



# Uttlesford District Council

Chief Executive: Dawn French

## Performance and Audit

**Date:** Thursday, 18 May 2017  
**Time:** 19:30  
**Venue:** Committee Room  
**Address:** Council Offices, London Road, Saffron Walden, CB11 4ER

**Members:** Councillors G Barker, M Foley, J Freeman, J Gordon, S Harris, D Jones, N Hargreaves, B Light, E Oliver (Chairman) and E Parr.

### Public Speaking

At the start of the meeting there will be an opportunity of up to 15 minutes for members of the public to ask questions and make statements subject to having given notice by 12 noon two working days' before the meeting.

## AGENDA PART 1

### Open to Public and Press

- 1 Apologies for absence and declarations of interest
- 2 Minutes of previous meetings
- 3 Draft Annual Governance Statement 2016-17 5 - 18
- 4 Internal Audit Annual Report and Opinion 2016-17 19 - 30
- 5 Internal Audit Strategy and Programme 2017-18 31 - 44
- 6 Internal Audit Progress Report 28 January to 30 April 2017 45 - 54
- 7 Performance & Audit Committee Self-assessment 2016-17 55 - 70

8	Procurement Bi-annual Report	71 - 92
9	Q4 Performance and annual outturn	93 - 112
10	Performance targets 2017-18	113 - 122
11	Any other items which the Chairman considers to be urgent	

## **MEETINGS AND THE PUBLIC**

Members of the public are welcome to attend any of the Council's Cabinet or Committee meetings and listen to the debate. All agendas, reports and minutes can be viewed on the Council's website [www.uttlesford.gov.uk](http://www.uttlesford.gov.uk). For background papers in relation to this meeting please contact [committee@uttlesford.gov.uk](mailto:committee@uttlesford.gov.uk) or phone 01799 510430/433

Members of the public and representatives of parish and town councils are permitted to speak or ask questions at any of these meetings. You will need to register with the Democratic Services Officer by midday two working days before the meeting.

The agenda is split into two parts. Most of the business is dealt with in Part 1 which is open to the public. Part II includes items which may be discussed in the absence of the press or public, as they deal with information which is personal or sensitive for some other reason. You will be asked to leave the meeting before Part II items are discussed.

Agenda and Minutes are available in alternative formats and/or languages. For more information please call 01799 510510.

### **Facilities for people with disabilities**

The Council Offices has facilities for wheelchair users, including lifts and toilets. The Council Chamber has an induction loop so that those who have hearing difficulties can hear the debate.

If you are deaf or have impaired hearing and would like a signer available at a meeting, please contact [committee@uttlesford.gov.uk](mailto:committee@uttlesford.gov.uk) or phone 01799 510430/433 as soon as possible prior to the meeting.

### **Fire/emergency evacuation procedure**

If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest designated fire exit. You will be directed to the nearest exit by a designated officer. It is vital you follow their instructions.

#### **For information about this meeting please contact Democratic Services**

Telephone: 01799 510433, 510369 or 510548

Email: [Committee@uttlesford.gov.uk](mailto:Committee@uttlesford.gov.uk)

#### **General Enquiries**

Council Offices, London Road, Saffron Walden, CB11 4ER

Telephone: 01799 510510

Fax: 01799 510550

Email: [uconnect@uttlesford.gov.uk](mailto:uconnect@uttlesford.gov.uk)

Website: [www.uttlesford.gov.uk](http://www.uttlesford.gov.uk)



**Committee: Governance, Audit & Performance Committee**

**Agenda Item**

**3**

**Date: 18 May 2017**

**Title: Draft Annual Governance statement 2016/17**

**Author: Sheila Bronson, Audit Manager  
01799 510610**

Item for decision

### **Summary**

1. The purpose of this report is to seek approval for the draft Annual Governance Statement published to complement the Council's Statement of Accounts 2016/17

### **Recommendations**

2. That Members approve the draft Annual Governance Statement 2016/17

### **Financial Implications**

3. None. There are no costs associated with this report.

### **Background Papers**

4. None

### **Impact**

- 5.

Communication/Consultation	The draft Annual Governance Statement 2016/17 has been approved by the Corporate Management Team at its meeting 03 May 2017
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none
Ward-specific impacts	none

Workforce/Workplace	none
---------------------	------

## Situation

6. Under the Council's constitution this committee is responsible for overseeing the Council's work around corporate governance. In 2016 the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) reviewed and revised the approach to corporate governance and in April 2016 published a new framework for delivering good governance in local government. The revised guidance builds on the previous assurance gathering process requiring authorities to review the effectiveness of its governance arrangements against the key elements of the systems and processes that compromise an authority's governance.

The Annual Governance Statement is required to be published to complement the published statement of accounts. One of the previous good practice recommendations is that this Statement should be considered separately to the published accounts.

The Annual Governance Statement 2016/17 (appendix A) has been prepared in consultation with senior officers and using information from the 2015/16 Annual Governance Statement, which has been reviewed and updated to reflect the operation of the Council during 2016/17 and the revised CIPFA Guidance.

A copy of the CIPFA Guidance and the draft Annual Governance Statement 2016/17 showing changes from the 2015/16 statement is available to Members on request.

The statement has been agreed by the Corporate Management Team at its meeting on 03 May 2017.

Evidence in support of the Annual Governance Statement is being prepared in accordance with the CIPFA Guidance for examination by the External Auditors as part of their 2016/17 Audit and will be available to members on request.

## Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
No Annual Governance Statement is produced for inclusion in the Financial Accounts	1 = Little or no likelihood  Timetable and Framework to be established for the review, monitoring and preparation of the Annual Governance Statement	3 = Significant impact – action required  Statutory requirement, adverse External Auditor Report	The Annual governance Statement is reviewed by the External Auditor and by the Governance, Audit & Performance Committee

1 = Little or no risk or impact

- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.



## **1 SCOPE OF RESPONSIBILITY**

- 1.1 Uttlesford District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. Uttlesford District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Uttlesford District Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 Uttlesford District Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2016). A copy of the authority's Code of Corporate Governance is on our website at [www.uttlesford.gov.uk](http://www.uttlesford.gov.uk) or can be obtained from the Council Offices, London Road, Saffron Walden, Essex, CB11 4ER. This statement explains how Uttlesford District Council has complied with the code and also meets the requirements of Accounts and Audit Regulations 2015, regulation 6(1)(a) and (b), which requires all relevant bodies to prepare an annual governance statement.

## **2 THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Uttlesford District Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Uttlesford District Council for the year ended 31 March 2017 and up to the date of approval of the annual statement of accounts.

### 3 THE GOVERNANCE FRAMEWORK

- 3.1 Some of the key features of the governance framework are set out in the following paragraphs.
- 3.2 The Uttlesford District Council Corporate Plan 2016-2021 outlines the aims and four priority areas and it is complemented by the Medium Term Financial Strategy and together these represent the key planning documents for the Council. The Corporate Plan is reviewed annually and takes account of feedback from public consultation carried out via a Citizens Panel. The Corporate Plan 2017-21 was approved by members at the Council Meeting held in February 2017 and more clearly establishes the Council's priorities.
- 3.3 Delivery of the Council's Corporate Plan is supported by the Corporate Plan Delivery Plan 2017/18 and service plans in which the corporate objectives are translated into more specific aims and objectives. These are then cascaded down into individual performance development reviews through the council's U-Perform system. These all include targets and, where appropriate, service standards against which service quality and improvement can be judged. Performance against the delivery plan is monitored by the Corporate Management Team (CMT) and Cabinet, while service plans are monitored by individual services and formally reviewed quarterly by the CMT. In addition, the Council's key performance indicators are monitored quarterly by the Performance & Audit Committee. Satisfaction surveys and a formal complaints procedure allow the Council to gauge customer satisfaction
- 3.4 Uttlesford District Council has adopted a Constitution which establishes the roles and responsibilities for members of the executive (the Cabinet), Performance & Audit, Scrutiny, and Standards Committees, together with officer functions. It includes details of delegation arrangements, the Members' Codes of Conduct and protocols for member/officer relations. The Constitution is kept under review to ensure that it continues to be fit for purpose. There is no specific Code of Conduct for Staff however there is a guide to disciplinary standards; conduct of officers is directed by Human Resource Policies (HRP) and through the values and behaviours which are part of the Council's individual performance review system known as 'U-Perform'.
- 3.5 The Constitution contains procedure rules, standing orders and financial regulations that clearly define how decisions are taken and where authority lies for decisions. The statutory roles of Head of Paid Service, Monitoring Officer and Chief Financial Officer are described together with their contributions to provide robust assurance on governance and that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by these posts is backed by the post-holders' membership of the Corporate Management Team. The Constitution also contains a Statutory Officers Protocol. A more detailed review of aspects of the Constitution began in 2016/17 and amendments made; the review is ongoing in 2017/18.
- 3.6 In 2015 CIPFA published its Statement on the Role of the Chief Financial Officer in local government, setting out core principles and standards relating to the role of CFO and how it fits into the organisation's governance arrangements. The Council complied with the CIPFA statement in 2016/17.
- 3.7 In 2010 CIPFA published its Statement on the Role of the Head of Internal Audit, setting out core principles and standards relating to the role of the Head of Internal Audit and how it fits into the organisation's governance arrangements. The Council complied with the CIPFA statement in 2016/17

- 3.8 The primary counterbalances to our Cabinet are the Scrutiny and the Performance & Audit Committees. The role of these committees is to provide a robust challenge to the Executive.
- 3.9 The Performance & Audit Committee monitors the performance of the Council, fulfilling the Council's Audit Committee core functions, as identified in Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA 2013), in respect of External Audit, Internal Audit and Risk Management and Performance Management. The Committee can, and does, request assurance from the relevant Cabinet member and/or senior manager when there is consistent underperformance in a particular service area/indicator.
- 3.10 The Council has a formal complaints procedure which allows the public or other stakeholders to make a complaint regarding the service received from the Council or on the conduct of Members. The Standards Committee has responsibility for overseeing the investigation of complaints against members.
- For the period 01/04/16 to 31/03/17, there were 11 allegations received of a breach of the Code of Conduct concerning 8 councillors, of which  
7 were against parish councillors;  
4 against district councillors
- 3.11 The Council has policies to protect both itself and its staff when making decisions. A Counter Fraud and Corruption Strategy and Policies have been developed in accordance with the Code of Practices on Managing the Risk of Fraud and Corruption (CIPFA 2014), and include the Council's Fraud Response Plan, Whistleblowing and Bribery Act 2010 Policies which have been developed and communicated to all staff via the internet and as part of the Induction process. This Strategy and Policies provide clear reporting channels and were published in April 2015 and will be reviewed and updated during 2017/18.
- 3.12 The Council has embedded Risk Management throughout its activities with the Corporate Risk Register directly linking to the aims set out in the Council's Corporate Plan. Each member of CMT and the Street Services Operations manager provide updates to CMT, via a report collating service area developments, performance data and risk register updates, thus the links between performance, risk and actions are clearly set out and closely monitored. The Council's approach to risk management is undergoing a comprehensive review as it has been a number of years since such an exercise has been carried out. Training is being organised and the review will result in a new Risk Management Policy and new risk registers reflecting current best practice thinking in risk management..
- 3.13 Performance Management is monitored through quarterly reporting to CMT and the Performance & Audit Committee on 16 Key Performance Indicators along with more than 30 other Performance Indicators. In 2016/17 the Performance & Audit Committee discussed issues including recycling rates and NNDR collection.

- 3.14 All Council services are delivered by trained and experienced officers. Job Descriptions and Person Specifications are in place for all posts to ensure that the best candidates are appointed into each position. A significant commitment has also been made towards retaining good staff, by offering numerous 'work friendly' schemes and where possible encouraging succession planning and promotion from within. This ensures that valuable skills and experience are retained and passed on, rather than being lost. Training needs are identified through the U-Perform appraisal system.
- 3.15 The individual performance review system known as 'U-Perform' has been operated in the council for six years. Staff are measured against operational objectives that are linked through to the Corporate Plan via service and directorate objectives. U-Perform also identifies developmental and training needs to ensure that appropriate training is made available to staff to ensure that individuals are able to undertake their present role effectively and that they have the opportunity to develop to meet their and the Council's needs.
- 3.16 During the year 2016/17 all Members of the Council have had opportunities to attend workshops and Member training in relation to the Local Plan, Finances following the Autumn Statement, the Council's proposed Investment Opportunity, Equalities Training and Health and Safety for Councillors when out and about in their Ward. During this year Members of the Planning Committee will have received training specific to Planning matters. Induction training was provided for newly elected councillors in February following casual vacancies for two seats, such training covering Code of Conduct training, other training to enable new councillors to get up and running, and IT training to enable them to access their email and meetings' agenda packs via devices issued by the Council for this purpose. The Members' Bulletin continues to provide information on relevant corporate and strategic matters and is being developed so that it will become the single source of information for Members
- 3.17 The Council continues to ensure it is open and accessible to the community. In 2016/17 it has:
- Continued to regularly survey the views of residents through its Citizens Panel
  - Continued to meet guidelines on the publication of transparency information on its website
  - Continued audio streaming and recording of meetings of the Planning Committee, Full Council and Cabinet and the sign-off of the Statement of Accounts at Performance and Audit Committee
  - Further enhanced its consultation activity around the LCTS scheme and budget setting

All Committee meetings are open to the public except where personal or confidential matters are discussed. All agendas and minutes are placed on-line, along with the Council's policies and strategies. These items are also available by directly contacting the Council. When identifying the priorities and

objectives for the Corporate Plan the views of stakeholders and the wider community are sought through a number of consultation mechanisms, and are taken into account. The Corporate Plan is made available to all via the Council's website.

- 3.18 During 2016/17 the Council's Scrutiny Committee has looked at various areas of council decision making and service delivery, including a review of progress on the emerging Local Plan, the 2016/17 draft budget, LCTS consultation and the Council's Enforcement function. A summary of the year's work can be found at Item 8 of the 11 April 2017 Scrutiny Committee
- 3.19 There are terms of reference and constitutions set up for key partnerships which ensure that all members of the partnership act lawfully throughout the decision making process. Uttlesford Futures has a comprehensive Governance Handbook and the terms of reference for all of the working groups are regularly reviewed to ensure they comply with the overarching document. Key partnerships include the Local Strategic Partnership - Uttlesford Futures; the Public Law Partnership and the North Essex Parking Partnership. We also work closely with Braintree, Harlow and Epping Forest for shared provision of insurance and energy efficiency. In 2016/17 the Council worked with council partners around Essex to consider the establishment of a shared Building Control Service. This was not pursued after significant work was invested in this project. The East of England Local Government Association were commissioned to review the lessons learnt.
- 3.20 During 2016/17 the Council invited the Local Government Association to conduct a Corporate Challenge. The draft report has been received and an action plan drawn up to address the key recommendations made.
- 3.21 The Council's Draft Statement of Accounts for 2015/16 were completed by 31 May 2016. The audited Statement of Accounts for 2015/16 were published on 28 July 2016. The Council received an unqualified opinion on its accounts for the eighth successive year.
- 3.22 During 2016/17 the Council has successfully implemented a new HR and Payroll system. This will provide a single intergarted system for managing all aspects of the Council's people resources, including pay, annual leave, expenses,etc. Learning and development will form part of phase 2 of the systems development

#### **4 REVIEW OF EFFECTIVENESS**

- 4.1 Uttlesford District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the head of internal audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

- 4.2 The Council's Monitoring Officer has responsibility for overseeing the implementation and monitoring the operation of the Code of Corporate Governance, maintaining and updating the Code in the light of latest guidance on best practice, considering any changes that may be necessary to maintain it and ensure its effectiveness in practice. All reports to Cabinet, Committees and Council are seen by the Monitoring Officer to ensure compliance with legal requirements.
- 4.3 The Council's Section 151 Officer has responsibility for the proper administration of the Council's financial affairs. This includes responsibility for maintaining and reviewing Financial Regulations to ensure they remain fit for purpose, and submitting any additions or changes necessary to the full Council for approval. The Section 151 Officer is also responsible for reporting, where appropriate, breaches of the Regulations to the Cabinet and/or the Council. All reports to Cabinet, Committees and Council are seen by the Section 151 Officer to ensure compliance with financial requirements.
- 4.4 The Council's Internal Audit Service, via a specific responsibility assigned to the Internal Audit Manager, is required to provide an annual independent and objective opinion to the Authority on its risk management, governance and control environment. The Internal Audit Manager's Annual Report and Opinion for 2016/17 concluded that the audit opinion on the control environment for 2016/17 is that risks material to the achievement of the objectives for the audited areas identified by Internal Audit were, on balance, satisfactorily managed and controlled.
- 4.5 Internal Audit opinion of Limited Assurance was given on one out of twenty-six audits for 2016/17. This was the audit of Payroll in which there were two level 4, two level 3, three level 2 recommendations and one level 1 recommendation; four recommendations have been implemented the remaining four are expected to be implemented by their agreed due dates in 2017/18.
- 4.6 In addition to the above, the Council has conducted a formal review of its internal control environment and collated evidence and assurance from a variety of sources. This has included the collation of assurances from all CMT members on the effectiveness of the internal control environment. A review of the returns concluded that based on this self-assessment, effective controls were in place.
- 4.7 The work of the Council's Internal Audit is governed by the UK Public Sector Internal Audit Standards (PSIAS) 2016. The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF), additional requirements and interpretations for the UK public sector have been inserted in such a way as to preserve the integrity of the text of the mandatory elements of the IPPF. The PSIAS are mandatory for all internal auditors working in the UK public sector. An internal assessment of the performance of Internal Audit and its conformance with the PSIAS has been undertaken and the findings of this review have been reported to Members for their consideration as part of the Internal Audit Manager's Annual Report and Opinion. An essential element of this assessment is to ensure that the annual audit opinion issued by Internal Audit may be relied upon as a key source of evidence and assurance.

