

Minutes of the Audit Committee

**29th September, 2016 at 6.00 pm
at the Sandwell Council House, Oldbury**

Present: Councillor Sidhu (Chair);
Mr Ager (Vice - Chair and Independent
Member);
Councillors Gavan, Dr Jaron, Piper and
Preece.

30/16 **Minutes**

Resolved that the minutes of the meeting held on 18th
August, 2016, be confirmed as a correct record.

31/16 **Questions to Councillor I Jones regarding Issues Arising
from Gowling WLG Investigation**

The Chair informed the Committee that notice had been received from Councillor I Jones' legal representative that Councillor I Jones would not be attending the meeting.

The item was subsequently deferred to a future meeting.

The Committee expressed concerns at Councillor I Jones' non-attendance and requested that Councillor I Jones should be invited to a future meeting of the Committee to answer questions, which would be provided to him in advance, in relation to the Gowling WLG Investigation. In order to be open and transparent, members requested that this meeting should be in public session and webcast.

Concern was also expressed that the former Service Manager, as identified in the Gowling WLG Investigation, who had also been invited to attend the meeting, had declined to attend.

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The Chief Finance Officer was therefore requested to write to the former Service Manager to invite him to a future meeting to answer questions on the Gowling WLG report.

Members requested that the Chief Finance Officer ascertain whether changes could be made to the Council's Member Code of Conduct to make the attendance of those member(s) who were invited to a meeting, mandatory.

Councillor Piper subsequently moved that the non-attendance of Councillor I Jones be referred to the Standards Committee for investigation. This was duly seconded and carried. In response, officers advised the Committee that any member complaints would need to be referred as set out in the arrangements for dealing with member complaints.

Resolved:-

- (1) that the Chief Finance Officer invite Councillor I Jones and the former Service Manager as identified in the Gowling WLG Investigation, to a future meeting of the Audit Committee;
- (2) that subject to legal advice with regard to the need to follow the process set out in the arrangements for dealing with member complaints, the non-attendance of Councillor I Jones be treated as a standards matter;
- (3) that the Monitoring Officer review the Members' Code of Conduct and include mandatory attendance of members' who have been invited to a meeting to answer questions.

32/16

The Local Ombudsman's Annual Review and the Housing Ombudsman's Services Statistical Information

The Committee considered a report which provided a summary of the complaints and enquiries received and dealt with by the Local Government Ombudsman in relation to the Council for the year ended 31st March, 2016.

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Members noted that a total of 104 complaints and enquiries had been received in 2015/16, compared to a total of 117 in the previous year.

The Panel further noted a breakdown of complaints and enquiries in relation to service areas, and the outcome of each Ombudsman investigation.

33/16 Internal Audit Progress Report

The Committee considered a report which summarised areas of work covered by Audit Services for the period ending 31st August, 2016. The report updated the Committee on progress made against the delivery of the 2016/17 Internal Audit Plan and gave details of the performance of the internal audit service.

34/16 CIPFA Audit Committee Update: Issue 20

The Committee noted the latest publication issued by CIPFA which focussed on the results of the recent CIPFA Audit Committee Survey.

35/16 Work Programme 2016/17

The Committee noted its work programme for 2016/17.

36/16 Financial Regulations and Contract Procedure Rules 2016/17

On 18th August 2016, the Committee approved the Sale of Land and Building Protocol (see Minute No. 28/16). The Council was now requested to approve and adopt the protocol as part of the revised Financial Regulations.

The Financial Regulations and the Procurement and Contract Procedure Rules were revised following an annual review by the Chief Finance Officer. The rules provided members and employees with procedures to follow to ensure the Council's expected standards were met in managing public assets and money.

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Following a robust review of the existing rules and procedure, the Contract Procedure Rules had been revised to reflect update regulations and provide clarity of roles and responsibilities at all levels of the Council.

Whilst the revised Rules retained the key principles and processes as set out in the previous versions, it was now proposed to make further revisions in order to align the Rules further with the Financial Regulations and Scheme of Delegations. It was therefore recommended that the Council adopt the following key changes:-

- increasing the threshold at which formal tenders were required from £60,000 to £100,000 – this change aligned the process the authority set out in the Scheme of Delegations and created a more streamlined process across the council and consistency throughout the Rules as a whole. Requirements of between £5,000 and £100,000 in total value would require a minimum of three quotations to be sought in order to comply with the Government's Transparency Agenda and to ensure value for money was achieved. Formal contracts were required where the value was £100,000 or above, however, these could be sought should the requirement be complex or business critical;
- amending the minimum award criteria split from 80% price/20% quality to 60% price/40% quality in order to encourage the focus on quality of the service provision or goods purchased and derive greater value for money from contracts. Where an existing Framework Agreement was entered into, the award criteria of that Framework must be adhered to;
- removing disposal of land and buildings from these Rules;
- creating a Sale of Land and Buildings Protocol as an appendix to the Financial Regulations.

The Sale of Land and Buildings Protocol would set out the process for governing the disposal of land and property owned by Sandwell Council. It did not apply to the sale of residential properties as these were subject to a different legal framework. The protocol set out the roles and responsibilities of members and officers and stated the process required to dispose of land and buildings that were deemed surplus to requirement, other than residential properties.

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Resolved that the Council be recommended to approve and adopt the revised Council Procurement and Contract Procedure Rules and the Sale of Land and Buildings Protocol.

(Meeting ended at 6.20 pm)

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