



St Edmundsbury
BOROUGH COUNCIL

B227

Council **28 September 2010**

CHAIRMAN'S REPORT **PERFORMANCE AND AUDIT SCRUTINY COMMITTEE**

Written report by Cllr John Hale
Chairman of the Performance and Audit
Scrutiny Committee

This report covers the meeting of the Committee held on 26 July 2010 and makes reference to the meeting scheduled for 27 September 2010.

(A) 26 July 2010 meeting

**1. Annual Treasury Management Report 2009/2010 and Investment Activity
1 April to 30 June 2010**

- 1.1 Following the Treasury Management Sub-Committee's consideration of the above report on 19 July 2010, the Chairman of the Committee, also Chairman of the Treasury Management Sub-Committee, reported on the Sub-Committee's consideration of the above report.
- 1.2 The report presented the Annual Treasury Management Investment Report, summarising the investment activities for the year 2009/2010, and also provided a summary of investment activity for the first three months of the 2010/2011 financial year. Report B224 on this agenda for the Resources and Efficiency Portfolio details the concerns about meeting the investment income budget for 2010/2011.

2. Key Performance Indicators: First Quarter 2010/2011

- 2.1 Members considered the first quarterly report for 2010/2011, covering the period April to June 2010. A total of 32 indicators were reported this quarter, of which 14 were green, 6 amber and 7 red. The final 5 were contextual indicators.
- 2.2 Members discussed a number of the indicators, including the percentage of minor planning applications determined within 8 weeks, the percentage of household waste recycled and composted, and the tonnage of household waste sent to landfill.

3. Budget Monitoring Report: 1 April to 30 June 2010

- 3.1 The Committee received the quarterly budget monitoring report which informed Members of the Council's financial position for the first quarter of 2010, and highlighted significant variances. Overall an underspend for the period of £273,000 was reported, and all budget variances over £10,000 were explained in the report.
- 3.2 Favourable variances included underspends on the budget of £279,000 and income above budget of £125,000, which was broken down in more detail for the Committee. Adverse variances included budget overspends of £39,000 and income below budget of £28,000, and again the reasons for these variances were discussed with officers. A number of issues were discussed by the Committee, including the provision of contingency budgets, and reasons for overspends and underspends shown in the papers.

4. Corporate Risk Register: Quarterly Monitoring Report

- 4.1 The first quarterly risk register monitoring report for 2010/2011 had been prepared following review by Management Team and Corporate Management Team. One new risk had been added to the register in this quarter, *'Public Sector Spending Cuts'*. Two risks had been closed, *'Unacceptable increase in Council Tax'* (due to the fact that the coalition Government had announced a Council Tax freeze) and *'Local Government Reorganisation/Boundary Committee Review/County Constitutional Convention'*. One residual risk had moved from green to red, *'Anticipation and Implementation of Legislation'*, due to the uncertainty around the coalition Government's forthcoming announcements on a range of issues.
- 4.2 The Committee discussed some of the risks in this quarter's report, including refurbishment of the Bury St Edmunds Leisure Centre, completion of The Apex, what the Council could reasonably do with regard to demographic changes, and issues concerning concessionary fares, but did not make any suggestions for amendments to the Register on this occasion.

5. Capital Programme Audited Accounts

- 5.1 In accordance with the Council's Financial Regulations, the Committee considered a report which notified it of variations in cost between tenders and completed schemes. The report included key projects (over £25K) undertaken by Property Services for which the accounts had been audited during the financial year 2009/2010.
- 5.2 Three schemes were reported, with a total approved budget of £1,220,000. An analysis of the figures showed that the total expenditure for 2009/2010 was a variation of 5.83% (£71,111 below budget). Of the three schemes being reported, two projects varied significantly from the budget allocation, and these were discussed by the Committee. Members concluded that the reasons given for the variations were acceptable.

6. Audit Commission Certification of Housing and Council Tax Benefits, Disabled Facilities Grants, and National Non-Domestic Rates Claims and Returns

- 6.1 A review of arrangements for the certification of claims and returns had been carried out by the Audit Commission. The Committee considered a report which detailed how certification requirements had changed, and set out the claims that had been certificated at St Edmundsbury in 2008/2009. The report also advised Members of a qualification letter on the Housing and Council Tax Subsidy claim, and set out changes which had been put in place as a result of the letter.
- 6.2 The report was for information only, as the Audit Commission had made no recommendations for Members.

7. Audit Commission: Audit Opinion Plan

- 7.1 Finally at this meeting, the Committee received the Audit Commission's Audit Opinion Plan, which set out the audit work which the Commission proposed to undertake for the audit of financial statements 2009/2010, and the fee for that work. Planned outputs were set out in the plan, including points at which reports would be issued to the Committee.
- 7.2 Officers advised the Committee that the Commission was already well through its proposed timetable, with a lot of detailed testing already having taken place, and that everything appeared to be going smoothly to date. The Committee acknowledged that this was another example of the high quality of the Council's Finance Team.

(B) 27 September 2010 meeting

- (1) This meeting is due to consider the Audit Commission's 2009/2010 Annual Governance Report and the Chief Finance Officer's response thereto. As this meeting takes place only the day before full Council, a report of proceedings will be included in the Chairman's report to the December 2010 meeting of full Council.