

**MINUTES OF THE CORPORATE COMMITTEE  
THURSDAY, 29 NOVEMBER 2012**

Councillors Adje, Diakides, Griffith, Jenks, Meehan(Chair), Whyte, Williams and Wilson

Apologies Councillor Khan and Councillor Amin

Also Present: Councillor Egan, Councillor Basu, Kevin Bartle, Raymond Prince, Stuart Young, Anne Woods, Hanisha Solanki, Paul Dossett, Liz Sandford, George Cooper, Nicola Webb, Keith Brown, Michael Jones, Roger Melling, Peter Hayday.

<b>MINUTE NO.</b>	<b>SUBJECT/DECISION</b>	<b>ACTON BY</b>
<b>CC44</b>	<b>APOLOGIES (IF ANY)</b>  Apologies for absence were received from Councillor Khan, Councillor Amin and Julie Parker (CFO).  Councillor Egan and Councillor Basu substituted in accordance with Committee standing order 52 and 53.	
<b>CC45</b>	<b>URGENT BUSINESS</b>  There were no items of urgent business put forward.	
<b>CC46</b>	<b>DECLARATIONS OF INTEREST</b>  There were no declarations of interest put forward.	
<b>CC47</b>	<b>DEPUTATIONS / PETITIONS / PRESENTATIONS / QUESTIONS</b>  There were no deputations, petitions or questions put forward to the meeting.	
<b>CC48</b>	<b>MINUTES</b>  <b>RESOLVED</b>  The minutes of the 27 <sup>th</sup> September 2012 were agreed as an accurate record of the meeting.	Clerk
<b>CC49</b>	<b>FRAMEWORK AGREEMENT FOR PENSION FUND ACTUARIAL SERVICE</b>  The current actuarial service contract with Hymans Robertson was due to expire on the 28 <sup>th</sup> February 2013 and a new appointment would be required before this date. Norfolk County council had already undertaken an OJEU compliant tender process for the framework agreement for Pension Fund actuarial services and this was available for all local	

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	<p>government Pension Fund Administering authorities to access for a fee of £2000 pounds. The use of the framework was advised by the Deputy CFO to be value for money as it would save time and resource whilst at the same time ensuring that the procurement of Pension Fund actuarial services was compliant with OJEU requirements</p> <p>If approval was given by the Committee to enter into this framework agreement, a mini competition process would ensue with the independent pension advisor involved in the evaluation process and the Chair of the Committee attending presentations from the providers. Then Corporate Committee will consider a recommendation on the appointment of an actuary at the January meeting.</p> <p>Understanding was sought on how the council can go beyond the framework agreement and make any further efficiencies on the cost of the operation of the Pension Fund by working with other boroughs as indicated by the recent London Council's report on the 'evaluation of options for reconfiguring the London LGPS funds'. The Deputy CFO explained that this particular framework agreement was put forward to members to agree as it was value for money. The Deputy CFO agreed to consider whether there were any further structures which could be open to potential efficiency savings.</p> <p><b>RESOLVED</b></p> <p>That approval is given to the Pension Fund entering into the framework agreement set up by Norfolk County Council for the use of administering authorities for Pension Fund actuarial services.</p>	Deputy CFO
CC50	<p><b>TREASURY MANAGEMENT STRATEGY STATEMENT 2013/14 - 2015/16 -</b></p> <p>The Committee were reminded that it was their responsibility to formulate the Treasury Management Strategy each year, for Overview and Scrutiny to scrutinise it, and full Council would be responsible for its approval.</p> <p>Capital programme figures contained in the report were from the previous year, as Cabinet would agree the figures for 2012/13 at their meeting in December. A further updated report containing the final capital programme figures and prudential indicators would be considered at the January Corporate Committee meeting. In the meantime, this did not affect the overriding principles for investing and borrowing which the Committee were considering at this meeting. The Committee noted that very low short term interest rates compared to medium and long term rates is expected to would continue in 2013 meaning that there will be an ongoing 'cost of carry' if funds are borrowed in advance of capital expenditure. To minimise the cost of borrowing, the council will maintain the strategy of borrowing in the short term at low rates from other local authorities to maintain liquidity whilst also being mindful of any long term opportunities to borrow from the PWLB.</p>	

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	<p>On the advice of the council's treasury management advisors, Arlingclose Ltd, a small change had been made to the strategy, this was to remove the minimum short term rating criteria for lending, as it was long term rating of an organisation was the ultimate driver of creditworthiness. The Committee noted that this would not change the portfolio of banks named in the lending list, but would enable the Council to start using RBS and Nat West again .</p> <p>Explanation was provided on the term LIBID (London Inter Bank Interest Deposit Rate) and the Chair asked that, in future, further thought be given to the size and clarity of figures printed in report packs as it was important that they were readable.</p> <p><b>RESOLVED</b></p> <p>That the proposed Treasury Management Strategy Statement and draft Prudential Indicators for 2013/14 to 2015/2016 at Appendix 1 be recommended to Council for approval as part of the financial planning report , subject to updating to reflect the agreed capital programme.</p>	
<p><b>CC51</b></p>	<p><b>PARLIAMENTARY BOUNDARY COMMISSION REVIEW - REVISED PROPOSALS</b></p> <p>Proposals for new parliamentary boundaries had been previously considered by Corporate Committee in December 2011. However, following updated proposals announced by the Boundary Commission for England in October 2012, a further report was put forward which included information on new proposals. The council had now moved from an unchanged position of two parliamentary constituencies to sharing arrangements with 4 boroughs and having 3 parliamentary seats.</p> <p>Apart from the additional complexity of the Elections team working with four other boroughs, there were no other issues identified by the Committee to put forward as part of a consultation response.</p> <p><b>RESOLVED</b></p> <p>That the administrative changes resulting from the Boundary Revision proposals be noted.</p>	
<p><b>CC52</b></p>	<p><b>PROGRESS REPORT FROM EXTERNAL AUDITORS</b></p> <p>Grant Thornton were in the process of certifying the council's 2011/12 grants claim. Following completion in December, a report on the findings and cost of this work would be considered by Corporate Committee at their January meeting.</p> <p>The Committee noted that a report from Grant Thornton on their national study concerning financial resilience was due to be published in early December and hard copies would be provided to the council for distribution.</p>	

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	<p><b>RESOLVED</b></p> <p>That the progress report from Grant Thornton be noted.</p>	
CC53	<p><b>ANNUAL AUDIT LETTER FOR 2011/12</b></p> <p>The Committee considered the Annual Audit Letter from the Council's external auditors Grant Thornton. This letter was part of a formal external audit process and provided an independent assessment of the Council's position in meeting its strategic objectives. The Annual Audit Letter summarised the work completed by the external auditors over the year. The council were provided with unqualified opinions for both their value for money activities and Statement of Accounts 2011/12. Appendix b illustrated the fee of £32k for additional work carried out on the statement of accounts for 2011/12.</p> <p><b>RESOLVED</b></p> <p>That the Annual Audit letter for 2011/12 and the Council's response be noted.</p>	
CC54	<p><b>EXTERNAL AUDITORS PLANNED AUDIT FEE FOR 2012/13</b></p> <p>The Committee considered a letter from the external auditors Grant Thornton which set out their proposed work programme and scale of fees for 2012/13. The scale fees for 2012/13, put forward for agreement was £272,700. This was a 40% reduction from the previous year's fee of £454,500. The expected fee for grant certification work was set at £52k and this would be included in the overall fee for 2012/13. The Committee would receive a detailed report from Grant Thornton on their audit plans and audit approach at their meeting in March 2013.</p> <p><b>RESOLVED</b></p> <p>The external auditor's fee of, £272,700, for the audit work to be carried out in 2012/13 was agreed.</p>	Deputy CFO
CC55	<p><b>QUARTERLY INTERNAL AUDIT REPORT UPDATE - 2012/13 QUARTER TWO</b></p> <p>As part of the quarterly update on internal audit activities, consideration was given to the audit report from Deloitte and Touche contained, at appendix A. (These were the final reports issued during the quarter together with detailed summaries of the findings and recommendations of those reports which received limited assurance ratings). The report further contained information on the work of the in-house fraud investigation team, housing benefit fraud investigation, and the council wide disciplinary statistics.</p> <p>A notable achievement was the recovery of 26 Haringey properties, in the year to date, following successful work with Tenancy Management Teams and housing tenancy fraud investigations. In addition there had</p>	

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been two right to buy abatements where the maximum discount of £75k was being fraudulently claimed by the applicants. The Internal Audit service was putting in place a new procedure to review high risk applications following the £75,000 discount now being offered.

A cross borough initiative had identified 68 cases of identity fraud. These counterfeit identities had been used to enact frauds and make false benefit claims.

