
Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

**Notes of Informal Discussions held on Thursday 4 June 2015 at
5.00pm in the Conference Chamber West, West Suffolk House,
Western Way, Bury St Edmunds**

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillors Sarah Broughton, Carol Bull, Beccy Hopfensperger, David Nettleton, Barry Robbins, Peter Thompson and Patricia Warby.

Also in attendance: Councillors Susan Glossop and David Roach.

Forest Heath District Council (FHDC)

Councillor Colin Noble
(Chairman of the informal discussions)

Councillors Andrew Appleby, David Bimson, Ruth Bowman, Louis Busuttill, Louise Marston, Christine Mason, Peter Ridgwell and Lance Stanbury.

IN ATTENDANCE: SEBC – Councillor Ian Houlder, Portfolio Holder for Resources and Performance
FHDC – Councillor Stephen Edwards, Portfolio Holder for Resources and Performance

Prior to the formal meeting, at 5.00pm informal discussions took place on the following seven items:

- (1) Internal Audit Annual Report (2014-2015) and Outline Internal Audit Plan (2015-2016);
- (2) West Suffolk Annual Governance Statement (2013-2014) Action Plan Update
- (3) Key Performance Indicators and Quarter 4 Performance Report 2014-15;
- (4) Performance Management Report 2015-2016;
- (5) West Suffolk Strategic Risk Register Quarterly Report – March 2015;
- (6) Biannual Corporate Complaints and Compliments Digest; and
- (7) Work Programme Update

All Members of Forest Heath District Council's Performance and Audit Scrutiny Committee had been invited to attend West Suffolk House, Bury St Edmunds to enable joint informal discussions on the above reports to take place between the two authorities.

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The Chairman of St Edmundsbury's Performance and Audit Scrutiny Committee welcomed all those present to West Suffolk House, Bury St Edmunds and advised on the format of the proceedings for the informal joint discussions and subsequent separate meetings of each authority, prior to handing over to the Chairman of Forest Heath's Performance and Audit Scrutiny Committee, who would be chairing the informal joint discussions.

Members noted that each Council permitted public participation at their Performance and Audit Scrutiny meetings. Therefore, for the purpose of facilitating these Constitutional requirements, it was proposed that public speaking should be permitted prior to the start of the informal discussions to enable any questions/statements to be considered by both Performance and Audit Scrutiny Committees on items 1 – 6 above. On this occasion however, there were no questions/statements from members of the public.

Each report was then considered in the order listed on each authorities agenda.

1. **Internal Audit Annual Report (2014-2015) and Outline Internal Audit Plan (2015-2016)**

The Service Manager (Internal Audit) presented the report as required by the Public Sector Internal Audit Standards, which included an opinion on 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 (Appendix A) and provided details of the Outline Internal Audit Plan for 2015-2016 (Appendix C). The report also showed progress made during the year in developing and maintaining an anti-fraud and anti-corruption culture and publicised actions taken where fraud or misconduct had been identified (Appendix D). Finally, the report also showed the work undertaken to fulfil the requirement for an annual review of the effectiveness of internal audit (Appendix B).

The Service Manager (Internal Audit) drew relevant issues to Members' attention.

Members scrutinised the report and asked questions to which the Service Manager (Internal Audit) duly responded. In particular discussions were held on the Car Parks Cash Handling Review. Officers agreed to provide a written response on how much was paid by cash versus RingGo (cashless phone parking service).

2. **West Suffolk Annual Governance Statement (2013-2014) Action Plan Update**

The Service Manager (Internal Audit) presented the report, which advised Members of the action taken on the Annual Governance Statement Action Plan 2013-2014 (Appendix A).

Members scrutinised the report and asked questions to which officers duly responded.

3. **Key Performance Indicators and Quarter 4 Performance Report 2014-2015**

The Business Partner (Resources and Performance) presented the report, which set out the Key Performance Indicators (KPIs) being used to measure the Council's performance for 2014/2015. The report also included the fourth quarter indicators covering January to March 2015 for both Forest Heath and St Edmundsbury Borough Council, together with a combined performance for West Suffolk, where relevant.

Appendix A contained all the KPIs for both Councils and West Suffolk. The current quarter four performance summary for Forest Heath showed that of 25 indicators, 7 were green, 7 were amber, 1 was red and 10 were data only indicators. For St Edmundsbury, the current quarter four summary showed that of a total of 25 indicators, 10 were green, 3 were amber, 2 were red and 10 were data only indicators. For West Suffolk there were a total of 21 indicators, of which 8 were green, 4 were amber, 2 were red and 7 were data only indicators.

