

REPORT OF THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE

Meetings held on 8th December, 2006 and 19th January, 2007

Membership:

Councillors: A.C.R. Chappell,(Chairman) Mrs. P.A. Andrews, H. Bramer, T.M. James, J.G. Jarvis, R.I. Matthews, Mrs. S.J. Robertson.

BENEFIT FRAUD INSPECTION REPORT FOR BENEFIT INTERVENTION AND BENEFITS CORPORATE PERFORMANCE AND BENEFIT CHANGES 2007

1. Councils are required to carry out benefit interventions each year which are a review of a selection of housing and Council tax benefit claims. The Committee has received an update on the Benefit Interventions report from the Benefit Fraud Inspectorate and noted that the majority of the recommendations in the Benefit Intervention Action Plan produced by the officers had been implemented.
2. The Committee has also noted a report on the Benefit Fraud Inspectorates' Corporate Performance Assessment report and Benefit changes. The Committee was informed of the improved performance and efficiencies in the service since the previous assessment in 2005 and the planned benefit changes which would be effective from April 2007.

AUDIT COMMISSION REPORT ON THE REVIEW OF E GOVERNMENT PROGRAMME

3. The Committee has noted the actions taken in respect of recommendations made by the Audit Commission in respect of its E Government Programme.

AUDIT SERVICES INTERIM ASSURANCE REPORT

4. The Committee has considered a report on the progress made in relation to the Audit Plan which also highlighted key internal control issues. The Committee was pleased to note the Audit Commission's approval of the current position that Fundamental Audits were on track.
5. The Committee has also received an update on the status of audits started during the year. It has noted that a report will be submitted to the next meeting on the progress on recommendations in relation to developing guidance on inventories and Criminal Records Bureau checks in respect of schools.

AUDIT COMMISSION REPORT LOCAL AREA AGREEMENTS

6. The Committee has considered a report by the Audit Commission on the Herefordshire Local Area Agreement and has noted that the Audit Commission had been satisfied with the purpose and structure of the Agreement. The Committee has also noted that the officers were currently working with the Herefordshire Partnership Chief Executives' Group and Performance Management Group to incorporate recommendations made into the partnership Action plans.

FOREWORD TO THE COUNCIL'S CODE OF CORPORATE GOVERNANCE

7. The Committee has considered a draft Foreword to the Code of Corporate Governance. The Committee has resolved that the draft be submitted to Cabinet for approval, subject to the agreement of the Standards Committee.

POOLED BUDGETS

8. The Committee has received a presentation on Pooled Budgets in respect of the Health Act 1999. A copy of the presentation is attached to the Minutes of the 8th December, 2006 meeting of the Committee.

AUDIT COMMISSION USE OF RESOURCES REPORT

9. The Audit Commission has submitted a report to the Council on how well the Council manages and uses its financial resources. The Commission's report focused on the importance of having sound financial strategic management to ensure that resources were available to support the Council's priorities and improve services. The Committee noted the action that was being taken on improvements that had been identified and the Audit Commission's endorsement on progress being made. The Audit Commission had indicated that the improvements would translate into an improved assessment for the Council in due course.
10. The Committee has taken note of the Audit Commission's focus on Members and Officers Disclosures in respect of gifts and hospitality and the Commission's intent to hold a Seminar in the near future for Members on that subject.

AUDIT SERVICES UPDATED INTERIM ASSURANCE REPORT

11. The Committee received an update on action being taken with regards to Critical 1 recommendations previously made. With regard to new Critical 1 recommendations relating to Information Communications Technology (ICT), Financial Management Systems (FMS) and Procurement, the Head of ICT had signed off the action plan. A report on telephone policy and usage will be submitted to the next Meeting of the Committee

CLIENT INDEX SYSTEM (CLIX) REVIEW

12. The Committee has noted a report which gave an update on the current status of audit recommendations in respect of the functionality and security of the CLIX system.

BENEFIT CORPORATE PERFORMANCE ASSESSMENT AND BENEFIT CHANGES APRIL 2007

13. The Committee has noted a report released in November 2006 by the Benefit Fraud Inspectorate for the 2006 Corporate Performance Assessment which has given an assessment based on performance figures for 2005/6. The figures reflected the adverse impact on benefit processing times following the implementation of new software in March 2005 and this had resulted in a 'Fair' rating. Since then, performance has continued to improve in 2006/7 and the Committee has noted that the Benefit Service was on track to return to the

'Good' categorisation for Corporate Performance Assessment in 2007 which would provide a sound basis for the Council to achieve an 'Excellent' rating for Benefits by 2008. The Committee has also noted the Benefit changes in respect of interventions which set targets for the number of reductions and terminations of benefit. .

MANAGING PERFORMANCE MANAGEMENT

14. In 2005, the corporate assessment process found that performance management was the weakest area of the Council's overall arrangements. The Audit Commission has re-examined performance management and assessed progress over the last 12 months. The audit covered processes, systems and procedures as well as the extent to which these were embedded in the culture of the Council and highlighted areas which required immediate attention. As a response to the recommendations by the Audit Commission, the Committee has considered a report and has approved an action plan on the way forward.

**A.C.R. CHAPPELL
CHAIRMAN
AUDIT AND CORPORATE GOVERNANCE COMMITTEE**

BACKGROUND PAPERS

Agenda papers of the meeting of the Audit Committee held on 8th December, 2006, and 19th January 2007