Following Committee members previous concerns about the findings of the internal audit on the Mortuary services, a follow up review had been completed, the findings of which were detailed from page 123 onwards. Eight of the nine recommendations had been found to have been fully implemented. The remaining recommendation, regarding the requirement to record the property reference number on admission book receipts was partly implemented but internal audit were aware that revised stationery had been purchased and it was anticipated that this recommendation would soon be fully implemented.

There was a report back on the audits that had received a limited assurance rating in the quarter one report. The Committee noted that a majority of the recommendations had been implemented with the exception of one which internal audit will follow up and report back in January.

The following clarifications were provided following questions:

- Document scanning software was to be implemented in the next two months. This will be used to scan identification documents at the point of application for council services including housing, employment and benefits.
- (Page 101) The Head of Audit and Risk management would check if the information contained at the second bullet point, relating to the application and payment of licenses, was the standard practice rather than a recommendation.
- The value of a benefit fraud would aim to be recouped by the council following a staff dismissal.
- (Dismissal where improper conduct has occurred) - It was noted that the council's current practice was to accept the resignations of employees, if these were put forward, as it would save time and resources spent on an investigation and/or disciplinary processes. In terms of providing references, appropriate wording would be used to indicate the circumstances that the member of staff left the authority. Where there was a case of gross misconduct of a criminal nature, regardless of resignation of the employee, the matter may also be reported to the Police by the Head of Audit and Risk Management. The Police will then decide if they want to pursue the case further.

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	<ul style="list-style-type: none"> <li>The council used the payroll system to identify employees that were claiming benefit and not declaring their full income. Use is also made of the national fraud data to check claims of staff that are living out of the borough.</li> </ul> <p>There was discussion about the findings of the audit on staff adherence to registering gifts, and offers of hospitality as the low numbers of declarations made suggested that there was not a culture for registering gifts and offers of hospitality. In response the Head of Audit and Risk management explained that the low number of gifts and hospitality registered by staff may reflect that most private sector organisations were aware of the restrictions in place in the public sector and requirements of the Bribery Act so limited offers of gifts or hospitality were generally made. Also staff generally knew not to accept gifts or offers of hospitality. The exception noted in the audit report was where a gift/hospitality was offered but not authorised by the Assistant Director, and it was recorded as such on the record. Committee members felt that, even if an offer of a gift is made and turned down it is still good practice for this to be recorded for the protection of the staff member. The Committee were in agreement that staff should follow a similar process, to that followed by Members, and be able to record, online, any gifts or offers of hospitality and not have a separate process as they were both required to follow the requirements of the Bribery act.</p> <p>It was agreed that the code of conduct for staff should also be examined and amended if necessary to provide more guidance on registering of gifts and hospitality and the process to be followed. A report informing how the changes have been taken forward to the staff process of registering gifts and offers of hospitality would be distributed to Committee members.</p> <p><b>RESOLVED</b></p> <ol style="list-style-type: none"> <li>That the audit coverage and counter-fraud work completed during the second quarter, 2012/13 be noted.</li> <li>The Corporate Committee reviewed the management responses received for those audit recommendations not fully implemented and confirmed the managers actions taken during the quarter to address the outstanding recommendations as appropriate.</li> </ol>	<p>ACE</p> <p>ACE</p>
<p><b>CC56</b></p>	<p><b>DECISIONS TAKEN UNDER DELEGATED AUTHORITY, URGENCY AND SIGNIFICANT ACTIONS</b></p> <p><b>RESOLVED</b></p> <p>That the delegated decisions, significant actions, and urgent actions taken by directors since September 2012 be noted.</p>	
<p><b>CC57</b></p>	<p><b>ANY OTHER BUSINESS OF AN URGENT NATURE</b></p> <p>There no new items of urgent business.</p>	

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<b>CC58</b>	<b>EXCLUSION OF THE PRESS AND PUBLIC</b>  The following part of the minutes were exempt as they contained information as defined in Section 100a of the Local Government Act 1972; Para 1, 2, and 4, information relating to an individual and information likely to reveal an individual and information relating to an consultations or negotiations or contemplated consultations or negotiations in connection with any Labour relations matter arising between the authority and employees.	
<b>CC59</b>	<b>EXEMPT MINUTES</b>  <b>RESOLVED</b>  The exempt minutes of the CEJCC meeting held on 07 <sup>th</sup> June 2012 and Special Committee minutes of the 25 <sup>th</sup> September and 04 <sup>th</sup> October 2012 be received.	Clerk
<b>CC60</b>	<b>NEW ITEMS OF URGENT EXEMPT BUSINESS</b>  There were no new items of urgent business.	

Cllr George Meehan

Chair