

Council 30 June 2014

PERFORMANCE AND AUDIT SCRUTINY COMMITTEE – CHAIRMAN’S REPORT TO FULL COUNCIL

Report by Cllr Sarah Broughton

This report covers the meeting of the Committee held on 21 May 2014.

1. Ernst and Young – Annual Certification Report 2012/2013

1.1 The Committee received and noted a report from the Council’s external auditors, Ernst and Young (EY), which updated members on the outcome of the annual audit of grant claims, as detailed in their Annual Certification Report for 2012/2013. This report summarised the results of the certification work which had been undertaken as part of the annual audit of grant claims to government departments.

2. Ernst and Young – External Audit Plan and Fees 2013/2014 and 2014/2015 Indicative Fees

2.1 The Committee received and noted a report from EY, which provided Members with a basis to review EY’s proposed audit approach and scope for the 2013/2014 audit, along with the planned fees to complete the work. The report summarised EY’s assessment of the key risks which drive the development of an effective audit for the Council and outlined their planned audit strategy in response to those risks. He also drew Members’ attention to the indicative audit fee for 2014/2015 and how the scale fee was based.

3. Ernst and Young – Presentation on Protecting the Public Purse – Fraud Briefing

3.1 The Committee received and noted a presentation from EY, on Protecting the Public Purse Fraud Briefing. The presentation included an explanation as to the purpose of the fraud briefing; an overview of the findings of the Audit Commission’s national report – Protecting the Public Purse 2013; caveats around interpreting fraud detection results; comparative information on local fraud detection activities, including the results of the Council’s fraud detection activities compared with similar councils.

4. Internal Audit Annual Report 2013/2014 and Outline Internal Audit Plan 2014/2015

4.1 This report summarised the work undertaken by Internal Audit during the year and provided details of the Outline Internal Audit Plan for 2014/2015. It also showed progress made during the year in developing an anti-fraud and anti-corruption arrangements and actions taken where fraud or misconduct had been identified. Finally, the report showed the work undertaken to fulfil the requirement for an annual review of the effectiveness of internal audit.

4.2 The Committee considered the report, and endorsed the conclusion drawn in respect of the annual review of the effectiveness of internal audit. Finally, Members approved the Internal Audit Plan for 2014/2015, and noted the content of the Annual Internal Audit Report for 2013/2014 and the Managing the Risk of Fraud, Theft and Corruption Report.

5. Annual Governance Statement Action Plan for 2012/2013 – Update

5.1 The Committee received and noted an update on progress made in connection with the 2012/2013 Action Plan for the Annual Governance Statement.

6. West Suffolk Anti-Fraud and Anti-Corruption Policy

6.1 The Committee received a report which sought approval for a West Suffolk Anti-Fraud and Anti-Corruption Policy. The current Anti-Fraud and Anti-Corruption Policy was last revised in 2011. The main changes to the Strategy had been to include a section on Social Housing Fraud, including reference to the Prevention of Social Housing Fraud Act 2013. Minor adjustments had also been made to the document to reflect it was now a joint West Suffolk Policy between St Edmundsbury Borough Council and Forest Heath District Council. The Strategy had also been renamed as a Policy. The Committee considered the report and recommended that the West Suffolk Anti-Fraud and Anti-Corruption Policy, as contained in Appendix A to Report F14, be approved.

7. Key Performance Indicators and Quarter 4 Performance Report 2013/2014

7.1 The Committee received and noted the fourth quarterly Performance Monitoring Report for 2013/2014, which set out the Key Performance Indicators (KPIs). A total of 35 indicators for St Edmundsbury were reported this quarter, of which 13 were green, 6 were amber, 6 were red and 10 were data only indicators. For West Suffolk there were a total of 32 indicators, of which 11 were green, 6 were amber, 4 were red and 11 were data only indicators.

7.2 The Committee discussed a number of the indicators, with particular emphasis on those showing "red" under the traffic light system. In particular discussions were held on the six red planning indicators. Members were advised that there had been a steady increase in performance for each quarter for minor and major planning applications.

8. Biannual Corporate Complaints and Compliments Digest

8.1 The Committee received and noted the Biannual Corporate Complaints and Compliments Digest covering the period 1 October 2013 to 31 March 2014. The Digest provided an overview of the quantity and range of corporate complaints

that the Council received, as well as monitoring the effectiveness at responding and learning from any mistakes that had been made. 22 corporate complaints had been received between October 2013 and March 2014 compared to 36 during the same period the previous year. In addition, the report highlighted the 60 compliments which had been received across the Authority during the reporting period.

9. Corporate Risk Register Quarterly Monitoring Report – March 2014

- 9.1 The Committee received and noted the fourth quarterly risk register monitoring report for 2013/2014, which was updated regularly by the Risk Management Group. No new risk had been identified and no risk had been amended or closed. However, some controls and actions had been updated and those which were not ongoing and had been completed by April 2014 had been removed from the register.

10. Adoption of a Joint Procurement Strategy

- 10.1 The Committee received a report, which sought approval of a West Suffolk Procurement Strategy. Currently both Forest Heath District Council and St Edmundsbury Borough Council had their own Procurement Strategy and it was desirable that these be replaced by a West Suffolk Procurement Strategy 2014/2016, which addressed the issues of procuring services, supplies and works across the West Suffolk Area. The Committee considered the report and recommended that the West Suffolk Procurement Strategy, as contained in Appendix A to Report F18, be recommended to Cabinet for approval.

11. Work Programme Update

- 11.1 Members reviewed the current position of the work programme, and items scheduled to be presented to the Committee during 2014/2015. The Chairman informed the Committee that in consultation with the Chairman of Forest Heath District Councils Performance and Audit Scrutiny Committee and officers, it was proposed that the first Informal Joint Performance and Audit Scrutiny Committee would be held in July. The practice of holding joint meetings had also been adopted by the councils Overview and Scrutiny Committees and had been successful.
- 11.2 It was further proposed that the meetings in November 2014 and January 2015 could also become joint meetings as similar reports would be presented to each authorities Performance and Audit Scrutiny Committees. The majority of Members felt this was a practical step going forward for both Members and officers when presenting identical reports and resolved that:
- (1) The first Joint Performance and Audit Scrutiny Committee be held on Thursday 31 July 2014, at Forest Heath District Council, commencing at 5.00pm. This would replace the scheduled meeting on Wednesday 30 July 2014.
 - (2) The meeting on 26 November 2014, to become a joint meeting hosted by St Edmundsbury Borough Council, commencing at 5.00pm.
 - (3) The meeting on 28 January 2015, be rescheduled to Thursday 29 January 2015 and hosted by Forest Heath District Council as a joint meeting, commencing at 5.00pm.