- 4.8 In April 2017, the Performance and Audit Committee carried out the annual review of its effectiveness as an audit committee during 2016/17 using the Audit Committees: Practical Guidance for Local Authorities and Police (CIPFA 2013) self-assessment checklist and was considered to be substantially compliant in all material respects.
- 4.9 The Council has a Performance Management Framework through which the quality of service can be measured by performance indicators. Most indicators are monitored on a quarterly basis; some are bi-annual or annual. All are discussed by the Corporate Management Team and the top two of three layers of indicators are reported to Committee.
- 4.10 EY were appointed as the Council's External Auditor from 01 September 2012 and are responsible for reviewing the Council's Statements of Accounts. In addition to reviewing the 2015/16 Statement of Accounts, EY issued a formal opinion on the Council's arrangements for securing Value for Money concluding that the council had made appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 4.11 As part of closing the Audit Commission the Government novated external audit contracts to Public Sector Audit Appointments (PSAA). The audit contracts were due to expire following conclusion of the audits of the 2016/17 accounts, but could be extended for a period of up to three years by PSAA, subject to approval from the Department for Communities and Local Government. In October 2015 the Secretary of State confirmed that the transitional provisions would be amended to allow an extension of the contracts for a period of one year. In July 2015 Public Sector Audit Appointment (PSAA) were specified by the Secretary of State as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015.
- 4.12 The transitional arrangements for local government bodies ceases after the 2017/18 audit and under the new arrangements authorities are required to either:
1. 'Opt in' to a Sector Led Body, Public Sector Audit Appointments (PSAA).
  2. To establish an auditor panel and conduct our own procurement exercise.
  3. Explore the establishment of local joint procurement arrangements with neighbouring authorities.

The Council has taken option 1 and this was approved by Full Council on the 15th November 2017.

**5 SIGNIFICANT GOVERNANCE ISSUES**

**5.1 Significant Issues from 2015/16**

There were no significant issues identified in 2015/16

**5.2 Significant Control and Governance Issues identified 2016/17**

- 1 The Council's revised Document Retention Policy and Schedule was drafted in September 2016 but awaits formal agreement of CMT and publication
- 2 The Council's payroll provider Sage reported a potential data breach to the Council in August 2016 after the Council's payroll information, along with that of other organisations, was accessed without authorisation. An employee of Sage was subsequently arrested. The Council took appropriate action on being alerted, including informing the Information Commissioner, contacting all those whose details could have been accessed and organising protective registration for them through Cifas. The Council has now moved to a new payroll provider

**5.3 Actions Identified for 2017/18**

- 1 Code of Corporate Governance to be reviewed and updated in accordance with Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2016)
- 2 The Council needs to consider its position regarding Data Protection in preparation for the General Data Protection Regulation which comes into force 25 May 2018

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

The Council considers its Corporate Governance and Internal Control arrangements to be fundamentally sound.

Signed: \_\_\_\_\_

Dawn French  
Chief Executive

Signed: \_\_\_\_\_

Howard Rolfe  
Leader of the Council



**Committee: GOVERNANCE, AUDIT & PERFORMANCE COMMITTEE**

**Agenda Item**

**Date: 18 May 2017**

**4**

**Title: Internal Audit Annual Report and Opinion 2016/17**

**Author: Sheila Bronson, Internal Audit Manager  
01799 510610**

Item for Information

---

## Summary

1. The purpose of this report is to advise on the work carried out by Internal Audit during 2016/17 and provide an overall opinion on the Council's control environment for 2016/17. The report also shows the state of compliance with the Public Sector Internal Audit Standards (PSIAS) which came into effect on 01 April 2013 and were revised and updated from 01 April 2017.

## Recommendations

2. That Internal Audit coverage, the Internal Audit opinion and compliance with the Public Sector Internal Audit Standards are noted.

## Financial Implications

3. None. There are no costs associated with the recommendations.

## Background Papers

4. None.

## Impact

- 5.

Communication/Consultation	The Internal Audit Reports referred to in this report have been circulated to Members  This report has been discussed with the Corporate Management Team at its meeting 03 May 2017
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal	This report partly informs the Annual

Implications	Governance Statement. The Statement is published to complement the Council's Statement of Accounts. This is a requirement set out in the Accounts and Audit Regulations 2015, regulation 6(1)(a) and (b) that all relevant bodies prepare an annual governance statement.
Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

## Situation

6. Internal Audit is statutory service that forms part of the Council's corporate governance framework. The service is an assurance function that primarily provides an independent and objective opinion on the management of operational risk, control and governance.
7. The Internal Audit coverage for 2016/17 was delivered by the Council's in-house Internal Audit Team, which comprised of the following resource:
  - 1 x Internal Audit Manager (full-time)
  - 1 x Internal Auditor (full-time)
  - 1 x Internal Auditor (part-time 0.7 FTE)
8. Internal Audit work partly informs the Annual Governance Statement which is published with the Council's Statement of Accounts.
9. Throughout 2016/17 the Internal Audit Manager reported to Members of the Performance & Audit Committee on details of work undertaken by Internal Audit and on implemented and outstanding Internal Audit recommendations.
10. The Internal Audit Work Programme 2016/17 was a rolling programme of planned audit work subjected to regular reviews and updating at strategic points throughout the year to take into consideration changes in priority, audit resources and additional unplanned time requirement.
  - The first review was undertaken in April 2016 to determine the audit work for quarters 1 & 2 of the new financial year;
  - The second review was undertaken in June 2016 to re-assess potential days for specific audits, to determine audit work for quarters 2 and 3 of the financial year;
  - The third review was undertaken in October 2016 to re-assess potential days for 2016/17 audit work to take into account auditee timing requests, audit resource issues and unplanned investigations work which reduced the

number of anticipated audit days available in quarters 3 and 4 of the financial year;

- A further review was undertaken in January 2017 to review available resource and determine which audits from the 2016/17 rolling programme would be carried forward to 2017/18 or later.

11. The initial Internal Work Programme for 2016/17 was drawn up in January 2016 and implemented from 01 April 2016 on the basis of a resource of 1 full-time audit manager, 1 full-time auditor and 1 part-time (0.7 FTE) auditor. The allocation of audit days are calculated as follows:

	Apr 16 days	revision June 16 days	revision Oct 16 days	revision Jan 17 days	actual days taken	diff between April 16 actual
<b>total days available</b>	697	697	697	697	697	0
<b>less leave provisions and non-audit time</b>	(253)	(253)	(253)	(253)	(254)	1
<b>total audit days available</b>	444	444	444	444	443	
<i>programmed 2016/17 audit work</i>	305	305	256	267	257	48
<i>productive Non-specific audit work</i>	147	147	147	147	186	39
<b>total audit days allocated</b>	444				443	

### 2016/17 Leave Provisions & Non-Audit Time

12. At 31 March 2017, Leave Provisions (bank holidays; annual, statutory, study & sick leave) accounted for 126 days against the allocated 122 days (+4).

13. At 31 March 2017, Non-Audit Time (training; CPD; planning & management; administration; appraisals; team meetings etc.) accounted for 128 days against the allocated 131 days (-3).

### 2016/17 Productive Non-Specific Audit Work

14. At 31 March 2017, Productive Non-Specific Audit Work accounted for 186 days against the allocated 147 days (+39).

	allocated days	actual days taken	diff
contribution to corporate management	35	48	13
consultancy & general advice	28	26	-2
committee & member related work	15	13	-2
fraud related work	25	20	-5
irregularity provision	20	49	29
follow-up work	8	4	-4
residual 2015/16 audit work	10	24	14
Other- e.g. External Auditor liaison	6	2	-4
	<b>147</b>	<b>186</b>	<b>+39</b>

### 2016/17 Planned Audit Work – Revised Internal Audit Programme

15. There were a total of 48 audits on the initial Internal Audit Programme 2016/17, 34 audits plus 14 potential additional audits dependent on the then unknown 2015/16 audit opinions. These were reviewed and revised:

- April 2016 – overall total of audits were reduced to 34
- June 2016 – overall total of audits was revised to 36
- October 2016 – overall total of audits was revised to 26
- January 2017 – overall total of audits was revised to 26

16. There were 8 audits initially planned for audit work in the 2016/17 Internal Audit Strategy that have been carried forward (Budgets; Conservation & Trees; Environmental Health Food Safety & Infectious Disease; Equality & Diversity; Grants & Awards (made); Planning Housing Strategy; Street Services Income; Value for Money). The audit of Community Health was commenced in 2016/17 but at the request of management has been suspended and carried forward to 2017/18.

17. In the 2016/17 Internal Audit Strategy and Programme there were 14 audits identified for potential audit work of these:

- audit work has commenced on 1 audit (Corporate Health & Safety);
- 6 audits did not require further audit work in 2016/17 following consideration of their 2015/16 audit opinion (Creditors; Housing Benefit & LCTS; Housing Rents; Car Parking (NEPP); Housing Allocations; Homelessness);

- 7 audits have been carried forward to the 2017/18 Internal Audit Programme (Day Centres; Economic Development; Human Resources; Legal Services; Leisure PFI; Planning Local Plan; Services for Older People).

18. Of the revised 26 audits undertaken in 2016/17:

- 8 were Key Financial Audits;
- 18 were Other audits.

19. The final revised 267 days were allocated to these audits as:

- Key Financial Audits - 86 days (32%)
- Other Audits - 181 days (68%)

20. At 31 March 2017, planned audit work accounted for 257 days against the revised allocated 267 days.

21. The Internal Audit target was for 90% of planned audits to be completed to at least draft stage by 31 March 2017. Of the revised 26 planned audits, 21 (81%) were completed to at least draft report stage by 31 March 2017.

22. Despite the reduction in the number of planned audits following reviews of the audit programme, we were unable to meet the 90% target due to further unplanned corporate and statutory work taking priority over audit work and additional staff absence in quarter 4 of 2016/17.

23. At 31 March 2017, Final Reports had been issued for 14 audits from the 2016/17 audit programme

24. Since 31 March 2017, Final Reports have been issued for a further 7 audits from the 2016/17 audit programme; Final Reports are expected to be issued for the remaining 5 audits by 31 May 2017.

### **Annual Audit Opinion**

25. Our audit opinions are formed on the basis of the number of recommendations made and level of risks associated with them.

26. The table reproduced at appendix A shows the audit work undertaken; the planned audit days from the 2016/17 Revised Internal Audit programme; the actual audit days taken during 2016/17; the audit opinions formed and the number of recommendations made as a result of our audit work.

27. There is no opinion given for the Corporate Governance Audit 2016/17 as all audit work was specifically on production of the Council's Annual Governance Statement for 2015/16.

28. For the 20 completed audits in the 2016/17 audit programme on which an opinion has been given, 53 recommendations have been made to improve the Council's control environment. This is in comparison with the 44 recommendations made in the 23 completed 2015/16 audits and 54 recommendations made in the 30 completed audits in the 2014/15 audit programmes.

29. The 53 recommendations arising from our 2016/17 audit work were assessed as follows:

- 4 recommendations were assessed as level 4  
*(fundamental and requiring immediate attention and priority action)*
- 11 recommendations were assessed as level 3  
*(significant that should be addressed within six months)*
- 34 recommendations were assessed as level 2  
*(important that should be addressed within twelve months)*
- 4 recommendations were assessed as level 1  
*(merit attention and would improve overall control)*

30. For the 20 audits on which an opinion on the level of assurance that risks material to the achievement of the objectives for the audited areas were managed and controlled has been given:

- the opinions for 1 audits was 'limited assurance'
- the opinions for 11 audits were 'satisfactory assurance' and
- the opinions for 8 audits were 'substantial assurance'

31. For the 7 Key Financial Audits on which an opinion has been given on the level of assurance that risks material to the achievement of the objectives for the audited areas were managed and controlled:

- the opinion for 1 audit was 'limited assurance'
- the opinions for 3 audits were 'satisfactory assurance' and
- the opinions for 3 audits were 'substantial assurance'

32. The 'limited assurance' audit was Payroll 2016/17 in which we made:

- 2 x level four recommendations
- 2 x level three recommendations
- 3 x level two recommendations and
- 1 x level one recommendation

At 03 May 2017, 1x level four; 1x level three; 1x level two and 1x level one recommendations have been implemented and the remaining 4 are expected to be implemented in accordance with an agreed timetable.

33. Copies of the Final Reports for completed audits were circulated to Committee Members at the time of issue.
34. In determining the overall audit opinion for the year, the factors in paragraphs 28 to 31 have been taken into consideration and weighted accordingly.
35. Therefore, our audit opinion on the control environment for 2016/17 is that risks material to the achievement of the objectives for the audited areas identified by Internal Audit are, on balance, **satisfactorily** managed and controlled. This is in comparison with our audit opinion of adequately managed and controlled for 2015/16.

### **Implementation of Internal Audit Recommendations**

36. To stimulate improvement and reduce the likelihood of error or loss, management have a responsibility for ensuring the recommendations contained within Internal Audit reports are implemented. To encourage the timely implantation of agreed recommendations all management action and timetable for implementation is agreed prior to the issue of the final report.
37. All recommendations, agreed management action and timetable for implementation are input into Covalent for Internal Audit management purposes.
38. Internal Audit manages the follow-up of implementation of recommendations through a combination of updates from responsible officers following automatic trigger notifications sent out by Covalent; regular reporting to meetings of this Committee and a rolling follow up programme at six months after the latest implantation date of the agreed management action or as part of the next audit of an area.
39. All audit reports are addressed to the member of CMT responsible for the audited area and copied to the Chief Executive, the Director of Finance and Corporate Services and the Director of Public Services.
40. Members of the Governance, Audit & Performance Committee received copies of all audit reports and Terms of Reference.
41. Of the 53 recommendations made in Audits from the 2016/17 audit programme to date:
- 19 have been implemented;
  - 32 have yet to reach their due date and will continue to be monitored through Covalent with progress reported to this Committee during 2017/18;
  - 2 recommendations have been cancelled as no longer applicable due to service changes

## External Auditors

42. Liaison meetings and informal ad hoc meetings were held between the Audit Managers of Internal Audit and the External Auditor to discuss current work being undertaken and future work plans.

## Conformance with the Public Sector Internal Audit Standards (PSIAS) and Other Quality Assurance Results

43. The PSIAS require that an internal or external review of the Internal Audit Service is conducted annually. Revised PSIAS have been introduced from 01 April 2017. A self-assessment has been undertaken to review conformance with the revised PSIAS. This self-assessment is to be subjected to external verification as part of an External Quality Assessment to be carried out during the summer of 2017/18

44. This review confirmed conformance with:  
the four elements of the PSIAS Code of Ethics

- 1 Integrity
- 2 Objectivity
- 3 Confidentiality
- 4 Competency

the Attribute Standards

- 1000 Purpose, Authority and Responsibility
- 1100 Independence and Objectivity
- 1200 Proficiency and Due Professional Care
- 1300 Quality Assurance and Improvement Programme

the Performance Standards

- 2000 Managing the Internal Audit Activity
- 2100 Nature of Work
- 2200 Engagement Planning
- 2300 Performing the Engagement
- 2400 Communicating Results
- 2500 Monitoring Progress
- 2600 Communicating the Acceptance of Risks

45. This review confirmed that there were no new significant areas of non-conformance.

46. There were 2 minor issues identified in the 2015/16 self-assessment that have not yet been addressed relating to:

- 1312 *external assessment must be conducted at least once every five years* - the first External Quality Assessment is to be undertaken in September 2017

- 2050 *coordination of internal activities with other internal and external assurance providers* – the planned assurance mapping exercise has been delayed again due to availability of resources to undertake the exercise.
47. Following the External Quality Assessment verification of the self-assessment, a Quality Assurance & Improvement Programme (QAIP) will be drawn up to address any issues identified.
48. The External Quality Assessment report will be presented to the November meeting of the Governance, Performance and Audit Committee and progress against the QAIP will be reported to the Committee in the 2017/18 Internal Audit Annual Report and Opinion.
49. It can also be confirmed that the internal audit activity is organisationally independent. Internal audit reports to the Director of Finance & Corporate Services (Section 151 Officer) but has a direct and unrestricted access to all senior management and the Governance, Audit & Performance Committee.
50. Quality control procedures have been established within the Internal Audit Services as follows:
- Individual Audit Reviews – Working papers and reports are all subject to independent review to ensure that the audit tests undertaken are appropriate, evidenced and the correct conclusions drawn. All reports are reviewed to ensure that they are consistent with working papers and in layout. Whilst these reviews invariably identify issues for clarification, the overall conclusion of the quality assurance checks is that work is being completed and documented thoroughly.
  - Customer Satisfaction – A Post Audit Questionnaire form is issued to the main auditees on completion of an audit. This form seeks the views of the recipient on how the audit was conducted, the report, recommendations made and overall opinion of the audit. Based on the Post Audit Questionnaire forms returned, the average score was 93% for customer satisfaction during 2016/17.
  - All Internal Audit staff are provided with a copy of the Public Sector Internal Audit Standards and the Internal Audit Manual has been updated to reflect the requirements of the standards.
51. The above quality control procedures have ensured conformance with the PSIAS and that all Internal Audits have been conducted in conformance with the International Standards for the Professional Practice of Internal Auditing.

### **Review of Performance of the Internal Audit Service Against the Current Internal Audit charter**

52. The Audit Charter was reported to and approved by the Performance & Audit Committee on 15 November 2016.

53. Based on the information provided in this report on the completion of the 2016/17 Internal Audit Programme, it is considered that the requirements of the Charter were met during the year.

## Risk Analysis

54.