Members scrutinised a number of indicators, with particular emphasis on those showing red under the traffic light system, and asked questions to which officers duly responded. In particular discussions were held on:

- (1) **WS/HOU009** – Private sector tenancies made available through West Suffolk Lettings Partnership. Members questioned what was being done to promote the scheme and suggested that a future report on the future of the West Suffolk Lettings Partnership be included in its forward work programme.
- (2) **WS/COR005** – Percentage of non-disputed invoices paid within 30 days of receipt. This KPI was currently being reviewed and officers were looking at getting a better understanding of the calculation and the recording process of invoices.

4. **Performance Management Report 2015-2016**

The Head of Resources and Performance presented the report, which set out the Councils approach to performance management in 2015-2016 through the use of a recognised performance management tool, the Balanced Scorecard. The report included information on the benefits of effective performance management; proposals for performance management arrangements; the proposed performance management tool for 2015-2016; progress made to date, next steps and timescales.

It was envisaged the Balanced Scorecard report would replace a number of existing reports that currently went to the Performance and Audit Scrutiny Committee, such as the quarterly Key Performance Indicators; quarterly Strategic Risk Register Report and the Bi-annual Corporate Complaints and Compliments Report.

Members scrutinised the report in detail and asked a number questions to which officers duly responded.

Members welcomed the move to the proposed balanced scorecard but also had some reservations as the Committee still needed to be able to drill down into the detailed information. Members suggested that they would like to see both performance systems running in parallel over the next few months and that the coloured rating system be included in the proposed balanced scorecard format.

5. **West Suffolk Strategic Risk Register Quarterly Report – March 2015**

The Service Manager (Finance and Performance) presented the fourth quarterly risk register monitoring report in respect of the West Suffolk Strategic Risk Register. The Register was updated regularly by the Risk Management Group and at its recent meeting in April 2015 the Group reviewed the target risk, the risk level where the Council aimed to be, and agreed a current risk assessment. These assessments formed the revised West Suffolk Risk Register (Appendix 1).

Since the last assessment report presented to the Committee on 29 January 2015, there had been one new risk identified relating to the closure of RAF Mildenhall and one risk had been closed (WS9) following the review and adoption of the revised Constitution by both Forest Heath District Council and St Edmundsbury Borough Council. Some individual controls and actions had been updated and those which were not ongoing and had been completed by March 2015 had been removed from the Register.

Members scrutinised the report in detail and asked a number of questions to which officers duly responded. In particular discussions were held on:

- (WS12) - Loss of a key employer. Members questioned how the Council engaged with the top 100 employers in the area. Members requested a written response on the types of engagement undertaken with employers.
- (WS21) – Safeguarding Children. Members questioned what else the Council could do in mitigating the risk even further. Members suggested that reference should be made to the Multi Agency Safeguarding Hub (MASH) as a preventative action.

6. **Biannual Corporate Complaints and Compliments Digest**

The Head of Families and Communities presented the report which provided an overview of the quantity and range of corporate complaints and compliments received during October 2014 to March 2015, which the Committee used to monitor the Council's effectiveness at responding to and learning from any mistakes which had been made. The report included information relating to Forest Heath District Council and St Edmundsbury Borough Council working together across West Suffolk, with data provided for the individual councils as appropriate.

For the second half of the financial year, across both councils 27 corporate complaints and 49 compliments had been received, and data for the individual councils was provided. The report provided a breakdown of the corporate complaints, including outcomes and lessons learned and also highlighted the compliments that had been received across the authority during the reporting period and outlined the Service or individual who received them.

Members considered the report and asked questions to which responses were duly provided.

7. **Work Programme Update**

The Head of Resources and Performance presented the report, which provided information on the current status of each Committee's Work Programme for 2015. Subject to earlier discussions it was agreed that the Balanced Scorecard and a future report on the future of the West Suffolk Lettings Partnership would be included in its forward work programme.

On the conclusion of the informal joint discussions at 6.10pm, Members of Forest Heath District Council's Performance and Audit Scrutiny Committee withdrew from Conference Chamber West to Conference Chamber East to hold their formal meeting.

The Chairman then formally opened the St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee in Conference Chamber West at 6.15pm.

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Minutes of a meeting of the **Performance and Audit Scrutiny Committee** held on **Thursday 4 June 2015** at **6.15pm** at the **Conference Chamber, West Suffolk House, Western Way, Bury St Edmunds IP33 3YU**

Present: **Councillors**

Chairman Sarah Broughton
Vice Chairman Patricia Warby

Carol Bull
Beccy Hopfensperger
David Nettleton

Barry Robbins
Peter Thompson

Substitutes attending:
None

By Invitation:
Ian Houlder, Portfolio Holder for Performance and Resources
Susan Glossop

26. **Apologies for Absence**

Apologies for absence were received from Councillors Betty Mclatchy, Karen Richardson and Paula Wade.

27. **Substitutions**

There were no substitutes at the meeting.

28. **Public Participation**

Public participation had been included within the previous informal discussions and there had been no questions/statements from members of the public.

