the running of the payroll for Maesteg Town Hall and Llangeinor Swimming Pool. In addition, the Overpayment Spreadsheet was now up-to-date, checklists were in place and new-starter forms were being installed.

Members questioned further why items were still missing from files and if files were now being filled in correctly with all required information included. In addition, they stressed the need to go back over old files to ensure that historically, they were up to date, especially with regard to Criminal Records Bureau (CRB) checks, and inquired if School Governors should also have CRB checks carried out on them.

The Executive Director – Learning confirmed that all required information was included in more recent files but older files may not be up-to-date as invariably, some information was omitted, for example when teachers moved schools. Whilst she was in agreement for the carrying out of CRB checks more often and also for School Governors, the current policy stated that CRB checks were only required for new staff and therefore they would not appear on older files. She added that there was some debate surrounding the carrying out of CRB checks on staff every three years and not just on those whom came in to direct contact with children but also those whom had access to information on children.

Members highlighted that the Payroll team should be settled and understand what is an acceptable level of service. Members asked if the high-turnover of staff working within Payroll operations was symptomatic of a low morale amongst staff and queried how they were responding to the whole process of change.

The Executive Director – Learning admitted that staff did feel quite stressed as their workload was particularly high which may account for the high turnover of staff. However, they did want to positively embrace the improvement agenda and whatever emerged from the HR Review. Staff felt it better to concentrate on their core business and were responding well to the process of change - they did not want to deliver a bad service or be perceived in a negative way.

The Executive Director – Learning added that there would be some difficulties this year owing to the retirement of the Education, Leisure and Community Services Payroll Team Leader and his Line Manager but posts would be re-advertised and new personnel established alongside the overall HR review.

The Chairperson asked if guidance notes would be given to schools regarding Primary School appointments as staff who would no longer be attending such meetings had provided valuable guidance in the past.

The Executive Director – Learning confirmed that Payroll staff would stay involved with the process of appointing Head Teachers and there was a desire to give Head Teachers a greater understanding of the process for Primary School appointments.

Members commended the Executive Director – Learning for not waiting for the HR Review to drive-improvements to the Payroll operations in the Education, Leisure and Community Services Directorate. They expressed their thanks to Internal Audit for alerting them to such problems and felt that it was unacceptable to receive follow-up reports that stated that problems were ongoing.

Members stressed their desire for there to be only one monthly payroll and not two as was currently the case. The Chairperson confirmed that establishing two payrolls each month had been a decision made by full Council and that the idea of a Corporate HR and Payroll was being investigated. She added that there had previously been strong objections from the Education Directorate to such proposals.

The Head of Internal Audit expressed concerns that pre-employment CRB checks were not being completed before new starters took up their posts and that there did not seem to be a commitment to completing this from the Directorate.

The Executive Director – Learning advised that this was a 'grey' area and if a CRB check was not completed, the onus was on Head teachers to ensure that the new member of staff did not have unsupervised access to children. She confirmed that procedures and processes were in place and that professional judgement had to be made if, for example only one part of a new starters file was missing such as medical history or one of the two references required. The Executive Director – Learning informed Members that if staff were supplied from an Agency, the Agency would carry out a CRB check. The Group Auditor added that the Authority would request an assurance from the Agency that the CRB check had been carried out.

The Chairperson on behalf of the Committee looked forward to receiving the HR Flagship report and a follow-up report from Internal Audit.

RESOLVED: That a further progress report be awaited, in relation to Corporate Payroll in June 2006.

The meeting closed at 3.01pm.