Risk	Likelihood	Impact	Mitigating actions
No internal audit assurance is provided to those charged with governance.	1 Internal Audit work programme for 2015/16	3 Failure to provide internal audit assurance could lead to inability to meet corporate and operational objectives and Adverse External Auditor report and damage to the Authority's reputation	The External Auditor review the outcome of Internal Audit work.  The performance of the Internal Audit Section is monitored by senior management and Members.
Those charged with governance do not respond to Internal Audit recommendations.	2 Reports can contain re-iterations of recommendations made during previous audit that have not been implemented.	3 There would be varying levels of impact from any non-implementation of the recommendations given the high significance of the majority of control risks identified.	There is an escalation procedure.  Internal audit reports are followed up to ensure compliance.  The outcome of Internal Audit work is reviewed by the External Auditor and by the Governance, Audit & Performance Committee.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

Internal Audit Annual Report & Opinion 2016/17 – Appendix A

ref	Audit	Revised potential days	Actual Days Taken	Final Report Issued	Audit Opinion	Status at 03/05/17	No of Recs	4	3	2	1
01 KF	<b>Asset Management</b>	10	9.37	19/01/17	substantial	final	0	0	0	0	0
02 KF	Budgets	c/f	0.00								
03 KF	<b>Cash &amp; Bank</b>	1	0.84	29/03/17	satisfactory	final	0	0	0	0	0
04 KF	Creditors	c/f	0.00								
05 KF	<b>Fraud</b>	15	7.94			testing					
06 KF	LCTS	c/f	0.00								
07 KF	Housing Rents	c/f	0.00								
08 KF	<b>Income, Fees &amp; Charges</b>	10	1.06	05/04/17	substantial	final	0	0	0	0	0
09 KF	<b>NNDR</b>	10	12.97	26/04/17	satisfactory	final	6	0	2	4	0
10 KF	<b>Payroll</b>	15	18.00	16/12/16	limited	final	8	2	2	3	1
11 KF	<b>Recovery</b>	20	20.52	24/02/17	satisfactory	final	7	1	1	4	1
12 KF	<b>Treasury Management</b>	5	5.77	02/08/16	substantial	final	0	0	0	0	0
13 KF	Value for Money	c/f	0.38								
14 O	<b>Business Continuity</b>	10	10.53	28/10/16	satisfactory	final	3	0	1	2	0
15 O	Car Parking Partnership (NEPP)	c/f	0.00								
16 O	Conservation & Trees	c/f	0.00								
17 O	<b>Corporate Governance &amp; AGS</b>	5	3.72	28/07/16	n/a	final	0	0	0	0	0
18 O	<b>Customer Service Centre</b>	20	21.71	26/04/17	satisfactory	final	6	1	1	3	1
19 O	Economic Development Service	c/f	0.00								
20 O	<b>Elections</b>	10	10.91	20/02/17	substantial	final	0	0	0	0	0
21 O	<b>Electoral Registration</b>	10	12.84	07/04/17	satisfactory	final	1	0	1	0	0
22 O	<b>Enforcement</b>	10	11.26	12/07/16	satisfactory	final	3	0	1	2	0
23 O	<b>Facilities Management</b>	15	13.74	06/02/17	satisfactory	final	6	0	0	6	0
24 O	Grants & Awards (made)	c/f	0.00								
25 O	<b>Grants &amp; External Funding received</b>	10	10.46	19/12/16	substantial	final	0	0	0	0	0
26 O	Housing & Health - Allocations	c/f	0.00								
27 O	Housing & Health - Community Health	c/f	3.39								
28 O	Environmental Health - Food Safety	c/f	0.00								
29 O	Equality & Diversity incl Access to Services	c/f	0.00								
30 O	<b>Corporate - Health &amp; Safety</b>	10	1.66			planning					
31 O	Housing & Health - Homelessness	c/f	0.00								
32 O	Housing & Health - Services for Older People	c/f	0.00								
33 O	<b>Housing &amp; Health - Stock &amp; Voids</b>	5	2.98	26/04/17	substantial	final	1	0	0	1	0
34 O	HR	c/f	0.00	19/01/17							

Internal Audit Annual Report & Opinion 2016/17 – Appendix A

ref	Audit	Revised potential days	Actual Days Taken	Final Report Issued	Audit Opinion	Status at 03/05/17	No of Recs	4	3	2	1
<b>35 O</b>	<b>Insurance</b>	<b>10</b>	<b>8.81</b>	<b>02/11/16</b>	<b>substantial</b>	<b>final</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>36 O</b>	Legal Services	c/f	0.00								
<b>37 O</b>	Leisure - Day Centres	c/f	0.00								
<b>38 O</b>	Leisure - PFI	c/f	0.00								
<b>39 O</b>	<b>Local Land Charges</b>	<b>10</b>	<b>12.65</b>	<b>13/04/17</b>	<b>satisfactory</b>	<b>final</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1</b>
<b>40 O</b>	<b>Mailroom &amp; Reprographics</b>	<b>10</b>	<b>8.63</b>	<b>13/04/17</b>	<b>satisfactory</b>	<b>final</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>
<b>41 O</b>	<b>Members' Allowances &amp; Expenses</b>	<b>10</b>	<b>11.73</b>	<b>19/01/17</b>	<b>substantial</b>	<b>final</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>42 O</b>	<b>Museum</b>	<b>10</b>	<b>10.69</b>			<b>testing</b>					
<b>43 O</b>	<b>Partnerships</b>	<b>10</b>	<b>9.25</b>			<b>testing</b>					
<b>44 O</b>	<b>Performance Management</b>	<b>15</b>	<b>13.50</b>	<b>12/09/16</b>	<b>satisfactory</b>	<b>final</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>
<b>45 O</b>	Planning - Housing Strategy	c/f	0.00								
<b>46 O</b>	Planning - Local Plan	c/f	0.00								
<b>47 O</b>	<b>Street Services - Fleet &amp; Fuel Management</b>	<b>1</b>	<b>1.32</b>			<b>testing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>48 O</b>	Street Services - Income	c/f	0.00	<b>02/11/16</b>	<b>substantial</b>	<b>final</b>					
		<b>267</b>	<b>257</b>		<b>TOTAL RECOMMENDATIONS</b>		<b>53</b>	<b>4</b>	<b>11</b>	<b>34</b>	<b>4</b>

**Committee: Governance, Audit & Performance Committee**

**Agenda Item**

**5**

**Date: 18 May 2017**

**Title: Internal Audit Strategy and Work Programme 2017/18**

**Author: Sheila Bronson, Internal Audit Manager  
01799 510610**

Item for approval

---

### Summary

1. The Council has arrangements in place to ensure risks to the Council achieving its objectives are identified and managed. This report informs Members of the review and updating of the Internal Audit Strategy and Work Programme 2017/18.

### Recommendations

2. That Members approve the revised Internal Audit Strategy and Work Programme 2017/18.

### Financial Implications

3. None. There are no costs associated with the recommendations in this report.

### Background Papers

4. None.

### Impact

- 5.

Communication/Consultation	The Internal Audit Strategy 2017/18 has been discussed with the Corporate Management Team at its meeting 03 May 2017
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none

Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

## Situation

6. The work of Uttlesford District Council's (UDC) Internal Audit is governed by the UK Public Sector Internal Audit Standards 2017 (PSIAS) which comprise of the definition of internal auditing, a Code of Ethics for internal auditors working in the public sector and the Standards themselves. The PSIAS are mandatory for all internal auditors working in the UK public sector
7. The PSIAS require that there must be a risk-based internal audit plan that takes into account the requirement to produce an annual internal audit opinion and assurance framework. It must be incorporated in or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the Internal Audit Charter and how it links to the organisational objectives and priorities
8. The Internal Audit Strategy and Work Work Programme 2017/18 at Appendix A details the production of the Internal Audit Strategic and Work Programmes for current year.

## Risk Analysis

9.

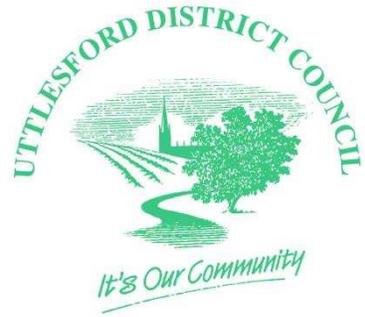
Risk	Likelihood	Impact	Mitigating actions
Adverse External comment if the Internal Audit Charter and Strategy do not comply with the PSIAS.	1 Internal Audit function is an integral part of the Council	2 Statutory requirement, adverse External Auditor Report	Annual review of Strategy

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.



# **Internal Audit STRATEGY and WORK PROGRAMME 2017/18**

**April 2017**

# **INTERNAL AUDIT STRATEGY 2017/18**

## **CONTENTS**

- 1. Introduction**
- 2. Internal Audit Strategic Programme 2017/18**
- 3. Internal Audit Work Programme 2017/18**
- 4. Resources 2017/18**
- 5. Types of Audits**
- 6. Audit Reports & Recommendations**
- 7. Reporting to CMT and Members**

**Appendix**  
**Assurance Opinion Criteria and Risk Level Definitions**

# 1 Introduction

## Background

- 1.1 The work of Uttlesford District Council's (UDC) Internal Audit is governed by the UK Public Sector Internal Audit Standards 2017 (PSIAS) which comprise of the definition of internal auditing, a Code of Ethics for internal auditors working in the public sector and the Standards themselves. The PSIAS are mandatory for all internal auditors working in the UK public sector.
- 1.2 Internal Audit is defined in the PSIAS as follows:

“Internal auditing is an independent, objective, assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”
- 1.3 The PSIAS require that there must be a risk-based internal audit plan that takes into account the requirement to produce an annual internal audit opinion and assurance framework. It must incorporate in or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter and how it links to the organisational objectives and priorities.
- 1.4 The annual Internal Audit Strategy provides details on the production of the Internal Audit Strategic and Work Programmes for current year.

## 2. Internal Audit Strategic Programme 2017/18

- 2.1 The Internal Audit Strategic Programme details all potential audit areas at both corporate and service area levels within UDC and forms the starting point for the annual audit planning process.
- 2.2 In January 2017, the Internal Audit Strategic Programme was reviewed in conjunction with the Corporate Management Team (CMT) to ensure that it remained up to date and continues to take account of emerging risks and service developments ensuring the focus of Internal Audit work remains relevant to the Council's vision and current priorities. The Internal Audit Strategic Programme was presented to the Performance & Audit Committee at its February 2017 meeting.

### Risk Assessment

- 2.3 Each potential audit area identified in the Internal Audit Strategic Programme is subject to an audit needs risk assessment taking into consideration:
  - The Council's Corporate Plan objectives and the Corporate Plan Delivery Plan;

- Key Performance Indicators and Performance Indicators;
- Key Financial audits;
- Interest to Internal Audit – e.g. the level of past audit opinions; recommendations made; recommendations implemented; fraud risks; volume, value and complexities of transactions etc.;
- Specifically requested Directorate & Service high risk areas or services following consultation with CMT;
- Audits carried forward from the previous year's Audit Programme and any overdue audits from the Strategic Programme;
- Weaknesses identified in the Annual Governance Statement;
- Issues raised by the Governance, Audit & Performance Committee;
- Audit resource availability.

2.4 Risk levels are determined according to the Council's corporate method of risk scoring, assessing the potential risks to the Council if audit is not carried out:

- Risk Level **4** - Matters that are considered **fundamental** that require immediate attention and priority action;
- Risk Level **3** - Matters that are considered **significant** that should be addressed within six months;
- Risk Level **2** - Matters that are considered **important** that should be addressed within twelve months;
- Risk Level **1** - Matters that merit attention and would improve overall control.

2.5 The audit needs risk assessment will influence the frequency of audit review and the estimated resource requirements to meet the expectation that all potential audit areas will be audited at least once over a five year period.

### **3. Internal Audit Work Programme 2017/18**

#### **Planning**

3.1 The Internal Audit Work Programme for 2017/18 sets out the audit work programme for the financial year. It is a rolling programme of planned audit work expected to be undertaken during 2017/18 and is subject to regular review and updating at strategic points throughout the year:

- April 2017 to determine the proposed audit work for quarters 1 and 2 of the new financial year;
  - June 2017 to determine proposed audit work for quarters 2 and 3 of the financial year;
  - September 2017 to determine proposed audit work for quarters 3 and 4 of the financial year;
  - January 2018 – to determine the scope of audit work to be undertaken during the remainder of the financial year and
  - at any other relevant point during the year
- 3.2 In order to preserve the independence of Internal Audit, the final risk assessment and selection of areas for inclusion in the Internal Audit Work Programme rests with the Internal Audit Manager.
- 3.3 Agreement was given by CMT and Members of the Performance & Audit Committee in February 2017 to the initial Internal Audit Work Programme for 2017/18. The Internal Audit Work Programme defines the area and approximate duration of each audit based on risk assessment, time spent in previous audits, previous problems encountered and the level and skill of staff involved.
- 3.4 Audit resources are matched to the areas to be audited and any audits that will not be covered will be brought to the attention of the Section 151 Officer, CMT and Members.
- 3.5 The 2017/18 Internal Audit Work Programme is risk based as far as is possible, our auditing priorities for 2017/18 are:
1. Corporate & Divisional Plans / Risk Registers – highest risks.
  2. Key Financials Audits to meet the Accounts and Audit (England) Regulations 2015.
  3. Other areas considered high risk by the Internal Audit Manager.
  4. Specifically requested Directorate & Service High risk areas or services following consultation with the Corporate Management Team and Members.
  5. Audits carried forward from the 2016/17 programme and any overdue audits from the 2017/18 Strategic Programme.
- 3.6 Internal Audit provides independent assurance on the Council's control framework for inclusion in the Annual Governance Statement. Therefore the priority for the Audit

Service must be to carry out and achieve the planned work as contained in the Audit Programme.

- 3.7 The 2017/18 Internal Audit Work Programme has allocated 290 days for all potential audit work

### **Key Financial Audits**

- 3.8 Historically, the Key Financial Audits have been afforded highest priority in terms of time and resources. They are the statutory audits Internal Audit are required to undertake but as we no longer carry out testing on behalf of the External Auditor from 2017/18 onwards we are moving to a three year auditing cycle; key financial areas will generally being audited every third year unless circumstances dictate otherwise.
- 3.9 Following the April 2017 review of the Internal Audit Work Programme for 2017/18, there are 7 Key Financial Audits scheduled for audit work in 2017/18:

- Resources - Budgets
- Resources - Cash & Bank
- Resources - Council Tax
- Resources - LCTS
- Resources - Main Accounting System
- Resources – Taxation
- Corp Services – Payroll (follow-up to 2016/17 audit)

- 3.10 The Section 151 Officer and Assistant Director of Resources will be consulted on Terms of Reference for all Key Financial Audits.
- 3.11 The 2017/18 Audit Programme has 55 audit days provisionally set aside for Key Financial Audits.

### **Corporate Audits**

- 3.12 Following the April 2017 review of the Internal Audit Work Programme for 2017/18, there are 4 Corporate Audits scheduled for work in 2017/18:

- Corporate Commercial Enterprise
- Corporate Governance & Ethical Culture
- Corporate Investment
- Corporate Value for Money

- 3.13 Four further Corporate Audits areas have been identified for potential audit work in 2017/18, this is dependent on the 2016/17 audit opinion:

- Corporate Counter Fraud
- Corporate Fleet & Fuel Management
- Corporate Health & Safety
- Corporate Partnerships

3.14 The 2017/18 Audit Programme has 40 audit days provisionally set aside for Corporate Audits

**Other Audits**

3.15 Following the April 2017 review of the Internal Audit Work Programme for 2017/18, there are 20 Other Audits scheduled for audit work in 2017/18:

- Corp Services - Communication
- Corp Services - Day Centres
- Corp Services - Grants to Voluntary Organisations
- Corp Services - HR
- Corp Services - Leisure - PFI
- Housing & Health - Environmental Health - Enforcement
- Housing & Health - Environmental Health - Food Safety & Infectious Disease Control
- Housing & Health - Wellbeing - Equality & Diversity
- Housing & Health - Wellbeing - Community Health
- Housing & Health - Wellbeing - Community Safety - incl ASB & Safeguarding
- Housing & Health - Wellbeing - Services for Older People
- Legal Services - Legal
- Planning - Car Parking Partnership (NEPP)
- Planning - Conservation
- Planning - Economic Development Service
- Planning - Energy Efficiency
- Planning - Housing Strategy
- Planning - Landscape
- Planning - Local Plan
- Street Services - Income Generating Services & Admin

3.16 The 2017/18 Audit Programme has 195 audit days provisionally set aside for these Other Audits.

3.17 One further Other Operational Audit area has been identified for potential audit work in 2017/18, this is dependent on the 2016/17 audit opinion:

- Corp Services - Museum

**Productive Non-Audit Days**

3.18 Productive audit time is also taken up by various non-specific audit work which includes:

- **Residual Audit Work** – to ensure timely completion of any residual 2016/17 audits;

- **Follow-up Work** – to ensure that critical and important recommendations have been implemented;
- **Irregularity Provision** – to include the provision of an independent investigation service on internal matters that require investigative and evidence gathering skills. Also to review controls post investigation as part of the core audit function;
- **Consultancy and General Advice** - to allow for changes in priorities and issues that arise during the year; extensions to reviews where further testing may be required because of control weaknesses, advice on general control issues and Financial Regulation requests etc.;
- **Committee and Member related work** – to include Committee Report preparation, liaison meetings with Governance, Audit & Performance Committee Chair and other Members and dealing with Members' queries;
- **Contribution to Corporate Management** – to include Internal Audit Manager time spent on Disciplinary and Grievance Investigations; to include the Internal Audit Manager and Internal Auditor time spent on corporate projects and working groups;
- **Fraud Related work** – to include the Internal Audit Manager's National Fraud Initiative Key Contact responsibilities, fraud risk assessments and anti-fraud and corruption awareness work, internal data matching exercises.

### **Unplanned Work**

3.19 Unplanned work will be assessed and if considered high priority, carried out in preference to items in the Internal Audit Work Programme in accordance with the following criteria:

- The risks if the work is not carried out and
- The impact on the Internal Audit Work Programme.

3.20 If considered medium to low priority it will be included in the next Internal Audit Work Programme review.

## **4. Resources 2017/18**

- 4.1 Internal Audit is provided at UDC by its in-house Internal Audit team, comprising of:
- Internal Audit Manager – full-time
  - 1 Internal Auditor - full-time
  - 1 trainee Internal Auditor – part-time, 0.7 FTE

- 4.2 The biggest impact on Internal Audit resources are special investigations and unplanned work. Priority will be given to Risk Level 4 and 3 work over any other work on the Internal Audit Work Programme if the potential audit or productive non-audit days are exceeded.
- 4.3 Giving one-off advice to departments on a range of control issues and allowing further time on audits where further testing is required also adds to the pressure on resources. If extended unplanned work is deemed to be necessary, then resource levels and the impact on the Audit Programme and the Strategic Programme will be taken into consideration.

