

**PERFORMANCE AND AUDIT COMMITTEE held at COUNCIL OFFICES  
LONDON ROAD SAFFRON WALDEN at 7.30 pm on 13 FEBRUARY  
2014**

Present: Councillor S Howell – Chairman.  
Councillors M Felton, A Ketteridge, E Parr and J Parry.

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

Also present from Ernst & Young LLP – Debbie Hanson (Audit Director), Jo Wardle (Audit Manager).

**PA27 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillors K Artus, K Eden, D Jones, E Oliver and D Sadler.

**PA28 MINUTES**

The minutes of the meeting held on 21 November 2013 were signed by the Chairman as a correct record.

**PA29 BUSINESS ARISING**

**i) Minute PA20 – Annual Audit Letter**

The Audit Director explained that legal processes around dealing with the objection had taken longer than anticipated but it was expected that the 2012/13 Audit Certificate would be issued shortly.

**ii) Minute PA26 Corporate Risk Item**

The Assistant Chief Executive – Finance said the reported risk had been resolved and removed from the Corporate Risk Register.

**PA30 EXTERNAL AUDIT PROGRESS REPORT**

The Audit Director presented the report which set out the work that External Audit had undertaken since the last committee meeting, and gave an overview of the stage that had been reached with the 2013/14 Audit.

She explained that work that was still ongoing with the 2012/13 housing benefit claim. The council's incomplete benefit claim had been reported to DWP at the end of November 2013. The initial testing of 20 cases from each headline cell had identified errors and as a result testing of a further 40 cases had been undertaken by the council. This had now been completed, but on re-performing a sample of the work some further queries had arisen. These were currently being discussed with council officers, and it was therefore not yet possible to issue the grant certification as planned.

She put into context that the housing benefit claim was very complex and in 2012/13 all districts had been dealing with more involved cases. An increase in the number of errors was not uncommon, but Uttlesford had a higher rate than other authorities, and had seen an increase on the previous year in the number of areas of testing.

She explained that the individual errors were in themselves small, but the DWP required anything above £1 to be reported. A sample of 40 was very small in comparison with the total population of cases, but a small error on an individual case could result in a large extrapolated error.

She had discussed with the council's management team how best to move forward and was liaising with the Assistant Chief Executive – Finance regarding the most effective way of completing the testing work as this would have an impact on the workload of the section.

The Assistant Chief Executive – Finance said that errors should not be made. The service was under pressure, as the additional testing was diverting staff away from the day to day administration of the service but the issues would be resolved.

The audit queries had highlighted the need to improve the robustness of quality control and the way that information was documented. He had arranged for an independent person to review the council's procedures in these areas. It was expected that the testing would be completed by 18 March 2014. Progress would be reported to the next meeting.

The report was noted.

PA31

## **EXTERNAL AUDIT PLAN**

The Audit Director presented the report which set out how external audit proposed to provide the audit opinion on the council's financial position and statutory conclusion on the council's arrangements to secure economy efficiency and effectiveness.

In relation to the financial statements, the report summarised the key strategic and operational risks in the audit and the intended response to these risks. In relation to value for money no significant risks had been identified but she highlighted 3 main areas of focus.

The report was noted.

**PA32 INTERNAL AUDIT PROGRESS REPORT**

The Committee received a report on the work undertaken by Internal Audit since the last meeting. Members noted the 2013/14 audits proposed to be carried over to 2014/15.

**PA33 INTERNAL AUDIT WORK PROGRAMME 2014/15**

The Audit Manager presented a report on the proposed Internal Audit work areas for 2014/15. Members were reminded that the work of Internal Audit was now governed by the Public Sector Internal Audit Standards (PSIAS) which required a risk based plan to be approved by CMT and the this committee (acting as the Board).

The report highlighted the requirement for the committee's Self-Assessment of Good Practice exercise. The Chairman said that he would like all members of the committee to be involved in the process this year. There was new CIPFA guidance to facilitate this process which included a useful check list, which the Chairman asked to be sent to all members of the committee.

