

SCRUTINY COMMITTEE

Monday 8 November 2004

PRESENT:

Councillor MARSH (Deputy Chairman) and Councillors Mrs BANNISTER, BELSEY, HERBERT (as substitute for Mrs Howlett), Mrs MURRAY (as substitute for Warner) SLATER (as substitute for Mrs Healy) and TAYLOR.

(An apology for absence was reported from Councillors Mrs Healy, Mrs Howlett and Warner).

10. MINUTES. The minutes of the meeting held on 6 September 2004 were submitted and approved and the Chairman was authorised to sign them as a correct record.

11. INTERNAL AUDIT SERVICES – REVIEW OF ACTIVITIES AND PERFORMANCE. The Committee considered the report of the Chief Internal Auditor providing a summary of the activities and performance of Internal Audit for the financial year 1 April 2003 to 31 March 2004; the period 1 April to 30 September 2004 and to inform Members of the revised Internal Audit Plan for the period 1 October 2004 to 31 March 2005.

Internal Audit for the financial year 1 April 2003 to 31 March 2004 – Routine audits were undertaken on a rolling cyclical programme with review frequency determined by an assessment of risk. The Routine audit assignments during 2003-04 were Pest Control, Taxis & Private Hire, Improvement Grants, Car Parking & Permits, Towner Art Gallery, Conferences, Hampden Park Sports Centre, Open Downland, Willingdon Trees Community Centre, Land Charges, Development Control, Central & Mobile Phones, Press & PR, and Homeless Persons.

Computer Audits carried out included Databox (the new Box Office computer system) BACAS (the computer system operated by Cemeteries and Crematorium) and EROSII (the Electoral registration computer system). Work was also carried out in relation to IT security, Information Security Policy, the Internet Policy and unlicensed software.

Members noted recent developments in the approach to auditing the main financial systems. Previously this work was carried out within set time scales to assist External Audit in their work on the Statement of Accounts. However, in future Internal Audit work on the main financial systems (excluding that on the financial ledger) would be undertaken throughout the year.

Financial system reviewed during the year included Housing Benefits, Cash Receipting, Loans & Investments, Business Rates, Debtors, Bank Reconciliation, Payroll, Financial Ledger and Creditors.

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Members noted that control weaknesses had been identified within Cash Receipting and Bank Reconciliation. Recommendations had been made to improve the level of control. Due to management and staffing shortages within Financial Services a joint exercise by Collections, Financial Management and Audit is now taking place to address the situation.

Contract audits included Housing Repairs, Seafront Ground Maintenance and Children's Playgrounds and Members were advised that 49 days had been spent carrying out special investigations.

1 April to 30 September 2004 - The report summarised the actual audit coverage and planned total time across Council departments and other key areas of work.

Members noted that despite the fact that the 2003-04 Audit Plan had not been completed; the Division was still able to produce a significant portfolio of work as set out in Section 5.0 – Internal Audit Activity.

Some of the reviews planned for last year, such as Leasing & Licensing, inventories, FCS Council Tax payments, Sx3 System, Historic Building Grants, GIS System, Community Grants, Refuse Collection and Public Conveniences were not carried out. This was due to work carried out by Audit on a number of new corporate initiatives and an increase in other non-chargeable time. The audit reviews not completed last year had been incorporated in the 2004-05 Operational Audit Plan.

Work in relation to Printing Services, Conferences, Foreshore Maintenance Contract, Sheltered Services, Shinewater Sports & Community Centre, Pollution Services, Leisure Travel Marketing had been carried out during the first half of 2004-05. A number of these reports had been issued in draft with replies awaited from Management.

Work has been carried out in respect of IT Policies and the Internet Policy. Work was currently being carried out on CHRIS (Complete Human Resources Information System).

Main financial systems currently being reviewed included Business Rates, Housing Benefits and Cash Receipting. 13.5 days have been spent carrying out special investigations.

Revised Internal Audit Plan for the period 1 October 2004 to 31 March 2005 - Members were advised that a revised audit plan for the remainder of the year had been drawn up, based on the need to complete reviews on the main financial systems.

The revised plan took into account the number of audit days available and considered the risk involved in deferring some reviews, which were originally planned for this year. A provision of 25 days had been made for FOI requests, although at this stage the Council does not know the impact FOI would have and how many requests may be received. Notification received on 20th October suggested that no charge could be made if the cost to the Council is less than £450; this may result in a higher number of requests.

Members discussed various aspects of the FOI including how it will work, charging and increased workload for staff.

It was proposed that the following reviews be deferred to 2005-06, Mayor and Member Support, Members Allowances, Community Grants, Highways & Verges, Museums, Cemeteries and Crematorium, Burial of the Destitute, Seafront Facilities and Inventories. Computer Audit work to be deferred included GIS System, Software Compliance, ITFM Contract and Orchard (the Housing Rents computer system). Members were referred to Appendix A for full details of the original plan, work completed to date, reviews to be deferred and audit work planned to be completed.

Members requested that only the executive summary, and action plan for audit reports were sent in future. Members requiring further information or a more detailed report should contact the Chief Internal Auditor.

NOTED.

12. FUTURE MEETINGS - ITEMS FOR DISCUSSION. Members were invited to propose additional items for review at the meeting on 6 September 2004. The two additions were Gypsy's and Travellers and Disabled Access.

Members were requested to nominate two Councillors for each review, including Members outside of the Scrutiny Committee. Reporting dates for each review would be decided at a later date.

The Assistant Director of Corporate Services advised Members that work was currently being undertaken by the Legal and Environmental divisions regarding Gypsies and Travellers. Members discussed the option of joining this existing review rather than creating an additional Task Group.

Councillor Belsey advised the Committee that he would consult with the Conservative Group regarding the Disabled Access review and advise the Scrutiny Co-Ordinator of a nominee at a later date.

RESOLVED: (1) That Councillors Mrs Healy and Taylor be appointed to the Gypsies and Travellers Task Group

(2) That the Gypsies and Travellers Task Group be combined with the work of the Legal and Environmental divisions.

(2) That Councillor Marsh and one member of the Conservative Group be appointed to the Disabled Access Task Group.

The meeting closed at 6.35 p.m.

N MARSH

(Deputy Chairman in the Chair)