

MINUTES OF THE PERFORMANCE AND FINANCE SELECT COMMITTEE
Wednesday, 22nd September 2004 at 7.30 pm

PRESENT: Councillor J Long (Chair), Councillor H B Patel (Vice-Chair) and Councillors Crane, Lorber (part of meeting) and Moher.

Also present was Councillor Coughlin.

An apology for absence was received from Councillor Gladbaum.

1. Declarations of Personal and Prejudicial Interests

There were none.

2. Deputations

There were none.

3. Minutes of the Previous Meeting – 23rd June 2004

RESOLVED:-

that the minutes of the previous meeting held on 23rd June 2004 be received and approved as an accurate record.

4. Matters Arising

BVPI Satisfaction Survey 2004/5

Those present were advised that a request had been made to Toni McConville (Head of Communications) to attend a future meeting of the Performance and Finance Select Committee to discuss improved communications with local residents in advance of a further satisfaction survey in 2006. The Chair advised that this item would feature on the forthcoming agenda for the next meeting.

5. Update of the Current Performance within the Revenues Service

The report before Members summarised Capita's performance in respect of Council Tax and Business Rate collection and IT service provision up to 31st August 2004. The report also contained the recommendations of the Council's external auditor PricewaterhouseCooper (PwC) concerning Council Tax collection.

Margaret Read (Head of Revenues and Benefits) introduced the report and explained that in 2002/2003 a 92% contractual target for collection had been set but had not been achieved. However, notable improvements had been made towards the end of the year in the final

quarter and a Service Improvement Plan had been developed to address those issues which were still problematic. Consequently a 93% target for in-year Council tax collection had been set and Capita was compiling monthly profiles in agreement with the Council in an effort to monitor performance on a continuing basis. Ms Read advised Members however that the current collection rates were falling short of the anticipated rates and as a result a range of additional measures were being introduced by Capita (Appendix C). Whilst acknowledging that changes in the way people paid their Council Tax was affecting the amount of money that was being paid into the Collection Account, Ms Read expressed some concerns that Capita might not be able to meet its contractual target in 2004/05. With regard to business rate collection, Members were advised that Capita was up by 2% on the previous year and it was estimated that they would reach, if not exceed the collection target of 96%.

At this point Ms Read introduced Neil Smith and Sue King from Capita. Mr Smith advised that Capita had experienced a challenging 18 months since taking on the contract from EDS due to a number of inherited problems such as the need to undertake database cleansing in order to ensure that Capita held accurate information on tenants and residents. Referring to the profile as detailed in the report, Mr Smith advised that by March 2005 Capita would be close to the 93% target for collection, although he confirmed that at the current time 76,000 people were on account and paying compared to 79,500 people at the same time last year. He stressed however that Capita was identifying those people who were not currently paying their Council tax and that plans were being established to determine why people were continually defaulting.

Commenting on bailiff collection rates, Mr Smith explained that having experienced problems managing the volume of work at the end of 2003, an action plan had been implemented and in March 2004 arrears work was returned to Equita who had succeeded in meeting its targets and was now focusing on in-year collections. Members were advised that on 2nd October 2004, Equita would undertake a series of visits in the Brent area to try and increase collection rates. Mr Smith advised those present that he was confident that Capita could improve on collection rates and referred to the February/March 2004 collection rates to highlight Capita's ability to exceed the monthly profiles. However, he acknowledged the need to monitor the profiles and maintain realistic targets.

In response to a question from the Chair regarding Capita's ability to achieve its collection target, Mr Smith stressed the significance of the database cleansing operation which meant that Capita now held more accurate information on residents and was in a more stable position to be able to focus on collection. He stressed that Capita expected to exceed last year's prompt payment collection by October 2004. Whilst acknowledging that direct debit payments had increased, he explained

that cash payments remained a problem area for collection and that a process of issuing reminders and alternative correspondence led to delays. At this point Margaret Read stressed that bailiff collection remained a key area that needed to be addressed, highlighting that by August 2004, £71,500 had been collected by Equita whilst the overall collection target was £1.5m. Members were advised that this could potentially be a risk area and that Capita was unlikely to reach its 93% collection target if it failed to address the issue of successfully collecting outstanding arrears. Mr Smith advised that Equita had been achieving the profiled targets earlier in the year and was now in a position to be able to focus on in-year collection arrears.

