

**PERFORMANCE AND AUDIT COMMITTEE held at COUNCIL OFFICES
LONDON ROAD SAFFRON WALDEN at 7.30 pm on 12 FEBRUARY
2015**

Present: Councillor S Howell – Chairman.
Councillors K Artus, A Dean, M Felton, M Foley, D Jones, E
Oliver and J Parry.

Also present: Councillor H Rolfe (Leader)

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

Also present from EY – Jo Wardle (Audit Manager).

PA39 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors K Eden and D
Sadler.

The Chairman declared a non-pecuniary interest in that his wife had
purchased a sheep from the Audit Manager's husband.

PA40 MINUTES

The minutes of the meeting held on 20 November 2014 were signed by
the Chairman as a correct record.

PA41 AUDIT COMMITTEE BRIEFING

The External Audit Manager presented the Audit Committee briefing which
set out areas of interest that might have an impact on local authorities.

She highlighted a major change in relation to the audit deadline, which
from the 2017/18 accounts would be brought forward to 31 July, which
would be more in line with other public bodies. As a result the deadline for
officers to submit the accounts to the external auditors would be 31 May.
The Assistant Director said this was a major change and would require
early planning to identify pinch points and manage the tighter timescale.

Councillor Dean asked if the committee was intending to carry out the Self-Assessment of Good Practice exercise before the end of the council year. It was agreed that the Audit Manager would circulate possible dates for this meeting to all members of the committee.

The committee noted the report.

PA42

CERTIFICATION OF CLAIMS AND ANNUAL REPORT 2013/14

The External Audit Manager presented the report which summarised the results of the council's 2013/14 claims and returns and set out the fees for the work undertaken. The certification involved undertaking prescribed tests which were designed to give assurance that the claims and returns had been fairly stated. The Committee was advised that the Auditors had issued a qualification letter for Housing Benefits which detailed a number of issues.

A number of recommendations had been made after last year's audit. However, due to the late completion of the audit the council had little time to address these before the 2013/14 benefit year was complete. Work to address the improvements had commenced in January 2014. Members were informed that the assessment of benefit claims was a large complicated area, with considerable amount of checking was required by council staff. This year the work had commenced earlier, had been completed on time and the results were much improved from the previous year.

The Assistant Director Finance outlined the controls that had been put in place for improvements going forward, which included a new team structure, and increased training. There was a change in focus of work to quality control and accuracy checking. An external consultant, had been engaged for the pre audit work.

Councillor Dean said that two years ago the refund to DWP had been £212k. The latest figure was £175k, which was an improvement but there was still some way to go. He questioned the employment of someone to check the work of other staff, when he thought the council should be striving for 'get it right first time'. The Chairman replied that in this case it was important to have a peer review due to the massively complex calculations involved.

The Director of Finance and Corporate Services explained that benefits claims were becoming more complicated, with a significant number of claimants now working or self-employed. In addition the Government was

regularly changing the rules. He said the purpose of peer review was to help to find errors at an early stage in the process.

In answer to a question, members were informed that other councils were in a similar position and it was very unusual to get an unqualified claim for benefits. The Assistant Director Finance confirmed that regular progress reports would be presented to the committee.

The Chairman said that the council appeared to be moving in the right direction in a systematic way and he hoped to see improvements in the autumn.

The report was noted.

PA43 INTERNAL AUDIT PROGRESS REPORT

The committee considered the report on work undertaken by Internal Audit since the last report to the committee on 20 November 2014, and an update on implemented and outstanding internal audit recommendations.

PA44 INTERNAL AUDIT WORK PROGRAMME 2015/16

The Audit Manager outlined the proposed internal audit work areas for 2015/16. The programme was based on a methodology adopted in 2011/12 of a rolling programme of risk based internal audit work to meet requirements and resources during the year.

Councillor Oliver hoped that potential new audits that fell outside the rolling programme would not be missed. The Chairman said he was happy with the approach taken and was satisfied that this was an appropriate list.