RESOLVED that the Committee approve the proposed Internal Audit areas for 2014/15.

**PA34 INTERNAL AUDIT ANTI FRAUD AND CORRUPTION WORK**

The Audit Manager presented a report on the anti-fraud and corruption work being undertaken by the Council's Internal Audit Section. The section was responsible for promoting the Council's Anti -Fraud and corruption policies to raise internal awareness, which included fraud and bribery risk assessments, and introducing e- learning training on fraud awareness and whistleblowing for staff and members.

In 2013 assessments that had been undertaken of the Council's current level of counter fraud activities. As a result 18 recommendations had been agreed by the council's management team. It was agreed that a copy of the recommendations be circulated to members of the committee.

In answer to a question, the Audit Manager explained the council's policy in respect of whistleblowing, and confirmed that there had been few reported instances.

In relation to a question about Procurement Fraud, the Assistant Chief Executive – Finance explained that the council had in place vigorous procedures in relation to procurement which would afford little opportunity for abuse. The Audit Manager added that the council conducted an annual audit of contract and procedures.

The report was noted.

PA35

### **QUARTER 3 PERFORMANCE 2013/14**

The Committee considered the report which set out the key performance indicators and performance indicators for Q3 of 2013/14. It was noted that these were the best performance results for some time,

The Chairman pointed to the significant improvement over the last 12 months in KPI 11, 12 and 13 relating the processing and determining of planning applications. He asked for the committee's thanks be passed to the Assistant Director Planning and Building Control and his team. The performance improvement was particularly commendable given the increasing number and complexity of planning applications being received.

The confirmed figure for PI 14 (percentage of household waste sent for re-use recycling and composting) was 51.91%. In relation to KP1 15 (number of return visits to collect bins that have been missed on the first visit) there had been a significant improvement this quarter and the indicator was close to being green. It appeared that the management changes were having an effect, and he hoped that this trend would continue.

Under, KPI 09 (number of accidents reportable under RIDDOR), the Chairman commented that the 3 quarters of 2013/14 had shown 1, 4 and 2 cases respectively. He asked for an explanation of this trend, as this indicator had been consistently green for the last 2 years. Officers explained that there were particular circumstances around these cases. It was also noted that improved reporting procedures would have an impact on the figures.

At the last meeting the committee had asked for further information on the level of housing rent collection. In response members were advised of 2 current management level indicators – HSG19, which showed rent collected as a percentage of rent owed and HSG20 showed current arrears as a percentage of the annual rent debit. The Committee felt that

HSG19 would provide the necessary information on rent collection performance. It was therefore AGREED that indicator KPI 10 be replaced with HSG19 in future performance reports.

In response to questions at the last meeting from Councillor Jones, the report included an appendix which explained why some of the performance targets had been adjusted for 2013/14 and might appear easier to achieve. Members were satisfied with the explanations provided.

A report on the use of high visibility PPE had also been provided, which the Chairman said he found both helpful and reassuring.

PA36

### **CORPORATE RISK REGISTER**

The Assistant Director Corporate Services presented the Corporate Risk Register as at the end of Q3 2013/14 and explained the changes since the last report.

In relation to risk13 - CR 05 (Ensure high quality of recyclable material is maintained) members were informed that officers were in discussion with the recycling operative regarding the terms of the contract.

The Risk Register for 2014/15 would be considered at the upcoming Cabinet and Council meetings.

The meeting ended at 8.15 pm.

## **ACTION POINTS**

Minute PA30	The Assistant Chief Executive – Finance to report progress on the Housing Benefit claim to the next meeting.
Minute PA33	The relevant part of the CIPFA – Audit Committees Practical Guidance for Local Authorities, self- Assessment of good practice exercise be circulated to the members of Committee.
Minute 34	Circulate to committee members the 18 recommendations that had been agreed by the Council's Management Team
Minute PA35	KPI 10 to be replaced with HSG19 in future performance reports.