In response to a query regarding the setting of targets, Margaret Read confirmed that the targets had been agreed by Capita and the Council at the time the contract was agreed. Commenting on the profiles as contained in the report, Ms Read explained that these were simply monthly benchmarks and were not contractual. They did however provide an opportunity to monitor Capita's performance against the contractual target. Neil Smith (Capita) confirmed that Capita was liable for penalties for not meeting these targets. In response to concerns expressed by Councillor Crane concerning the profiled rates for collection in February/March 2005, Mr Smith advised Members that Capita was confident that it would be able to meet these targets. Regarding the profile of non-payers, Sue King (Capita) advised those present that there was not a set profile for non-payers of Council tax and that therefore Capita had to employ a series of different strategies that could be applied to identify the various reasons for non-payment.

In response to a query from Councillor Moher concerning the empowerment matrix, Margaret Read explained that new powers and responsibilities had been delegated to front office staff to enable them to handle queries and issues at the first point of contact. It was felt that attempts in this way to deal with as much work as possible at the first point of contact provided a far better service to Council Tax payers.

Councillor H B Patel enquired about Council Tax payment by those people in receipt of housing benefit and was advised that benefit cases were not straightforward unless residents were in receipt of 100% housing benefit. Consequently, in the majority of cases it was often necessary to correspond with the Housing Benefits Department to establish a residents' level of liability. Members noted that this could result in a number of queries, a large volume of correspondence and regular delays to payment of Council Tax. In response to queries from both the Chair and Councillor H B Patel regarding complaints, Ms Read explained that targets needed to be set in order to reduce Stage 2 complaints and action plans drawn up in order to assess the reasons for the number of justifiable complaints that were being upheld. Members were advised that the focus needed to remain on ensuring that complaints at Stage 1 were handled properly. However, it was

noted that there had been notable improvements to responding to complaints on time and in a more effective manner.

Referring to Appendix C and the action plan that had been drawn up by Capita, Sue King advised those present that a number of points on the action plan had been undertaken. Outline calling was due to begin in October 2004 on large summons debts that had not yet been passed to the bailiff. Members noted that at the start of September 2004 phone calls had been initiated on overdue SUMARS before being passed to the bailiffs. In response to a request from the Chair, Sue King confirmed that Capita would be able to provide figures on how many calls were made on overdue SUMARS, although Members noted that only a small number of telephone numbers were held for such cases. Ms King explained that it was hoped that the new telephone system in use by Capita would allow staff to capture phone numbers ensuring that the person dialling in to Capita would have their number logged to their Council tax collection account.

The Chair referred to the high number of privately rented properties in Brent, approximately 17%, and the subsequent high mobility level in stock. Sue King (Capita) acknowledged this and explained that Capita attempted to try and capture the landlord's details on rented properties so that Council tax collection payments could be chased even if the residents themselves could not be contacted. Likewise, Capita regularly contacted the Land Registry to get owner details for properties.

With regard to cash payments, Members were advised that a campaign had been undertaken at the start of the year regarding the end of the prompt cash payment scheme and the Council's move towards payments by direct debit. As a result a large scale advertising campaign had been undertaken to promote direct debit payment as the most convenient and cost effective option for paying Council tax. Ms King confirmed that a further 16-week campaign was due to start shortly regarding direct debit payments and that this payment method was routinely advertised with all correspondence that was sent to residents.

In response to a query regarding bailiff collection and how ongoing progress could be monitored, Neil Smith (Capita) confirmed that targets for bailiff collection would be assessed every month and that it would be clear before December 2004 if Capita was anticipated to reach its 93% target for collection. Neil Smith confirmed that between July and September 2004 £5m in Council tax payments was outstanding and that it was important now to address why people were not paying and to identify ways to chase outstanding arrears. He advised members that by November 2004 Capita would be able to establish whether Equita was on target.

