

BOROUGH OF KETTERING

MONITORING AND AUDIT COMMITTEE

Meeting held: 22nd May 2018

Present: Councillor Jonathan West (Chair)

Councillors June Derbyshire, Jenny Henson, Anne Lee, Paul Marks, Greg Titcombe and Mike Tebbutt

Also Present:

Lisa Hyde	(Executive Director)
Mark Dickenson	(Head of Resources)
Guy Holloway	(Head of Corporate Development)
Shirley Plenderleith	(Head of Public Services)
John Conway	(Head of Housing)
Rob Thompson	(Benefits Manager)
Janet Kealey	(Legal Services Manager)
Dean Mitchell	(Group Accountant)
Shannon Petrossian	(Community Development Officer)
David Pope	(Committee Administrator)
Anand Persaud	(CWAS)

18.MA.01 APOLOGIES

Apologies were received from Cllr John Currall. It was noted that Cllr June Derbyshire was acting as substitute for Cllr Currall.

18.MA.02 MINUTES

RESOLVED that the minutes of the meeting of the Monitoring and Audit Committee held on 3rd April 2018 were approved as a correct record and signed by the Chair.

18.MA.03 DECLARATIONS OF INTEREST

None

18.MA.04 INTERNAL AUDIT PLAN 2018/2019 (A1)

A report was submitted which requested that members note the previously agreed Internal Audit Plan for the period April 2018 to March 2021.

The report had been submitted and approved at the previous meeting of the committee in April, but due to a print error, the attached plan had been missing a number of pages. A complete electronic version had provided to all members prior to the meeting.

RESOLVED That the Monitoring and Audit Committee note the previously approved Strategic Internal Audit Plan for April 2018 to March 2021 as detailed at Appendix A to the report

18.MA.05 INTERNAL AUDIT ANNUAL REPORT 2017/18 (A2)

A report was submitted which presented the Annual Internal Audit Report from the Council's Internal Auditors in compliance with the requirements of the Accounts and Audit (England) Regulations 2011 which required the Head of Internal Audit to provide an opinion on the work undertaken by Internal Audit.

Anand Persaud from Coventry and Warwickshire Audit Services (CWAS) was welcomed to the meeting.

Members noted that the Internal Audit Opinion was based on the results of audit work carried out during 2017/18. The Internal Audit Opinion was used to inform any significant weaknesses that should be regarded as Significant Control Issues that would require disclosure in the Annual Governance Statement. The work undertaken for 2017/18 had not highlighted any weaknesses that would require disclosure.

Mr Persaud indicated that overall, significant assurance could be provided that the council's systems and controls were operating effectively to mitigate risks impacting against the delivery of key objectives.

It was heard that there were six areas of the council's systems where only moderate or limited assurance could be provided:

- Creditors
- Cyber Security
- Anti-Fraud and Corruption
- Car Park Income
- Licensing
- Kettering Training Services

Key issues for the areas were summarised and it was noted that all Internal Audit recommendations in relation to these areas were currently being reviewed in relation to necessary improvements. However, although there were areas for improvement, members could be confident in the overall operation of the council's systems.

The committee noted a summary of the audits undertaken during the previous year and heard that of these, seven had received full assurance. This was a reflection of the stability of some of the council's key systems and the positive manner in which internal audit recommendations were responded to by senior management.

Members asked questions in regard to GDPR, cyber security, Kettering Training Services and car park income collection processes.

RESOLVED that the Internal Audit Annual Report 2017/18 be received and noted.

18.MA.06 ANNUAL GOVERNANCE STATEMENT 2017/18 (A3)

A report was submitted requesting the committee receive and endorse the Annual Governance Statement (AGS) for 2017/18 which would be incorporated into the council's Statement of Accounts for 2017/18.

The six core principles of good governance were outlined to the committee, which was asked to consider whether:-

- The process for producing the AGS was effective
- The AGS adopted the six core principles effectively; and
- Were KBC's governance arrangements robust

The committee raised concerns regarding the effectiveness of the Council's scrutiny function and whether the work of the committee was deemed to be sufficiently robust. Mr Persaud confirmed that he would obtain an opinion from Mark Watkins of CWAS who had a closer working relationship with senior officers and the committee and was therefore better placed to provide such an opinion.

