

**Committee:** Council

**Date:**

**Title:** Governance, Audit and Performance  
Committee Annual Report

Tuesday, 9 April  
2019

**Report  
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## Summary

1. There is a requirement under the Council's Constitution for the Chairman of the Committee to report annually to Full Council.
2. This report summarises the key work of the Committee in 2018/19.

## Recommendations

3. None

## Financial Implications

4. None

## Background Papers

5. None

## Impact

- 6.

Communication/Consultation	None
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None
Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

## **Situation**

7. The Governance, Audit and Performance Committee is the committee responsible for overseeing the Council's work in relation to audit, performance and risk. In addition, it carries out the work previously done by the Constitution Working Group and the Electoral Working Group.

## **External Audit**

8. In their final year as the Council's auditors, EY gave an unqualified opinion on the financial statements for 2017/18. This marked the tenth consecutive unqualified opinion on the Council's accounts. EY found that the Council has adequate arrangements in place to ensure financial resilience and is efficient and effective in its use of resources, maintaining its "Value for Money" status for the eighth year.
9. This was the first year where 31 May became the statutory deadline for publishing draft accounts. The Council achieved this deadline for the previous two years and published the 2017/18 accounts on 25 May 2018.
10. The annual audit of the Housing Benefit Subsidy Claim was completed by EY. For the second year running, the Council was not required to repay subsidy grant back to the DWP. Instead, the error rate was so low the Council actually gained more than £55,000 in additional subsidy income – more than double the £26,000 received in the previous year.
11. BDO has now been appointed as the Council's external auditors and the Committee looks forward to a constructive relationship with them, as it had with EY. BDO presented its Audit Planning report in February 2019.

## **Local Plan Costs**

12. Following a request from a Committee Member, the Governance, Audit and Performance Committee received a report setting out the Local Plan costs. The amount in 2017/18 was £762,331 of direct expenditure and £91,104 of indirect expenditure comprising internal charges. Income totalling £35,238 was received, giving a net total of £818,197.

## **Internal Audit and GDPR**

13. During the course of the year the Committee continued to review the work of Internal Audit through quarterly monitoring reports and received the Audit Manager's Annual Report and Opinion.
14. The Committee considered and approved the Annual Governance Statement for 2017/18 which is published with the Council's Statement of Accounts.
15. During the 2018/19 year the Committee also received:

- The Internal Audit Strategy and Programme 2018/19
  - The Internal Audit Charter 2018
  - A report on Internal Audit Counter Fraud and Corruption work
  - The results of the annual Self-Assessment, through which members who attended the session concluded the committee is effectively fulfilling its functions in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance
  - A report on the Council's arrangements with regard to Equalities and Diversity
16. The Governance, Audit and Performance Committee has responsibility for overseeing the Council's approach to the General Data Protection Regulation (GDPR) which came into force in May 2018.
17. The Internal Audit Manager led this large project to ensure the Council was compliant with the new regulations, which replace the Data Protection Act. Committee Members received regular reports during the implementation period and were pleased to note that the Council was in a strong position to deal with the requirements of the new regulations.

### **Constitutional and Electoral Matters**

18. During 2018/19 the Committee considered several constitutional and electoral matters.
19. An interim Polling District Review was undertaken by Democratic and Electoral Services and in May 2018 the Committee received a final report detailing several changes. This followed approval of a timetable for the review in the previous Council year.
20. A full statutory review of polling places and districts in Uttlesford will be required before 31 January 2020. This will take place between the May 2019 elections and the publication of the revised register of electors on 1 December 2019.
21. The interim review focused mainly on arrangements in Saffron Walden, including the need to designate a new polling station in Saffron Walden Audley South following the closure of Walden School. After discussing the advantages and disadvantages of two potential locations, the Committee decided that using the Council Offices was preferable to using Saffron Walden County High School.
22. During the year a Community Governance review was also conducted. This review proposed changing the boundary between Little Easton and Dunmow North parishes, along with a request from Aythorpe Roding Parish Council to increase its number of councillors.

23. Following a consultation exercise, the Committee agreed that the existing parish boundary should be altered so an area is transferred from Little Easton to Great Dunmow and a request made to the Local Government Boundary Commission for the district ward and county division boundaries to be similarly altered. Other agreed actions were for the number of parish councillors in the Great Dunmow North ward be increased by two, with no change to the parish of Little Easton, and for an increase of one parish councillor in Aythorpe Roding.
24. Two matters relating to the Council's constitutional arrangements were considered by the Committee in 2018/19. In neither case was the Committee able to reach a unanimous view.
25. The Committee was asked whether it supported amending the Constitution to provide for contested appointments to be made by way of ballot. This change would apply to the appointments of Chairman and Vice-Chairman at Annual Council meetings. Following two reports on the proposal, the Committee voted by a majority to recommend this change to Full Council, where it was subsequently defeated.
26. The procedure of moving amendments at council meetings was also reviewed during 2018/19 following an initial report in February 2018. The proposal was resubmitted in May 2018 following discussions with group leaders and the Chairman and Vice-Chairman of the Governance, Audit and Performance Committee.
27. The crux of the proposal was to change the deadline by which notice of motions and amendments must be given in order to give adequate time for members to consider the implications of proposed amendments and for officers to give professional advice.
28. The committee voted by a majority to recommend this change to Full Council, where it was subsequently adopted.

### **Performance and Risk**

29. The Committee has continued to undertake detailed quarterly monitoring of the Council's key performance indicators and a further set of supporting performance indicators. Service performance in 2018/19 has remained strong although during the course of the year, the Committee has expressed concern about the average re-let time for void council properties. This is being closely monitored by officers and at its most recent meeting the Committee was informed that an improvement was expected in the coming months.
30. The Committee also continues to monitor the Corporate Risk Register on a six-monthly basis.

### **Aspire (CRP) Ltd**

31. The Committee received the first annual report of the Board of Aspire (CRP) Ltd at its September 2018 meeting. The report outlined the financial performance of the Council's investment in its first 46 weeks.
32. One of the Board's two Non-Executive Directors attended the meeting.

33. The Committee was told that after taking into account the cost of borrowing, the Council in the year ending 31 March 2018 made a surplus of £1,427,000 from its investment.
34. In addition, the report set out that the accounts had been submitted to Companies House before the September deadline following auditing by BDO and that tax advice had been commissioned from Grant Thornton, which confirmed that there were no issues.

### **Ombudsman Annual Review**

35. This was the second year in which the Local Government and Social Care Ombudsman's annual review letter was presented to the Committee. Previously it had been reported on a more informal basis through the Members' Bulletin, but officers felt it would be of benefit for members to have a more formal oversight of this important document. The Committee noted that of the nine cases received by the Ombudsman, none had been upheld. In addition, the report included information about the number of compliments and complaints received by the Council during 2017/18.

### **Other matters considered by the Committee**

36. The Committee has continued to receive six-monthly reports on the Council's procurement activities and arrangements.
37. In July 2018, the Committee received a report detailing actions to be taken following a peer review of the Planning service. Among the matters discussed were the greater use of technology, a streamlining of the report writing process and efficient enforcement practice.
38. An update was provided in October 2018 on the action plan following the Council-wide LGA Peer Challenge. Members noted good progress was being made.
39. For the first time the Committee considered a report about the PFI contract for delivering leisure services in the district. Officers considered it important that the contract had greater visibility among members so in September 2018 a report was presented giving an overview of the contract arrangements, the history of the contract and management and structural arrangements. Representatives from partner organisation Linteum attended to answer questions.