Councillor H B Patel raised the issue of costs incurred by residents when paying their Council tax at post offices. Duncan McLeod (Director of Finance) advised Members that the Council had previously incurred high charges for people paying their Council tax at local post offices. As a result arrangements had been made with a number of post offices across the Borough to ensure the provision of 70 pay-point outlets. Consequently, residents could pay their Council tax at these locations at no cost and the Council incurred less charges. It was noted that residents had been advised about the location of the 70 pay-point outlets across the Borough which were located in shops, post offices and garages.

The Lead Member for Corporate Resources (Councillor Coughlin) stressed the need for the Council to have confidence in Capita and commented on its inability to achieve its targets in 2003/2003 whilst only just exceeding EDS's previous target. Commenting on the profiles as contained in the report Councillor Coughlin expressed some concern that during the quieter payment months of December and January the anticipated targets were higher than one would expect. Neil Smith (Capita) confirmed that Capita felt that these were realistic targets despite the anticipated problems with collection during the Christmas period, at which time Capita would need to be particularly proactive regarding collection of Council tax.

The Lead Member enquired about the severity of the database cleansing issue and asked for clarification as to how the lack of accurate information had significantly impacted on Capita's ability to collect Council tax in the earlier stages of the contract. Margaret Read stressed that despite inaccuracies in the information held on file, Capita should still have been able to achieve its target. However, she warned that the profile of payments was very different this year and that this needed to be taken into account when comparing figures as money was being collected over a longer period across the year. Members noted that 1,500 hardened non-payers had been identified as a result of the database cleansing operation.

The Lead Member then enquired about the £5.8m debt currently lying with Equita and enquired as to why Capita waited until this point in the year before pursuing these arrears. Sue King (Capita) advised that the process for collection of arrears only commenced once a resident owed over £50. At that point a legal process was undertaken including the issuing of reminders, summonses and liability orders. However, Members were advised that the legal process was a timely process that could lead to a series of restrictions and delays in the collection of arrears. Neil Smith advised Members that at the current time Capita had reached its limit in the number of cases that could be effectively processed at one time. He stressed the need to ensure that additional pressures were not placed on staff and resources simply in an effort to pursue outstanding arrears.

RESOLVED:-

- (i) that the Select Committee notes Capita's progress in Council Tax and NNDR collection levels for 2004/05 and their forecast collection to 31st March 2005 and consider actions planned to improve collection for the remainder of the year;
- (ii) that the Select Committee notes the recommendations of the external auditor;
- (iii) that the Select Committee receive an update in January 2005 with further details on bailiff collection and those actions that had been successfully undertaken; (appendix C)
- (iv) that the data/figures up to the end of December 2004 be presented to the Select Committee for consideration at its meeting in January 2005;
- (v) that Capita be invited to attend the meeting of the Performance and Finance Select Committee in January 2005;
- (vi) that the Director of Finance provide Members of the Select Committee with a monthly summary on Capita's progress to date.

6. Onyx Task Group Update

The Chair advised Members of the Select Committee that there had been little progress to date as a result of sickness and absences by Members of the task group. However, meetings were expected to commence in early October and a report would be prepared upon completion of the investigations. Those present were advised that in response to a questionnaire circulated to all Members of the Council by the task group five Councillors had responded with comments about rubbish collection problems in their Wards. The Chair confirmed that a number of registered social landlords and other partners had responded to requests from the task group for information and as a result a number of problem areas across the Borough had been identified. Regarding the collection of data from StreetCare regarding rubbish collection, the Chair confirmed that despite earlier difficulties information had since been provided and a copy of the contract between Onyx and the Council had been received. Members noted that there would be further updates regarding the work of the task group at future meetings.

7. **Vital Signs – Quarter 4 and Quarter 1**

Members had before them the Vital Signs documents for Quarter 4 (January to March 2004) and Quarter 1 (April to June 2004), which set out the data on the Council's performance during these periods against the key priority indicators.

