

**PERFORMANCE AND AUDIT COMMITTEE held at COUNCIL OFFICES
LONDON ROAD SAFFRON WALDEN at 7.30pm on 9 FEBRUARY 2017**

Present: Councillor E Oliver (Chairman)
Councillors G Barker, M Foley, J Gordon, D Jones and B Light

Officers in attendance: R Auty (Assistant Director Corporate Services), S Bronson (Internal Audit Manager), D Cottrell (Corporate Health and Safety Officer), P Snow (Democratic and Electoral Services Manager) and A Webb (Director of Finance and Corporate Services).

Also Present: Councillor S Howell (Cabinet Member for Finance and Administration) and Mark Hodgson (Executive Director - EY).

PA36 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Hargreaves and Harris.

PA37 MINUTES

The Minutes of the meeting held on 15 November 2016 were received and signed by the Chairman as a correct record.

The Director of Finance and Corporate Services reported that a number of changes had been made to refuse collection arrangements to reduce the number of missed bins.

PA38 CERTIFICATION OF CLAIMS AND RETURNS ANNUAL REPORT 2015/16

Members received a report summarising the outcome of EY's work on the Council's claims and returns in 2015/16. This indicated a number of improvements had been made and, although some errors had been identified in relation to housing benefit claims, the number of errors had greatly decreased.

The report recommended that the Council should continue with the agreed actions from previous reports to minimise the level of errors in the submitted claim.

Councillor G Barker said that there should continue to be careful monitoring of local training. The Director of Finance and Corporate Services confirmed that training would continue and this was supplemented by checking to identify where errors had occurred. Where errors were identified immediate training was undertaken.

Councillor Howell commented that enormous improvements had been made and this was a good achievement. It had resulted in a certified claim repayment of £16.4k compared to last year's repayment of £64k due to a significant decrease in identified errors. He wished to pass on his thanks and appreciation to all those concerned.

PA39

ANNUAL AUDIT LETTER 2015-16

Mark Hodgson of EY explained the audit plan for the year ending 31 March 2017. Two significant risks had been identified as set out on page 35 of the agenda. These related to the possibility that revenue may be misstated due to improper recognition of revenue and to pensions liability. He said that in any public sector plan issued there must be the ability for some manipulation to allow for procedures needed to deal with any matters identified. There was some volatility in relation to pensions so there was a need to have measures in place to ensure accuracy as significant estimation and judgement was involved.

In asking a question about these risks, Councillor Jones declared a non-pecuniary interest as a member of the pension scheme.

Reference was made to the setting up in 2016/17 of a new company called Aspire Holdings (UDC) Limited. The report stated that the nature and extent of transactions made would need to be assessed to determine whether the company should be consolidated into the Council's financial statements.

Overall materiality for the financial statements of the Council was determined to be £1.016m based on 2% of gross expenditure on the provision of services. Councillor Howell confirmed that he was comfortable with this determination.

PA40

INTERNAL AUDIT PROGRESS REPORT

The Internal Audit Manager updated the Committee with details of work undertaken by the Internal Audit service since the last meeting. Replacement pages were tabled for the appendix in the report relating to recommendations implemented between 16 July and 31 October 2016. She confirmed that there was nothing significant that needed to be drawn to members' attention.

However, she mentioned the recommendation that managers in Street Services should not submit and sign forms on behalf of overtime claim applicants.

The Assistant Director Corporate Services said that a number of forms had been amended and the method now being used to approve overtime claims was more appropriate to the needs of the service. The Internal Audit Manager added that training of Street Services managers would be given as had been recommended.

Councillor Jones remarked that his analysis showed that two thirds of refuse collection vehicles had returned to the depot by 2pm. He wondered whether the announcement of audit reporting had influenced the pattern of working and whether the report reflected a true picture.

In response, the Internal Audit Manager stated that the audit review had not examined normal start and finish times but had looked at what was happening in practice. Street service operators were contracted to work until 5pm each day.

Councillor Jones said he was surprised so much overtime was being worked given that so many days were finishing early.

The Director of Finance and Corporate Services responded that much of the overtime claimed was in relation to extra work on Saturdays associated with the delivery and collection of village skips. He said that the number of missed bins had declined although the speed of rounds had proved a challenging problem.

Councillor Jones then asked whether managers were satisfied that operators were leaving emptied bins in the correct place as his observation was that many were being left on paths. The Director confirmed he was aware there were some outstanding issues to be addressed.

The internal progress report was noted.

PA41 INTERNAL AUDIT WORK PROGRAMME 2017/18

The Internal Audit Manager presented the proposed internal audit work areas for 2017/18. She said that the programme was risk based as far as possible and would be agreed as soon as corporate plan and directorate plan actions and risks were confirmed. Details would be submitted to the committee at the next meeting.

Full details were set out in the appendix to the report and these were approved by the Committee.

PA42 HEALTH AND SAFETY UPDATE

The Health and Safety Officer presented a summary of health and safety statistics and activities in the calendar year of 2016 and invited questions.

Councillor G Barker asked about the usefulness of identifying trends highlighted by small numbers of reported cases and whether it would be more helpful to use a different format of reporting. Councillor Foley asked whether the number of RTCs was significant.

The Health and Safety Officer said that the number of road traffic collisions (RTCs) was 20% lower in 2015 and overall as well so it had been possible to identify a trend.

Councillor Howell commented that the Committee had asked for these reports and he was pleased to note a reduction in the number of workplace related injuries. For an organisation of the Council's size, the reported sample was a good benchmark on which to judge reported trends.

Members asked a number of further questions and these were answered. In respect of road traffic incidents it was possible to examine CCTV footage in some cases.

The Committee noted the report.

PA43

QUARTER 3 PERFORMANCE 2016/17

The Committee noted the Q3 results for all quarterly-reported key and other performance indicators.

The Assistant Director Corporate Services reported that performance was better than in the previous quarter. Of sixteen key targets, 13 had been met.

The Director of Finance and Corporate Services reported that KPI 03 had turned green but this was unlikely to happen again as there had been a bigger than expected refund of business rates.

KPI 15(a) had also returned to green status because of a good performance in Q3 but issues had been identified in the first part of Q4 and the position was unlikely to be maintained.

PA44

QUARTER 3 CORPORATE RISK REGISTER 2016/17 AND OTHER ITEMS

The Committee noted the Corporate Risk Register as at the end of Q3 2016/17.

It was noted that details of committee self-assessment would be sent to members.

The annual report would be submitted to the Council at the annual meeting in May. A draft would be circulated for comment before it was finalised for submission.

The meeting ended at 8.25pm