RESOLVED that:-

- (i) the Monitoring and Audit Committee's role in the Annual Governance Statement process be noted; and
- (ii) the Annual Governance Statement for 2017/18 be endorsed.

18.MA.07 **KEY UPDATES (A4)**

Monitoring of Service Level Agreement Grants 2017/18: First Year
End of Year Update

Members were provided with a report that informed them of the performance of voluntary sector organisations in relation to their Service Level Agreements (SLA) for 2017/18.

An updated version of the accompanying performance data was supplied to the meeting due to late submission of figures from a couple of contractors.

The report submitted outlined the progress on the first year of the four year SLAs covering the period 2017-2021. It was reported that SLA targets were generally on track in the first year, with a number of good news stories highlighted. However, it was noted that there were certain SLA targets that were not currently being met, with an explanation provided in relation to these. It was heard that the challenge of recent legislative changes had impacted on the complexity of homelessness prevention and the complexity of individual cases in relation to debt advice had also increased, resulting in longer appointment times and rising service demand.

It was noted that one service provider had yet to return figures for the final quarter; however its performance was reported as being generally good, although volunteers at the service were currently overstretched and consequently had been unable to file figures to date.

The meeting noted that SLA funding for 2019/20 and 2020/21 would be reviewed by the Executive Committee at its November meeting.

The Committee noted that regular SLA updates had not been supplied during the previous municipal year and requested that such updates be included on the committee work programme going forward. In addition it requested involvement in the SLA funding review process prior to the Executive Committee meeting in November. The Chair and Deputy Chair of the Committee would discuss the situation with senior officers to agree the best method to take SLA monitoring forward.

RESOLVED that:-

- (i) The Committee noted the 2017/18 performance of the voluntary sector organisations in achieving the outputs in their service specifications; and
- (ii) The Committee noted the arrangements for deciding the funding for the remaining two years of the current Service Level Agreements.

Welfare Reform

Full local rollout of Universal Credit (UC) was still set for October 2018, with discussions currently underway between KBC and Job Centre Plus regarding training and advertising to ensure the most vulnerable service users were aware of the changes. Further details would be brought to a future meeting of the committee.

It was noted that the rules making 18-21 years olds ineligible to claim Housing Benefit (HB) would be rescinded. Evidence to date had shown that it had not produced the savings hoped for by government and was too complex to administer. Legislation regarding this issue had yet to be altered.

Waiting Days for claims had been abolished with effect from 14th February 2018, with a minimum time for processing claims of five weeks, although anecdotal evidence indicated that some claims were still taking between six and 13 weeks.

With effect from April 2018, homeless claims would be paid through HB, mirroring current HB arrangements. Work was required regarding this in relation to education for both claimants and advisors.

The two week extended payment of HB for new UC claims would take place, however the lead-in time for the relevant software suppliers was unusually short and all affected claims had to be completed manually. There remained no clarity regarding the point at which all aspects of UC software would be functional.

The Social Inclusion team was expanding from 3 to 3.5 full time employees, with the service offered at Kettering Job Centre increasing to one full day a week from September. A phone-line had been installed within Customer Services to allow customers to speak to key contacts in relation to their claim. This was working well and would continue to be monitored. Work was continuing to enable customers to be more self-sufficient and a Credit Union mobile phone app was now available to help people manage their accounts. Work shadowing was continuing with the Job Centre staff so both they and KBC staff better understood each other's offer and the challenges faced.

It was heard that for 2017/18 a total of 611 applications had been made for Discretionary Housing Payments (DHP), with 578 awards totalling £187,000. Demand for 2018/19 was already higher than for the same period the previous year, although the total budget available had dropped by £26,000. Work to reduce reliance on DHP was ongoing, but this was noted as being intensive.

18.MA.08 KEY PERFORMANCE INFORMATION BOOKLET (A5)

Members received the Key Performance Information Booklet.

The Committee raised queries in relation to the following aspects of the information provided:-

- Staff sickness statistics
- Switchboard call answering
- Greener and Cleaner Environment

18.MA.09 WORK PROGRAMME (A6)

The work programme was submitted to the Committee for consideration. The following reports would be brought to the next committee:-

- Voluntary Sector SLA Monitoring
- Asset Acquisition and Income Growth update
- Statement of Accounts

(The meeting started at 7.00pm and ended at 8.21pm)

Signed:

(Chair)

DJP