Cathy Wellstead (Policy and Regeneration Unit) referred to Vital Signs – Quarter 4, which highlighted those annual targets that had/had not been achieved throughout this period. Members noted that considerable improvements had been made in the last two quarters on issues such as SEN statements and visits to libraries. Members were advised that new performance indicators were now included on Social Services in Quarter 1 and they were asked to be mindful of the positive improvement that had been made in the last two quarters regarding issues such as waste recycling. However, Ms Wellstead warned that there were still problem areas where improved performance was necessary such as regarding the speed of processing planning applications, the adoption of children, Council tax collection and the number of visits to leisure centres across the Borough. Members noted the degree of action that had been taken however to address under-performance on a range of areas.

In response to a query regarding Borough comparisons Ms Wellstead confirmed that the comparison data was based on old statistics and therefore the Council was unable to compare itself externally. Members noted that the 2003/4 figures were expected in January 2005 from the Audit Commission and that delays to the publication of these figures was as a result of the submission deadlines set by the Audit Commission.

In response to an enquiry from Councillor H B Patel about why some service areas were still failing to provide adequate performance information, Ms Wellstead explained that not all data could be collated and presented in the form and that the Audit Commission imposed certain data presentation restrictions. However, it was noted that in the majority of cases the lack of data was as a result of service areas failing to provide this information. Members noted that the Policy and Regeneration Unit endeavoured to pursue service areas for such information as and when necessary and there had been a number of improvements by some service areas with their provision of data. It was noted that in some instances the lack of data collation systems restricted the availability of information being presented in the Vital Signs document. Members noted that there were varying reasons as to why the information may be omitted from the document but stressed that if possible information was inserted retrospectively. At this point Councillor Crane suggested that if information was not being provided by the service areas the relevant Lead Member should be chased to ensure that accurate information was passed on from the service areas for inclusion in the Vital Signs document. It was also suggested that

far better explanations were necessary regarding the lack of information and/or collation problems. At this point Cathy Wellstead responded to a particular query regarding BVPI 199 and confirmed that she would chase the relevant service area to provide a fuller explanation regarding the BVPI.

The Chair referred to the BVPI concerning the percentage of young people being reached by the Youth Service and requested further information regarding this performance indicator and an explanation regarding the target and whether this was being met.

With regard to a query from Councillor H B Patel concerning the recording of figures for those individuals killed by car accidents, Mr Newby confirmed that the Council was unable to report on the number of people killed by cars as a separate figure as this information had to be collected as per the requirement of the Audit Commission. In addition, such figures were collected by the Police and not by the Council.

RESOLVED:-

- (i) that the Performance and Finance Select Committee note the recommendations taken by the Executive at its meetings on 16th August 2004 and 14th September 2004,
- (ii) that the Vital Signs – Quarter 4 and Quarter 1 reports be noted;
- (iii) that the following Best Value Performance Indicators be detailed at the next meeting for information:-
 - (a) BV58, BVPI regarding percentage of people receiving a statements of their needs
 - (b) VS 503, Vital Sign on the percentage of young people (13-19 years) reached by Youth Service;
- (iv) that further information regarding VS 503, Vital Sign on the percentage of young people (13-19 years) reached by Youth Service be provided at the next meeting of the Select Committee regarding how the target is set and whether it is being met; and
- (v) the Vital Signs comparative data (Quarter 2) be presented to the next meeting of the Select Committee, if available.

8. **Revenue Budget 2004/2005 Monitoring Report**

The Lead Member for Corporate Resources (Councillor Coughlin) was present at the meeting for this item.

Duncan McLeod (Director of Finance) introduced the report before Members which set out the latest position on the 2004/05 Revenue Budget and was originally agreed by Full Council on 1st March 2004. This report also sought approval for the release of £30,000 to fund a contribution to the Domestic Violence budget. Members were advised that this report had been considered by the Executive at its meeting on the 14th September 2004 but that the attached appendix to this report highlighted progress to date concerning the Revenue Budget.

