PUBLIC ACCOUNTS AND AUDIT SELECT COMMITTEE

Wednesday, 25 July 2012
(6.05 - 7.08 pm)

Present: Councillor A S Jamu (Chair), Councillor G Letchford, Councillor M Mullane and Councillor J Channer; Garry Gerrish

Also Present: Councillor E Carpenter

Apologies: Councillor T Saeed and Councillor S Alasia;

22. Declaration of Members' Interests

None.

23. Minutes - To confirm as correct the minutes of the meeting held on 27 June 2012

The minutes of the meeting held on 27 June 2012 were AGREED as an accurate record.

Councillor Carpenter, a guest at the meeting, requested a detailed breakdown of how the borough is proposing to fund the new school places it requires, including funding from capital, Building Schools for the Future (BSF) and its successor, and other government grants and external funding. The report should also contain how this money will be spent, detailing year group allocation and which schools will receive funding. The Public Accounts and Audit Select Committee (PAASC, “the Committee”) AGREED to accept this report on Councillor Carpenter’s behalf.

24. Composite Internal Audit Report - Quarter One 2012/13

The Group Manager Internal Audit (GMIA) introduced the report.

The report summarised all aspects of assurance and anti-fraud work undertaken in Quarter One 2012/13, including actions taken by management in response to audit activity, which supports the governance framework of the authority.

It was noted that a small number of audits have commenced in Quarter One and that the majority of the plan is scheduled for the last three quarters of the financial year. Resources to deliver the audit plan are adequate for current needs. There are no outstanding audit recommendations. The GMIA reassured members that there are no issues of concern at the present time that will affect the Head of Audit’s overall opinion on the systems of internal control.

The Draft Local Audit Bill has been published by the Department of Communities and Local Government (DCLG). The main provisions are the repeal of legislation establishing the Audit Commission, and the requirement on local public bodies to appoint an external and independent auditor. Furthermore, the Protection of Freedoms Act 2012 received Royal Ascent on 1 May 2012. This Act limits the use of covert surveillance under the Regulation of Investigatory Powers Act (RIPA).
The law will come into effect on 1 November 2012. A Prevention of Social Housing Fraud Bill is currently being considered by Parliament.

The GMIA drew Members’ attention to the Audit Plan on pages 10 and 11 of the agenda pack.

The Committee noted the report.

25. Corporate Complaints - January to June 2012

The report was tabled by the Scrutiny Officer (SO) on behalf of the Corporate Director of Finance and Resources (CDFR).

The report updated PAASC on the numbers, nature, and result of those corporate complaints received at stages 1, 2 and 3 for the first six months of 2012. It also outlined recent changes and improvements within corporate complaints.

Councillor Carpenter was concerned that stage one responses in relation to Enterprise have dropped significantly to 22%. She went on to say she was pleased to see Members Casework had been incorporated into the report.

The Lead Member for the Safer and Stronger Communities Select Committee (SSCSC) informed PAASC that SSCSC is undertaking a review into the logging of, and systems used to administer, complaints – as the logging of complaints is an ongoing issue. SSCSC hope to persuade the Council to adopt a holistic approach in this area.

PAASC AGREED that the report should be rescheduled for a future meeting when the Customer Service Client Officer is able to attend.

The Committee noted the report.


The Group Manager Corporate Client (GMCC) introduced the report.

It was noted that the capital programme is a major contributor towards the achievement of the Council’s corporate goals and includes schemes directly linked to corporate and community priorities in order to meet the Council’s asset management responsibilities. The capital programme delivers real benefits for local people in line with Members' policy-house outcomes.

The report provided an update and review of slippages (time and cash) and to explain what actions are being initiated to bring any such projects back on track. PAASC receives such a report on a six monthly basis.

The GMCC talked members through the schemes which currently have an Amber status. He was pleased to report that no scheme currently has a red rating under the Red, Amber Green (RAG) rating system.

Members were extremely pleased that, once again, the capital schemes report contained such positive news. He asked the GMCC to convey the Committee’s congratulations to all involved staff. Members expressed a desire to see the capital
scheme do more to try and raise household incomes, if possible. Officers will ensure this feedback is raised with Cabinet.

