

## **Performance Review and Audit Select Committee**

A meeting of the Performance Review and Audit Select Committee was held on Monday, 23<sup>rd</sup> January 2006

**Present:** Councillor Fletcher (Chairman), Councillors Cherrett, Dalgarno, Faulks (vice Larkin), Frankland (vice Cains), Noble, Mrs Norton, Stoker, Womphrey and Mr Maxwell

**Officers:** G. Birtle, M. Henderson, (LD); H. Dean (PP); J. Danks, H.Fowler (R)

**Also in attendance:** Gill Gittins and Campbell Dearden from the Audit Commission.

**Apologies for absence** were submitted on behalf of Councillors Cains, Larkin and Parry

### **981 Draft Minutes**

The draft minutes of the meeting held on 5<sup>th</sup> December 2005 were approved by the Committee for submission to Council.

### **982 Annual Audit and Inspection Letter**

Consideration was given to a report relating to the Council's Audit and Inspection Annual Letter for 2004-2005 received from the Audit Commission

A copy of the Audit and Inspection letter was provided to Members and representatives from the Audit Commission were in attendance to present it to the Committee and answer any questions from Members.

It was explained that the Council's accounts for 2004/05 presented fairly its financial position which was considered to be sound.

With regard to performance Members were informed that under the new Comprehensive Performance Assessment process, which was a 'harder test', the Council had been judged to be four star overall (the highest rating possible) improving well and consistently above minimum requirements – performing well in its use of resources.

The Committee were informed of the key issues highlighted in the report and noted that the Council needed to:-

- Ensure that the Arms Length Management Organisation's recovery plan delivered the required improvements
- Maintain a prudent approach to the budget for 2006/07 and future years as single status and job evaluation costs were likely to be higher than anticipated
- Continue to challenge managers for those services where performance could be improved – even if those services were not priorities, the Council should be aiming to see all its services in the top quartiles of performance.

The Committee discussed the report at length with discussion covering the following areas:-

- The Council's 4 star rating
- Planning Performance
- Slippage in progressing Single Status
- National Fraud Initiative
- Housing Subsidy Claim

CONCLUDED that the content of the Annual Audit and Inspection Letter be noted.

### **983 Internal Audit Quarterly Monitoring Report**

Consideration was given to a report advising Members of the work carried out by the Internal Audit Section and the progress made during the quarter October to December 2005 against the annual audit plan.

The report included three appendices for consideration.

- (a) Appendix A - Key Performance Indicators
- (b) Appendix B - List of audits undertaken and number of recommendations made
- (c) Appendix C - Details of audits by Service Groupings

Members were informed of three Audits, undertaken during the period, that had received category (5) recommendations – ‘of fundamental importance’:-

- Service Stockton Accounts 2003/2004
- Westlands School
- Client Financial Services

The Committee received background information relating to each of the category 5 recommendations. Members were also provided with detailed explanations of what measures had been introduced to mitigate the risk of such issues reoccurring.

With regard to Westlands School, Members noted that a planned audit on the School had been delayed, on request, as the school's head teacher had been changing at the proposed time of the Audit. The Committee queried whether this practice was advisable as it would be useful for any incoming head teacher to have an immediate overview of the school's position, from an academic point of view, which would be provided by the advisory service and from an administrative point of view, which should include any audit issues.

Members also queried the extent of advice issued to school governing bodies in terms of the type of issue that should receive ongoing monitoring.

The Committee requested that its comments be forwarded to relevant officers.

CONCLUDED that the report and additional information be noted and officers, at the meeting, pass on the Committee's comments.

#### **984 Committee Work Issues**

The Chairman reminded Members that, under proposals being considered by Council on 25<sup>th</sup> January 2006, this committee would no longer exist in the Council's Committee Structure. It was anticipated that the proposals would be agreed, and the Chairman therefore asked members if they considered there to be any outstanding work issues. Any outstanding issues could be fed back into the proposed new structure.

CONCLUDED that there were no outstanding work issues.