29. **Minutes**

The minutes of the meeting held on 29 January 2015, were accepted by the Committee as an accurate record and signed by the Chairman.

30. **Internal Audit Annual Report (2014-15) and Outline Internal Audit Plan (2015-16)**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/006.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

With the vote being unanimous, it was

RESOLVED: That:

- (1) The Internal Audit Plan for 2015-2016, attached as Appendix C to Report PAS/SE/15/006, be approved.
- (2) The conclusion drawn in respect of the annual review of the effectiveness of internal audit, be endorsed.
- (3) The contents of the Annual Internal Audit Report for 2014-2015 and the Managing the Risk of Fraud, Theft and Corruption Report, as set out in Appendices A and D to Report PAS/SE/15/006, be noted.

31. **West Suffolk Annual Governance Statement (2013-14) Action Plan Update**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/007.

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

32. **Key Performance Indicators and Quarter 4 Performance Report 2014-15**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/008.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the performance against the Key Performance Indicators for Quarter 4, 2014-2015, subject to a future report being presented to the Committee on WS/HOU009 – Private sector tenancies made available through West Suffolk Lettings Partnership.

33. **Performance Management Report 2015-2016**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/009.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the contents of the report subject to the parallel running of the current performance reporting system and the proposed balanced scorecard.

34. **West Suffolk Strategic Risk Register Quarterly Report - March 2015**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/010.

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

The Committee had requested that a written response be provided on Risk (WS12) on the types of engagement undertaken with employers, and suggested that Risk (WS21) – Safeguarding Children - that reference to the Multi Agency Safeguarding Hub (MASH) be included as a preventative action.

There being no decision required, the Committee **noted** the contents of the report, subject to the above comments made.

35. **Biannual Corporate Complaints and Compliments Digest**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/011.

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

36. **Work Programme Update**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/012.

There being no decision required, the Committee **noted** the contents of the work programme for 2015, subject to the balanced scorecard and a future report on the future of the West Suffolk Lettings Partnership being included.

37. **Ernst and Young - Annual Certification Report 2013-2014**

The Committee received Report No: PAS/SE/15/013, 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 2013-2014, attached as Appendix A.

Melanie Richardson (External Audit Manager) 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. The report included key messages arising from the assessment of the arrangements for preparing claims and returns and information on claims that were qualified. She drew relevant details from the report to Members' attention, and explained the one claim relating to the Housing Benefits Subsidy Claim.

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

38. **Ernst and Young - Presentation of External Audit Plan and Fees 2014-15 and 2015-16 Indicative Fees**

The Committee received Report No: PAS/SE/15/014, 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 the 2014-2015 audit along with the planned fees to complete the work. The report also provided the Committee with a basis to review the 2015-2016 indicative fees (Appendix B).

Melanie Richardson (External Audit Manager) from EY presented this report, which summarised EY's assessment of the key risks which drive the development of an effective audit of 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 2015. She also drew Member's attention to the Financial Statement Risks; the value for money conclusion; and the indicative audit fee for 2015-2016 and how the scale fee was based.

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

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

39. **Financial Outturn Report (Revenue and Capital) 2014-15**

The Committee received Report No: PAS/SE/15/015, which updated members on the 2014-2015 outturn revenue and capital position. Attached at Appendix A to the report was the revenue outturn position as at 31 March 2015, which

currently showed an overall underspend of £109,000. An analysis of revenue variances for 2014-2015 was attached as Appendix B.

Attached at Appendix C was the Council's capital outturn position for the year 2014-2015 which showed a net underspend of £3,735,000. This predominately related to the timing of capital project.

Appendix D to the report set out a summary of the earmarked reserves for the year 2014-2015. As at 31 March 2015 the balance of the Council's reserves was £13,383,000.

The Committee then scrutinised the report in detail and asked a number of questions to which officers duly responded. In particular officers agreed to provide Members with written responses to the following questions raised:

- 1) Appendix B (2021) – Abbey Gardens – To provide an update on projects to upgrade the tennis courts which were currently unusable.
- 2) Appendix B (2031/2032) – Moyse's Hall Museum and West Stow Country Park- To provide information on the reasons for the overspend.
- 3) Appendix C – Bury Town Football Relocation Scheme – To provide an update on the Capital Project.

There being no decision required, the Committee **noted** the 2014-2015 Outturn revenue and capital outturn positions as set out in Appendices A and C to Report No PAS/SE/15/015.

40. **Decision Relating to Complaint to Local Government Ombudsman**

The Committee received Report No PAS/SE/15/016 which set out a complaint which had been referred to the Local Government Ombudsman (LGO) and who had upheld the complaint. The Ombudsman's final decision was set out in Appendix 1 to the report.

There being no decision required, the Committee **noted** the Local Government Ombudsman (LGO) decision and the payment of the recommended compensation of £100.

The Meeting concluded at 6.48pm

Signed by:

Chairman