In answer to a question, it was confirmed that an audit on the Parking Partnership would be completed shortly. Members asked for audits of two areas of current interest, S106 obligations and electoral registration, to be brought forward in the programme. The Audit Manager said she would look to see how this might be accommodated.

RESOLVED that the proposed Internal Audit Work areas for 2015/16 be approved and the Internal Audit Manager consider adding the additional areas of electoral registration and section 106 obligations.

PA45

INTERNAL AUDIT CHARTER

The committee received the revised Internal Audit Charter. The production and regular update of this document was one of the requirements of the UK Public Sector Internal Audit Standards (PSIAS) which governed the work of internal audit.

The report set out the main revisions which were now required to be presented to the senior management team and this committee (acting as the Board). Councillor Dean said this was an important area for the committee to understand and suggested that the Charter should be an early agenda item for the new committee after May 2015.

PA46

QUARTER 3 PERFORMANCE 2014-15

The committee considered a report on the 2014/15 Quarter 3 results for the key performance indicators and performance indicators. The committee made comments in the following areas:

- i) KPI 07 – Average number of sickness days per employee per annum

Members were disappointed that this target had not been met for the last 4 quarters. Councillor Dean asked whether it was sensible to retain this target if it wasn't likely to be achieved. Also, as the figures were skewed by a number of long term sickness cases, he asked whether there was a case for excluding these from the figures.

The Assistant Director Corporate Services said this was a challenging target, but it had been achieved in the past and was something the council should aspire to. This issue had been considered by CMT and new procedures were being put place and it would continue to be reviewed.

- ii) KPI09 – Number of accidents reportable under RIDDOR

The Chairman said he was disappointed that there had been another reportable case.

- iii) KP11 – Processing of major Planning applications

It was noted that the target had not been achieved this quarter. The Chief Executive said it had been a very busy period with some staff sickness, but currently the district was under huge pressure for development and there were a large number of major applications coming forward. This area would need to be kept under review.

- iv) KPI 14 – Percentage of household waste sent for reuse recycling and composting

The Chairman reiterated his concern raised at the previous meeting, that the amount of recycled material collected was not a higher percentage. Members of the committee said that their personal experience was that they only sent a small amount of waste to landfill but this was clearly not the case throughout the district.

Councillor Rolfe said the council should try to address this area with education and initiatives. The Assistant Director Corporate Services said he had already held an initial discussion with the Street Services Operations Manager and a communications plan was being developed.

PA47

QUARTER 2 CORPORATE RISK REGISTER 2014/15

The committee considered a report on the Corporate Risk Register as at the end of the third quarter of 2014/15.

- i) 14-CR 04 Local Plan

Councillor Dean had expected that following the Inspector's decision this risk traffic light should be shown as a red given that there was not likely to be a Local Plan in place for the next 2 years. He was advised that the indicator was a measure of the action taken to mitigate the risk and that the councils had set out a programme for moving forward for the preparation of the new plan.

PA48

LAST MEETING

The Chairman said this was the last meeting of the committee for this council term. He thanked all the officers involved for their help and assistance over the last 4 years. He said he had enjoyed chairing the committee and thanked members for the robust and interesting exchanges. In turn, Councillor Dean thanked Councillor Howell for all his work as Chairman of the Committee.

The External Audit Manager advised that the new Audit Plan would be prepared before the committee was next likely to meet. It was agreed that the Assistant Director Corporate Services would circulate the Plan to committee members and collate any comments.

The meeting ended at 8.55 pm.

ACTION POINTS

Minute PA41	The Audit Manager to circulate dates for the audit self-assessment meeting
Minute PA44	The Audit Manager to consider adding 106 agreements and electoral registration to the 2015/16 audit programme
Minute PA45	The Assistant Director Corporate Services arrange for the Audit Charter to be included on the agenda for the first meeting of the new committee.
Minute PA46	When prepared, the Assistant Director Corporate Services to circulate to committee members plans for recycling promotion.
Minute PA48	The Assistant Director Corporate Services to circulate the new Audit Plan to members and collate member's comments.