



St Edmundsbury
BOROUGH COUNCIL

B479

Council 1 March 2011

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 24 January 2011.

1. Key Performance Indicators (KPIs): Third Quarter 2010/2011

- 1.1 Members considered the third quarterly report for 2010/2011, covering the period April to December 2010. The Committee discussed a number of the indicators, and was particularly pleased to see that volunteering in the Council's parks and heritage centres continued to be popular.
- 1.2 The Committee was also advised of the forthcoming abolition of National Indicators from April 2011. From this date the Council would be able to choose which indicators it wished to report and manage. The Policy Team was working to develop a list of KPIs for 2011/2012, and these would be presented to a future meeting.

2. Audit Commission Presentation of 2009/2010 Annual Audit Letter

- 2.1 Neil Harris, District Auditor, attended the meeting and presented the Annual Audit Letter to the Committee, covering the 2009/2010 Audit. This document summarised the Audit Commission's findings from its audit of the Council's financial systems, and its assessment of the Council's arrangements to achieve value for money in its use of resources. The District Auditor also took the opportunity to update Members on the position with the future of the Audit Commission.
- 2.2 Members were pleased to see another positive report from the Audit Commission, stating that the Council had good arrangements for preparing the Council's accounts, and for achieving value for money.

3. