

Cabinet 21 October 2014

Report of the Performance and Audit Scrutiny Committee 24 September 2014

1. Summary and reasons for recommendation

- 1.1 On 24 September 2014, the Performance and Audit Scrutiny Committee considered the following items:
- (1) Ernst and Young Presentation of 2013/2014 ISA 260 Annual Governance Report to those Charged with Governance;
 - (2) Local Code of Corporate Governance / Annual Governance Statement 2013/2014;
 - (3) 2013/2014 Annual Statement of Accounts; and
 - (4) Work Programme Update.
- 1.2 A separate report is included on this Cabinet agenda for Item **(2)** above (Local Code of Corporate Governance).

2. Recommendation

- 2.1 The Cabinet is requested to **NOTE** the content of Report F146, being the report of the Performance and Audit Scrutiny Committee.

Contact details

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3. Strategic priorities

- 3.1 The recommendation meets the following, as contained within the West Suffolk Strategic Plan:
- (a) It supports the delivery of the priorities of the Council as contained in the Strategic Plan in an efficient and effective way.

4. Key issues

Ernst and Young Presentation of 2013-2014 ISA 206 Annual Governance Report to those Charged with Governance (Report F134)

- 4.1 Prior to considering the 2013/2014 Statement of Accounts, the Committee had received a presentation from Neil Harris (External Audit Director) and Melanie Richardson (External Audit Manager) from Ernst and Young (EY) on the results of EY's work to date. A copy of the Audit Committee summary was appended to Report F134 as Attachment 1 and provided at Attachment 2, was a Letter of Representation on behalf of the Council, in connection with the audit and financial statement for the year ended 31 March 2014.
- 4.2 Mr Harris confirmed that all work on the audit of the Council's 2013/2014 financial statements had been completed and no further errors had been identified. Therefore, EY would be issuing an unqualified opinion and certificate by the deadline of 30 September 2014, on both the Council's 2013/2014 financial statements and arrangements in securing economy, efficiency and effectiveness in its use of resources. However, he did draw the Committee's attention to a couple of key areas contained within Attachment 1, and Members asked questions to which Mr Harris duly responded.
- 4.3 The Committee noted the unqualified opinion on the Financial Statements for 2013/2014, and the Value for Money Conclusion stating that the Council had proper arrangements in securing economy, efficiency and effectiveness in the use of resources (page 3 of Attachment 1), issued by the Auditor.
- 4.4 Following the resolution of the Committee, the Letter of Representation on behalf of the Council was approved, before the Audit Director issued his opinion and conclusion.

Local Code of Corporate Governance / Annual Governance Statement 2013/2014 (Report F135)

- 4.5 Attached as Appendix B to Report F135 was the Annual Governance Statement (AGS) for 2013/2014. The AGS is designed to provide stakeholders of the Council with the assurance that the Council has operated within the law and that the Council has met the requirements of the Accounts and Audit Regulations 2011.
- 4.6 This year, the Annual Governance Statement was prepared by a Joint Governance Group and was presented as a joint statement for St Edmundsbury Borough Council and Forest Heath District Council to reflect both councils working together and sharing services across West Suffolk.
- 4.7 The Legal Services Manager had drawn the Committee's attention to page 13 of Appendix B, paragraph 10.3, which highlighted a small number of areas where

improvements could be made. Members were advised that these were included in the Council's Corporate Project Plan and will be subject to management and Member scrutiny, as appropriate.

- 4.8 The AGS 2013/2014, attached as Appendix B to Report F135 was approved for signing by the Chief Executive and the Leader of the Council.

2013/2014 Annual Statement of Accounts (Report F136)

- 4.9 The Committee scrutinised the 2013/2014 Statement of Accounts as contained within Report F136. Approval was sought for the accounts, attached as Appendix 1, in accordance with the powers delegated to it under the Council's Constitution. Attached at Appendix 2 was a schedule of payments which had been made to Councillors during the financial year.
- 4.10 The attached Statement of Accounts (Appendix 1) had been amended (as appropriate) to take on board issues raised by the audit process up to the date of distribution. Only minor presentational changes are now required prior to the signing of the accounts.
- 4.11 The Committee scrutinised the draft accounts and the Members' payments and asked questions to which officers provided responses. The Committee then resolved: That
- (i) the 2013/2014 Statement of Accounts, attached as Appendix 1 to Report F136, be approved in accordance with the powers delegated to it under the Council's Constitution;
 - (ii) the Chairman of the Performance and Audit Scrutiny Committee signs the certification of the 2013/2014 Statement of Accounts on behalf of the Committee; and
 - (iii) the Chief Finance Officer, in consultation with the Portfolio Holder for Resources and Performance, be given delegated authority to make any presentational and non-material changes to the Statement of Accounts that may be required up to the date of publication.

Work Programme Update (Report F137)

- 4.12 The Committee considered Report F137, which provided information on the current status of its Work Programme on items scheduled to be presented to the Committee during 2014/2015.

5. Other options considered

- 5.1 See Reports listed in Section 12 below.

6. Community impact

- 6.1 See Reports listed in Section 12 below.

7. Consultation

- 7.1 See Reports listed in Section 12 below.

8. Financial and resource implications *(including asset management implications)*

8.1 See Reports listed in Section 12 below.

9. Risk/opportunity assessment *(potential hazards or opportunities affecting corporate, service or project objectives)*

9.1 See Reports listed in Section 12 below.

10. Legal and policy implications

10.1 See Reports listed in Section 12 below.

11. Wards affected

11.1 All Wards.

12. Background papers

12.1 Report F134 to Performance and Audit Scrutiny Committee: Ernst and Young Presentation of 2013-2014 ISA 260 Annual Governance Report to those Charged with Governance

12.2 Report F135 to Performance and Audit Scrutiny Committee: Local Code of Corporate Governance / Annual Governance Statement 2013-2014

12.3 Report F136 to Performance and Audit Scrutiny Committee: 2013-2014 Annual Statement of Accounts

12.4 Report F137 to Performance and Audit Scrutiny Committee: Work Programme Update

13. Documents attached

13.1 None.