

**PERFORMANCE AND AUDIT COMMITTEE held at COUNCIL OFFICES
LONDON ROAD SAFFRON WALDEN at 7.30 pm on 12 FEBRUARY
2013**

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

Also present: Councillors J Ketteridge and R Chambers.

Officers in attendance: R Auty (Assistant Director Corporate Services), S Bronson (Internal Audit Manager), M Cox (Democratic Services Officer), M Leong (Internal auditor), S Joyce (Assistant Chief Executive – Finance) and R Harborough (Director of Public Services).

Also present:- Emma Patchett - Auditor (Ernst & Young LLP).

PA38 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors D Crome, A Dean, K Eden and A Ketteridge.

Councillor Chambers declared a non-pecuniary interest as a member of ECC and the Essex Police Authority.

PA39 MINUTES

The minutes of the meeting held on 22 November 2012 were signed by the Chairman as a correct record.

PA40 LOCAL GOVERNMENT SECTOR UPDATE – AUDIT COMMITTEE BRIEFING

The Committee received an Audit Committee briefing report prepared by Ernst and Young. This would be submitted to each future meeting, replacing the previous Audit Commission progress reports, and was intended to highlight issues which might have an impact on Audit Committees.

In relation to improving Local Government transparency, the Chairman said he welcomed further regulations in relation to the publication of financial information. Uttlesford had been proactive in this area, being one

of the 1st Councils to publish expenditure over £500 on the website and now expenditure over £250. The new requirements would include contracts, grants etc and would in due course be available at one place on the website.

The Committee noted the report.

PA41 ANNUAL AUDIT FEE LETTER 2012/13

The Committee received a copy of a letter that had been sent to the Chief Executive in December 2012, which confirmed the audit work proposed by Ernst and Young for the 2012/13 financial year and the corresponding audit fee. Members were pleased to note the reduction on the previous year's fee as a result of the outsourcing to an external supplier.

The report was noted.

PA42 2012/13 AUDIT PLAN

The Committee received the Audit Plan 2012/13 which set out how Ernst and Young intended to carry out its responsibilities as Auditor. The plan would cover the audit opinion of the Council's financial position as at March 2013 and a statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness. It also considered an assessment of the key risks and outlined the planned audit strategy in response to those risks.

The External Audit Manager said that the Council would find most of the processes broadly familiar under the new audit arrangements. There would be some changes, for example the use of computer based analytics tools to capture whole population financial data, the results of which would be reported to the Committee.

In relation to Localisation of Business Rates, one of the identified risks, the Chairman asked about proposals to pool rate income with other Essex Authorities. The Assistant Chief Executive – Finance explained that this had considered by the Essex Chief Financial Officers but at the moment the business case had not been. The issue would be looked at it again in the coming year.

The Assistant Chief Executive – Finance confirmed that the proposed Audit Plan covered the correct issues in a proportionate way.

The Committee noted the report.

PA43 **INTERNAL AUDIT PROGRESS REPORT**

The Committee received a report from the Audit Manager on the audit work undertaken since the last meeting. The section was making good progress against its work plan, currently concentrating on the key financial workin line with the External Audit requirements.

The Assistant Chief Executive – Finance noted that the change of external auditor would have implications for Internal Audit and the statement of accounts audit, due to a differing audit approach.

The report was noted.

PA44 **INTERNAL AUDIT WORK PROGRAMME 2013/14**

The Internal Audit Manager presented a report on the proposed Internal Audit work areas for 2013/14. This was now in the form of a rolling work programme of risk based internal audit work which aimed to meet changing requirements and resources during the year. The programme would be subject to review and would reflect External Audits' Key areas.

The proposed work areas for 2013/14 were noted.

PA45 **PA16 QUARTER 3 PERFORMANCE 2012/13**

The Committee considered the report which set out the key performance indicators and performance indicators for Q3 of 2012/13. Members noted a trend toward more amber indication in some areas, but in many cases this could be attributed to the introduction of new, more challenging performance targets.

i) KPI03 – Percentage of non-domestic rates collected

The percentage collection rate was down on the same quarter last year. It was explained that this was due to an on-going problem with collection from a large company in the District. The Assistant Chief Executive – Finance said that this would not affect the Council's Budget position because the Council only collected the rates on behalf of the Government and when excluding this issue, the performance in this area would be at target level.

ii) KP04 - Accuracy of processing HB/CTB claims

The Committee was pleased to note that the performance in this area had improved since the previous year and was the 2nd best performance to date, just below a new target of 99%.

iii) KP109 Number of accidents that are reportable under Riddor

The Committee was concerned that there had been two reportable accidents in this period. This matter had been taken seriously and was being addressed by the Corporate Management Team.

iv) KPI14 percentage of household waste sent for reuse recycling and composting

The statistics for Q3 were circulated. There had been a reduction in performance due to there being no garden waste collection and only one kerbside collection of recyclables in December. This performance was expected to improve in Quarter 4.

v) KPI 11,12,13,15 and PI 30 - Processing of Planning Applications

The Chairman thanked the Assistant Director Planning and Building Control for the information he had submitted regarding the quarter 3 performance. The figures had been broken down by month and had shown a steady improved performance for all indicators. The Assistant Director would be attending the next meeting of the Committee to report progress on Q4 performance.

vi) KPI 15 – Number of return visits to collect missed bins

It was noted that the number of missed bins for this quarter had decreased from 132 to 127 per 100,000 collections (target 50).

The Director of Public Services had submitted a paper on progress made since the last meeting regarding the new collection system. A detailed investigation had revealed complex issues around the underperformance but the most effective intervention had now been identified. The introduction of the in cab technology had slipped slightly due to the requirement to carry out a full tender exercise. In response to the health and safety issues, the Management Team had ensured that procedures were in place to ensure safe working practices and it was confirmed that any non-compliance with safe systems of work would be a serious disciplinary offence.

The Chairman said that he recognised the challenges of implementing a new collection system and he could see the management's efforts in this area, but as this was a high profile service it was important to see an on-going improvement. He asked the Director of Public Services to attend the next meeting of the Committee to report on the Quarter 4 performance.

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CORPORATE RISK REGISTER

The Assistant Director Corporate Services presented the Corporate Risk Register as at the end of Q3 2012/13.

It was noted that a new register would be created to reflect the risks in the new Corporate Plan and later in the year it would be this new register that the Committee would be reviewing.

In relation to no.12 – risk of adverse impact from reform of council tax benefits, Councillor Chambers said that the Council was very aware of the risk involved in this area and had made appropriate provision.

The meeting ended at 8.20pm.