1. **Purpose**

1.1 To review the work of the Panel over the current year and to look ahead to the coming year’s work programme.

2. **The New Structure**

2.1 This has been in place since the beginning of the 2004-05 Council year. The Panel has a clear focus on Council performance to which has been added the additional function of Audit Committee. Whereas these two functions sit fairly happily together, it would be fair to say that the audit role has presented more difficulties for the Panel.

2.2 It is clear that there is a potential conflict between the desire for scrutiny to be open and transparent and some audit findings that may be of a personally confidential or commercially sensitive nature. The Panel has set about resolving this difficulty.

3. **Review of Meetings**

3.1 The Panel has met on seven occasions through this Council year and set a format for its meetings early on. Most agenda have included a “focus” performance review topic. Agenda now clearly separate out audit from performance review items.

3.2 Performance topics have been Street Cleansing performance indicators, Highways adoptions, Youth Outreach work, Concessionary Travel administration, Street Lighting, and factors affecting CPA scores.

3.3 Audit issues have concentrated on audit committee roles, audit plans (external as well as internal), progress against internal audit plan and some key findings from internal audits, for example, the payments to creditors report.

3.4 The Panel has also undertaken work outside of its scheduled meetings by organising the membership into three working groups. The working groups chose Debt Recovery, SAP Implementation and Establishment Control as their subjects for investigation.
4. **Achievements and Effectiveness**

4.1 The Council has not had a Performance Review and Audit Panel before and the Panel has had to set about understanding its role, securing information supply and clarifying the extent to which it places audit reports in the public domain.

4.2 The Panel had a full day of training, from Andrew Chambers of Quorum, on the role of Audit Committees which was unanimously agreed to be extremely helpful.

4.3 Members should be regularly receiving monthly performance indicator information and budget monitoring information as potential triggers for Panel investigations. There is still, however, an unresolved question about Panel access to a wider set of data than just the monthly basket of indicators.

4.4 At its February meeting the Panel heard about the PPP monitoring information that is available and have been canvassed about the form in which they would like to receive it – the majority of the Panel choosing the monthly “traffic lights” report.

4.5 The Panel is also consulting on a protocol for the publication of Internal Audit Final reports with a view to making public as much information as possible.

4.6 Members of the Panel have produced their own reports based on work carried out both in and outside of scheduled meetings. The “Your Council” part of MKweb contains a Scrutiny page where reports on the Street Cleansing PI (plus Cabinet Member response) and of the Working Group on Establishment Control are to be found.

4.7 Still outstanding are reports on the adoption of highways and on concessionary travel administration – both examined in full Panel meetings - and the final report of the Debt Recovery Working group.

4.8 The effectiveness of the Panel has been limited by the constraint put upon it by the timing of its meetings. A start time of 5.30pm might be acceptable on its own, but coupled with another Overview and Scrutiny meeting on the same night has meant that some Members are only able to attend for little more than 90 minutes.

4.9 The meeting of the Panel held on 23 November 2004 was attended by an IDeA observer and his resulting report was positive with some useful constructive criticism. The report recognised that the Panel was still developing but remarked on the quality of questioning and members’ grasp of the issues. His recommendations to distinguish between performance review and audit items on the agenda has been acted on, as has the work to resolve the time constraints on the Panel’s meetings.

5. **Future Work Programme**

5.1 The issue of early starts and competing Overview and Scrutiny meetings has been resolved in the calendar of meetings for 2005/06. All the Panel’s
meetings for the coming year will be starting at 7.30pm and there will be no other meetings scheduled on the same evening.

5.2 Analysis of the performance issues tackled this year shows a predominance of Environment related topics. The Panel covers the performance of the whole Council and should look to examining issues from the other Directorates. That said, the Panel’s work will contain a strong reactive element as it will be triggered by both performance and audit information regularly updated.

5.3 It has already been established that the Panel will monitor the Audit Plan and this will be regularly programmed in.

5.4 Members will remember that the Panel agreed its involvement in signing off the year-end accounts. The deadline for this will be 31 July 2005 and so final accounts for 2004/05 will be programmed in to the Panel’s meeting on 20 July 2005.

5.5 The work of the three working groups has almost concluded - two reported and one finalising its report - and so the Panel is invited to consider possible topics for next year.