

Cabinet



St Edmundsbury
BOROUGH COUNCIL

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| Title of Report: | Report of the Performance and Audit Scrutiny Committee: 24 November 2016 | |
| Report No: | CAB/SE/16/060 | |
| Report to and date | Cabinet | 8 December 2016 |
| Portfolio Holder: | Ian Houlder Portfolio Holder for Resources and Performance Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk | |
| Chairman of the Committee: | Sarah Broughton Chairman of the Performance and Audit Scrutiny Committee Tel: 01284 787327 Email: sarah.broughton@stedsbc.gov.uk | |
| Lead Officer: | Christine Brain Democratic Services Officer (Scrutiny) Tel: 01638 719729 Email: Christine.brain@westsuffolk.gov.uk | |
| Purpose of report: | <p>On 24 November 2016, the Performance and Audit Scrutiny Committee held an informal joint meeting with members of Forest Heath's Performance and Audit Scrutiny Committee, and <u>considered the first four items jointly:</u></p> <ol style="list-style-type: none">(1) Mid-year Internal Audit Progress Report 2016-2017;(2) Balanced Scorecard and Quarter 2 Performance Report 2016-2017;(3) West Suffolk Strategic Risk Register Monitoring Report – September 2016;(4) Work Programme Update; | |

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| | <p>(5) Financial Performance Report (Revenue and Capital) – Quarter 2 (April to September 2016);</p> <p>(6) Delivering a Sustainable Budget Medium Term Financial Strategy 2017-2020;</p> <p>(7) Ernst and Young – Presentation of Annual Audit Letter 2015-2016;</p> <p>(8) Mid-year Treasury Management Report and Investment Activity (April to September 2016);</p> <p>Separate reports are included on this Cabinet agenda for Items (6) and (8) above.</p> |
| Recommendation: | The Cabinet is requested to <u>NOTE</u> the contents of Report CAB/SE/16/060, being the report of the Performance and Audit Scrutiny Committee. |
| <p>Key Decision:</p> <p><i>(Check the appropriate box and delete all those that do not apply.)</i></p> | <p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p> <p>Report for information only.</p> |
| Consultation: | <ul style="list-style-type: none"> • See reports listed in Section 2 below. |
| Alternative option(s): | <ul style="list-style-type: none"> • See reports listed in Section 2 below |
| Implications: | |
| <i>Are there any financial implications? If yes, please give details</i> | Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers. |
| <i>Are there any staffing implications? If yes, please give details</i> | Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers. |
| <i>Are there any ICT implications? If yes, please give details</i> | Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers |
| <i>Are there any legal and/or policy implications?</i> | Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers. |
| <i>Are there any equality implications? If yes, please give details</i> | Yes <input type="checkbox"/> No <input type="checkbox"/> Please see background papers. |
| Risk/opportunity assessment: | Please see background papers. |
| Ward(s) affected: | Please see background papers. |
| Background papers: | Please see background papers, which are listed at the end of the report. |
| Documents attached: | None |

1. Key issues and reasons for recommendation

1.1 Mid-year Internal Audit Progress Report 2016-2017 (Report No: PAS/SE/16/024)

- 1.1.1 The Committee received and **noted** the report, which advised Members of the work of the Internal Audit Section for the first half of 2016-2017 (Appendix A), including the variety of corporate projects and activities which were supported through the work of the team.
- 1.1.2 The report also included an update on progress made against the 2016-2017 Internal Audit Plan previously approved by the Committee in May 2016.

1.2 Balanced Scorecard and Quarter 2 Performance Report 2016-2017 (Report No: PAS/SE/16/025)

- 1.2.1 The Committee received and **noted** Report No: PAS/SE/16/025, which set out the West Suffolk Balanced Scorecards being used to measure the Council's performance for 2016-2017 and an overview of performance against those indicators for the second quarter of 2016-2017. The six current balanced scorecards (attached at Appendices A to F to Report No: PAS/SE/16/025) were linked to the Heads of Service areas, which presented Quarter 2 2016-2017 performance.
- 1.2.2 Most indicators reported performance against an agreed target using a traffic light system with additional commentary provided for performance indicators below optimum performance.
- 1.2.3 In quarter 1, the performance against the "% telephone calls answered" indicators was below target levels across all areas. During quarter 2, the performance against these indicators had increased and was now getting back towards the levels seen during the 2015-2016 financial year, despite call volumes still being higher than comparable periods last financial year.
- 1.2.4 There had been a slight drop corporately in the performance against the indicator "% of non-disputed invoices paid within 30 days" since quarter 1. The figure in June 2016 was 93.17%, whereas in September 2016 the figure was 87.63%. The finance and performance team would continue to work with the service areas to try and improve performance against this indicator, with monthly business intelligence reports being sent out with details of all invoices processed.
- 1.2.5 Another area where performance had dipped slightly since the quarter 1 this year was in homelessness. An increase in homeless cases of 30% from the first quarter had led to a slightly increased time taken to make homelessness decisions and an increased use of B&B accommodation in quarter 2.
- 1.2.6 Discussions were held on the increase in homelessness cases presented.
- 1.2.7 No issues were required to be brought to the attention of Cabinet.