The Director of Finance highlighted a number of areas in the report where there were some concerns about budget pressures and possible risk areas that were emerging throughout the financial year. Such risks included the Parking Control Account and the Social Services' budget. Duncan McLeod explained that with regard to the Parking Control Account, the number of PCNs being issued by parking attendants had significantly reduced against the projected figures and that this was primarily as a result of problems with ongoing vandalism of parking meters across the Borough. As a result of vandalism fewer meters were in operation and less revenue was being collected. In addition to these immediate costs, there were also the longer term implications for replacing, repairing and securing parking meters around the Borough. Members noted that this was a problem issue that was being experienced London-wide. Members were advised that measures were being taken by Environmental Services to address these problems which were having an impact on revenue and collection and it was anticipated that the number of PCNs issued across the Borough in September 2004 would be in line with the budgeted figures.

Commenting on the Social Services' budget, the Director of Finance advised Members that this was the most volatile budget area and that it was essential that it was continued to be carefully managed. He advised that a number of areas accounted for the bulk of overspending including the implications of the review of clients jointly funded by Brent PCT and Social Services which had identified that a large number of clients fell under the responsibility of the Council. Members noted that these additional costs had not initially been budgeted for by the Council. However, it was anticipated that Social Services would come in on budget at the end of the year. With regard to other budget considerations, Members noted that £30,000 had been allocated to the Brent Domestic Violence Forum.

In response to a query from Councillor H B Patel concerning the budget implications of the Licensing Act and the Food Safety Regulations, the Director of Finance advised that the all growth funding allocated in 2004/05 had not been required as a result of delays to legislation. The budget implications of this meant that additional funding had been freed up and allocated to other spend areas. In response to a query regarding domestic violence funding, the Director of Finance confirmed that an extra member of staff to co-ordinate the

various voluntary sector organisations supporting domestic violence work across the Borough had been recruited with £30,000 allocated from the budget to support this post.

Councillor Lorber referred to 2003/2004 outturn and queried that the auditor had not signed two grant claims relating to asylum seekers. The Director of Finance confirmed this but explained that this was not unique to Brent as the Home Office had yet to issue some details relating to these claims which meant they could not yet be finalised.

With regard to the Parking Account, the Director of Finance confirmed that the September figures were more positive but had not been included in the report. Councillor Lorber enquired as to whether the problems experienced with the parking account were as a result of the contractor. The Director of Finance confirmed that he was not aware of the contractor not meeting his contractual obligations in terms of failing to issue PCNs. Councillor Lorber referred to problems identified in the Internal Audit report and queried whether the Council was monitoring parking controls/contracts/parking attendants in terms of enforcement, etc. The Director of Finance confirmed that a new Manager had been appointed in February to run the parking contract and that the majority of recommendations raised in the Internal Audit report had been addressed. The Lead Member for Corporate Resources, Councillor Coughlin, stressed that the issuing of PCNs was down as a result of parking meters being damaged across the Borough and the implications of this for parking attendants being able to issue tickets. Whilst acknowledging this point Councillor Lorber stressed that he received regular comments from the public saying that they did not see parking attendants in their areas and that some attendants did not operate at times when parking controls should be enforced.

Councillor Lorber referred to Ward Working and expressed serious concerns about the way in which the pilot projects and the overall scheme were rushed through by full Council. He stressed that there had been very little scrutiny of the expenditure that would be incurred by these projects. Focusing on the financial implications of the Ward Working project, he expressed concerns that £90,000 would be targeted on Ward Working projects whilst £110,000 would be spent on implementing the projects. In short, Councillor Lorber expressed concerns that nobody had investigated the implications of this project in more detail and that as a result the project represented serious bureaucracy and represented a job creation scheme. In light of the Government's efficiency targets which had been set, Councillor Lorber expressed serious concerns as to how the Council would be able to meet such targets in light of the creation of such projects as Ward Working. Councillor Coughlin stressed that the Ward Working programme was a pilot scheme and that with it there were obvious associated start-up costs. He stressed however that there had been an immediate saving of £30,000 on the original estimated costs of £230,000. Again Councillor Lorber stressed that this money should go

on the provision of services rather than on publicity and consultation on the scheme itself.