## 5. Types of Audits

### Lean Auditing

- 5.1. We will continue using the lean internal auditing methods to provide a high quality of assurance to Directors and Members in an effective, efficient and economical way with the resources available to us.
- 5.2 The audit needs risk assessment gives an indication of the level of risk. The Internal Audit Manager uses her judgement to assess the approximate amount of time to allocate to each area on the audit plan based on previous time spent, resources available etc. Although potential days have been given against audits, lean auditing methodology helps us to reduce the actual time taken on an audit by focussing where possible on the highest risk areas and controls.
- 5.3. At the start of each audit assignment, we will undertake a planning, evaluation and assessment process to decide the level or type of audit fieldwork that needs to be undertaken. Prior to Terms of Reference being issued for the audit, we will evaluate all of the information gathered through the planning stage and at that point we will decide on the type of audit to be undertaken:
- **Standard Audit** - concentrating on the potential risk areas identified at the audit planning stage;
  - **Audit Review** - to be the first option where it's known no major changes have occurred. This can be tailored to specific areas of concern or offered if limited ad hoc audit work is requested. May incorporate some method of self-assessment and include a level of direct Auditee involvement;
  - **High Level Review** - to be offered initially at any request for ad hoc audit work to determine what level audit is necessary, may include desk review of risk registers / Performance Indicators / Directorate and service plans and a level of direct Auditee involvement.

- 5.4 Terms of Reference are copied to Members of the Governance, Audit & Performance Committee
- 5.5 Regular review and assessment is an integral part of lean auditing methodology; where field work identifies further testing is required an audit type can be amended. If additional work leads to the time allocated being exceeded and the Internal Audit Manager considers that this work is required, extended time may be taken out of consultancy and general advice unplanned time.

## **6. Audit Reports & Recommendations**

- 6.1. Reporting protocols will be as described in the Internal Audit Charter

### **Recommendations**

- 6.2 All Internal Audit recommendations have a risk level given to them. This is determined according to the Council's corporate method of risk scoring, assessing the potential risks to the service and/or the Council if the recommendation is not implemented within the agreed timescale. Risk levels definitions are presented in Appendix A.
- 6.3 It is Internal Audit's expectation to reach agreement at the draft report stage with auditees on recommendations, management actions and implementation dates. However, it is for management to determine whether or not to accept the Internal Audit recommendations and to recognise and accept the implications of not taking action. Management must formally respond giving reasons for their decisions which will be recorded on the Final Report.
- 6.4 Final Reports will record the Internal Audit opinion and overall comment on the effectiveness of the service area audited. The Internal Audit opinion criteria are presented in Appendix A.
- 6.5 All Final Reports are copied to Members of the Governance, Audit & Performance Committee and posted on the intranet.
- 6.6 Implementation of all recommendations is monitored by Internal Audit through Covalent which automatically generates a reminder e-mail to managers as a recommendation approaches its agreed implementation date.
- 6.7 Follow-up action will be as described in the Audit Charter

## **7. Reporting to CMT and Members**

### **Internal Audit Progress Reports to Members**

7.1 During 2017/18 the Internal Audit Manager will present regular Progress Reports to CMT and the Governance, Audit & Performance Committee which will include:

- Details of the work completed by Internal Audit since the last report to the Committee;
- Performance against the Internal Audit Work Programme 2017/18;
- Details of any recommendations not implemented within the agreed timescale.

**The Internal Audit Annual Report and Opinion**

7.2 The Internal Audit Manager will report in May 2018 to CMT and the Governance, Audit & Performance Committee on the audit opinions of all audits completed during 2017/18 and an give an overall audit opinion on the Council's control environment for the year in the Internal Audit Annual Report and Opinion.

7.3 The Internal Audit Annual Report and Opinion will be used by the Council to inform its Annual Governance Statement 2017/18 which will accompany the 2017/18 Annual Statement of Accounts.

## INTERNAL AUDIT ASSURANCE OPINION CRITERIA

Opinion	Definition	Maximum recommendations overall	Maximum number of level 4 PLUS level 3 recommendations	Maximum number of level 2 recommendations
<b>Substantial</b>	Good effective management of risk; no significant recommendations arising.	4	0	2
<b>Satisfactory</b>	Sound satisfactory management of risk; identification of some elements of the control framework that merit attention; Marginal identification of deficiencies in the control framework that result in some risks not being managed effectively and must be addressed.	8	2	6
<b>Limited</b>	Unsatisfactory identification of deficiencies in the control framework compromising the overall management of risks demanding immediate attention.	12	4	8
<b>Little</b>	Major controls have failed and/or major errors have been detected	Over 12	Over 4	Over 8

## INTERNAL AUDIT RISK LEVEL DEFINITIONS

Risk Level	Action timescale	Description
<b>4</b>	<b>Immediate</b>	Matters that are considered <b>fundamental</b> that require immediate attention and priority action
<b>3</b>	Within <b>6 months</b>	Matters that are considered <b>significant</b> that should be addressed within six months.
<b>2</b>	Within <b>12 months</b>	Matters that are considered <b>important</b> that should be addressed within twelve months.
<b>1</b>	None defined	Matters that merit attention and would improve overall control

**Committee: GOVERNANCE, AUDIT & PERFORMANCE COMMITTEE**

**Agenda Item**

**6**

**Date: 18 May 2017**

**Title: Internal Audit Progress Report,  
28 January to 30 April 2017**

**Author: Sheila Bronson, Internal Audit Manager  
01799 510610**

Item for Information

---

### Summary

1. To report to the Governance, Audit & Performance Committee details of work undertaken by Internal Audit since the last report to the Performance & Audit Committee on 09 February 2017 and to provide an update on implemented and outstanding internal audit recommendations.

### Recommendations

2. That the Internal Audit Progress Report (28 January to 30 April 2017) be noted

### Financial Implications

3. None. There are no costs associated with the recommendations.

### Background Papers

4. None

### Impact

- 5.

Communication/Consultation	The Internal Audit Work Programmes 2016/17 and 2017/18 referred to in this report have been approved by the Corporate Management Team and endorsed by the Governance, Audit & Performance Committee.
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none

Sustainability	none
Ward-specific impacts	none
Workforce/Workplace	none

### Situation

6. The purpose of this report is to provide management and members with:
- i) Details of the work completed by Internal Audit since the last report to the Performance and Audit Committee at its meeting 09 February 2017;
  - ii) Performance against the Internal Audit Work Programme 2016/17;
  - iii) Performance against the Internal Audit Work Programme 2017/18;
  - iv) Details of risk level 3 and 4 highest priority recommendations implemented since the last report to Members;
  - v) Details of any recommendations not implemented within the agreed timescale.

### Work Undertaken by Internal Audit 28 January to 30 April 2017

7. Since the last report to the Committee:
- i) Between 28 January to 30 April 2017, 11 audits from the 2016/17 audit programme were completed and Final Reports issued with a total of 35 recommendations made. All final audit reports issued have been copied to Members of the Committee and are available on the Council's Intranet. A summary of 2016/17 final reports issued is presented at Appendix A(i);
  - ii) There are currently 5 audits from the 2016/17 audit programme to be completed. It is expected all will be completed by 31 May 2017
  - iii) Between 01 April to 30 April 2017 no work has started on audits from the 2017/18 Audit Programme; progress on the 2017/18 programme is presented at Appendix A (ii).

### Recommendations Implemented 28 January to 30 April 2017

8. There are 7 risk level 3 and level 4 recommendations which have been implemented in this period; a summary is presented at Appendix A (iii).

### Recommendations Not Implemented by due date at 30 April 2017

9. As of 30 April 2017, there are no recommendations reported in Covalent as not being implemented in accordance with their agreed due dates.

**Risk Analysis**

10.

Risk	Likelihood	Impact	Mitigating actions
The issues highlighted in the internal audit reports are not acted upon	1 Action is already being taken towards the implementation of the recommendations contained in the reports.	2 There would be varying levels of impact from non-implementation of recommendations given the significance of the control risks identified.	Internal audit reports are followed up to ensure compliance.  There are escalation procedures in the event of non compliance

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.



**FINAL REPORTS ISSUED 28 January to 30 April 2017**

ref	Audit 2016/17	Risk	Revised potential days	Final Report Issued	2016/17 Days Taken	Recommendations Made					Audit Opinion
						No.	Risk Level				
						total	4	3	2	1	
03 KF	Cash & Bank	4	1	29/03/17	0.84	0	0	0	0	0	satisfactory
08 KF	Income, Fees & Charges	3	10	05/04/17	1.06	0	0	0	0	0	substantial
09 KF	NNDR	3	10	26/04/17	20.52	6	0	2	4	0	satisfactory
11 KF	Recovery	3	20	24/02/17	20.52	7	1	1	4	1	satisfactory
18 O	Customer Service Centre	3	20	26/04/17	21.71	6	1	1	3	1	satisfactory
20 O	Elections	3	10	20/02/17	10.91	0	0	0	0	0	substantial
21 O	Electoral Registration	3	10	07/04/17	12.84	1	0	1	0	0	satisfactory
23 O	Facilities Management	2	15	06/02/17	13.74	6	0	0	6	0	satisfactory
33 O	Housing & Health - Stock & Voids	3	5	28/04/17	2.98	1	0	0	1	0	substantial
39 O	Local Land Charges	3	10	13/04/17	12.65	5	0	0	4	1	satisfactory
40 O	Mailroom & Reprographics	3	10	13/04/17	8.63	3	0	1	2	0	satisfactory
						<b>35</b>	<b>2</b>	<b>6</b>	<b>24</b>	<b>3</b>	

## PROGRESS ON THE AUDIT PROGRAMME 2017/18

Internal Audit Programme 2017/18 – April 2017										
ref	Audit	2017/18 potential days	qtr	IA Risk 2017/18	Started	Draft	Final	Days Taken	Status	Comment
01C	Corp Commercial Enterprise	10	3	4						new audit
02C	Corp Governance & Ethical Culture	10	2	3						to include ethical culture
03C	Corp Investment	10	3	4						new audit
04C	Corp Value for Money	10	4	2						b/f from 2016/17
05KF	Res - Budgets	5	4	2						kf yr 1 b/f from 2016/17
06KF	Res - Council Tax	10	2	2						kf yr 1
07KF	Res - LCTS	10	4	2						kf yr 1
08KF	Res - Main Accounting System	10	3	1						kf yr 1
09KF	Res -Taxation	10	2	1						kf yr 1
10KF	C S - Payroll	5	4	3						follow-up to 2016/17 audit
11O	C S - Communication	10	2	3						
12O	C S - Day Centres	10	1	3						new audit; b/f from 2016/17
13O	C S - Grants to Voluntary Organisations	10	2	3						service changes; b/f from 2016/17
14O	C S - HR	10	4	4						sickness management; b/f from 2016/17
15O	C S - Leisure - PFI	10	3	3						b/f from 2016/17
16O	H&H Env Health - Enforcement	10	2	2						service changes
17O	H&H Env Health - Food Safety & Infectious Disease Control	10	1	3						b/f from 2016/17
18O	H&H Well - Equality & Diversity	10	2	3						b/f from 2016/17
19O	H&H Well - Community Health	10	3	3						services changes; b/f from 2016/17
20O	H&H Well - Community Safety	10	4	4						service changes
21O	H&H Well - Services for Older People	10	1	3						b/f from 2016/17
22O	Legal Services - Legal	10	3	3						services changes; b/f from 2016/17
23O	Plan - Car Parking Partnership	10	4	2						b/f from 2016/17
24O	Plan - Conservation	5	1	3						
25O	Plan - Economic Development	10	2	3						b/f from 2016/17

**PROGRESS ON THE AUDIT PROGRAMME 2017/18**

	Service								
<b>26O</b>	Plan - Energy Efficiency	10	3	3					b/f from 2016/17
<b>27O</b>	Plan - Housing Strategy	10	4	4					b/f from 2016/17
<b>28O</b>	Plan - Landscape	5	1	3					
<b>29O</b>	Plan - Local Plan	15	4	4					b/f from 2016/17
<b>30O</b>	St Services - Income Generating Services & Admin	10	1	4					services changes; b/f from 2016/17
<b>31KF</b>	Res - Cash & Bank	5	3	2					further follow-up required 2017/18
	Corp Counter Fraud	p		2					dependent on 2016/17opinion
	Corp Fleet & Fuel Management	p		2					dependent on 2016/17opinion
	Corp Health & Safety	p		2					dependent on 2016/17opinion
	Corp Partnerships	p		2					dependent on 2016/17opinion
	C S - Museum	p		2					dependent on 2016/17opinion
<b>TOTAL AUDIT DAYS</b>		<b>290</b>							

**LEVEL 3 AND 4 RECOMMENDATIONS IMPLEMENTED 28 January to 30 April 2017**

Code & Title	Description	Risk Level	Managed By	Due Date	Completed
1516 02KF CASH & BANK 03	It is recommended that a) a review is undertaken on the decision to accept the risk of non-compliance to PCI DSS b) written policies be drafted in relation to PCI DSS c) clarification is sought on GOSS compliance to PCI DSS	3	Assistant Director - Revenues	31-Mar-18	22-Mar-17
1516 350 STREET SERVICES - FUEL & FLEET MANAGEMENT & TRANSPORT MAINTENANCE 03	FUEL & FLEET MANAGEMENT It is recommended that corporate responsibility is assigned for ensuring that checks are carried out by a responsible person that confirm: . occasional users of Council vehicles hold a current and valid driving licence. . the Vehicle Driver logbook is updated when different drivers use vehicles.	3	Director of Public Services	31-Mar-17	22-Mar-17
1516 350 STREET SERVICES - FUEL & FLEET MANAGEMENT & TRANSPORT MAINTENANCE 06	FUEL & FLEET MANAGEMENT It is recommended that individual services allocated with use of council vehicles are informed of the need to ensure that drivers carry out the daily inspections on vehicle roadworthiness and that the Vehicle Daily Log is completed.	3	Director of Public Services	30-Nov-16	30-Jan-17
1516 350 STREET SERVICES - FUEL & FLEET MANAGEMENT & TRANSPORT MAINTENANCE 08	FUEL & FLEET MANAGEMENT It is recommended that individual services allocated with the use of council vehicles carry out periodic checks to ensure that systems in place to record data are updated to provide an accurate audit trail on vehicles mileage usage.	3	Director of Public Services	31-Mar-17	20-Mar-17

**LEVEL 3 AND 4 RECOMMENDATIONS IMPLEMENTED 28 January to 30 April 2017**

Code & Title	Description	Risk Level	Managed By	Due Date	Completed
1617 11KF RECOVERY 03	It is recommended that an audit trail and process is introduced whereby secondary spot checks of documentation and accuracy of items submitted for write off is performed by someone outside of the recovery team at either CMT level or their nominated person.	4	Assistant Director - Revenues	28-Feb-17	21-Apr-17
1617 11KF RECOVERY 04	It is recommended that the Write off List front sheet is redesigned to include the following:  a) a section for the chief signatory to date the write off authorisation  b) re-worded to show that Senior Recovery Officer has not authorised these prior to director sign off  c) authorisation for checking the amount shown on the RRV262 write off report is consistent with that shown on the officers write off request.	3	Assistant Director - Revenues	31-Jan-17	24-Feb-17
1617 180 CUSTOMER SERVICE CENTRE (U-connect)	It is recommended that the in-tray and bags containing council letters and forms left by the general public at both Thaxted and Great Dunmow Library should be kept in a secure location at all times.	4	Assistant Director - Corporate Services	26-Apr-17	26-Apr-17



**Committee: Governance, Audit & Performance Committee**

**Agenda Item**

**7**

**Date: 18 May 2017**

**Title: Performance & Audit Committee Self-assessment 2016/17**

**Author: Sheila Bronson, Internal Audit Manager  
01799 510610**

Item for information

---

## Summary

1. The Governance, Audit & Performance Committee fulfils the Audit Committee functions for the Council. To ensure it is meeting its responsibilities against the guidance provided by Chartered Institute of Public Finance and Accountancy (CIPFA), a self-assessment of its work during 2016/17 has been undertaken. This self-assessment will be included as evidence in support of the Annual Governance Statement 2016/17

## Recommendations

2. The Committee note the outcome of Performance & Audit Committee Self-Assessment 2016/17

## Financial Implications

3. None. There are no costs associated with this report

## Background Papers

4. None

## Impact

- 5.

Communication/Consultation	none
Community Safety	none
Equalities	none
Health and Safety	none
Human Rights/Legal Implications	none
Sustainability	none

Ward-specific impacts	none
Workforce/Workplace	none

## Situation

6. In December 2013, CIPFA published its “Audit Committees – Practical Guidance for Local Authorities and Police”. This guidance contains a Self-Assessment of Good Practice and an Evaluation of Effectiveness of audit committees.
7. Members were invited to take part in self-assessment exercise on 19 April 2017 using the checklists for the Self-Assessment of Good Practice and Evaluation of Effectiveness to consider the performance of this Committee in fulfilling its Audit Committee functions during 2016/17.

