

**PERFORMANCE AND AUDIT COMMITTEE held at COUNCIL OFFICES
LONDON ROAD SAFFRON WALDEN at 7.30 pm on 15 FEBRUARY 2012**

Present: Councillor S Howell – Chairman.
Councillors K Artus, D Crome, A Dean, D Jones, A Ketteridge, E Oliver, E Parr and D Sadler.

Also present: Councillor J Ketteridge (Leader) and Councillor R Chambers (Executive Member – Finance).

Officers in attendance: J Mitchell (Chief Executive), S Bronson (Internal Audit Manager), S Joyce (Assistant Chief Executive – Finance), M Cox (Democratic Services Officer) and A Webb (Director of Corporate Services).

Also Present: Emma Patchett (Audit Commission).

PA35 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor Eden and Debbie Hanson (Audit Commission).

PA36 MINUTES

The minutes of the meeting held on 17 November 2011 were received and signed as a correct record subject to the inclusion of Councillor Crome in the list of apologies for the meeting.

PA37 MATTERS ARISING

(i) Minute PA 33 Quarter 2 Performance 2011/12

Councillor Dean referred to the discussion at the previous meeting concerning the Committee's terms of reference. He reiterated his concern at the Committee's authority to act with independence, and felt this could be compromised when senior executive members and officers regularly attended the meetings. This had not been the practice when he had attended Audit Committees in other organisations. He suggested that it would be useful for members to receive training regarding their specific role on this committee.

The Chairman said that he noted Councillor Dean's comments but he was happy with the existing arrangements and felt that the Performance and Audit Committee was starting to establish a strong independent voice.

PA38 **EXTERNAL AUDIT PROGRESS REPORT**

The Committee received a report from Emma Patchett, Audit Manager (Audit Commission) on the external audit work undertaken to date and the relevant outcomes with the 2010/11 and 2011/12 audits.

The report also updated information on the externalisation of the Audit practice and highlighted key emerging national issues and developments which would have an impact on local government.

PA39 **CERTIFICATION OF CLAIMS AND RETURNS – ANNUAL REPORT**

The Committee noted the final report for the 2010/11 audit. This was the external auditors' findings in respect of the Council's audited claims and returns for 2010/11. All returns had been certified and submitted by the required deadline. No significant issues had been identified; there had only been some minor amendments and one qualification letter in relation to housing benefit grant. The Chairman was pleased to note this successful audit and that as a result there had been a significant reduction in the auditor's fees for the certification work.

The Committee noted the report.

PA40 **ANNUAL AUDIT LETTER**

The Committee received a report which summarised the findings from the 2010/11 Audit as set out in the External Auditor's Annual Letter. This had been reported to members in November 2011 and was now a public document.

Councillor Dean referred to the Value for Money section of the Audit letter and reference to the high (per head) level of expenditure on central services. He asked if there was an explanation for this. Emma Patchett replied that this was one area that had been highlighted for possible savings in the future but there were no issues of concern. The Assistant Chief Executive –Finance added that since the figures had been published 3/4 senior posts had been deleted from the establishment and a number of efficiency projects were underway. The savings would be reflected in the budget papers shortly to be considered by Cabinet and Council.

The Committee noted the report.

PA41 **AUDIT PLAN 2011/12**

The Committee noted the External Auditor's proposed work plan for 2011/12. This covered the audit of accounting statements and Whole Government Accounts, and the audit work to support the value for money conclusion demonstrating that the Council had used its resources economically, efficiently and effectively. The report also included a timetable for the planned work and the key outputs.

The Committee noted the report.

PA42 **INTERNAL AUDIT PROGRESS REPORT**

The Audit Manager updated the Committee on work undertaken by Internal Audit since the last meeting.

Councillor Dean referred to Audit - HR (op05) and asked for a report on the information that would be obtained from the equalities monitoring form that was now proposed to be included in all application packs. The Committee was informed that this data had not previously been collected but the information would now be collated by the HR section. This was part of the work required in relation to the Equalities Standard and the captured information would be available on the Council's website. The Chairman suggested that this information should be assessed before a separate report was requested on this matter.

The Committee noted the report.

PA43 **INTERNAL AUDIT WORK PROGRAMME 2012/13**

Members were given details of the proposed Internal Audit work areas for 2012/13. This was a rolling programme subject to regular review and an agreed programme for the first 6 months would be presented to the next meeting along with the Internal Audit Strategy 2012/13.

RESOLVED that members note the proposed audit work areas for 2012/13.

