COUNCIL MEETING – 27 January 2009

AUDIT AND PERFORMANCE COMMITTEE

2 December 2008

Present: Councillor Callnon (Chairman), Councillor Allebone (Vice-Chairman), Councillors Crofts, Morrall and Sharp.

Councillor Bass also attended the meeting.

1 APOLOGIES FOR ABSENCE

RESOLVED to note that an apology was received from Councillor Bigley.

2 DECLARATIONS OF INTEREST

RESOLVED to note that there were no declarations of interest.

3 CONFIRMATION OF MINUTES

RESOLVED that the minutes of the meeting held on 14 October 2008 be confirmed and signed.

4 RISK MANAGEMENT

The Committee received a report from the Corporate Director presenting the corporate risk register and requesting agreement of actions proposed in respect of identified risks. It was noted that this was the first of a series of regular reports to the Committee in this respect.

The Committee had adopted an updated risk management policy and strategy for the Council, which had confirmed the approach to the evaluation of corporate and other business risks and established a risk tolerance boundary for the Council. It was noted that this was defined as the amount of risk exposure, or potential adverse impact from an event, that an organisation was willing to accept or retain in order to achieve its objectives.

It was noted that there were currently 48 corporate risks identified, 11 of which fell outside the risk tolerance boundary. These 11 were specifically referred to in the action plan contained in Appendix A. The full risk register and associated actions was attached as Appendix B.

It was noted that the Corporate Risk Management Group had considered the potential impact of the possible risks resulting from the current economic climate, and its conclusions were being used to inform work being undertaken by the Council’s Corporate Management Team. The Corporate Director highlighted 2 significant risks outside the tolerance boundary (nos 5 and 48), with a “high” risk likelihood for the Council:
• risk associated with the potential impact of the economic downturn, in particular respect of the Council’s investment strategy (no. 5);
• risk associated with the outbreak of an epidemic of pandemic flu (no. 48).

He reminded the Committee that all members had received a briefing note from the Head of Financial Services providing information about the position of the Council’s investments in which it was reported that there was no heavy investment with any single financial organisation. The Council was still in a comfortable financial position. The Corporate Director stated that the impact of a pandemic flu outbreak could cause potentially severe problems. He advised that business continuity and disaster recovery provision had been made for specific vital services, particularly IT Services.

The Corporate Director responded to questions and comments about specific risks identified in the report, which included the following:

• The Committee considered specific risks, and requested information about security control measures for recovery solutions including web-based systems. It was noted that IT Services had a programme of regular testing of the Council’s IT systems to try to hack into them; the anti-virus system had recently been replaced and was much improved.
• It was noted that the Revenue and Benefits Manager was part of the Corporate Risk Management Group, and thus the group had an overview of potential major risk affecting service provision to the public.
• Risk category no. 18, planning policy insufficient to meet government requirements, was considered. It was noted that planning decisions were regularly overturned by the Planning Committee, and that this could have considerable financial risk to the authority if developers appealed when major planning applications were rejected, both in potential costs awarded and the funding of the appeal process. It was agreed that an ongoing programme of education about planning legislation should be included as a control measure in this risk category. The Corporate Director would amend the risk register to include this.

RESOLVED that the actions proposed in respect of risks identified in the risk register be agreed.

5 USE OF RESOURCES: KEY LINES OF ENQUIRY

The Committee received a report from the Corporate Director providing an overview of the use of resources (UoR) assessment process and the related key lines of enquiry (KLOEs), and outlining how this assessment fitted into the wider Comprehensive Area Assessment (CAA) regime.

