

ST EDMUNDSBURY BOROUGH COUNCIL

PERFORMANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of a meeting held on Wednesday 21 May 2014 at 4.30 pm, in Conference Room West, West Suffolk House, Western Way, Bury St Edmunds

PRESENT: Councillor Mrs Broughton (Chairman)
Councillors Cox, Farmer, Nettleton (substituting for
Cockle) Redhead, Mrs Richardson, and Mrs Warby.

BY INVITATION: Councillor Ray, Portfolio Holder for Resources and
Performance.

1. Apologies for Absence

Apologies for absence were received from Councillor Cockle, Mrs Hopfensperger and Mrs Wade.

2. Substitutions

The following substitutions were declared:-

Councillor Nettleton substituting for Councillor Cockle.

3. Minutes

The minutes of the meeting held on 29 January 2014 were confirmed as a correct record and signed by the Chairman.

4. Declarations of Interest

Members' declarations of interest are recorded under the item to which the declaration relates.

5. Ernst and Young – Annual Certification Report (2012-2013)

The Committee received Report F10 (previously circulated) which updated Members on the outcome of the annual audit of grant claims by Ernst and Young (EY), as detailed in their Annual Certification Report for 2012-2013, attached as Appendix A.

Mr Neil Harris from EY presented this report, which summarised the results of the certification work which had been undertaken as part of the annual audit of grant claims to government departments. He drew relevant details from the report to Members' attention, and explained the two claims and returns relating to the housing and council tax benefit claim and the additional fee for the 2012-2013 certification fees. Members asked questions on a number of elements of the report, to which Mr Harris duly responded.

There being no decision required, the Committee **noted** the contents of the report.

6. Ernst and Young – External Audit Plan and Fees 2013-2014 and 2014-2015 Indicative Fees

The Committee received Report F11 (previously circulated) which set out how EY intended to carry out their responsibilities as the Council's external auditors (Appendix A). The purpose of the report was to provide the Committee with a basis to review EY's proposed audit approach and scope for 2013-2014 audit along with the planned fees to complete the work. The report also provided the Committee with a basis to review the 2014-2015 indicative fees (Appendix B).

Mr Neil Harris from EY presented this report, which 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. Officers would be working with EY over the coming months to ensure that these risks were managed and where possible, come to an agreement over the treatment prior to the issuing of the Annual Governance Report and Audit Opinion, due to be issued by EY by September 2014. He also drew Members' attention to the indicative audit fee for 2014-2015 and how the scale fee was based.

Members asked questions on a number of elements of the report, to which Mr Harris duly responded.

There being no decision required, the Committee **noted** the contents of the report.

7. Ernst and Young – Presentation on Protecting the Public Purse – Fraud Briefing 2013

The Committee received a presentation by Melanie Richardson 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.

Members asked a number of questions on the presentation, in particular in relation to data matching, the national fraud initiative and blue badge fraud, to which Melanie Richardson duly responded.

There being no decision required, the Committee **noted** the contents of the report.

8. Internal Audit Annual Report 2013-2014 and Outline Internal Audit Plan 2014-2015

The Committee received Report F12 (previously circulated), as required by the Public Sector Internal Audit Standards (PSIAS), reviewing the overall adequacy and effectiveness of the Council's governance arrangements, including the internal control environment.

The report summarised the work undertaken by Internal Audit during the year (Appendices A and E) and provided details of the outline Internal Audit Plan for 2014-2015 (Appendix C).

The report also showed progress made during the year in developing anti-fraud and anti-corruption arrangements and actions taken where fraud

or misconduct had been identified (Appendix D). Finally, the report showed the work undertaken to fulfil the requirement for an annual review of the effectiveness of internal audit (Appendix B).

The Internal Audit Manager drew relevant issues to Members' attention, in particular, Appendix C and the drivers for the 2014-2015 Audit Plan.

Members asked a number of questions in relation to internal audit reports issued on the review of arrangements for CCTV; Members' allowances and expenses and Members and officers' gifts and hospitality; and Bury Festival cash handling follow-up; to which officers duly responded. In particular discussions were held around the overall staff resources within Internal Audit and the audit of the process in place to access the hardship fund relating to the Council Tax Reduction Scheme.

RESOLVED: That:

- (1) The Internal Audit Plan for 2014-2015, attached as Appendix C to Report F12, be approved; and
- (2) The contents of the Annual Internal Audit Report for 2013-2014 and the Managing the Risk of Fraud, Theft and Corruption Report, as set out in Appendices A and D to Report F12, be noted.
- (3) The conclusion drawn in respect of the annual review of the effectiveness of internal audit, be endorsed.

9. Annual Governance Statement Action Plan for 2012-2013 - Update

The Committee received Report F13 (previously circulated), which updated Members on progress made in connection with the 2012-2013 Action Plan for the Annual Governance Statement (Appendix A).

Members considered the report and there being no decision required, the Committee **noted** the contents of the report.

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

The Committee received Report F14 (previously circulated), which sought approval of a West Suffolk Anti-Fraud and Anti-Corruption Policy (Appendix A).

The Borough Council's current Anti-Fraud and Anti-Corruption Policy was last revised in 2011. It was good practice to review arrangements from time to time, and as such, a review of the Strategy had been undertaken to ensure it continued to reflect best practice, legislation and shared services arrangements.

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.

Members asked questions on a number of areas of the report, to which the Internal Audit Manager duly responded.



RECOMMENDED:-

That the West Suffolk Anti-Fraud and Anti-Corruption Policy, as contained in Appendix A to Report F14, be approved.