## Self-Assessment of Good Practice

8. There are 20 questions contain in the CIPFA Self-assessment of Good Practice checklist which were considered during the exercise. The completed self-assessment with comments to evidence the responses to each question is attached at Appendix A; below is a summary of the responses.
9. Of the 20 questions, responses were assessed as follows:

Yes	Partly	No
12	4	4

In comparison with the 2015/16 responses:

Yes	Partly	No
16	1	3

10. The 4 “No” responses are:

Ref	Good Practice question	Comments / Actions
06	Are the arrangements to hold the committee to account for its performance operating satisfactorily?	Only arrangement in place is the Annual Report by the Chairman of the Performance & Audit Committee to Full Council
15	Has the membership of the committee been assessed against the core knowledge and skills framework and	Members should be asked to complete a self-assessment against the core skills and consider what training may be necessary to fill any

	found to be satisfactory?	gaps identified
18	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Neither sought nor received
20	Does the committee have an action plan to improve any areas of weakness?	Action plan to be agreed to address the areas of weakness identified

11. The 4 “Partly” responses are:

Ref	Good Practice question	Comments / Actions
1	Does the authority have a dedicated audit committee?	<b>PARTLY</b> - It is currently the Performance & Audit Committee, and from 2017/18 will be the Governance, Audit and Performance Committee
7	Do the committee’s terms of reference explicitly address all the core areas identified in CIPFA’s Position Statement?	<b>OVERALL PARTLY</b> - The Terms of Reference do not explicitly address all of the core areas, although they are covered in the Specific Functions of the committee. This should be considered in any revision of the Terms of Reference.
	• Good governance	yes
	• Assurance framework	yes
	• Internal audit	yes
	• External audit	yes
	• Financial reporting	yes
	• Risk management	yes
	• Value for money or best value	<b>PARTLY</b>
• Counter-fraud and corruption	<b>PARTLY</b>	
12	Has an effective audit committee structure and composition of the committee been selected? This should include:	<b>OVERALL PARTLY</b> - Committee Members are appointed from members who are not elected on the basis of their knowledge and skills in explicit areas.
	• Separation from the executive	yes
	• An appropriate mix of knowledge and skills	<b>PARTLY</b>

	among the membership	
	<ul style="list-style-type: none"> <li>• A size of committee that is not unwieldy</li> </ul>	yes
	<ul style="list-style-type: none"> <li>• Where independent members are used, that they have been appointed using an appropriate process</li> </ul>	<i>Not applicable as there are no Independent Members on the Committee</i>
<b>19</b>	Has the committee evaluated whether and how it is adding value to the organisation?	<b>PARTLY</b> – The Chairman reports key points to Cabinet (standing item on agenda)

### Evaluation of Effectiveness

12. The CIPFA Evaluation of Effectiveness requires consideration of 9 areas where the audit committee can add value by supporting improvement, to be assessed against the following key:

<b>Assessment key</b>	
<b>5</b>	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
<b>4</b>	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
<b>3</b>	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
<b>2</b>	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
<b>1</b>	No evidence can be found that the audit committee has supported improvements in this area.

13. At the exercise on 19 April it was assessed that the Committee scored as follows:

- Key level **5** in **2** of the areas
- Key level **4** in **5** of the areas
- Key level **3.5** in **1** of the areas
- Key level **3** in **1** of the areas

An average of Key level **4** over the 9 areas.

14. The completed evaluation with comments to evidence responses is attached at Appendix A

**Conclusion**

15. The conclusion from the Self-Assessment of Good Practice and Evaluation of Effectiveness carried out on 19 April 2017 is therefore that in 2016/17 the Performance & Audit Committee has effectively fulfilled its Audit Committee functions in accordance with the CIPFA guidance for an Audit Committee.

**Risk Analysis**

16.

Risk	Likelihood	Impact	Mitigating actions
The Governance, Audit & Performance Committee fails to fulfil its function as the Council’s Audit Committee	1 = Little or no Likelihood  Annual self-assessment to be carried out as part of the evidence required for the Annual Governance Statement	2 = Some impact – action may be necessary	The annual self-assessment  The Annual governance Statement is reviewed by the External Auditor and by the Governance, Audit & Performance Committee

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.



## 2016/17 Performance & Audit Committee Self-assessment of Good Practice & Evaluation of Effectiveness 19 April 2017

### Self-assessment of Good Practice

Good Practice questions		Yes	Partly	No	Comments/action
	<b>Audit Committee Purpose and Governance</b>				
1	Does the authority have a dedicated audit committee?		Partly		It is currently the Performance & Audit Committee, and from 2017/18 will be the Governance, Audit and Performance Committee
2	Does the audit committee report directly to full council?	Yes			
3	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	Yes			
4	Is the role and purpose of the audit committee understood and accepted across the authority?	Yes			
5	Does the audit committee provide support to the authority in meeting the requirements of good governance?	Yes			
6	Are the arrangements to hold the committee to account for its performance operating satisfactorily?			No	Only arrangement in place is the Annual Report by the Chairman of the Performance & Audit Committee to Full Council

<b>Functions of the Committee</b>					
<b>7</b>	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?				Overall scoring of PARTLY as the Committee's Terms of Reference do not explicitly address all of the core areas, although they are covered in the Specific Functions of the committee. This should be considered in any revision of the Terms of Reference
	▪ Good governance	Yes			
	▪ Assurance framework	Yes			
	▪ Internal audit	Yes			
	▪ External audit	Yes			
	▪ Financial reporting	Yes			
	▪ Risk management	Yes			
	▪ Value for money or best value		Partly		
	▪ Counter-fraud and corruption		Partly		
<b>8</b>	Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	Yes			
<b>9</b>	Has the audit committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?	Yes			Not considered appropriate for this Committee
<b>10</b>	Where coverage of core areas has found to be limited, are plans in place to address this?	Yes			See 7 above

11	Has the committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	Yes			
	<b>Membership and Support</b>				
12	Has an effective audit committee structure and composition of the committee been selected? This should include:				Overall scoring of PARTLY as Committee Members are appointed from members who are not elected on the basis of their knowledge and skills in explicit areas.
	▪ Separation from the executive	Yes			
	▪ An appropriate mix of knowledge and skills among the membership		Partly		
	▪ A size of committee that is not unwieldy	Yes			
	▪ Where independent members are used, that they have been appointed using an appropriate process	N/A			Not applicable as there are no Independent Members on the Committee
13	Does the chair of the committee have appropriate knowledge and skills?	Yes			The Chairman is a Chartered Accountant
14	Are arrangements in place to support the committee with briefings and training?	Yes			
15	Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?			No	Members should be asked to complete a self-assessment against the core skills and consider what training may be necessary to fill any gaps identified
16	Does the committee have good working relations with key people and organisations, including external audit, internal audit and chief finance officer?	Yes			
17	Is adequate secretariat and administrative support to the committee provided?	Yes			

	<b>Effectiveness of the committee</b>				
<b>18</b>	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?			No	Neither sought nor received
<b>19</b>	Has the committee evaluated whether and how it is adding value to the organisation?		Partly		Chairman to report key points to Cabinet (standing item on agenda)
<b>20</b>	Does the committee have an action plan to improve any areas of weakness?			No	Action plan to be agreed to address the areas of weakness identified

## Evaluating the Effectiveness of the Audit Committee

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-Evaluation, examples areas of strength and weakness	Overall assessment: 5-1 See key below
1. Promoting the principles of good governance and their application to decision making	<ul style="list-style-type: none"> <li>• <i>Providing robust review of the AGS and the assurances underpinning it</i></li> <li>• <i>Working with key members/governors to improve their understanding of the AGS and their contribution to it</i></li> <li>• <i>Supporting reviews/audit of governance arrangements</i></li> <li>• <i>Participating in self-assessments of governance arrangements</i></li> <li>• <i>Working with partner audit committees to review governance arrangements in partnerships</i></li> </ul>	(4) (3) (4) (3) N/A	3.5
2. Contributing to the development of an effective control environment	<ul style="list-style-type: none"> <li>• <i>Monitoring the implementation of recommendations from auditors</i></li> <li>• <i>Encouraging ownership of the internal control framework by appropriate managers</i></li> <li>• <i>Raising significant concerns over controls with appropriate senior managers</i></li> </ul>		5

### Assessment key

5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-Evaluation, examples areas of strength and weakness	Overall assessment: 5-1 See key below
3. Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	<ul style="list-style-type: none"> <li>• <i>Reviewing risk management arrangements and their effectiveness, e.g. risk management benchmarking</i></li> <li>• <i>Monitoring improvements</i></li> <li>• <i>Holding risk owners to account for major/strategic risks</i></li> </ul>	<p>Overall 3</p> <p><i>Holding risk owners to account for major/strategic risks.</i> Members feel there has been a lack of information available to them relating to risks concerning major projects such as Aspire for them to be able to hold risk owners to account.</p>	3
4. Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	<ul style="list-style-type: none"> <li>• <i>Specifying its assurance needs, identifying gaps or overlaps in assurance</i></li> <li>• <i>Seeking to streamline assurance gathering and reporting</i></li> <li>• <i>Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit</i></li> </ul>		4

Assessment key	
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-Evaluation, examples areas of strength and weakness	Overall assessment: 5-1 See key below
5. Supporting the quality of the internal audit activity, particularly by underpinning its organizational independence	<ul style="list-style-type: none"> <li>• <i>Reviewing the audit charter and functional reporting arrangements</i></li> <li>• <i>Assessing the effectiveness of internal audit arrangements and supporting improvements</i></li> </ul>		5
6. Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	<ul style="list-style-type: none"> <li>• <i>Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place</i></li> <li>• <i>Reviewing the effectiveness of performance management arrangements</i></li> </ul>	The Committee does not review major projects and programmes; to be able to do so the Committee would require more information on major projects and programmes as identified in (3) above.	4

<b>Assessment key</b>	
<b>5</b>	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
<b>4</b>	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
<b>3</b>	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
<b>2</b>	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
<b>1</b>	No evidence can be found that the audit committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-Evaluation, examples areas of strength and weakness	Overall assessment: 5-1 See key below
7. Supporting the development of robust arrangements for ensuring value for money	<ul style="list-style-type: none"> <li>• <i>Ensuring that assurance on value for money arrangements is included in the assurances received by the audit committee</i></li> <li>• <i>Considering how performance in value for money is evaluated as part of the AGS</i></li> </ul>		4
8. Helping the authority to implement the value of good governance, including effective arrangements for countering fraud and corruption risks	<ul style="list-style-type: none"> <li>• <i>Reviewing arrangements against the standards set out in CIPFA's Managing the Risk of Fraud (Red Book 2).</i></li> <li>• <i>Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks</i></li> <li>• <i>Assessing the effectiveness of ethical governance arrangements for both staff and governors</i></li> </ul>		4

Assessment key	
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Examples of how the audit committee can add value and provide evidence of effectiveness	Self-Evaluation, examples areas of strength and weakness	Overall assessment: 5-1 See key below
9. Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability	<ul style="list-style-type: none"> <li>• <i>Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English</i></li> <li>• <i>Reviewing whether decisions making through partnership organisations remains transparent and publicly accessible and encouraging greater transparency</i></li> </ul>		4

Assessment key	
5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the audit committee has supported improvements in this area.



**Committee: Performance & Audit**

**Agenda Item**

**Date: 18<sup>th</sup> May 2017**

**8**

**Title: Procurement Update**

**Author: Cristine Oakey, Procurement Manager**

Item for information

---

## **Summary**

The purpose of this report is to provide an update on procurement activity from October 2016 to 31 March 2017. Activity for the first half of the financial year was reported to the 15<sup>th</sup> November 2016 meeting of the Performance & Audit Committee.

As previously requested, the report provides information of two areas specifically requested (Contracts let over £50,000 and therefore required to be tendered in accordance with Contract Procedure Rules and instances where exceptions to Contract Procedure Rules have been requested) as well as other matters deemed of interest to the committee

## **Recommendations**

The Committee notes the content of the report

## **Financial Implications**

There are no financial implications associated with this report

## **Background Papers**

Procurement Strategy 2016/17 (Appendix A)

## **Impact**

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Situation

### **Contracts let over £50,000 and therefore required to be tendered in accordance with Contract Procedure Rules**

Only one major contract has been awarded since the start of the financial year – a new contract for an HR System and Payroll Bureau

Four other contracts that were due to expire have been extended in accordance with the original provisions. Reviews were carried out with the client departments to consider options, including the need for the works/services. Procurement of contracts can be resource intensive and where it makes business sense to do so, the contracts may be extended.

- **HR & Payroll System**

The contract with the current service provider expires in September 2017. Due to on-going service issues, the decision was taken to commence procurement of a replacement service earlier than would be expected. Working with a project team, the Procurement Manager tendered the contract and awarded a five year contract to Insight Direct UK Ltd on 21<sup>st</sup> September 2016. Services include Hosted HR software and a payroll bureau service. The first year value including initial set up fees and implementation costs total £71,571.00 but thereafter value is £17,914 per annum, a saving of £7,686 per year or £30,744 over the life of the contract against the budget, although expense costs must be allowed for during implementation.

- **Fire Safety**

The contract with the current service provider expired in November 2016. Following a review with the client, the preferred option was to extend the contract for a further year. Whilst the contractor has been providing excellent service, there have been some issues with the framework provider which are being addressed. The situation remains under review and further extensions will be subject to satisfactory resolution of the outstanding (albeit minor) issues. A small increase in fees has been applied to servicing and maintenance of fire extinguishers, fire alarms and emergency lighting. The contract has also been varied to include monthly testing of emergency lighting. This is a statutory requirement being carried out on some sites by Council staff, but not on others and with unreliable records. This poses a risk to the organisation and a recommendation was made that the contractor be employed to ensure this is carried out. This is an additional cost of £6,624 effectively doubling the annual fee. Repairs and remedial works are also carried out under the contract, which last year totalled £33,618.

- **External Painting & Repairs**

This contract, with Mitie Property Services, was due to expire in March 2017. Following a review carried out in conjunction with the client department, it was

considered that the option to extend the contract for two years was preferable to procurement of a successor contract. The contractor is providing an excellent level of service and work has been carried out on a fixed price since 2013. Negotiations with the service provider limited inflationary increases to less than CPI giving an increase of less than 3% in four years. The contract is worth in the region of £370,000 per annum

- **Telecare Upgrades & Servicing (the “Warden Call” system)**

The contract with the current provider expired in March 2017. Following a review with the client department, this contract was also extended rather than re-tendered. Review meetings were held with the contractor to address some minor performance issues and a small increase in charges as allowed for in the contract was agreed. Some sites were no longer required and the contract was varied to take account of these. The contract value is almost £10,000 per annum for maintenance but also allows for repairs and remedial works.

- **Domestic Boiler Installations**

This contract was due to expire in March 2017. A review of this contract with the client department also concluded that an extension for two years be the preferred solution rather than re-tendering. Contract meetings are held regularly with the provider, Advance Heating, who the Council has had a good working relationship with for a number of years. The contract, having been on a fixed price since its award in April 2013, has not been increased for the duration of the extension, which is two years. No inflationary increase has been applied offsetting a 2.3% CPI increase since the start of the contract, which is worth £570,000 per annum.

### **Instances where requests for exceptions to Contract Procedure Rules have been requested**

Four exception requests have been made during the period of this report and are detailed in Appendix B.

### **Other Matters**

Professional support and advice has also been provided across the Council for a range of requirements, including a successor contract for Energy Bureau Services. Having obtained three quotations in accordance with Contracts Procedure Rules the contract was let to Concept Energy Solutions for a total of £18,450 over three years - a saving of £11,637.60 over the life of the contract when compared with the current service provider. The current contract was extended by four months to move the start date from 1 January to 1 May. This allowed the current contractor time to complete budget reports for the end of the financial year and projections for the new financial year rather than having to rely on a new contractor who will have only been working with us for three months. This allows the Finance team to have confidence in the information being provided.

In December 2016 a contract was signed for the Pan Essex Compliance and Counter Fraud IT system. This provided support to the Revenues & Benefits team, involved

in a collaborative initiative with all other authorities, police service and fire and rescue in Essex. The contract is for five years and in total is worth £429,500 over five years.

### Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
That the council does not ensure value for money through its procurement activities	1 – The council has robust contract procedure rules in place, and a Procurement Strategy is approved by Members annually	2- There may be some risk that if procurement rules are not followed the council may not realise best value through its contracts	The current structures and processes that are in place give sound reassurance that the council is receiving value for money through its contracts

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

## Appendix A – Procurement Strategy

The Procurement Strategy is reviewed annually and provides an update on work completed during the previous financial year as well as setting out the programme of work for the new financial year,

General guidelines in relation to procurement are set out in the Council’s Contract Procedure Rules. There are specific requirements that quotations or tenders be obtained where the value of the contract falls into the following bands :

Up to £10,000	Deputy Chief Officers have discretion regarding the obtaining of quotations (including the number of quotes obtained and how they are obtained). It is advisable to obtain at least two comparable prices. Officers shall obtain at least one quotation from a local <sup>1</sup> company wherever possible	During 2015/16, 3,080 orders were raised in this category <sup>2</sup> .
Up to £50,000	A minimum of three written quotations shall be obtained. Officers shall obtain at least one quotation from a local <sup>1</sup> company wherever possible	During 2015/16, 70 orders were raised in this category, one of which was a “mini-tender” and three of were subject to an exception request approved in accordance with Contracts Procedure Rules.

## Appendix A – Procurement Strategy

The values have been reviewed and there is no proposal to amend the thresholds, these came into force on 18 April 2016. These values are reviewed every two years and are next due in January 2018.

The Council’s preferred option when developing the approach to the acquisition of contracts is to use national frameworks where possible. These have been used in some instances during 2015/16 (see table overleaf for more details). This allows us to benefit from economies of scale and to award contracts above threshold values without further need to tender in Europe, although there is

■ \_\_\_\_\_  
<sup>1</sup> “local” shall mean within 20 miles radius of either Great Dunmow or Saffron Walden

<sup>2</sup> Purchase orders are not used in all instances and therefore the exact number is difficult to determine with accuracy. It has been identified as an action for 2016/17 to increase use of the ordering system across the authority.

still a need to carry out further competition in the form of a “mini-tender”. It is recommended that this approach, which forms part of the acquisition plan for each contract, continues. This stage also considers the relative importance of cost v quality when evaluating tenders – it is rare that contracts over £50,000 are awarded simply on cost alone.

## Appendix A – Procurement Strategy

### Review of 2015/16

The Procurement Strategy for 2015/16 was approved by Cabinet in May 2015.

The plan included three initiatives –

- Letting contracts set out in the work plan for the year
- Providing support for colleagues implementing new working practices as a result of the implementation of “E-Buy” (the order module of the financial information system) and
- Reviewing processes and template documents – particularly to ensure they are compliant with the Public Contracts Regulations 2015

Nine contracts on the work plan have been awarded along with a further eight that were not planned. A further ten contracts from the work plan are in progress along with a further two that were not planned. Details are set out overleaf. Work will continue on the remaining contracts and are included in the work plan for 2016/17.

Support for colleagues using the ordering system continues. A significant upgrade of the system in March has gone smoothly and although there have been some minor issues the use of the system is now being used more readily.