Referring again to the Parking Control account, Councillor Moher expressed concerns about the significant loss of revenue and enquired as to whether the Council had insurances against such losses. The Director of Finance explained that this was not a good insurance risk and that the Council was essentially self insured so as a result would incur significant losses. Members acknowledged that the meters were costly and that it was important that Environmental Services look at what could be done to stop losses, prevent ongoing damages to parking meters and address the longer term implications of such vandalism. At this point the Chair explained that Irfan Malik (Director of Environmental Services) would be requested to attend the next meeting of the Select Committee and provide information regarding the cost of meters and what action was being undertaken to address the current problems regarding revenue and damaged meters. The Director of Finance advised Members that meters cost approximately £4,000 including fittings and that they needed to be in place for approximately three months in order to recoup this money. He stressed however that there was a relatively high risk that newly replaced meters would again be damaged in a relatively short period of time and therefore it was important to consider whether it was worthwhile replacing the meters. Members acknowledged the need to ensure that meters were in place however in order to recoup revenue.

Councillor Coughlin responded to concerns expressed by Councillors Crane and Lorber concerning the Social Services' eligibility criteria and the provision of services. He explained that the criteria had not been changed and that services were not being restricted as part of a cost cutting exercise. The Chair confirmed that a report on the Social Services' budget would be presented to the next meeting in November 2004 to highlight such details and comment on actions that had been undertaken to address risk areas within the budget.

With regard to the parking account, Councillor Moher enquired as to whether there were alternative methods for residents to pay and park across the Borough rather than installing and repairing parking meters at significant cost to the Council. He queried as to what other initiatives could be undertaken. He asked that initiatives underway in other boroughs and local authorities be looked at more closely to see if the Council had alternative options. He asked that details on these initiatives be contained in the report that would be presented to the Select Committee at the next meeting.

With regard to the Social Services' budget and the review of clients jointly funded by the Brent PCT and Social Services, Councillor Lorber queried whether any reviews were either underway or had been undertaken where the Council had shifted responsibility to the PCT for costs. The Director of Finance confirmed that every client had had to

be reviewed but that ongoing reviews would be undertaken to ensure that responsibility shifted accordingly as some clients may well fall under the jurisdiction of the Council at the current time but due to the nature of their care needs move to the PCT in the future. Members noted that following the end of the joint funding agreement the new scheme that had been implemented nationally meant that the local authority and the PCT had to agree where its clients were based. At this point Councillor Lorber moved as an amendment that £271,000 identified over the surplus budget be allocated to Environmental Services so that problems with street cleaning and the parking account could be addressed. This amendment when put to the vote was LOST and recorded as follows:-

For - Councillor Lorber

Against- Councillors Moher, Crane and J Long

Abstention:- Councillor H B Patel.

RESOLVED:-

- (i) that Members of the Performance and Finance Select Committee receive a presentation on Social Services' funding in advance of the next meeting on a date to be arranged by Democratic Services, in consultation with Members;
- (vi) that the Performance and Finance Select Committee note the decisions of the Executive regarding the 2004/05 Revenue Budget and note the latest budget in appendix A;
- (iii) that the Performance and Finance Select Committee to note the decision of the Executive to agree the allocation of £30,000 to the domestic violence budget per section 6.3;
- (iv) that the Performance and Finance Select Committee receive a report from Irfan Malik (Director of Environmental Services) regarding the parking account and in particular those problems being experienced with 'pay and display' meters across the Borough.