- 1.3 **West Suffolk Strategic Risk Register Quarterly Report – September 2016 (Report No: PAS/SE/16/026)**
- 1.3.1 The Committee received and **noted** the second 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 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). Some individual controls and actions had been updated and those which were not ongoing and had been completed by September 2016 had been removed from the Register.
- 1.3.2 There had been no amendments to current risks or any new risks added, and no existing risks had been closed since the Strategic Risk Register was last report to the Committee.
- 1.3.3 Members considered the report and in particular discussed risk WS4 – staff retention.
- 1.4 **Work Programme Update (Report No: PAS/SE/16/027)**
- 1.4.1 The Committee received and **noted** its Work Programme which provided items scheduled to be presented to the Committee during 2017.
- 1.5 **Financial Performance Report (Revenue and Capital) 2016-2017 – Quarter 2 (April to September 2016) (Report No: PAS/SE/16/028)**
- 1.5.1 The Committee received and **noted** Report No: PAS/SE/16/028, which set out the financial performance for the second quarter of 2016-2017 and forecasted outturn position for 2016-2017.
- 1.5.2 Attached at Appendices A and B to the report were details of the Council's revenue performance and year end forecasted outturn position. Explanations of the main year end forecast over/(under) spends was set out within paragraph 1.2.3 of the report. Appendix C to the report set out the Council's capital financial position for the first six months of 2016-2017, which showed expenditure of £1,208,000. Finally, a summary of earmarked reserves was attached at Appendix D, along with the forecast year end position for 2016-2017.
- 1.5.3 The Resources and Performance Team will continue to work with Budget Holders to monitor capital spend and project progress closely for the remainder of the financial year and an updated position will be presented to the Committee on a quarter basis.
- 1.5.4 The Committee scrutinised the report and asked questions to which officers duly responded. In particular, officers provided explanations on the variances set out in paragraph 1.2.3 and outlined the reasoning for these.

1.6 **Ernst and Young – Presentation of Annual Audit Letter (2015-2016)
Report No: PAS/SE/16/030**

- 1.6.1 The Committee received and **noted** this report which updated Members on the outcome of the annual audit of the 2015-2016 financial statements by Ernst and Young as detailed in their Annual Audit Letter for 2015-2016, attached as Appendix 1 to Report No: PAS/SE/16/030. The letter was for information and confirmed the completion of the audit of the 2015-2016 financial statements.
- 1.6.2 It was reported that the planned audit fee for the year remained unchanged (£43,767), other than a small additional fee which related to some work on the Council's proposed Medium Revenue Provision policy. This work had been requested by management and the fee of £1,431 had been agreed by the S151 Officer.
- 1.6.3 Work on the certification of claims and returns had not yet commenced and the results of this work, along with the final fee, would be reported in the Annual Certification Report.

2. Background Papers

- 2.1.1 Report [PAS/SE/16/024](#) to the Performance and Audit Scrutiny Committee: Mid-Year Internal Audit Progress Report 2016-2017
- 2.1.2 Report [PAS/SE/16/025](#) to the Performance and Audit Scrutiny Committee: Balanced Scorecards and Quarter 2 Performance Report 2016-2017
- 2.1.3 Report [PAS/SE/16/026](#) to the Performance and Audit Scrutiny Committee: West Suffolk Strategic Risk Register Quarterly Monitoring Report (Sept 2016)
- 2.1.4 Report [PAS/SE/16/027](#) to the Performance and Audit Scrutiny Committee: Work Programme Update
- 2.1.5 Report [PAS/SE/16/028](#) to the Performance and Audit Scrutiny Committee: Financial Performance Report (Revenue and Capital) 2016-2017 Quarter 2 – (April to September 2016)
- 2.1.6 Report [PAS/SE/16/030](#) to the Performance and Audit Scrutiny Committee: Ernst and Young – Presentation of Annual Audit Letter (2015-2016)