The review of processes and templates has been completed, but remain under constant review in the changing environment.

It is pleasing to report that Procurement and the process of awarding contracts was subject to an internal audit in February 2016 and found to be providing effective systems and controls – an opinion of “substantial” was awarded..

## Appendix A – Procurement Strategy

Requirements	Value	Housing	Corporate	Update
Electrical Rewiring	£3.3m (based on £650,000/yr)	✓		A five year contract awarded to Oakray, commencing 1 <sup>st</sup> April 2016. The award followed a tender undertaken by the Procurement Department
Photovoltaic Panels on Workshop and Museum Store	£60,000		✓	A contract awarded to Playfords The award followed the approval of an exception request given the changes introduced to the Feed-in Tariff by the Government at short notice
Housing Development at Catons Lane – Appointment of Main Contractor	£866,759	✓		A contract awarded to Court Homes The award followed a tender undertaken by the Procurement Department
Power Supplies	£588,000 (based on £147,000/yr).	✓	✓	A four year contract awarded to Npower commencing on 1 October 2016. The award is part of a larger framework arrangement whereby the Council benefits from aggregation under the framework let by LASER (a specialist division of Kent County Council) who, acting on behalf of a significant number of Authorities, trade on the commodities markets (the framework is estimated to be worth £900m)
Gas Supplies	£612,000 (based on £153,000/yr).	✓	✓	A four year contract awarded to Total commencing on 1 October 2016. The award is part of a larger framework arrangement whereby the Council benefits from aggregation under the framework let by LASER (a specialist division of Kent County Council) who, acting on behalf of a significant number of Authorities, trade on the commodities markets (the framework is estimated to be worth £600m)

Requirements	Value	Housing	Corporate	Update
External Wall Insulation (under Energy Efficiency Improvement Schemes)	£380,000	✓		<p>A contract awarded to Foster Property Maintenance to supply and install external wall insulation to approximately 60 domestic properties has been concluded. The contract attracted external funding reducing the final figure payable by the Council.</p> <p>The award followed a tender undertaken by the Procurement Department</p>
Managed Telecoms	£860,000 (based on £172,410/yr)		✓	<p>A five year contract awarded to AdEPT commencing 15<sup>th</sup> December 2015</p> <p>The award followed further competition under a Crown Commercial Services framework.</p>
Treasury / Investment Advice	£45,450 (bringing total to £95,450)		✓	<p>A three year extension to the current contract with Arlingclose commencing 1 January 2016</p> <p>The award followed satisfactory reviews with the client and provider and the approval of an Exception Request.</p>
Window Replacement Programme	£198,800 (bringing total to £1.06m)	✓		<p>A two year extension to the current contract with Wrekin Windows commencing 1 April 2016</p> <p>Following satisfactory reviews with the client and provider, the option to extend the contract has been exercised.</p>

## Appendix A – Procurement Strategy

*New Contracts not included in the original programme for the year but which have been undertaken:*

Requirements	Value	Housing	Corporate	Update
Saffron Walden Castle – Repairs to West & North Curtain Wall	£300,000		✓	<p>A contract awarded to Bakers of Danbury Ltd.</p> <p>An external Architect was engaged by the service to undertake the tendering process for this and a proposal was received to appoint a contractor A number of issues were identified regarding the process and following discussions with the Procurement Manager and Chief Officers it was recommended that the contract should not be awarded and it was subsequently withdrawn. Historic England are supporting the project with a grant of £300,000 that required the contractor to be on site by the end of the financial year. Discussions between procurement, chief officers and the Architects took place and the contract was re-tendered meeting all legislative requirements and those set out in Contracts Procedure Rules.</p>
Consultant for works in connection with the Local Plan – Retail Impact Assessment	£33,000		✓	<p>A contract awarded to Savills to update the Retail Impact Assessment carried out previously.</p> <p>The re-appointment was made following the submission and approval of an exception request.</p>
Consultant for works in connection with the Local Plan – Employment Land Review	£19,068		✓	<p>A contract awarded to Aecom.</p> <p>The award followed further competition under an ESPO framework for Consultants</p>
Consultant for works in connection with the Local Plan – Transport Consultant	£62,193		✓	<p>A contract awarded to WYG</p> <p>The award followed further competition under an ESPO framework for Consultants</p>

Requirements	Value	Housing	Corporate	Update
Consultant – Legal Advice for the creation of SPV	£15,000		✓	<p>A contract awarded to Pinsent Masons</p> <p>The award was made as a “direct award” under the terms of the Government Procurement Services framework for Legal Services.</p>
Utilities – Management of Void Properties	Approx. £9,000	✓		<p>A contract awarded to British Gas</p> <p>The appointment was made following the submission and approval of an exception request</p>
Waste Transfer Station	£113,000		✓	<p>A contract awarded to Essex County Council</p> <p>The appointment was made following the submission and approval of an exception request.</p> <p>The Council have been in dialogue with Essex County Council for some time regarding the intention to use the new waste transfer station being built at Great Dunmow. The contract (being over £50,000) must be tendered or an exception submitted for approval. Using the Teckal exception set out in the Public Contracts Regulations, the same principle was applied (given the Conditions could be met) and the exception approved.</p>
Supply and Installation of Solar PV to Housing Stock	Fully funded by third party	✓		<p>A contract awarded to AMP (Solar) UK Ltd</p> <p>The award was made under the terms of the Alliance Homes framework Although under significant time pressures due to Government changes in funding, an appointment was made which resulted in the installation of Solar PV to almost 300 properties. Some contractual issues remain outstanding and the project team will continue to work to remedy these.</p>

Requirements	Value	Housing	Corporate	Update
Back record conversion - planning files converted to microfilm	Up to £60,000		✓	A contract awarded to Stor-a-File Ltd  The award was made as a “direct award” under the terms of an ESPO framework arrangement
Supply & Installation of Replacement windows to second floor of London Road Council Office Building	£57,410		✓	A contract awarded to Haslemere Windows  The award followed further competition under an LHC Window Replacement framework arrangement
Appointment of Consultant to provide support on the creation of Garden Developments	£18,000		✓	A contract awarded to Garden City Developments CIC  The appointment was made following the submission and approval of an exception request.
The supply and installation of air handling units in the Civic Suite of London Road Council Office Building	£47,100		✓	A contract awarded to Oakray Ltd  The appointment was made following the submission and approval of an exception request.

## **Appendix A – Procurement Strategy**

### **Ambitions & Priorities for 2016/17**

There are two pieces of work to be included as a priority in 2016/17 from external sources.

The requirements of The Modern Slavery Act introduced in 2015 will be addressed during the financial year. The Act sets out requirements for commercial organisations with a turnover above £36m to publish a statement about slavery and human trafficking in their supply chains.

The Council will make use of this information in selecting and monitoring our suppliers but may also elect to provide a statement of our own.

As the Act seeks to improve working conditions, the Procurement Department will take the lead on this initiative.

The Public Contracts Regulations introduced in 2015 require us to trade electronically by 2018. Work should commence during 2016/17, in conjunction with the IT department to consider new ways of working and options to deliver them

The procurement of fourteen contracts are already underway – these should be completed during the year. A further ten have been identified on the succession planning or from capital bids.

A programme of improvement is also to be implemented to further progress the use of the purchase order system, with a view to reducing the number of invoices processed manually outside of the ordering system – giving greater accountability and monitoring and will aid in streamlining working practices.

The Procurement Officer, appointed in June 2015 will be supported to progress to membership of the Chartered Institute of Purchasing & Supply.

## Appendix A – Procurement Strategy

### Work Plan for 2016/17

Procurement of new Contracts already in progress -

Requirements	Budget	Housing	Corporate	Update
Water Monitoring & Treatment (Legionella Control)	£55,000/yr.	✓	✓	This contract is due to be awarded shortly. Further competition under a national framework has been undertaken and is currently in the evaluation stage
Lifts & Stair lifts	£32,000/yr.	✓	✓	An on-going arrangement with the incumbent provider is being continued given the statutory duties on the Council to carry out the works. The service has not been tendered as planned but significant progress has been made to collate the asset list.  Initial investigations of some national frameworks are not promising although we are aware of some recently awarded arrangements and will keep this under review up to the point of issuing tenders.
Servicing & Repair Heating and Hot Water Systems  Including  All Landlord Gas Safety Checks & Certificates  Servicing, Maintenance & Repairs to Domestic Systems	£330,000	✓	✓	This contract is due to be awarded shortly. An on-going arrangement with the incumbent provider is being continued given the statutory duties on the Council to carry out the works whilst procurement of a new contract is underway.  A notice was published in the Official Journal of the European Union and tenders invited under an open procedure.  Tender submissions are currently being evaluated.

Servicing, Maintenance & Repairs to Commercial Plant & Equipment	£44,500			Subject to the mandatory standstill period and there being no legal challenge, the contract is expected to commence on 6 <sup>th</sup> June
Small Engineering Works (Civil Engineering)	£120,000	✓	✓	Tender Documents are currently being prepared and tenders will be invited for a new contract to commence in July.
Photocopiers in Reprographics	£68,000/yr		✓	These contracts have all expired but rather than simply re-procure new contracts, the opportunity to carry out a complete review of how the services are provided will be taken. Procurement of contracts will commence shortly and Initial scoping suggests that the procurement will follow a “competitive dialogue” procedure seeking innovative ideas from the market to suggest ways to streamline working practices and deliver savings. Competitive dialogue can be very effective but is resource intensive and will need to be managed and planned well to achieve the best outcome. In the interim, current contracts are being extended on a quarterly basis
MFD's			✓	
Mailing / Franking Machine	£34,000/yr		✓	
Culvert Trash Screen	£40,000	✓		
Asbestos Surveys	£80,000	✓		An on-going arrangement with the incumbent provider is being continued given the statutory duties on the Council to carry out the works. The service is on the programme of work for 2015/16.
Asbestos Removal	Not known	✓		Removal works carried out as part of capital works do not have a separate budget so are difficult to predict, however it has been a significant area of expenditure. A new approach to this is being considered with a view to streamlining work particularly in void properties

Housing Sheltered Scheme –  Appointment of Main Contractor for demolition and re-development of Reynolds Court	£6.5m	✓		<p>Following the recommendations of the Employers Agent (Henry Riley), the Council have conducted a two stage tender commencing in February 2015 with the release of an OJEU Notice, for the appointment of the main contractor. The main contractor – Lovell Partnership – has been appointed and is currently working on stage two, working with the project team to complete detailed designs and inviting tenders from sub-contractors in order to arrive at the final, fixed contract price.</p> <p>Difficulties are being experienced in obtaining pricing given the buoyant state of the construction market at present and whilst firm prices should have now been achieved they are either not complete or not considered competitive enough to bring the scheme in on budget.</p> <p>The project team continue to work through the difficulties, in the meantime have released several discrete pieces of work so that some progress on site can be made without having a detrimental effect on either the completion date or external funding.</p>
Housing Sheltered Scheme  Appointment of Main Contractor for re-development of Hatherley Court	£1.6m	✓		<p>A domestic tender for the appointment of a main contractor. Following the recommendations of the Employers Agent (Oxbury), the Council have conducted a two stage tender for the appointment of the main contractor.</p> <p>The main contractor – Thomas Sinden – has been appointed and is currently working on stage two, working with the project team to complete detailed designs and inviting tenders from sub-contractors in order to arrive at the final, fixed contract price.</p>

Vehicle Replacement Programme	£847,000	✓	✓	Invitations have been issued to invite offers for the supply of nine new vehicles. Previously purchased as single requirements, they have been aggregated into one piece of work, streamlining the procurement process and aiming to improve prices by aggregating the value of the contract. Tenders are due back in mid-May, and will include driver evaluation and the inclusion of revenue costs (such as fuel economy and servicing costs) as well as the acquisition cost (a move towards “whole life cycle” costs).
New Depot at Great Dunmow	£1.5m		✓	A consultant has been appointed to locate a suitable site for the new depot and negotiations are continuing. Once the land has been purchased and needs identified, procurement of buildings and/or equipment may commence.
London Road Building Works	£190,000		✓	The schedule of works is based on the stock condition survey carried out 3 years ago. Either a framework or a domestic tender is likely to be suitable for these works.

New Contracts to be Procured

Requirements	Budget	Housing	Corporate	Update
Energy Bureau	£11,000/yr	✓	✓	This contract expires in December 2016. Succession planning will commence in September 2016
External Painting & Repairs	£200,000/yr	✓		This contract expires in March 2017. Succession planning will

				commence in September 2016.
Payroll Services	£25,600/yr		✓	This contract expires in September 2017. Due to issues with the current levels of service, succession planning has already commenced and tender documents are being prepared to include the provision of new HR software.
Insurance	£438,660/yr		✓	These contracts expire in September 2016, although there is an option to extend by a further two years. Succession planning will commence in June.
ICT Software for Revenues & Benefits	£29,440/yr		✓	This contract expires in December 2016. Succession planning will commence in June 2016
Telecare – Upgrades & Servicing	£6,000/yr	✓		This contract expires in March 2017. Succession planning will commence in October 2016.
Domestic Boiler Installations	£570,000/yr	✓		This contract expires in March 2017. Succession planning will commence in June 2016
Household Wheelie Bins	£70,000		✓	A standing General Fund Capital scheme, the financial year 16/17 has an increase from £40k to £70k which is then sustained until 2019/20. Whilst usually a call-off under a framework, a review of our approach may be beneficial
London Road & Museum Buildings	£119,000 & £52,000		✓	Potentially small value contracts as opposed to one single contract, advice and support will be provided to the budget manager for these capital allocations for 2016/17

Housing Sheltered Scheme Appointment of Main Contractor for re-development of Walden Place	£800,000	✓		A new capital project for redevelopment of Walden Place.

## Appendix B – Exception Requests

Details	Estimated Value of Contract		Client Department	Contract Awarded to	Reason for Exception Request	Expiry Date
	£10,000 to £50,000 (Quotations)	£50,000 to EU Threshold (Tenders)				
White Street Car Park, Great Dunmow	£11,400.00		Corporate Team	Sirius	Due to a leaking oil tank within the car park vicinity, any delay in works would damage the surface further and cause unnecessary damage to the environment.	Approx. 6-8 weeks from start of works including subsequent investigation works. Estimated completion 31st March 2017.
IT - Communication Tool	£11,500.00		ICT	Snap-Comms (UK)	Improve internal communication system/ process	8th December 2020
Consultant (for the facilitation of Leadership development, feedback and coaching)	£25,000		Chief Executive	PA Consulting	Although this consultant is on the CCS framework, the framework has technically expired and the resources required to appoint under the framework are onerous given the low risk in this	by 30th March 2017

					<p>appointment. The Chief Executive has previously worked with the consultant and is confident they can deliver. Going to market to obtain quotations would slow the pace of change needed.</p>	
Financial Information System		£220,000	Finance	Capita Secure Information Systems Limited	<p>To award without call for competition based on exclusive rights. This is for the on-going use of software already in existence. The contract is expiring on 28/02/17. It is proposed the software be retained for a further four years  <b>and</b>  To waive the requirement for a bond or other security normally required where the contract value is greater than £100,000.</p>	28 February 2021



**Committee:** Performance and Audit

**Agenda Item**

**Date:** 16 May 2016

**9**

**Title:** 2016/17 Quarter 4 and Year End  
Performance Indicator Outturn

**Author:** Richard Auty, Assistant Director Corporate Services      Item for information

## Summary

1. This report presents the 2016/17 Q4 and Year End outturn for all Key Performance Indicators (KPIs) and Performance Indicators (PIs).

## Recommendations

2. None

## Financial Implications

3. There are no financial implications associated with this report.

## Background Papers

4. None

## Impact

- 5.

Communication/Consultation	None
Community Safety	None
Equalities	None beyond service improvement on the equality and diversity performance indicators
Health and Safety	None beyond service improvement on any health and safety related performance indicators
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None

Workforce/Workplace	None
---------------------	------

## Situation

6. Appendix A presents the data for Quarter 4 of 2016/17 (1 January to 31 March) and the annual outturn figures for each indicator. Data for the majority of KPIs and PIs is collected and reported on a quarterly basis, however the report also includes data for those indicators collected either on a half yearly or annual basis. All outturn data is in bold.
7. The report contains data for Quarter 4 2016/17 and the previous four quarters.
8. There are also columns containing the annual outturn for 2016/17 (highlighted in blue) and the 2015/16 outturn in order to provide comparison between the two years.
9. Short and long term trend arrows are also included in the report and are defined as follows;
  - Short Term Trend -** compares current quarter with previous quarter performance
  - Long Term Trend-** compares current quarter with previous four quarters average performance
10. All data and performance comments have been reviewed by the Corporate Management Team.
11. Performance against the Key Performance Indicators is positive, with 11 indicators meeting target. There were 4 KPIs which missed their target by under 10 per cent and only two red KPIs, of which one (KPI 08 – void re-let time) has recorded an improvement on the previous year.

## Risk Analysis

12.

Risk	Likelihood	Impact	Mitigating actions
That performance indicators will not meet quarterly/ annual targets	2 – The majority of Performance Indicators perform on or above target	3 – In some areas the risk of not meeting targets could impact on areas such as customer satisfaction and statutory adherence to	Performance is monitored by CMT and the committee on a quarterly basis.  Inclusion of five quarters of data helps identify trends.

		government led requirements	
--	--	-----------------------------	--

- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.





