

**PERFORMANCE AND AUDIT COMMITTEE held at COUNCIL OFFICES
LONDON ROAD SAFFRON WALDEN at 7.30 pm on 17 MAY 2012**

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

Also present: Councillor J Ketteridge (Leader)

Officers in attendance: J Mitchell (Chief Executive), R Auty (Assistant Director
Corporate Services), 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: Debbie Hanson (Audit Commission).

PA1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors D Crome, A Dean and
Emma Patchett (Audit Commission).

PA2 MINUTES

The minutes of the meeting held on 15 February 2012 were received and
signed as a correct record.

PA3 2012/13 REPORTS TIMETABLE

The Committee noted the reports that were expected at each of the
Committee's meetings during 2012/13. Members were assured that this did not
prevent other items coming forward, when appropriate.

PA3 AUDIT COMMISSION PROGRESS REPORT

The Committee received a report from Debbie Hanson, Audit Manager (Audit
Commission) on the external audit work undertaken to date. The 2011/12 Audit
Plan was complete and had been agreed with the Council. The Pre Statement
Audit was also complete and had exposed no significant issues. The risk
survey of ICT had identified it as a low risk area.

The report also gave information on relevant key national interests and
developments.

Debbie Hanson updated the Committee on the externalisation of the audit practice following consultation on the new audit framework in January 2012. The outcome of the procurement exercise to out source the work of the Audit Commission for the next 5 years had been awarded to Ernst and Young. The new regime would start from 1 September 2012, with staff transferring on 1 November 2012. There would be an interim arrangement in place until then but only 2010/11 work would be carried out during that time. The existing auditors would be transferred and continue to work with the Council which should help to ensure continuity. The new arrangements would result in a reduction of £46k in the audit fees for 2012/13.

Councillor Oliver asked whether the reduction in the fees might be at the expense of the quality of the existing service. Debbie Hanson replied that savings had been achieved by a longer contract period, a reduction in the size of the organisation and the type of work carried out; there would be no reduction in planned work for this council.

The Chairman supported the change and was pleased there had would be no reduction in service and that the Council would continue to deal with the existing auditors.

The Assistant Chief Executive – Finance said he and the Internal Audit Manager had recently met staff from Ernst Young and had been encouraged by the new arrangements that were being put in place.

The Committee noted the report.

PA4

INTERNAL AUDIT ANNUAL REPORT AND OPINION 2011/12

The Committee was advised of the work carried out by Internal Audit during 2011/12. All of the audits undertaken had been found to be either adequate or substantial. The report also set out the general position statement on compliance with the CIPFA Code of Practice for Internal Audit. There had been some resourcing issues within the section and the Chairman congratulated the Internal Audit Manager and her team on the work that had been completed during the year.

The Committee noted the report.

PA5

INTERNAL AUDIT PROGRESS REPORT

The Committee was informed of the work undertaken by Internal Audit since the last meeting. All of the audits from 2011/12 would be completed by 31 May 2012. There were no outstanding internal audit recommendations.

The Committee noted the report.

PA6 **ANNUAL GOVERNANCE STATEMENT 2011/12**

The Committee received the Annual Governance statement which was required to be published alongside the published statement of accounts. It updated the previous year's statement to reflect the operation of the Council during 2011/12.

RESOLVED that the draft Governance Statement 2011/12 be approved.

PA7 **PERFORMANCE AND AUDIT COMMITTEE SELF- ASSESSMENT 2011/12**

The meeting was informed that the Chairman of the Committee and the Internal Audit Manager had completed the self assessment of the performance of the committee in fulfilling its audit functions in 2011/12. This was to ensure that it was meeting its responsibilities against the guidelines provided by CIPFA and would be included as evidence in support of the Annual Governance Statement. It was noted that overall the committee had achieved a 92% positive response and the 5 negative areas were not considered to have a critical impact on the Committee's performance. The Chairman told committee members that if they wished to see the full assessment, they were welcome to request it.

PA8 **QUARTER 4 PERFORMANCE 2011/12**

The Committee considered the report which set out the key performance indicators and performance indicators for quarter 4 of 2011/12.

i) Key Performance Indicators

The Committee welcomed the figures for KPI 04 (accuracy of processing HB/CT claims) and KPI 06 (time taken to process HB/CT claims). The figures for Council Tax collection were also of a continuing high level and Members congratulated the Revenue and Benefits team for their fantastic efforts in achieving these results.

KPI 07 (Average number of sickness days per employee, per annum) was still showing a 'red' indicator. The Assistant Director Corporate Services put the figures in the context of recent statistics published by the ONS on average figures for local government sickness absence. This showed the Council only slightly above the average figure and below it if long term sickness was removed. It was noted that the ONS did not provide a national average figure for short-term sick only.

There had been a number of long term health issues within the Council which had an affect on the figures and would require careful monitoring. There was some sign of improvement in the first quarter of this year.

The Chairman was pleased to note the continued improvement under KPI 08 (re let times for general needs void properties requiring minor works).

It was noted that the processing of both major and minor planning applications was still below target. The Chief Executive said that the section was continuing to deal with a considerable back log of work inherited by the new Development Manager. He suggested keeping these indicators under review for a further quarter.

KPI 14 (percentage of household waste sent for reuse, recycling and composting) was slightly below target but it was expected that this would improve with the introduction of the new waste/recycling arrangements.

The Committee was concerned that the number of return visits to collect missed bins (KPI 15) was below the target for the 4th quarter in a row. The Director of Public Services had provided information on the reasons for this which included issues around long term sickness and the accuracy of reporting under the current system. The new vehicles would have an electronic device in the cab to record information at point of collection which should improve the level of reporting.

The Chairman welcomed this information but still felt that the indicator should be flagged up as waste and recycling was the most visible service in the Council and new collection rounds were being introduced in the autumn which could temporarily add to any existing problems. Other members commented that as a percentage of total collections, the number of missed bins was a very small number. The Chairman agreed but as the target had been set, the Council should strive to achieve it and improve performance.

RESOLVED to ask the Cabinet Member for Environment to provide assurance that the issue with missed bins was being addressed and the new system will provide a clear policy for achieving the target within the new collection arrangements.

ii) Performance indicators

The Assistant Director Corporate Services updated the Committee on PI13 (% non decent homes) this figure was 46 properties, 4 away from the target.

It was confirmed that although the figures had not reduced this quarter, indicator PI 09 (annual reduction in business mileage), was still being pursued. Recent changes to the essential user allowance had led to an increase in claims from staff who had not previously claimed mileage.

In relation to PI 14 (numbers presenting as homeless) and PI 16 (no of households living in temporary accommodation), the figures had increased. The Committee commented that this was indicative of the current economic situation, and whilst a useful statistic could not be controlled by the council. Debbie Hanson suggested including prevention as an additional measure for this area. Members questioned if there were sufficient internal resources to cope with the increasing numbers of homeless cases. The Chief Executive hoped that the recent restructuring of Housing Services would help but if this became a developing issue additional resourcing might have to be considered.

PA9 **Q4 CORPORATE RISK REGISTER**

The Assistant Director Corporate Services presented the Corporate Risk Register as at the end of Q4. The Chief Executive assured members that the council's corporate risks were still regularly reviewed.

The committee noted the report.

PA10 **URGENT ITEM – ANNUAL REPORT**

The Committee was required to produce an annual report on its activities to Full Council and the Chairman confirmed that he would present a report to the July Council meeting.

The meeting ended at 8.30pm.