



*St Edmundsbury*  
BOROUGH COUNCIL

# Z133

## **Cabinet** **30 July 2008**

### **Report of the Performance and Audit Scrutiny Committee: 21 July 2008**

At this meeting the Committee also considered the Council Improvement Plan for 2008/2009, the Code of Corporate Governance and the Annual Governance Statement 2007/2008, and separate reports appear on this Cabinet agenda.

#### **(1) Key Performance Indicators: First Quarter 2008/2009**

- 1.1 The Committee had previously been advised that as of 1 April 2008 Best Value Performance Indicators (BVPIs) had been abolished and replaced with 198 National Indicators, of which 64 would relate to district-level performance. At the April meeting the Committee considered which former BVPIs, new National Indicators and local indicators would continue to be reported as relevant to the Council's Corporate Priorities. Members considered the first quarterly report using the new set of indicators, covering the period April to June 2008. A number of the indicators were discussed, and Members found that the reduced number of indicators reported, and the new reporting format, made it easier for them to focus on areas of concern.

#### **(2) Best Value Performance Plan 2008**

- 2.1 The Best Value Performance Plan (BVPP) for 2008, which listed the Best Value Performance Indicators (BVPI) outturn figures for 2007/2008, was considered. As a result of the recent changes to the national performance framework, this was the last time that this particular set of indicators would be collected and reported. It was not yet clear how the new National Indicators would be required to be reported.
- 2.2 The report contained an analysis of the "direction of travel" of BVPIs and how the Council's performance compared nationally. The Committee noted that 50% of indicators had either improved or achieved maximum performance in 2007/2008. Whilst nine indicators were in the worst quartile, and would be prioritised for improvement, with five of these retained as indicators reported to this Committee, Members recognised that it took considerable effort to maintain high levels of service, and were pleased at the overall positive "direction of travel".

### **(3) Quarterly Budget Monitoring Report**

- 3.1 The Committee received the quarterly budget monitoring report which provided an overall summary of the position of the current year's budget as at 31 May 2008. Any notable variations were shown in the report, and the overall revenue underspend to date was £388,000. However, for the first time information on financial commitments was included in the report, and when these were taken into account the underspend was nearer £10,000.
- 3.2 The Capital Budget Monitoring Report showed a substantial underspend for the period 1 April to 31 May 2008, mainly due to delays in some major projects and some timing issues relating to the completion of stage payments. It was also important to note that capital expenditure budgets were not profiled. The capital disposals programme had also not achieved the expected capital receipts, and this was mainly due to the current economic climate. Members were advised that there was no certainty that the full year disposals target would be achieved.

### **(4) Corporate Risk Register: Quarterly Monitoring Report**

- 4.1 The first quarterly risk register monitoring report for 2008/2009 showed that there had been one increase from amber to red on inherent risk Public Service Village (PSV) capital works. On residual risk there had been an increase to red on unsustainable workload, a reduction to amber for commitment to Haverhill, and an increase to amber for partnership working. Additionally, it had been decided to divide the risks for the PSV project into one group of risks associated with the capital works, and a second group of risks for organisational risk. A similar decision had been made on the Cattle Market site in Bury St Edmunds, where the public building (Venue) had been separated as having risks specific to that part of the project.
- 4.2 The Committee asked for clarification on some of the risks in this quarter's report, including refurbishment of the Bury St Edmunds Leisure Centre, the Cattle Market development and the Venue, controlling unacceptable increases in Council Tax, provision of affordable housing, community engagement, unsustainable workload, local government reorganisation and waste handling.

### **(5) Audit Commission: Presentation of Audit and Inspection Plan 2008/2009**

- 5.1 Robert Davies and Philip King from the Audit Commission attended the Committee to present the Commission's Audit and Inspection Plan for 2008/2009. From April 2009 Comprehensive Area Assessment (CAA) would be implemented, and therefore 2008/2009 was the last year in which corporate assessments and programme service inspections would be undertaken as part of the Comprehensive Performance Assessment (CPA) framework. Audit of the Council's financial statements would also be carried out, as well as other work, details of which were set out in the report. The fee for this year's audit and inspection work was planned to be £102,750, and the report set out the output reports which the Committee could expect to receive during 2008/2009.
- 5.2 Mr Davies was questioned on the initial risk assessment of the Use of Resources and Value for Money Conclusion set out in the report, and an progress update was requested for the Committee's October meeting.

**(6) Review of the Effectiveness of the System of Internal Audit**

- 6.1 There were three reports on the agenda relating to the Committee's role as the Council's "Audit Committee". The Annual Governance Statement and Code of Corporate Governance are covered as separate reports on the Cabinet agenda, as they include recommendations to Cabinet. The third audit report considered by the Committee was an Annual Review of the System of Internal Audit, required by Regulations, the results of which fed into the Annual Governance Statement (AGS).
- 6.2 The Committee was advised of the process and outcomes, including areas for development, of the 2007/2008 review of the effectiveness of the Council's system of internal audit, as part of the review of the overall system of internal control required for the 2007/2008 AGS. The Committee noted the report's conclusion that the system of internal audit was operating effectively, and could be relied upon when considering the AGS. The Committee endorsed areas for development outlined in Report Z115, which would ensure the service provided to the Council remained effective, including developing a suitable training framework for the Committee.

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