The Committee noted the report.

27. **Debt Management Performance and Write-Offs 2011/12 (Quarter 4)**

The Head of Revenue and Benefits, Elevate East London (HRBEEL) introduced the report.

The report outlined the performance of the Council’s partner, Elevate East London, in carrying out the debt management function on behalf of the Council. It covered quarter four and outturn performance for the year – detailing debts which have been written off in accordance with the policy approved by Cabinet on 18 October 2011.

The HRBEEL was pleased to highlight to the committee that all collection rate performance targets for 2011/12 had been exceeded.

Members raised concerns about the alleged practice of Elevate East London issuing more court summons. The HRBEEL outlined that every case adheres to the same process, whereby if an agreement is not honoured, only then would court proceedings commence. The HRBEEL informed PAASC that Housing has a new administrative system and are currently working through a backlog of cases that have resulted.

Furthermore, Members were concerned that the policy of seeking “reasonable repayments” may not be working as they are aware, through Casework, of many residents struggling to make even these payments. It was noted that there will always be a tension between the Council’s need to be compassionate and its need to collect the money it is rightfully owed.

Members also raised concerns regarding queue times being experienced at the Borough’s One Stop Shops. It was outlined that this is not something which would be captured in a Debt Management report, but is monitored through B&D Direct.

The HRBEEL reminded PAASC that the Revenue and Benefits service assesses cases on behalf of Her Majesty’s Government (HMG) and, as such, has to apply the rules with little scope for local discretion. The Council has a duty to collect Council Tax and rent etc.

It was noted that residents receive statements from the Council every six months. However, if they fall into arrears, they will quickly receive a notification letter.

**PAASC AGREED** that the Revenue and Benefits service should produce a report which:

- Outlines the process or policy officers adhere to when escalating a case through the courts.
- Outlines the process or policy officers adhere to when calculating what a “reasonable payment” is.
- Outlines the 18 months of Elevate East London’s performance and the two years of Council performance prior to Elevate East London assuming control in relation to evictions and commencing court proceedings.
- Discusses revenues and benefits performance generally.
- Addresses the concerns raised by PAASC in relation to One Stop Shops.
- Addresses the hypothetical and potential conflict of the Council evicting a family, but then having a duty of care to re-house them if children or young people are involved.
- Whether the practice of processing cases “in one go” is affecting performance.

It was noted that information relating to Elevate East London’s performance – generally – is reported to Cabinet, the papers for which all Members of the Council receive. Any issues or concerns Members have should be raised with the Scrutiny Officer who will investigate on the Committee’s behalf.

The Committee noted the report.

28. Officer Response to Audit Commission Questions

The Divisional Director Finance (DDF) introduced the report.

The report provided responses to the key considerations for PAASC highlighted by the Audit Commission in their briefing paper to the April 2012 meeting of this committee.

It was noted that the Council has:
1. Completed the Audit Commission’s annual fraud and corruption survey.
2. Considered the implications of the amendments to the capital financing regulations; and,
3. Considered the guidance from CIPFA regarding the settlement payment to the Secretary of State in preparation for self-financing of the Housing Revenue Account (HRA).

The Committee noted the report.

29. Draft Work Programme and Date of Next Meeting

The Scrutiny Officer introduced the report.

The Committee noted the report.

30. Key Corporate Anti-Fraud Team Fraud Case Details

The Group Manager Internal Audit (GMIA) introduced the report.

The outcome in relation to five potential cases of fraud were highlighted to the Committee.

The Committee noted the report.

31. Risk Based Verification of Housing Benefits Claims

The Head of Revenue and Benefits, Elevate East London (HRBEEL) introduced the report.
The report sought to ensure PAASC supported the proposed change in the verification requirements form claimants to support their Housing Benefit claims in line with the Department for Work and Pensions (DWP) guidelines set out in DWP Circular S11/2011.

Members AGREED that the HRBEEL should investigate whether a local Equalities Impact Assessment has been carried out in relation to these proposed changes.

The Committee noted the report and supported the changes.

The meeting closed at 19.05.