PA44 **INTERNAL AUDIT ANTI- FRAUD AND CORRUPTION WORK**

The Committee received for information details of the anti fraud and corruption work being undertaken by the Council's Internal Audit section. From April 2010 Internal Audit had assumed responsibility for promoting the Council's anti fraud and corruption policies and developing methods to prevent and counteract this problem. The section had developed new policies and aimed to introduce a

programme of e-learning. The Whistleblowing Policy was due to be reviewed this year.

Internal Audit was also the Council's key contact for the National Fraud Initiative (NFI). This was a data matching exercise which compared data from around 1300 organisations to identify potentially fraudulent claims, errors and overpayments. Members questioned the cost of this exercise, as in 2010/11 it appeared to be greater than the recoverable value of the frauds. It was explained that when this scheme first started it was a new initiative and there were many positive results but over the years there had been diminishing returns as many of the matches had already been checked. However this was still a worthwhile exercise, which also acted as a deterrent because the existence of the scheme was publicised to claimants. The Audit Manager thought that this exercise could also be undertaken locally to match data from within the Authority.

In answer to a question from the Chairman, the meeting was informed that although the Council did not have a Code of Conduct for Officers there was an the induction process where the relevant protocols, policies and acceptable use policies were drawn to the attention of all new employees.

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QUARTER 3 PERFORMANCE 2011/12

The Committee considered the report which set out the key performance indicators and performance indicators for quarter 3 of 2011/12.

As requested at the last meeting the report included a break down of the information included in KPI 02 (customer satisfaction with services). The report explained the background and profile of the Uttlesford Citizens Panel which had been used in this consultation exercise and explained how the data had been captured and analysed and fed into the performance statistics. The Chairman thanked officers for providing this data. It was recognised that there was a degree of subjectivity to the results as replies could well have been given from residents who had not actually used a particular service. There were also a number of services where a high proportion of people had offered no opinion. However, on the whole the information demonstrated that customers were broadly satisfied with the service.

In relation to KPI 14 (percentage of household waste sent for reuse, recycling and compost) the latest figure was 56.86% which put it into the green indicator category. For KPI 15 (number of return visits to collect missed bins) this was still below the target level but was moving in the right direction. Councillor Chambers said that the number of missed bins was still a very small percentage in relation to the number of bins collected and also compared very well to other districts.

With KPI 07 (average number of sick days per employee) as requested at the last meeting, the figures had been broken down to exclude long term sick. On this basis the cumulative figure was 3.73 days, well within the target level.

The Committee would continue to Monitor KPI 11 (processing of major planning applications) and KPI 12 (processing of minor applications) but noted that action was being taken to address the issues.

Councillor Dean drew attention to the performance indicator relating to Housing Benefits. He said that this did not take account of exceptional cases and he was aware of instances where there had been a delay in processing applications. He asked if other performance measures could be considered, particularly now, at a time when the council was looking at its processes in advance of the proposed partnership with Harlow. The Chairman replied that indicator KP1 06 (time to process Housing Benefit/Council Tax Benefit new claims and change events) was performing well and he could see no underlying problems with the service.

The Committee then considered the Performance Indicators.

Councillor Dean said that looking at the report as a whole there appeared to be an upward trend in the number of red indicators and asked if there was an explanation for this. The Assistant Chief Executive - Finance said that this could be attributed partly to a number of new performance indicators. The Chairman commented that the most important measure was not the indicators themselves but the response from the Senior Management Team and the improvements that were being put in place.

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QUARTER 3 CORPORATE AND STRATEGIC RISK REGISTER 2011/12

The Committee considered the Corporate and Strategic Risk Register as at the end of quarter 3, 2011/12. The information was broadly similar to that contained in the previous report.

Councillor Dean referred to risk 12- CR-FIN 01 (insufficient progress against savings) and in this context questioned the progress of the proposed Revenue and Benefits Partnership as he had noted that a number of the recent meetings had been cancelled. The Chief Executive replied that the scheduled meeting on 21 March would take place which would consider a number of issues around the partnership. The reforms to Local Government Finance including the localisation of Council Tax Benefit and Universal Credit were wide ranging and would have significant impact on the Revenues and Benefits service. It had also become clear that the potential IT providers would not be able to supply updated systems in time for the proposed 'go live' date of April 2013. The programme would therefore need to be rescheduled. Discussions were still continuing while the authorities considered the implications of these changes.

Councillor Dean said that the risk register did not reflect this position. The Chairman said that this was a working document and the risks would be looked at and reported to the next meeting. In terms of progress towards efficiency savings, Councillor Chambers said that the Council was ahead of its target and showing year on year savings in the MTFs. He pointed out that there would always be a risk with any new project or partnership.

The meeting ended at 8.40pm.