



Cabinet **26 May 2010**

Report from the Performance and Audit Scrutiny Committee: 26 April 2010

At this meeting the Committee also considered the Council Improvement Plan and Data Quality Policy, and separate reports appear on this agenda.

- 1. Annual Internal Audit Report 2009/2010 and Outline Audit Plan 2010/2011**
 - 1.1 The Committee reviewed the work of the Internal Audit Team during 2009/2010 and approved an outline Audit Plan for 2010/2011. Information provided to Members included the role of and requirement for Internal Audit, and resources available to the Team. Work covered during 2009/2010 included areas of corporate work, as well as financial and information systems audits, and audit reviews of 27 areas of the Council's work. The Committee discussed the main findings of these audits, concentrating on those where existing arrangements should be improved. Questions were also raised on the change from the Section 106 system to a Community Infrastructure Levy, and the use of consultants to calculate concessionary bus travel reimbursements, to which written responses will be provided.
 - 1.2 Additionally, the Audit Manager was required to give his audit opinion to the Committee, and based on the work undertaken during the year, Internal Audit could provide reasonable assurance that the systems of internal control and risk management systems were operating adequately and effectively.
 - 1.3 The outline plan for 2010/2011 provided for the annual review of all the main financial systems, together with corporate governance review and support, and the audit of a number of operational areas using a risk based methodology.
- 2. Code of Audit Practice for Local Government and Statement of Responsibilities**
 - 2.1 The 2010 Code of Audit Practice for local government had recently been approved, and came into immediate effect. The Audit Commission had asked for this document to be made available to Members of the Committee, together with the Statement of Responsibilities of Auditors and Audited Bodies, which set out the respective responsibilities of auditors and audited bodies. The Committee noted these new documents.

3. Establishment of a Treasury Management Sub-Committee

- 3.1 To date, treasury management activities have been reported to Cabinet and Council with no specific scrutiny involvement. However, latest guidance required revised reporting arrangements, including enhanced scrutiny arrangements, and on 23 February 2010 full Council resolved that a Treasury Management Sub-Committee of the Performance and Audit Scrutiny Committee be established.
- 3.2 The Committee appointed Councillors Hale, Spicer and Nettleton to the Sub-Committee, which will meet at least three times a year. Meetings will also be attended by the relevant Portfolio Holder, in a non-voting capacity. The Committee also approved the Terms of Reference for the new Sub-Committee and agreed the meeting arrangements. Members did, however, stress the need for extensive training for any Members or potential Members of this Sub-Committee.

4. Annual Procurement Report 2009/2010

- 4.1 This annual report updated the Committee on progress with the Council's procurement in 2009/2010, and its plans for 2010/2011. Developments included the appointment of a full time Procurement Manager from June 2009, procurement savings of £243,245 during 2009/2010, the introduction of a procurement newsletter and the rolling out of procurement best practice training sessions. Additionally, the opening up of the Council's procurement activities through more accessible website pages and e-tendering had provided easier access for local suppliers to become engaged with the Council.
- 4.2 Discussion took place on a number of areas, including encouraging local businesses to tender for Council contracts. The Committee noted the procurement savings record for 2009/2010, as well as the savings plan for 2010/2011.

5. Key Performance Indicators: Fourth Quarter 2009/2010

- 5.1 Members considered the fourth quarterly report for 2009/2010. A total of 33 indicators were reported, of which 23 were green, 3 amber and 2 red. The final 5 were contextual indicators. Members discussed a number of the indicators, with particular emphasis on those showing as red at year end, but did not wish to report any issues to Cabinet on this occasion.

6. Biannual Corporate Complaints and Compliments Digest

- 6.1 The Committee considered a digest of corporate complaints received between 1 October 2009 and 31 March 2010. The digest gave an overview of the quantity and range of corporate complaints received, as well as monitoring effectiveness at responding, and set out the learning and actions taken following each complaint. 10 corporate complaints had been received during the second half of 2009/2010, making a total of 30 for the year, compared to 42 during the previous year. The report also highlighted the 20 compliments that had been received during the reporting period, making a total of 68 compliments received during 2009/2010.

6.2 The Committee considered the digest and discussed some complaints in more detail, and was pleased to note not only that the quantity of compliments received continued to outnumber complaints, but also that the number of complaints was reducing year on year. Members congratulated the entire St Edmundsbury team on these excellent statistics, and it was also acknowledged that the good work of Councillors in their wards would also be contributing to reducing the number of corporate complaints received.

7. Budget Monitoring Report: 1 April 2009 to 28 February 2010

7.1 The Committee received the quarterly budget monitoring report which informed Members of the Council's financial position for the period up to 28 February 2010, and highlighted significant variances. Overall an underspend for the period of £1,080,000 was being reported, and all budget variances over £10,000 were explained in the report. Favourable variances included underspends on the budget of £1,157,000 and income above budget of £801,000, the reasons for which were discussed by Members. Adverse variances included budget overspends of £458,000 and income below budget of £360,000, and again the reasons for these variances were discussed with officers.

7.2 The Capital Budget Monitoring Report showed net expenditure of £9,882,000 for the period to 28 February 2010 compared to a full year revised capital budget of £12,322,000. As in previous reports, the underspend was partly due to slippage in the programme. The capital disposals programme showed capital receipts for the period of £2,157,387 against a full year disposal estimate of £2,779,000.

7.3 The Committee discussed a number of elements of this report, but did not wish to bring any issues to the Cabinet's attention at this time.

8. Corporate Risk Register: Quarterly Monitoring Report

8.1 The fourth quarterly risk register monitoring report for 2009/2010 had been prepared following review by Management Team and Corporate Management Team. Two new risks had been added to the register in this quarter, 'maintenance of leisure assets' and 'community centre transfer'. Two risks had been closed, 'West Suffolk House (Operation)' and 'Swine Flu', and two residual risks had moved from amber to red, both of which should probably have been red previously.

8.2 The Committee discussed some of the risks in this quarter's report, including refurbishment of Bury St Edmunds Leisure Centre, but did not make any suggestions for amendments to the Register on this occasion.

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