# 2016/17 Quarter 4 & Annual KPIs and PIs Report

**Key:** \* Cumulatively monitored      **Max**    Aim to maximise performance  
 # Quarterly targets profiled        **Min**    Aim to minimise performance

SHORT TERM TREND (compares current quarter with previous quarter performance)		LONG TERM TREND (compares current quarter with previous four quarters average performance)	
	The value of this PI has improved in the short term		The value of this PI has improved in the long term
	The value of this PI has worsened in the short term		The value of this PI has worsened in the long term
	The value of this PI has not changed in the short term		The value of this PI has not changed in the long term

## Key Performance Indicators (KPIs)

### Directorate: CORPORATE SERVICES

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>KPI 01</b> Percentage of supplier invoices paid within 30 days of receipt by the Council (Max)	98.89%	95.00%	87.22%	98.89%	100.00%			98.47%	95.28%	<b>Q4 2016/17 Numerator:</b> 180 <b>Denominator:</b> 180. 100% of invoices sampled were paid within target.  <b>YE 2016/17 Numerator:</b> 686. <b>Denominator:</b> 720 = 95.28%. Over 95% of invoices sampled were paid within the target criteria.
	96.00%	97.00%	97.00%	97.00%	97.00%			96.00%	97.00%	

**APPENDIX A**

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>KPI 02</b> Customer satisfaction with services (Max)	79%		76%		<b>73%</b>			79%	<b>74%</b>	<b>H2 2016/17</b> The satisfaction rate represents the total average satisfaction of a range of services from those panel members who expressed an opinion. The comparative average dissatisfaction rate was 27% nominal (27.31% actual). Satisfaction levels for many services including Concessionary Travel, Council Housing - Repairs and Elections and Electoral Register have improved since the previous panel survey in spring 2016. During the same period there has been a decline in satisfaction with Business Rates and Fly tipping.
										
	76%		76%		76%			76%	76%	
<b>KPI 03</b> Percentage of Non-domestic Rates Collected (Max) *	97.34%	29.15%	56.39%	87.34%	<b>99.21%</b>			97.34%	<b>99.21%</b>	<b>Q4 2016/17 Numerator :</b> 43,371,497.10 <b>Denominator:</b> 43,717,585.57 =99.21%. This collection rate is the best for the last few years and achieved via a robust approach to recovery of arrears.
										
	98.00%	30.18%	58.50%	86.98%	98.50%			98.00%	98.50%	
<b>KPI 04</b> Accuracy of processing - HB/CTB claims (Max)	99.77%	99.55%	100.00%	98.27%	<b>99.23%</b>			99.66%	<b>99.29%</b>	<b>Q4 2016/17</b> 390 claims checked. 3 financial errors identified giving an accuracy rate of 99.23% for Q4. The improvement since quarter 3 reflects the recruitment, training and development of new staff. It also reflects the development of existing staff and improvements in accuracy checking procedures.  <b>YE 2016/17</b> 1,543 claims were checked and we identified 11 financial errors giving an accuracy rate of 98.29%.
										
	98.00%	98.00%	98.00%	98.00%	98.00%			98.00%	98.00%	

**APPENDIX A**

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>KPI 05</b> Percentage of Council Tax collected (Max) *	99.17%	30.19%	58.39%	86.82%	<b>99.17%</b>			99.17%	<b>99.17%</b>	<b>Q4 2016/17 Numerator :</b> 54,373,752.81 <b>Denominator:</b> 54,830,690.60= 99.17% collection rate. A good result and above target.
	98.00%	30.18%	58.50%	86.98%	98.60%			98.00%	98.60%	
<b>KPI 06 (a)</b> Time taken to process Housing Benefit/Council Tax Benefit new claims (Days) (Min)	23.8	23.4	19.9	18.4	<b>23.7</b>			22.3	<b>20.9</b>	<b>Q4 2016/17</b> 181 new claims to Housing Benefit (HB) were processed taking a total of 3,858 days. 272 new claims to Local Council Tax Support (LCTS) were processed taking 6,856 days. This is a combined total of 453 new claims taking 10,714 days; an average of 23.7 days.  <b>YE 2016/17</b> 684 new claims to Housing Benefit (HB) were processed taking a total of 13,311 days. 865 new claims to Local Council Tax Support (LCTS) were processed taking 18,996 days. This is a combined total of 1,549 new claims taking 32,307 days; an average of 20.9 days. Corrections as a result of quality and auditor/subsidy pre-checks mean that some dates/claims have been corrected from those reported in previous quarter's returns. The annual figure therefore has a small variance from that expected from the reported quarter returns.
	24.0	24.0	24.0	24.0	24.0			24.0	24.0	

**APPENDIX A**

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>KPI 06 (b)</b> Time taken to process Housing Benefit/Council Tax Benefit change events (Min)	5.6	5.9	5.6	5.0	5.1	↓	↑	7.9	5.4	<b>Q4 2016/17</b> 5,685 changes in circumstance to Housing Benefit (HB) were processed taking a total of 28,200 days. 5,111 changes in circumstance to Local Council Tax Support (LCTS) were processed taking 27,132 days. This is a combined total of 10,796 changes taking 55,332 days; an average of 5.1 days.
	✓	✓	✓	✓	✓			✓	✓	<b>YE 2016/17</b> 14,676 changes in circumstance to Housing Benefit (HB) were processed taking a total of 84,527 days. 15,279 changes in circumstance to Local Council Tax Support (LCTS) were processed taking 77,713 days. This is a combined total of 29,955 changes taking 162,240 days; an average of 5.4 days. Corrections as a result of quality and auditor/subsidy pre-checks mean that some dates/claims have been corrected from those reported in previous quarter's returns. The annual figure therefore has a small variance from that expected from the reported quarter returns.
	8.0	9.0	9.0	9.0	9.0			8.0	9.0	
<b>KPI 07 (a)</b> Average number of days lost per employee through short-term sickness absence (Min) *	4.24	1.41	2.78	4.76	6.49	↓	↓	4.24	6.49	<b>Q4 2016/17 Numerator:</b> 593 <b>Denominator:</b> 345 = 1.72 days lost due to sickness for this quarter.
	✓	✓	✓	✓	✓			✓	✓	<b>Cumulative Numerator:</b> 2,271.5 <b>Denominator:</b> 350 = 6.49 days per member of staff for the year to date. Throughout the year we have kept on target, with managers monitoring and where necessary using Occupational Health and the HR Partnership as support to deal with these issues.
	7.00	1.75	3.50	5.25	7.00			7.00	7.00	

## APPENDIX A

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>KPI 07 (b)</b> Average number of days lost per employee through long-term sickness absence (Min)	35.50	46.80	37.80	35.93	41.77			41.00	41.77	<b>Q4 2016/17 Numerator:</b> 543 <b>Denominator:</b> 13 = average of 41.77 days off work for the thirteen long term sick cases this quarter. One is still off sick under a fit note until 7 July 2017. Ten have now returned and are back at work. One is back at work but under a fit note. One has now left our employment.
								45.00	45.00	
	45.00	45.00	45.00	45.00	45.00			45.00	45.00	
<b>KPI 16</b> Rent collected as percentage of rent owed (including arrears b/f) (Max) *	97.29%	90.56%	95.50%	96.78%	97.89%			97.29%	97.89%	<b>Q4 2016/17 Numerator:</b> £3,859,935.85 <b>Denominator:</b> £4,177,413.98 = 92.40%  <b>Cumulative Numerator:</b> £15,310,167.29 <b>Denominator:</b> £15,639,384.78 = 97.89% The rent arrears collected has increased due to extra staff resources in the team, so that tenants can be supported in paying rent arrears before they get out of hand and recovery escalated.
								96.50%	97.00%	
	96.50%	89.00%	94.05%	95.05%	97.00%			96.50%	97.00%	
<b>KPI 17</b> Local Council Tax Support Collection Rate (Max)	N/A	23.73%	49.38%	75.65%	89.12%			New KPI for 2016/17	89.12%	<b>Q4 2016/17 Nominator:</b> (Net receipts) £ 616,073.24. <b>Denominator:</b> (Total net Liability) £691,259.99 = 89.12%. LCTS customers are supported through early intervention collection rate is good, however the LCTS Officer is constantly reviewing the situation in order to now target the more harder to reach customers.
										
		21.25%	42.50%	63.75%	85.00%				85.00%	

APPENDIX A

Directorate: PUBLIC SERVICES

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>KPI 08</b> Average re-let time in days (General Needs only)	27	27.5	22	22	19.6			27	23	<p><b>Q4 2016/17 Numerator:</b> 294 <b>Denominator:</b> 15. Target has been met .due to the council starting the process of claiming contractual penalties and having more control of performance levels through regular core meetings.</p> <p><b>YE 2016/17 Numerator:</b> 1,547 <b>Denominator:</b> 67. Although we are still out of target we have made an improvement over the last year and in the last quarter in particular. With our continued improvements we would hope to be within the yearly target at the end of 17/18.</p>
	12	20	20	20	20			12	20	
<b>KPI 11</b> Processing of planning applications: Major applications (within 13 weeks or including any agreed extension of time) (Max)	81.82%	70.00%	44.44%	64.29%	92.31%			82.22%	70.21%	<p><b>Q4 2016/17 Numerator:</b> 12 <b>Denominator:</b> 13 = 92.31% <b>Cumulative Numerator:</b> 33 <b>Denominator:</b> 47 = 70.21%</p> <p>Quarter target and cumulative target achieved. Need to note although exceeded this year (and well exceeded in Q4), concerns whether can continue into 2017/18 as numbers of significant majors likely to be submitted.</p>
	60.00%	60.00%	60.00%	60.00%	60.00%			60.00%	60.00%	

APPENDIX A

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>KPI 12</b> Processing of planning applications: Minor applications (within 8 weeks or including any agreed extension of time) (Max)	90.43%	80.00%	78.49%	72.38%	<b>80.65%</b>	↑	↑	84.54%	<b>77.92%</b>	<b>Q4 2016/17 Numerator:</b> 75 <b>Denominator:</b> 93 = 80.65% <b>Cumulative Numerator:</b> 307 <b>Denominator:</b> 394 = 77.92% Q4 target achieved. Cumulative target just missed due to some reforming within the team and some long-term sickness absence. Anticipated likely increase in applications in 2017/18.
	80.00%	80.00%	80.00%	80.00%	80.00%			80.00%	80.00%	
<b>KPI 13</b> Processing of planning applications: Other applications (within 8 weeks or including any agreed extension of time) (Max)	87.44%	89.26%	87.21%	88.42%	<b>78.02%</b>	↓	↓	91.06%	<b>85.95%</b>	<b>Q4 2016/17 Numerator:</b> 181 <b>Denominator:</b> 232 = 78.02% <b>Cumulative Numerator:</b> 930 <b>Denominator:</b> 1,082 = 85.95%. Others target just missed in Q4. This is due to sickness absence. Change to officer cover on applications also implemented. Annual target met.
	82.00%	82.00%	82.00%	82.00%	82.00%			82.00%	82.00%	
<b>KPI 14</b> Percentage of household waste sent for reuse, recycling and composting (LAA) (Max)	48.48%	51.91%	52.39%	53.33%	<b>54.36%</b> (estimate)	↑	↑	51.47%	<b>50.05%</b> (estimate)	<b>Q4 2016/17 ESTIMATE Numerator:</b> 4,659.1 tonnes (recycled and composted) <b>Denominator:</b> 8,570.09 tonnes (total domestic waste arising). Percentage shown is missing information on Street Cleansing residues from February and March. Q4 reported data is currently estimated - a 51% final year end outturn is anticipated. Confirmation expected in May/June.
	51.63%	51.00%	55.00%	51.00%	50.00%			53.76%	52.00%	

APPENDIX A

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>KPI 15 (a)</b> Number of return visits to collect bins that have been missed on the first visit (Min)	N/A	1,616	1,123	901	1,552			New KPI For 2016/17	5,192	<b>Q4 2016/17</b> 1,552 missed bins out of 943,000 total number of collections. This is a significant rise due to a technical issue with the fleet of vehicles. <b>Collection rate for Q4 2016/17 is 99.84%.</b>  <b>YE 2016/17</b> 5,192 collections were logged as missed on first visit in 2016/17. This is compared with the total number of collections made by the service over the year of 3,719,976 (the total property count stands at 35,769 this is multiplied by two to account for the number of containers collected from each property per week, multiplied by 52 weeks of the year). This gives a missed collection rate of 0.14%.
										
		936	936	936	936				3,744	

## APPENDIX A

### Performance Indicators (PIs)

Directorate: CHIEF EXECUTIVE										
PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>PI 06</b> Percentage of standard searches carried out in 10 working days (Max)	100%	100%	99.6%	100%	100%	-	↑	100%	99.9%	<b>Q4 2016/17 Numerator:</b> 380 <b>Denominator:</b> 380 = 100% Staff worked hard to achieve another quarter with 100% turnaround.
										
	100%	100%	100%	100%	100%			100%	100%	
<b>PI 21</b> Percentage of minutes from meetings made available to the public within 10 working days (Max)	96%	85%	84%	90%	44%	↓	↓	91%	76%	<b>Q4 2016/17 Numerator:</b> 11 <b>Denominator:</b> 25 = 44%. The department began the quarter without one member of staff and lost another part way through. Recruitment problems meant that 2 new staff members were only recruited at the beginning of March, and both had to undergo training before publishing minutes. Furthermore, this took place at a busy time of year for the department, due to the high quantity of meetings being held and the department's role in planning for the County Elections on 4th May.
										
	95%	95%	95%	95%	95%			95%	95%	

APPENDIX A

Directorate: CORPORATE SERVICES

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>PI 02</b> Average time (Days) to pay supplier invoices (Min)	13.0	13.3	15.7	12.2	10.4	↑	↑	12.2	12.9	<p><b>Q4 2016/17 Numerator:</b> 1,872 <b>Denominator:</b> 180 = 10.4</p> <p><b>YE 2016/17 Numerator:</b> 9,278 <b>Denominator:</b> 720 = 12.9. This indicator shows that overall on the year we missed the target by 1.9 days, in the last quarter the target was achieved and this is due to the full implementation and adoption of the purchase ordering and Invoice Authorisation systems. It is expected that now all ordering and invoicing is electronic that this will be achieved fully in 2017/18.</p>
										
	12.0	11.0	11.0	11.0	11.0			12.0	11.0	
<b>PI 03</b> Percentage of sundry debt income overdue (debts over 90 days old not subject to a payment agreement) (Min)	2.1%	3.4%	2.6%	1.8%	1.0%	↑	↑	2.1%	1.0%	<p><b>Q4 2016/17 Numerator:</b> £7,028.16 <b>Denominator:</b> £679,713.47. The Sundry Debt Officer manages her customers and telephones those that pay late and takes payment over the phone at that moment in time which aids the prompt payment of any overdue charges.</p>
										
	4.5%	4.0%	4.0%	4.0%	4.0%			4.5%	4.0%	

APPENDIX A

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>PI 12</b> Housing Benefit (HB) recovered as a percentage of the total amount of recoverable HB overpayments (sundry debtors) (Max)	<b>ANNUAL PI</b>					↓	↑	58.61%	<b>54.29%</b>	<b>2016/17</b> HB Invoices raised £712,480.30 of which £386,771.22 has been collected by direct payments or through adjustments of Housing Benefit giving a collection rate of 54.29%. This figure is above target, but lower than last year's collection due to one large debt (which is on a payment arrangement) accounting for nearly 4% of the outstanding amount due.
								✓	✓	
								47.00%	47.00%	
<b>PI 20</b> Percentage of IT help Desk calls resolved within target (Max)	97.46%	97.93%	99.32%	99.20%	<b>99.00%</b>	↓	↑	97.44%	<b>98.86%</b>	<b>Q4 2016/17</b> 1,507 calls 1,492 resolved on time. <b>YE 2016/17</b> 5,980 calls 5,912 resolved within SLA
	✓	✓	✓	✓	✓			✓	✓	
	93.00%	95.00%	95.00%	95.00%	95.00%			93.00%	95.00%	
<b>PI 22</b> Museum users: Total visitors to the museum building and on-site events (Max) #	3,793	3,369	2,979	2,665	<b>2,649</b>	↓	↓	16,126	<b>11,662</b>	<b>Q4 2016/17</b> 15% below target, continuing the downward trend in school visits without a Learning Officer. Other contributory factors include the Easter holidays falling in April this year and holding 2 days of activities in February half-term (exceptionally, there were 3 days of half-term activities in 2016).
	✓	✓	✗	⚠	✗			✓	✗	
	3,500	3,200	4,000	2,700	3,100			14,000	13,000	

APPENDIX A

**Directorate: PUBLIC SERVICES**

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>PI 07</b> The level of achievement attained under the Equality Framework for Local Government (Max)	<b>ANNUAL PI</b>					N/A	N/A	NO DATA	NO DATA	There is no data available at present due to a transition of responsibility for this PI within the Authority.
								2	2	
<b>PI 16</b> Number of households living in temporary accommodation (CI 19 & NI 156) (Min)	22	21	13	13	14	↓	↑	20	15	<b>Q4 2016/17</b> Council owned = 11. Emergency B&B / shared accommodation placements = 3. Within target and consistent with the last 2 quarters.
	17	14	14	14	14			17	14	
<b>PI 24a</b> Planning appeals allowed for major applications (Min)	.0%	66.7%	.0%	66.7%	.0%	↑	↑	28.6%	44.4%	<b>Q4 2016/17 Numerator:</b> 0 <b>Denominator</b> 1 = 0% <b>Cumulative Numerator</b> 4 <b>Denominator</b> 9 = 44.4% Volume is very small making targets insignificant. Proposing to merge appeals for 2017/18 monitoring. Annual targets are more meaningful.
	30.0%	30.0%	30.0%	30.0%	30.0%			30.0%	30.0%	
<b>PI 24b</b> Planning appeals allowed for minor applications (Min)	12.5%	23.1%	50.0%	11.1%	66.7%	↓	↓	22.7%	40.7%	<b>Q4 2016/17 Numerator</b> 4 <b>Denominator</b> 6 = 66.7% <b>Cumulative Numerator</b> 11 <b>Denominator</b> 27 = 40.7% Volume is very small making targets insignificant. Proposing to merge appeals for 2017/18 monitoring. Annual targets are more meaningful. Additional review of performance on refusals of minor applications required.
	45.0%	45.0%	45.0%	45.0%	45.0%			45.0%	45.0%	

APPENDIX A

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
PI 24c Planning appeals allowed for other applications (Min)	16.7%	50.0%	50.0%	25.0%	33.3%	↓	↑	33.3%	35.7%	<b>Q4 2016/17 Numerator 2</b> <b>Denominator 6 = 33.3%</b> <b>Cumulative Numerator 5</b> <b>Denominator 14 = 35.7%</b> Volume is very small making targets insignificant. Proposing to merge appeals for 2017/18 monitoring. Annual targets are more meaningful.
	45.0%	45.0%	45.0%	45.0%	45.0%			45.0%	45.0%	
PI 24d Appeals allowed for enforcement notices (Min)	66.7%	.0%	.0%	100.0%	50.0%	↑	↓	28.6%	75.0%	<b>Q4 2016/17 Numerator 1</b> <b>Denominator 2 = 50%</b> <b>Cumulative Numerator 3</b> <b>Denominator 4 = 75.00%</b> Volume is very small making targets insignificant. Will introduce enforcement targets for 2018/19 following Enforcement Plan production in 2017-18.
	30.0%	30.0%	30.0%	30.0%	30.0%			30.0%	30.0%	
PI 26 Net additional homes provided (Max)	ANNUAL PI					↓	↑	554	545	<b>2016/17</b> This is a draft figure which will be verified after the annual survey is report in June 2017.
								580	580	
PI 27 Number of affordable homes delivered (gross) (Max)	ANNUAL PI					↑	↑	115	149	<b>2016/17</b> The Council has exceeded the target of 100 affordable units due to the increase in planning applications. The increase in the number of units for 2016/17 mitigates the lower figures for 2013/14 and 2014/15.
								100	75	

## APPENDIX A

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note	
<b>PI 28</b> CO2 reduction from local authority operations - % reduction	<b>ANNUAL PI</b>					N/A	N/A	8%	<b>NO DATA SEE NOTE</b>	The requests are already in for the energy and fuel data; however like every year we will not have the opportunity to collate the data until June.	
											
