

**GOVERNANCE, AUDIT AND PERFORMANCE COMMITTEE held at
COMMITTEE ROOM - COUNCIL OFFICES, LONDON ROAD, SAFFRON
WALDEN, ESSEX CB11 4ER, on THURSDAY, 7 FEBRUARY 2019 at 7.30 pm**

Present: Councillor E Oliver (Chairman)
Councillors J Davey, J Gordon, D Jones, G LeCount, B Light and G Sell.

Officers in
attendance:

R Auty (Assistant Director - Corporate Services), S Bronson (Audit Manager), P Evans (Customer Services & Performance Manager), B Ferguson (Democratic Services Officer), Angela Knight (Assistant Director – Resources), Oliver Knight (PFI & Performance Officer) and A Webb (Director – Finance and Corporate Services).

Also Present: David Eagles (BDO), Councillor S Howell (Cabinet Member for Finance and Administration) and Councillor H Rolfe (Leader of the Council).

GAP33 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors G Barker and Hargreaves.

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

GAP34 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 15 November 2018 were signed and approved as a correct record.

GAP35 AUDIT PLAN

Mr Eagles presented BDO's Audit Planning report, which provided Members the opportunity to review BDO's proposed approach to the 2019/20 audit. He said a risk based audit would be carried out on the Council's group accounts and highlighted key audit risks, such as forthcoming changes to funding and business rates retention.

In response to a Member question, Mr Eagles said the plan in front of Members was thorough and focused on identifying risk. With such a risk focused approach he hoped any significant problems would be identified at an early stage.

In answer to a Member question, Mr Eagles said BDO had much experience in auditing local authorities, and worked with a large number in Essex and neighbouring counties.

In response to a Member question asking whether BDO would apply the same audit process to the Council and its commercial subsidiary, Aspire, Mr Eagles said whilst commercial and government institutions adhered to separate regulations, the fundamental auditing approach was the same. He added that it was now the norm for local authorities to have some form of commercial interest.

The Chairman thanked Mr Eagles for attending.

GAP36 BENEFITS SUBSIDY AUDIT 2017/18

The Assistant Director - Resources presented the report on the Benefit Subsidy Audit for 2017/18. She said the proactive work of the Benefits team had led to efficient and accurate work processes and this was the second year running that the Council had retained its Local Authority Error/Admin Delay subsidy income. She highlighted the extremely low error rate which had led to the subsidy being awarded in full.

The Committee congratulated the Benefits team for their excellent work.

GAP37 INTERNAL AUDIT PROGRESS REPORT, 01 NOVEMBER 2018 TO 31 JANUARY 2019

The Audit Manager presented a report which summarised the work undertaken by Internal Audit since the 15 November 2018, and provided an update on implemented and outstanding audit recommendations.

The Internal Audit Manager said resources had been limited by the implementation of the new Data Protection Act, as well as by staff sickness and absence, although steps were being taken to bring in external resource and recruit to the vacant post. Due to stretched resources, she said the Work Programme would not be completed by 31 March 2019, although she aimed to have this completed by 30 June. An overall audit opinion would then be presented to Committee at its meeting in July.

In response to a Member question, the Internal Audit Manager said she was optimistic about filling the current vacancy.

GAP38 INTERNAL AUDIT COUNTER FRAUD & CORRUPTION WORK

The Audit Manager presented the report summarising the counter fraud and corruption work undertaken by the Council's Internal Audit section. Members were informed that the Counter Fraud Strategy and Policies were being updated and were currently being reviewed by the Corporate Management Team. These would be presented to the Committee at a future meeting.

Members were also informed of the National Fraud Initiative (NFI) whereby data matching exercises are coordinated by the Cabinet Office to identify potential fraud, error and overpayments. The Council participates in two NFI exercises: the annual Council Tax Single Person Discount exercise, and the main NFI exercise which takes place every two years.

In response to a Member question regarding the workings of the NFI exercise, the Audit Manager said information from over 1,200 organisations was submitted to the Cabinet Office, such as student loans, council tax and benefit records, which was then analysed with a view to detecting fraud. Individual organisations were then alerted to any cases in which potential fraud had been detected, and would be responsible for investigating and confirming whether real fraud had been committed. The Council was not obligated to investigate these matches, although it was considered necessary practice.

In response to a Member question regarding Council Tax Single Person Discount, the Audit Manager said it was the responsibility of the individual to ensure they were paying the correct council tax and not committing fraud inadvertently.

Councillor Light said only four cases of fraud and two cases of error were found from the 1274 potential fraud matches returned by the Cabinet Office. She asked whether a criteria was used to prioritise the investigation of these matches.

The Audit Manager said a risk assessment was used to narrow down the number of matches received. These would then be passed to service departments who were responsible for ascertaining whether fraud or errors had taken place.

In response to a Member request, the Audit Manager said she would find out the percentage of households in Uttlesford which claimed Council Tax Single Person Discount.

In response to a Member question, Mr Eagles said whilst auditors recognised the resource limitations faced by local authorities, high risk fraud should be investigated and was in line with best practice.

GAP39 2018/19 QUARTER 3 KPI AND PI PERFORMANCE

The Customer Services & Performance Manager introduced Oliver Knight as the newly appointed PFI & Performance Officer. She said the additional resource would help in establishing a proactive approach to performance management as there would be more time to put projects and reviews in place, as well provide the capacity to work closely with service managers.

Members were informed that the majority of performance indicators (PI's) were on target and comparable to 2017-18 levels, although three PI's had exceeded the 10% performance threshold:

KPI 08 (a) Average re-let time in days (all re-lets including time spent in works)

Officers were closely monitoring this indicator and expected it to improve in coming quarters. The previous problem relating to the asbestos contractor had been resolved.

KPI 12 & KPI 13 Processing of planning applications: Minor & other applications (within 8 weeks or including any agreed extension of time)

Members were informed that an action plan had been implemented to address the challenges the service was facing.

In response to a Member question, Councillor Rolfe said there had been issues with temporary staff leaving the Planning department at short notice, as well as major applications having an impact on the time taken to process minor applications. He said as a response the Council were recruiting to the vacant posts, and would also be taking on additional temporary staff to clear the backlog.

Councillor Sell said it would be helpful to include further information on the 'red' PI's, such as the length of time they had been in the 'red' and to what degree the 10% performance threshold had not been met.

The Chairman said the Customer Services & Performance Manager could provide Councillor Sell with this background information.

The Chairman said this was the last GAP meeting of the municipal year and he thanked the Committee for their contribution.

The meeting ended at 8.20pm.