

Committee: Annual Council

Agenda Item

Date: 16 May 2017

17

Title: Performance & Audit Committee Annual Report

Author: Cllr Edward Oliver, Chairman of Performance & Audit Committee Item for information

Summary

1. The Performance & Audit Committee is required to report annually on its activities to Council. This report sets out the main areas of work for the committee during 2016/17.

Recommendations

2. None

Financial Implications

3. None

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Impact

- 5.

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	Health and safety reporting is covered in the report
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Situation

6. The following report provides an overview of the main areas of work of the Performance and Audit Committee in 2016/17.

External Audit

7. The Council's auditors EY gave an unqualified opinion on the financial statements for 2015/16 for the eighth consecutive year. EY found that the Council has proper arrangements in place to secure value for money in its use of resources. Only two items of misstatement were referred to in the report relating to an Allpay historic cash balance and the correct classification of capital and revenue finance. Neither of these was seen as material.

Statement of Accounts

8. The Council published its draft accounts in the first week of June 2016, three weeks earlier than the statutory deadline, in preparation for the new statutory deadline for publication of the 2017/18 Statement of Accounts draft accounts of 31 May 2017.
9. The audited accounts were then published in line with the new statutory deadline of the 31 July, a year ahead of the statutory requirement. The Committee subsequently approved the audited 2015/16 Statement of Accounts, noting that no significant issues arose during the audit process and that the Council's outturn position and useable reserves were unchanged following the audit. The Auditor issued the Council with an unqualified audit opinion before the statutory deadline.
10. The committee was pleased to see that the pension deficit had stabilised and requested that information on the Central Government share of the Business Rates be referenced in the accounts. This will be shown in the Statement of Accounts for 2016/17.
11. The misstatement referred to by the auditors (see paragraph 7 above) has been corrected in the 2016/17 accounts.

Certification of Claims and Returns Annual Report 2015/16

12. The external auditors carried out the annual audit on the Benefit Subsidy claim and reported that significant improvements had been made on technical processes identified in previous years and subsequently few errors were identified. The total housing benefit subsidy claim was £16.4 million and of this, errors found equated to £3,263 of under-claimed subsidy by the Council. With other minor errors, the total amount repayable to the DWP was £5,449. This is a reduction of £59,000 compared to the amount repayable for 2014/15.

Appointment of External Auditors

13. The Committee approved a recommendation for the Council to join the joint procurement of External Auditors being carried out by the Public Sector Auditor Appointments body. Following the abolition of the Audit Commission in 2012 new auditors were allocated to the Council for a period of 5 years. This new appointment will be for external auditors to work on the Statement of Accounts 2018/19 onwards. This does not include auditing of the Housing Benefit Subsidy, which will be addressed by the Council once more details of the outcome of the procurement exercise are available later this year.

Local Plan Costs

14. The committee requested a report on the cost of the Local Plan in 2015/16, which was presented in November. The costs for 2016/17 will be reported to the Committee in November 2017, once the accounts are completed.

Internal Audit

15. During the course of the year the Committee has reviewed the work of Internal Audit and received the Audit Manager's Annual Report and Opinion. The Committee considered and approved the Annual Governance Statement for 2015/16 which is published with the Council's Statement of Accounts.

16. At its regular meetings the Committee receives progress reports on day-to-day Internal Audit work and recommendations.

17. During 2016/17 the Committee received and approved:

- the Internal Audit Work Programme 2016/17 and its revisions during the year
- the Internal Audit Strategy 2016/17
- the Internal Audit Charter 2016-18
- the proposed Internal Audit Work Programme and Strategic Programme for 2017/18

18. In addition, members undertook the annual self-assessment of the effectiveness of the Performance & Audit Committee. A number of actions for 2017/18 have been identified arising from this assessment.

Health and Safety and Procurement

19. At the beginning of 2016/17, the committee agreed to have greater oversight of these two areas of work. In the case of Health and Safety, a single performance indicator has now been replaced by a comprehensive six-monthly report on activity and statistics in the Council. The Council's procurement work is similarly now reported to the Committee on a six-monthly basis.

Performance and Risk

20. The Committee has continued to undertake detailed quarterly monitoring of the Council's key performance indicators and a further set of supporting performance indicators. Service performance has in 2016/17 remained for the most part strong. Particular areas of performance the Committee has focused on include Business Rates collection, council house re-let times and issues relating to waste collection services.
21. The Committee also reviewed the Corporate Risk Register and will in 2017/18 receive a new Risk Policy and Register.

Governance in 2017/18

22. Following the decision at Full Council in April, the Performance and Audit Committee will in 2017/18 become the Governance, Audit and Performance Committee and take on responsibility for corporate governance, subject to approval of detailed terms of reference at the Annual Council Meeting. This expanded remit will see the committee fulfilling the roles previously carried out by the Constitution Working Group and Electoral Working Group.