It was noted that the UoR was a scored assessment carried out annually on behalf of the Audit Commission by the Council’s external auditors. The Council was assessed against themed KLOEs, a score awarded for each which then produced a combined overall score.
It was further noted that from 2009 the UoR assessment would form part of the Audit Commission’s new CAA framework. It would be carried out yearly at county, single tier and district council level alongside fire and rescue agencies, police and primary care trusts as part of the external audit by appointed auditors. The UoR assessment had been revised and re-launched to meet the needs of CAA, and considered how well organisations managed and used their resources to deliver value for money and more sustainable outcomes for localities. It would become a key assessment tool to measure, judge and score the performance of public service providers. It was structured into 3 themes:

- Effective sound and strategic financial management to deliver value for money;
- Good governance and strategic commissioning to provide value for money and delivery of better outcomes for local people;
- Effective management of natural resources, physical assets and people to meet current and future needs and deliver value for money.

Four appendices were attached to the report:

- A: 2008-09 KLOEs.
- B: Specified KLOEs for 2008-09 (value for money conclusion and UoR assessment).
- C: UoR assessment 2008-09 scoring judgements.
- D: Key stages in the timeline for 2008-09 UoR assessments.

The Corporate Director responded to questions and comments raised by the Committee which included the following:

- The Committee noted that the Council’s management teams held regular workshops with the external auditors at which consideration was given to UoR responses. The workshops also had helped to develop an improved effective working relationship between the management team and both internal and external auditors.
- It was noted that the Council’s draft UoR self assessment for 2008-09 would be available during January and would be finalised in March. It would be presented to the Committee with outline information in respect of each KLOE.
- It was noted that the Council would not be assessed this year against some parts of the third KLOE, whilst others would be focused upon, for example workforce management and development.
- The Committee considered the use and value to the organisation of all the information collected for the UoR assessment, and asked how it could be used to improve service provision. The Corporate Director reported that the assessment method was intended to focus on outcomes and each organisation needed to be able to demonstrate how it used the information provided. This assessment would provide a useful reflection of the Council’s value for money and, together with the performance management analysis and improvement and efficiency programme led by the Head of Performance, would help to improve service provision.
The Committee requested information about the frequency of updates in respect of the UoR assessment. The Corporate Director agreed to provide a verbal update of progress towards the 2008-09 UoR self-assessment at the Committee’s January meeting, a further report in February, and quarterly updates on the preparation for next year’s UoR assessment.

**RESOLVED** that subsequent meetings of the Committee be updated with information in respect of each KLOE against which the Council would be assessed during 2008-09.

**6  AUDIT AND PERFORMANCE COMMITTEE: ANNUAL CYCLE**

The Head of Performance had previously circulated a proposed annual report cycle for the Committee’s work during 2009. It included regular update reports from both internal and external auditors, together with service performance reports and updates on the progress of the Corporate Improvement and Development Plan.

He noted that the Committee meetings could also incorporate training or briefing sessions. Through the Chairman, he asked the Committee for suggestions of other issues it would like to examine. These included the following:

- Potential measures to bring empty houses into public sector letting.
- Consistency of approach by partner agencies providing services on behalf of the Council.
- Performance of partners, for example DC Leisure and Wellingborough Homes.
- Performance and customer focus of specific services, for example the refuse collection and cleansing services.

It was noted that councillors could obtain information about specific services by contacting Heads of Service directly, or through their ward support team, or via the Head of Performance as Committee Manager.

**RESOLVED** that:

(i) the Committee Manager update the annual cycle of reports;

(ii) it be a standing item on the agenda for each meeting of the Committee.

**7  URGENT MATTER**

The Chairman decided that the following matter was urgent within the meaning of Section 100B (4) (b) of the Local Government Act, 1972, for the reason set out:

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<th>Minute No.</th>
<th>Subject</th>
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<td>Refuse Collection</td>
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8 REFUSE COLLECTION

The Committee was advised that arrangements for refuse collection had been changed in some areas of the Borough during the current week. This had led to confusion in some wards where information about the changes had not been received: in some instances entire streets had put out the wrong bins for collection.

RESOLVED to note that the Deputy Chief Executive would investigate and liaise with the Head of Environmental Services and provide an email update to Committee members.

The meeting concluded at 8.30pm.

Chairman