9. Internal Audit Monitoring Report on the 2003/04 Audit Plan

The report before Members summarised the activities of Internal Audit during the 2003/04 financial year. The report provided a summary of key audit findings and recommendations made on audits completed during the 2003/04 (financial year). Simon Lane (Head of Audit and Investigations) advised Members that Internal Audit had previously experienced problems regarding staffing and had resorted to using temporary staff for some time. However, four permanent members of staff had now been appointed and it was hoped that there would now be a more effective provision of service and delivery of audit plans to Council. Referring to page 1 of the appendix which had been

circulated separately to Members, Simon Lane advised those present that this report provided an outline of the main audits that had been undertaken during the 2003/2004 financial year including financial audits and internal financial controls, schools' audits and systems audits. In response to a query from the Chair enquiring as to how often the schools were audited, Simon Lane confirmed that the schools were routinely audited and that similar recommendations were regularly made to the same schools. Councillor Lorber queried whether the Council should adopt a corporate approach to speaking to individual schools regarding these problems and seek the support of the Chair of Governors to review procedures in their own schools. Simon Lane confirmed that schools received a copy of their individual audit report within which common themes were filtered out to all schools but not in such a formal way as had been suggested by Members. He acknowledged that a checklist of good practice issues could be presented to schools via the Chair of the Governing Bodies and that this could be a good way to try and address common problems that were repeatedly raised in the school audits that were undertaken. Members were advised that if any particular key issues were identified throughout the audits these were fed back to the Education Department and also in the final reports that were presented to the Board of Governors. At this point Duncan McLeod (Director of Finance) confirmed that Education, Finance and Internal Audit provided training and guidance on how data and information should be provided.

Councillor Crane queried the type of follow up that was undertaken on audit recommendations and whether the Select Committee could be assured that issues were being addressed by the schools once an audit had been undertaken. Simon Lane confirmed that Internal Audit was able to review schools on an annual basis once an audit had been undertaken and confirmed that there had been a lack of concentration on follow up work due to the lack of resources within Internal Audit in the past. As a result Audit relied on management to ensure ongoing monitoring and follow up action was undertaken in response to recommendations made by Internal Audit. Aina Uduehi (Audit Manager) advised Members of the Select Committee that implementation of the action plans highlighted by Internal Audit relied on the head teacher and the Chair of the governing body to respond to the action plans and agree to implement those actions identified therein. Councillor Crane again suggested that all schools should be provided with a basic checklist and that this should be allocated to the Chair of the governing body to look at and consider whether actions were being undertaken sufficiently by the schools. Aina Uduehi confirmed that such a checklist could be provided to all schools. Duncan McLeod advised Members that regular meetings with the bursar of each school would also be a useful exercise to ensure that action plans were implemented.

Councillor H B Patel enquired about implementation deadlines for Internal Audit's action plans and was advised by Simon Lane that

implementation of the action plans relied on management. It was noted however that if major risks or problems were identified by Internal Audit, the Director of Finance was able to intervene and/or seek involvement by the Select Committee to ensure that management addressed those risk areas that had been identified. Members noted that as such there was no formal method of reporting the implementation of Audit's recommendations. Aina Uduehi advised Members that with regard to financial audits there were routine annual reviews but for other audits they were trying to step up reviews to see how implementation was going.

Following requests from Councillors Lorber and Crane for further clarification regarding those issues where action was not being undertaken or the action points highlighted by Internal Audit were not being implemented, Aina Uduehi confirmed that Audit would report back on which points were not being addressed. The Director of Finance confirmed that he would ensure that something be provided to Members to highlight those issues that were not being addressed. Simon Lane confirmed that he would contact all Service Area Directors and seek confirmation as to what actions had or had not been undertaken and the reason for failing to implement the actions identified by Internal Audit. He would seek confirmation in writing from the service areas but stressed that this information would not be evidence based due to the complexity of gathering information on each of the action plans.

RESOLVED:-

- (i) that the Performance and Finance Select Committee note the contents of the report;
- (ii) that the Performance and Finance Select Committee receive a further update outlining those action points that were not being implemented by the relevant service areas following internal audits; and
- (iii) that the Performance and Finance Select Committee request that the basic checklist for good practice be circulated to all schools via the Chair of the Governing Body to ensure that themes and trends of risks being raised in internal audits across the schools be identified and potentially acted upon.

10. **Items requested onto the Scrutiny Agenda**

There were none.

11. **Recommendations from the Executive for Items to be Considered by the Performance and Finance Select Committee**

There were none.

12. **Any Other Urgent Business**

There was none.

The meeting ended at 10.00 pm

J LONG
Chair

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