

EAST HERTS COUNCIL

EXECUTIVE – 24 APRIL 2018

REPORT BY PERFORMANCE, AUDIT AND GOVERNANCE SCRUTINY
COMMITTEE CHAIRMAN

PERFORMANCE, AUDIT AND GOVERNANCE SCRUTINY COMMITTEE
UPDATE

WARD(S) AFFECTED: All

Purpose/Summary of Report

- This report details the comments and recommendations made by the Performance, Audit and Governance Committee since the last meeting of the Executive on 6th February 2018.

<u>RECOMMENDATION:</u>	
(A)	That the Executive notes the contents of the report.

1.0 Background

1.1 Since the last meeting of the Executive, the Performance, Audit and Governance Scrutiny Committee have met once on 13th March 2018 and considered the following items:

- Corporate Financial Healthcheck Report - Quarter 3
- General Data Protection Regulations (GDPR) – Update
- External Auditor - Audit Planning Report - Year Ending 31 March 2018
- Shared Anti-Fraud Service Draft Plan 2018/19

- Shared Internal Audit Service (SIAS) Internal Audit Plan 2018/19
- Shared Internal Audit Service - Audit Plan: Update
- Risk Management Strategy Annual Review
- Work Programme 2018/19

2.2 **Corporate Financial Healthcheck Report - Quarter 3**

- 2.1 The Committee considered a report detailing the quarter 3 corporate financial healthcheck.
- 2.2 The Committee discussed the Castle Weir micro hydro scheme, acknowledging the financial benefit it would bring to the Hertford Theatre, highlighting the under-spend and noting that the slow response of the Environment Agency had delayed progress. Officers agreed to provide an update to Members.
- 2.4 There was discussion of Charringtons House, Bishop's Stortford and officers provided an update on the Launch Pad initiative and changes to the layout of the building to attract smaller businesses.
- 2.5 Members discussed staff recruitment, with specific reference to planning and Members asked that this be referred to the Interim Head of Human Resources and Organisational Development.
- 2.6 Officers provided the Committee with an update on the 'My Incubator' project including funding streams and proposed alternative accommodation.
- 2.3 The Committee recommended that:
- the Executive be advised that Members noted the projected revenue budget forecast overspend of now £55k in 2017/18;
 - the capital budget forecasted underspend of £2.166m be noted;
 - the reported performance and actions for the period of

October 2017 to December 2017 be noted;

- the Head of Operations to provide Members with an update in relation to the Castle Weir Micro Hydro scheme, including the budget underspend;
- the Head of Strategic Finance and Property provide Members with an update on the Decent Homes Grants (Policy);
- the Head of Operations provide Members with an update in relation to the Bell Street, Sawbridgeworth toilets and Car Park;
- the Head of Operations provide Members with an update in relation to a £13k reduction in predicted income in relation to clinical waste collections;
- the BATs shared service and the increased costs which have occurred in respect of cyber security and additional software licenses be added to the Work Programme for further scrutiny;
- the Head of Strategic Finance and Property provide Members with an update in relation to Aged Debtors and the invoice still outstanding in relation to the car park at Bishop's Stortford.

3.0 General Data Protection Regulations (GDPR) - Update

3.1 The Committee considered a report providing an update on the GDPR which will come into force from 25 May 2018.

3.2 Officers were invited to email the Head of Legal and Democratic Services and Monitoring Officer with any queries relating to the GDPR.

3.3 The Committee recommended that the report be noted and officers be advised of Members' request for training on storage and use of personal data.

4.0 External Auditor - Audit Planning Report - Year Ending 31 March 2018

- 4.1 The Committee received Audit Planning Report for year ending 31 March 2018, which was presented by the external auditor.
- 4.2 Members debated the report at length and were provided with clarification on a number of issues including valuations of assets and assumptions made; site visits made by external auditors; value for money arrangements and risks. The external auditor outlined the various stages involved in an audit and proposed timescales for review, which would be subject to consultation with officers.
- 4.3 The Committee recommended that the report be noted and the level of materiality set by the external auditor at 2% be supported.

5.0 Shared Anti-Fraud Service Draft Plan 2018/19

- 5.1 The Committee considered the Shared Anti-Fraud Service (SAFS) draft plan for 2018/19.
- 5.2 The Committee noted the importance of publicising the successes of the service in order to prevent fraud and discussed the use of social media to deliver an anti-fraud message.
- 5.3 The Committee recommended that the report be noted and the SAFS draft plan for 2018/19 be approved.

6.0 Shared Internal Audit Service (SIAS) Internal Audit Plan 2018/19

- 6.1 The Committee considered the Shared Internal Audit (SIAS) Plan for 2018/19. Officers provided a summary of the report, outlined the scope of the 2018/19 proposed audit and confirmed that the internal audit would include the profile of aged debts and Section 106 spend arrangements.
- 6.2 The Committee noted the report and recommended that the management challenges of Section 106 payments be included

in the Committee's work programme for review.

7.0 Shared Internal Audit Service - Audit Plan: Update

7.1 The Committee considered a report detailing progress on the 2017/18 audit plan.

7.2 It was noted that the number of days purchased in 2018/19 had been reduced by 10% across all Shared Service partner Councils. The Committee was assured that this would not affect levels of service provided.

7.3 The Committee recommended that the SIAS Audit Plan progress report be noted; the amendments to the Audit Plan as at 23 February 2018 be approved and the status of high priority recommendations be noted.

8.0 Risk Management Strategy Annual Review

8.1 The Committee considered a report outlining the Risk Management Strategy annual review which detailed proposed changes to the strategy.

8.2 Members suggested a change of wording to include "New political arrangements" under the examples section on page 205 of the report in the PAG Committee agenda pack.

8.3 The Committee recommended that the Executive be advised that the Committee supports the revised Risk Management Strategy, as amended.

9.0 Work Programme 2018/19

9.1 The Committee considered a report, providing details of the PAG Scrutiny Committee draft work programme for 2018/19.

9.2 A number of updates were noted and it was agreed that the Scrutiny Officer would amend the Work Programme

accordingly.

- 9.3 Members noted the new items for the work programme proposed at this meeting, including the IT resilience, including cyber security and management challenges of Section 106 payments. It was noted that the annual Leisure Performance Report and delivery of the Council's Housing and Health Strategy delivery would be added to the 2018/19 work programme. It was suggested that the Housing and Health Strategy delivery item include consideration of performance of the Housing Associations that work with the Council. It was noted that that the Executive Member with responsibility for these areas would be invited to attend for the Leisure Performance report and the Housing and Health Strategy delivery item.
- 9.4 The Committee recommended that the Work Programme as amended be received and Member concerns regarding the difficulties faced by the Council in recruiting Planning Officers be forwarded to the Interim Head of Human Resources and Organisational Development.

Background Papers

None

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