

PERFORMANCE AND AUDIT COMMITTEE MEETING held at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN on 11 FEBRUARY 2016 at 7.30pm

Present: Councillor E Oliver – Chairman
Councillors G Barker, D Jones, N Hargreaves, B Light and J Loughlin.

Also present: Councillor S Howell (Cabinet member for Finance) and Councillor H Rolfe (Leader of the Council).
EY - Jo Wardle (Audit Manager) and Mark Hodgson (Audit Director).

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

PA29 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Gordon

Councillor Jones declared a non- pecuniary interest, as he was a member of the Essex Pension Fund.

PA30 MINUTES

The minutes of the meeting held on 19 November 2016 were received and signed by the Chairman as a correct record.

PA31 MATTERS ARISING

Councillor Light said that a meeting of the Community Engagement Member working group had not yet been arranged. It was understood that Councillor Ranger, Chairman of the Constitution Working Group would be convening a meeting and officers agreed to find out whether any progress had been made on this matter.

PA32 AUDIT PLAN 2015/16

Mark Hodgson presented the Audit Plan, which set out the approach and scope for the 2015/16 Audit. The initial assessment had identified 2 key financial risks, although these were common to all local authorities. The other financial risks were not key and no risks had been identified at this stage in relation to the Value for Money Statement.

Members discussed the issue of materiality. At this stage EY had determined the overall materiality for the financial statement of the council at £1.060m based on 2% gross operating expenditure, and they would communicate to

the council any uncorrected audit misstatements greater than £0.053m. Members commented that this figure was relatively high but it was explained that any lowering of this figure would have an impact on the Audit fees.

Councillor Hargreaves asked whether the external Auditors would look at the correct allocation of costs to internal budget heads, as this was a major element of the local plan expenditure. The External Audit Manager said that she would look at the allocation of central service costs across the authority, but the internal coding to budget heads was very detailed and beyond the scope of the external audit.

The Director of Finance and Corporate Services said he expected that members would be requesting the Local Plan spend figure at the end of the financial year. He would provide this information and ask Internal Audit to check these figures.

In answer to a question, it was explained that the audit fee had reduced over the last few years because it had been subsidised by reserves that were still held by the National Audit Office. These had been now been spend but and the fees had been frozen for 2016/17. For 2017/18 the council was required to re- tender for its external audit and the fee would negotiated at that time.

The report was noted.

PA33

CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2014-15

The committee received a report, which summarised the results of the work on the council's claims and returns for 2014/15.

A qualification letter had been issued in respect of the Housing Benefit Claim but good progress had been made in this area compared to the previous year. The appropriate resources and systems were now in place, which had led to a significant reduction in the number of errors identified and the halving of the audit fee. Although this was an extremely complex area, and there was no materiality for Housing Benefit claims, it was still hoped that further improvement could be made.

The report was noted.

PA34

INTERNAL AUDIT PROGRESS REPORT

The Audit Manager presented the report, which detailed the work undertaken by Internal Audit from 19 November 2015 to 29 January 2016.

Members noted the report and in response to a question were given information on the scope of the Electoral Registration and Elections audits.

The report was noted.

PA35

INTERNAL AUDIT WORK PROGRAMME 2016 -17

The committee received details of the proposed internal Audit work areas for 2016/17. This was a rolling programme, which was approved by the senior management team and subject to regular review.

Councillor Hargreaves asked if the Local Plan was on the list for future audits, in particular to consider the allocation of internal costs. The Audit Manager said the Local Plan was included on the list, but it a date hadn't yet been allocated as it was usual for an the audit to take place at the end of the process.

The report was noted.

PA36

QUARTER 3 PERFORMANCE 2015/16

The committee considered a report presenting the Q3 results for all quarterly-reported Key Performance Indicators and Performance Indicators. The committee was pleased with the good set of results this quarter.

- i) KPI14- percentage of household waste sent for reuse recycling and compost

The figure for Q3 was 50.91% slightly down on the previous quarters. The Street Services Operations Manager attended the committee for this item and answered Members' questions. She explained that this reduction was partly due to contamination, but there was a general national downward trend. Members felt there was a certain amount of recycling fatigue and the regular change in the accepted materials was confusing for residents. The Recycling Manager said there would be a targeted campaign for the poorly performing areas.

Councillor Hargreaves had asked a question regarding the number of incidents where refuse vehicles had damaged buildings, pavements, or roads and the committee was advised of the number of insurance claims that had been made against the council. In addition, there would be some unreported incidents and it appeared that ECC did not generally pursue damage to footways or roads. Members felt that there should be procedures in place to avoid these incidents. The Recycling Manager said this area was being addressed by better induction and training of drivers, particularly the agency staff. There had been no insurance claims so far this year. It was also noted that the number of incidents was very small compared with the number of miles travelled.

PI16 – No of household living in temporary accommodation

Councillor Light asked whether a specific fund had been set up for the future housing of refugees in the district. It was explained that the refugees were likely to be housed in temporary accommodation but the costs would be covered by housing benefit.

PA37

QUARTER 3 CORPORATE RISK REGISTER 2015/16

The committee considered a report presenting the Corporate Risk Register as at the end of quarter 3 2015/16.

Councillor Light mentioned that most of the risks were showing either amber or red. She was advised that this was to be expected as these were the council's most serious risks and there were increasing pressures on the authority. A number of the risks came from external factors that were outside the council's control, but the most important thing was that there were appropriate mitigation measures in place. The risk register was debated regularly by the council's management team.

PA38

CHAIRMAN'S URGENT ITEMS

The Chairman said that members would be contacted shortly about a date for the committee's self-assessment meeting in April.

The meeting ended at 8.35pm.

ACTION POINTS

Minute PA31 Matters Arising	The Assistant Director Corporate Services to speak to Councillor Ranger about arranging a meeting of the Community Engagement Member Working Group.
Minute PA32 Audit Plan 2015/16	The Director of Finance and Corporate Services to provide Members with a figure for Local Plan expenditure at the end of the financial year.
Minute PA 38 Urgent Items	The Audit Manger to circulate dates for the Self-Assessment meeting.