



Cabinet **7 May 2008**

Report from the Performance and Audit Scrutiny Committee: 28 April 2008

- 1. Audit Commission Presentation of Reports: Annual Audit and Inspection Letter 2008 and Data Quality Audit 2006/2007**
 - 1.1 Melanie Richardson from the Audit Commission attended the Committee meeting to present the above reports. The first detailed the audit and inspection work carried out since the last Annual Audit and Inspection Letter, and summarised the significant issues that had arisen from that work. The report told a very positive story, with the main areas of assessment over the past year being the Use of Resources assessment in which the Council had scored Level 3, and the Comprehensive Performance Assessment, in which it had achieved a score of Excellent.
 - 1.2 The second report was new for this year, and aimed to develop the external monitoring of the Council's performance into ensuring the quality of the data underpinning the performance information provided by the Council.
- 2. Annual Internal Audit Report 2007/2008, Outline Audit Plan 2008/2009 and Internal Audit Strategy**
 - 2.1 The Committee reviewed the 2007/2008 work of the Internal Audit Team and approved an outline Audit Plan for 2008/2009.
 - 2.2 Based on the work undertaken during 2007/2008, Internal Audit could provide reasonable assurance that the systems of internal control within the areas of the Council covered, as well as the risk management systems, were operating adequately and effectively. The Committee discussed the main areas of work shown in the report, concentrating on those where existing arrangements should be improved.
 - 2.3 The outline plan for 2008/2009 provided for the annual review of all the main financial systems, together with the audit of a number of operational areas using a risk based methodology.
 - 2.4 As well as the two audit plans, the Committee was presented with an Internal Audit Strategy, which was required to be produced to communicate the contribution that Internal Audit made to the Council. The Strategy was approved by the Committee.
- 3. Annual Governance Statement**
 - 3.1 In previous years the reporting of Internal Audit's assurances on corporate governance matters had been via the Code of Corporate Governance and

Statement on Internal Control. Recommended best practice, which had statutory backing, was now to produce an Annual Governance Statement incorporating both the Code and Statement on Internal Control.

- 3.2 A report was considered which explained this new requirement and how it would meet the corporate governance framework. A draft Annual Governance Statement would be considered at the Committee's July meeting, and the Committee approved the assurance gathering process, with the nominated Corporate Group outlined in the report being the main focus for the process.

4. Key Performance Indicators: Fourth Quarter 2007/2008

- 4.1 Members considered the fourth quarterly report of key performance indicator (KPI) data, covering the period January to March 2008. Members asked for clarification on some of the indicators, and also discussed target levels and seasonal variances.
- 4.2 This was the last report to be received using this basket of indicators, as major changes would come in from April 2008, which were outlined in another report considered by the Committee (item 5 below).

5. New National Indicators and Key Performance Indicators

- 5.1 The Committee considered a report which advised that from 1 April 2008 a new set of 198 national indicators would be used to measure local authority performance, 64 of which would measure district council performance. From this date, Best Value Performance Indicators (BVPIs) would be abolished, and officers had been working to discuss transfer arrangements and the new collection and reporting procedures.
- 5.2 The number of KPIs presented quarterly to the Committee was proposed to be reduced from 134 to 75, being a mixture of new national indicators and local indicators, which officers felt should continue to be reported, and a list of these proposed new KPIs was discussed and approved. The smaller number of indicators would allow more data for each indicator to be provided in support of the figures, and at its July meeting the Committee would receive the first report in the revised format, and a detailed explanation of the information provided.

6. Publication of a Best Value Performance Plan (BVPP)

- 6.1 The Committee was advised that the BVPP would be published as an appendix to the Corporate Plan. The performance figures were not ready in time for the BVPP to be considered at this meeting, but it needed to be submitted to the Audit Commission by the end of June 2008. There would not be the opportunity to bring the draft Plan to a meeting of the Committee. It was, therefore, proposed that the BVPP be circulated to members of the Committee in order for them to have the opportunity to comment before publication by Cabinet and full Council on 25 June and 1 July 2008 respectively. The Committee would then be given the opportunity to discuss the published Plan at its meeting in July 2008.

7. Council Improvement Plan 2007/2008: Annual Progress Report

- 7.1 In May 2007 the Cabinet approved the third Council Improvement Plan. The Committee considered an end of year progress report on the implementation of

the Plan, and was pleased to note that progress had been significant, with 90 of the 97 actions having been completed.

- 7.2 An Improvement Plan for 2008/2009 will be considered by the Committee at its July meeting, taking into account the Cabinet's commitments for 2008/2009, any new government requirements, the new Local Area Agreement and Audit Commission suggested areas for improvement.

8. Biannual Corporate Complaints Digest

- 8.1 The Committee considered a digest of corporate complaints received between 1 October 2007 and 31 March 2008. The digest gave an overview of the quantity and type of corporate complaints received, as well as monitoring effectiveness at responding, and set out the learning and actions taken following each complaint.
- 8.2 21 corporate complaints had been received during the second half of 2007/2008, making a total of 49 for the year, almost double the number for the previous year, although around 50% of these had not been upheld.
- 8.3 The Committee was pleased to note that the quantity of compliments received continued to outnumber complaints.

9. Quarterly Budget Monitoring Report

- 9.1 The Committee received the quarterly budget monitoring report which provided an overall summary of the position of the 2007/2008 budget as at 29 February 2008. Any notable variations were shown on the report, and the overall revenue underspend at 29 February was £1,951,000, with the income above budget being largely attributed to interest on capital from a delay in the capital expenditure programme.
- 9.2 An update on capital receipts received against the Disposal Programme was circulated at the meeting.

10. Corporate Risk Register: Quarterly Monitoring Report

- 10.1 The fourth quarterly risk register monitoring report for 2007/2008 showed that two risks had come down from red to amber, one had been increased to red (making a total of three red residual risks) and two new risks had been added since the previous report.
- 10.2 The Committee asked for clarification on some of the risks in this quarter's report, focussing mainly on those items showing higher residual risks, and those where residual risk had increased since the previous report, in particular local government reorganisation.

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