11. Key Performance Indicators and Quarter Four Performance Report 2013-2014

The Committee received Report F15 (previously circulated), which set out the Key Performance Indicators being used to measure the Council's performance for 2013-2014 and provided an overview of performance against those indicators for the fourth quarter of 2013-2014.

Appendix A included performance against Quarter four 2013-2014 for St Edmundsbury together with a combined performance for West Suffolk, where relevant. A colour coded "traffic light" system was used to indicate levels of performance against agreed targets: Green for on or exceeding target; Amber for below target within tolerance and Red for significantly below target. Where performance was below target the data was supported by notes and explanations from service areas.

The year-end performance summary for St Edmundsbury showed that of a total of 35 indicators, 13 were green, 6 were amber, 6 were red and 10 were data only indicators.

For West Suffolk, the year-end performance summary showed that of a total of 32 indicators, 11 were green, 6 were amber, 4 were red and 11 were data only indicators.

The Committee discussed a number of the indicators, with particular emphasis on those showing red under the traffic light system, and asked questions on a number of areas to which officers duly responded. 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. In addition, there had been an increase in the number of planning applications received, and the Head of Planning and Regulatory Services was looking at a short and long term solution around planning performance.

Councillor Cox informed the Committee that he required a definitive answer to the following question; *Of the planning applications registered with St Edmundsbury in the months of January, February, March and April this year, how many of the registered applications now have documents attached which are not associated with the registered application?* Officers offered to discuss the issue with Councillor Cox after the meeting.

Members were advised that at the July meeting, the Committee would receive a report on the proposed key performance indicators for 2014-2015.

There being no decision required, the Committee **noted** the contents of the report.

12. Biannual Corporate Complaints and Compliments Digest

The Committee received Report F16 (previously circulated), which was the Biannual Corporate Complaints and Compliments Digest covering the period 1 October 2013 to 31 March 2014.

The aim of the Digest was to provide an overview of the quantity and range of corporate complaints, those complaints monitored by the Policy Team and compliments 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.

The Head of Policy, Communications and Customers drew relevant issues to the attention of the Committee and answered Members' questions.

A member of the Committee raised a question in relation to a complaint regarding street cleansing in Haverhill to which clarification was sought. The Head of Waste Management and Property Services agreed to provide a response to the member outside of the meeting.

There being no decision required, the Committee **noted** the contents of the report.

13. Corporate Risk Register Quarterly Monitoring Report – March 2014

The Committee received Report F17 (previously circulated), which was the year end monitoring report in respect of the corporate risk register. The Council's Corporate Risk Register was updated regularly by the Risk Management Group. At its most recent assessment in April 2014, the Group reviewed the inherent risks, the risk level prior to any mitigating actions being taken, and the residual risk following actions put in place to reduce the risk. The latest copy of the revised risk register was attached as Appendix 1 to the report.

Since the last assessment report was presented to the Committee on 29 January 2014, there had been no new risks identified and no risks had been amended or closed. However, some controls or actions had been updated and those which were not ongoing and had been completed by April 2014 had been removed from the register.

It was reported that whilst a single risk register for West Suffolk had not yet been compiled, the development of a single management and service structure across Forest Heath and St Edmundsbury had seen considerable similarity between the risk registers of the respective councils.

The Committee did not make any suggestions for amendments to the Register on this occasion and there being no decision required, the Committee **noted** the contents of the report

14. Adoption of a Joint Procurement Strategy

The Committee received Report F18 (previously circulated), which sought approval of a West Suffolk Procurement Strategy. Currently both Forest Heath District Council and St Edmundsbury Borough Council had its

own Procurement Strategy and it was desirable that these be replaced by a West Suffolk Procurement Strategy 2014-2016 (Appendix A), that addressed the issues of procuring services, supplies and works across the West Suffolk Area. Appendix B included replies from the consultation exercise undertaken on the draft Strategy between 31 March – 2 May 2014; and attached at Appendix C was the Consultation Plan.

Members considered the report and asked a number of questions to which the Head of Resources and Performance duly responded.

* With 6 voting for and 1 against it was:

RECOMMENDED:-

That the West Suffolk Procurement Strategy, as contained in Appendix A to Report F18, be recommended to Cabinet for approval.

15. Work Programme Update

The Committee received Report F19 (previously circulated) which provided information on the current status of the Committee's Work Programme. Attached as Appendix 1 to the report were details of items scheduled to be presented to the Committee during 2014-2015.

The Chairman informed Members that in consultation with the Chairman of Forest Heath District Councils Performance and Audit Scrutiny Committee (Councillor Colin Noble) and officers, 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. Therefore, it was proposed that the meeting on 30 July 2014 be rescheduled to Thursday 31 July 2014, commencing at 5.00pm and hosted by Forest Heath District Council.

The Chairman further advised that after considering the Committees work programme with Councillor Colin Noble, it was proposed that the meetings in November 2014 and January 2015 could also be joint meetings as it had been identified that similar reports would be presented to each authorities Performance and Audit Scrutiny Committees. Therefore, it was proposed that the meeting on 26 November 2014 would be hosted by St Edmundsbury Borough Council, and the meeting on 28 January 2015, be rescheduled to Thursday 29 January 2015, and hosted by Forest Heath District Council, both commencing at 5.00pm.

The majority of Members felt this was a practical step going forward for both Members and officers when presenting identical reports, and with 6 voting for the motion and 1 against it was:

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.

The meeting concluded at 6.10pm.

**MRS S O BROUGHTON
CHAIRMAN**