								7.6%			8.6%
<b>PI 30</b> Percentage planning applications validated within 5 days (Max)	99%	98%	99%	100%	<b>98%</b>			99%	<b>99%</b>	<b>Q4 2016/17 Numerator</b> 451 <b>Denominator</b> 458 = 98% <b>Cumulative Numerator</b> 1,693 <b>Denominator</b> 1,712 = 99% Excellent work from the team given the amount of applications and recruitment of new staff.	
											
	90%	90%	90%	90%	90%			90%	90%		90%
<b>PI 31</b> Five year supply of ready to develop housing sites (years) (Max)	<b>ANNUAL PI</b>							<b>5.3</b>	<b>5</b>	<b>2016/17</b> This is based on 2016 residential land availability data.	
											
								5.25	5.25		
<b>PI 34</b> Residual household waste per household (Kg) (Min)	<b>ANNUAL PI</b>							<b>405</b>	<b>417</b>	<b>2016/17 Numerator:</b> 16,060 tonnes (total household waste to MBT + contamination from MRF) <b>Denominator:</b> 38,449 (number of domestic properties according to NLPG as at 24th March 2017) This figure is calculated from raw unaudited data. Any revision will be available May/June 2017. A trend for residual waste growth and increased fly tipping has been seen across Essex and nationally, paired with dry recycling contamination rates this has led to waste growth per household.	
											
								387	405		

## APPENDIX A

PI Code & Short Name	Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Short Term Trend	Long Term Trend	2015/16	2016/17	Latest Note
<b>PI 40</b> Number of subscribers to garden waste collection service (Max)	5,041	5,700	6,100	6,178	<b>6,181</b>			5,041	<b>6,181</b>	<b>2016/17</b> 6,181 customers subscribed to the service at end of March 2017.
										
	5,400	5,425	5,450	5,475	5,800			5,400	5,800	
<b>PI 41</b> Percentage of routine food hygiene premises inspections completed within the quarter (Max)	N/A	88%	100%	99%	<b>99%</b>			New PI for 2016/17	<b>96.5%</b>	<b>Q4 2016/17</b> Missed inspection was low risk premises (E rated) based at the airport with limited access. Regular contact is maintained via water sampling programme.
										
		95%	95%	95%	95%				95%	



**Committee:** Performance and Audit

**Agenda Item**

**Date:** 16 May 2016

**10**

**Title:** 2017/18 Performance Indicator Targets

**Author:** Richard Auty, Assistant Director Corporate Services

Item for decision

---

### Summary

1. This report presents the targets for all Key Performance Indicators (KPIs) and Performance Indicators (PIs) for 2017/18.

### Recommendations

2. The committee approves the targets for 2017/18.

### Financial Implications

3. There are no financial implications associated with this report.

### Background Papers

4. None

### Impact

- 5.

Communication/Consultation	None
Community Safety	None
Equalities	None beyond service improvement on the equality and diversity performance indicators
Health and Safety	None beyond service improvement on the health and safety performance indicators
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## Situation

6. Appendix 1 presents the targets for all performance indicators for the forthcoming 2017/18 year. Proposed targets for 2018/19 have also been identified as part of the performance planning cycle.
7. Any proposals to change indicators have been noted in the appendix document with a further explanation for the change noted below in section 14 below.
8. The 2017/18 indicators have been reviewed and agreed by the Corporate Management Team. There are some specific points to draw members' attention to in relation to these:
9. The committee should note that targets for both **KPI 14** and **PI 26** have been set using estimated year end outturn data for 2016/17 at present. Data required to verify final outturn for these indicators is not available until May/June. If these estimated targets subsequently need to be amended members will be advised in future performance management reports.
10. **KPI 08:** The target for this indicator is remaining at 20 days. The reason for this is that performance levels were not being achieved during the early part of 2016/17. As a result the council proactively took more control of contractor performance levels resulting in a positive increase in performance towards the end of the year. This monitoring will continue into 2017/18 to ensure the current proposed target of 20 days is met to then look to further improve this during 2018/19.
11. **KPI 12:** The target for this indicator has been reduced due to various reasons; unpredictable and higher than average sickness absence levels have resulted in delays on decisions being given, implementation of a new pre-application process is yet to be embedded (and is currently being reviewed again) and non-application responsibilities (duty officer etc.) have impacted on resource availability. Planning Officers have therefore requested a target reduction for 2017/18 from 80% to 75%. This is still higher than the Government target of 65%.
12. **PI 28:** The target for this indicator has reduced for a number of reasons; capital budget projects are limited for 2017/18 to gain extensive CO2 reductions unlike previous years, newer buildings in the authority's portfolio present fewer opportunities for reductions to be realised and fleet usage is currently increasing, therefore further limiting opportunities to reduce CO2. Consequently the focus is on achieving smaller scale energy efficiencies during the next two years across estate and operations with a view to re-visiting targets as future opportunities arise.
13. **Changes to indicators:**  
Replace **KPI 15(a)** with **KPI 15(b)** – the new indicator measures the success rate for bin collection rather than the failure rate.

14. Replace **PIs 24a, b and c** with **PI 42**. This indicator will report the percentage of appeals upheld across all types of applications; major, minor and other. Planning Enforcement appeals however will continue to be monitored independently through PI 24d.

## Risk Analysis

15.

Risk	Likelihood	Impact	Mitigating actions
That performance indicators will not meet quarterly/ annual targets	2 – The majority of Performance Indicators perform on or above target	3 – In some areas the risk of not meeting targets could impact on areas such as customer satisfaction and statutory adherence to government led requirements	Performance is monitored by CMT and the committee on a quarterly basis.  Inclusion of five quarters of data helps identify trends.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.



## APPENDIX 1

### 2017-18 KPI and PI Targets



**Key:** \* Cumulatively monitored      **Max** Aim to maximise performance  
 # Quarterly targets profiled      **Min** Aim to minimise performance

#### Key Performance Indicators (KPIs)

PI Code & Short Name	2016/17 Target	2017/18 Original Target	2017/18 Proposed Target	Q1 2017/18 Target	Q2 2017/18 Target	Q3 2017/18 Target	Q4 2017/18 Target	2018/19 Target	Ownership Managed By	Ownership Assigned To
<b>KPI 01</b> Percentage of supplier invoices paid within 30 days of receipt by the Council (Max)	97.00%	98.00%	<b>98.00%</b>	98.00%	98.00%	98.00%	98.00%	<b>98.00%</b>	Emma Horner	Michael Brown
<b>KPI 02</b> Customer satisfaction with services (Max)	76%	76%	<b>76%</b>	76%		76%		<b>76%</b>	Richard Auty	Bruce Tice
<b>KPI 03</b> Percentage of Non-domestic Rates Collected (Max) *	98.50%	98.50%	<b>98.8</b>	29.3	58.75	87.5	98.8	<b>98.8</b>	Sue Ellis	Adrian Marsh
<b>KPI 04</b> Accuracy of processing - HB/CTB claims (Max)	98%	98%	<b>98%</b>	98%	98%	98%	98%	<b>98%</b>	Caroline Saych	Sarah Oxley
<b>KPI 05</b> Percentage of Council Tax collected (Max) *	98.6%	98.6%	<b>98.7</b>	29.5	58.2	86	98.7	<b>98.8</b>	Sue Ellis	Adrian Marsh
<b>KPI 06a</b> Time taken ( <b>Days</b> ) to process Housing Benefit/Council Tax Benefit new claims (Min)	24.0	22.0	<b>22.0</b>	22.0	22.0	22.0	22.0	<b>24.0</b>	Angela Knight	Caroline Saych
<b>KPI 06b</b> Time taken ( <b>Days</b> ) to process Housing Benefit/Council Tax Benefit change events (Min)	9.0	9.0	<b>7.0</b>	7.0	7.0	7.0	7.0	<b>9.0</b>	Angela Knight	Caroline Saych

## APPENDIX 1

PI Code & Short Name	2016/17 Target	2017/18 Original Target	2017/18 Proposed Target	Q1 2017/18 Target	Q2 2017/18 Target	Q3 2017/18 Target	Q4 2017/18 Target	2018/19 Target	Ownership Managed By	Ownership Assigned To
<b>KPI 07 (a)</b> Average number of days lost per employee through short-term sickness absence (Min) *	7.00	7.00	<b>7.0</b>	1.75	3.50	5.25	7.0	<b>7.0</b>	Richard Auty	Claire Croft
<b>KPI 07 (b)</b> Average number of days lost per employee through long-term sickness absence (Min)	45	45	<b>44</b>	44	44	44	44	<b>44</b>	Richard Auty	Claire Croft
<b>KPI 08</b> Average re-let time in days (General Needs only) (Min)	20	18	<b>20</b>	20	20	20	20	<b>18</b>	Bill Golbourn & Judith Snares	Kathleen Sullivan & Housing Management Team Leader
<b>KPI 11</b> Processing of planning applications: Major applications (within 13 weeks or including any agreed extension of time) (Max)	60%	60%	<b>60%</b>	60%	60%	60%	60%	<b>60%</b>	Gordon Glenday	Nigel Brown
<b>KPI 12</b> Processing of planning applications: Minor applications (within 8 weeks or including any agreed extension of time) (Max)	80%	80%	<b>75%</b>	75%	75%	75%	75%	<b>75%</b>	Gordon Glenday	Nigel Brown
<b>KPI 13</b> Processing of planning applications: Other applications (within 8 weeks or including any agreed extension of time) (Max)	82%	82%	<b>82%</b>	82%	82%	82%	82%	<b>82%</b>	Gordon Glenday	Nigel Brown
<b>KPI 14</b> Percentage of household waste sent for reuse, recycling and composting (LAA) (Max) #	52%	53%	<b>53%</b>	51%	55%	51%	50%	<b>54%</b>	Cat Chapman	Danny Johnson
<b>KPI 15 (a)</b> Number of return visits to collect bins that have been missed on the first visit (per 100,000 collections) (Min)	936	936							Cat Chapman	Danny Johnson
<b><i>It is proposed that KPI 15 (a) be replaced with KPI 15 (b) below</i></b>										

## APPENDIX 1

PI Code & Short Name	2016/17 Target	2017/18 Original Target	2017/18 Proposed Target	Q1 2017/18 Target	Q2 2017/18 Target	Q3 2017/18 Target	Q4 2017/18 Target	2018/19 Target	Ownership Managed By	Ownership Assigned To
<b>KPI 15 (b)</b> Percentage of domestic collections of waste and recyclables successfully made on first visit (Max)	N/A	N/A	<b>99.90%</b>	99.90%	99.90%	99.90%	99.90%	<b>99.90%</b>	Cat Chapman	Danny Johnson
<b>KPI 16</b> Rent collected as percentage of rent owed (including arrears b/f) (Max) *	97.00%	97.50%	<b>97.5%</b>	89.5%	94.55%	95.55%	97.5%	<b>97.5%</b>	Sue Ellis	Robert Patterson-Smith
<b>KPI 17</b> Local Council Tax Support Collection Rate (Max)	85%	85%	<b>87%</b>	23%	48%	77%	87%	<b>89%</b>	Sue Ellis	Andy Bannister

### Performance Indicators (PIs)

PI Code & Short Name	2016/17 Target	2017/18 Original Target	2017/18 Proposed Target	Q1 2017/18 Target	Q2 2017/18 Target	Q3 2017/18 Target	Q4 2017/18 Target	2018/19 Target	Ownership Managed By	Ownership Assigned To
<b>PI 02</b> Average time(Days) to pay supplier invoices (Min)	11.0	11.0	<b>11.0</b>	11.0	11.0	11.0	11.0	<b>11.0</b>	Emma Horner	Michael Brown
<b>PI 03</b> Percentage of sundry debt income overdue (debts over 90 days old not subject to a payment agreement) (Min)	4%	4%	<b>4%</b>	4%	4%	4%	4%	<b>4%</b>	Sue Ellis	Andy Bannister
<b>PI 06</b> Percentage of standard searches carried out in 10 working days (Max)	100%	100%	<b>100%</b>	100%	100%	100%	100%	<b>100%</b>	Simon Pugh	Val Rogacs
<b>PI 07</b> The level of achievement attained under the Equality Framework for Local Government (Max)	2	2	<b>2</b>	ANNUAL				<b>3</b>	Fiona Gardiner	Faye Butler
<b>PI 12</b> Housing Benefit (HB) recovered as a percentage of the total amount of recoverable HB overpayments (sundry debtors) (Max)	47%	47%	<b>50%</b>	ANNUAL				<b>50%</b>	Sue Ellis	Andy Bannister

## APPENDIX 1

PI Code & Short Name	2016/17 Target	2017/18 Original Target	2017/18 Proposed Target	Q1 2017/18 Target	Q2 2017/18 Target	Q3 2017/18 Target	Q4 2017/18 Target	2018/19 Target	Ownership Managed By	Ownership Assigned To
<b>PI 16</b> Number of households living in temporary accommodation (CI 19 & NI 156) (Min)	14	14	<b>14</b>	14	14	14	14	<b>14</b>	Judith Snares	Becca Collins
<b>PI 20</b> Percentage of IT help Desk calls resolved within target (Max)	95%	96%	<b>95%</b>	95%	95%	95%	95%	<b>96%</b>	Nicola Wittman	Alan Mose
<b>PI 21</b> Percentage of minutes from meetings made available to the public within 10 working days (Max)	95%	95%	<b>95%</b>	95%	95%	95%	95%	<b>95%</b>	Peter Snow	Rebecca Dobson
<b>PI 22</b> Museum users: Total visitors to the museum building and on-site events (Max) #	13,000	13,000	<b>14,000</b>	3,400	4,000	3,100	3,500	<b>15,000</b>	Richard Auty	Carolyn Wingfield
<b>PI 24d</b> Appeals allowed for enforcement notices (Min)	30%	30%	<b>30%</b>					<b>30%</b>	Gordon Glenday	Nigel Brown
<b>PI 26</b> Net additional homes provided (Max)	580	580	<b>568</b>	ANNUAL				<b>641</b>	Gordon Glenday	Sarah Nicholas
<b>PI 27</b> Number of affordable homes delivered (gross) (Max)	75	100	<b>105</b>	ANNUAL				<b>105</b>	Judith Snares	Justine Richards
<b>PI 28</b> CO2 reduction from local authority operations - Percentage reduction (Min)	8.6%	9.6%	<b>2%</b>	ANNUAL				<b>2%</b>	Gordon Glenday	Mark Wilson
<b>PI 30</b> Percentage planning applications validated within 5 days (Max)	90%	90%	<b>95%</b>	95%	95%	95%	95%	<b>95%</b>	Gordon Glenday	Ann Howells
<b>PI 31</b> Five year supply of ready to develop housing sites (years) (Max)	5.25	5.25	<b>5.25</b>	ANNUAL				<b>5.25</b>	Gordon Glenday	Sarah Nicholas

## APPENDIX 1

PI Code & Short Name	2016/17 Target	2017/18 Original Target	2017/18 Proposed Target	Q1 2017/18 Target	Q2 2017/18 Target	Q3 2017/18 Target	Q4 2017/18 Target	2018/19 Target	Ownership Managed By	Ownership Assigned To
<b>PI 34</b> Residual household waste per household (Kg) (Min)	405	410	<b>410</b>	ANNUAL				<b>415</b>	Cat Chapman	Danny Johnson
<b>PI 40</b> Number of subscribers to the garden waste collection service (Max) #	5,800	6,200	<b>6,400</b>	6,300	6,350	6,400	6,400	<b>6,700</b>	Cat Chapman	Danny Johnson
<b>PI 41</b> Percentage of routine food hygiene premises inspections completed within the quarter (Max)	95%	98%	<b>98%</b>	98%	98%	98%	98%	<b>98%</b>	Roz Millership	Tony Cobden

### Proposed New KPIs and PIs for 2017/18

PI Code & Short Name	2017/18 Target	Q1 2017/18 Target	Q2 2017/18 Target	Q3 2017/18 Target	Q4 2017/18 Target	2018/19 Target	Ownership Managed By	Ownership Assigned To
<b>PI 42</b> Percentage of planning appeals upheld (Min)	<b>30%</b>	30%	30%	30%	30%	<b>30%</b>	Gordon Glenday	Nigel Brown

## APPENDIX 1

### Deleted KPIs and PIs for 2017/18

PI Code & Short Name	
<b>PI 24a</b> Percentage of planning appeals allowed for major applications (Min)	<b>MERGED INTO PI 42 (NEW)</b>
<b>PI 24b</b> Percentage of planning appeals allowed for minor applications (Min)	
<b>PI 24c</b> Percentage of planning appeals allowed for other applications (Min)	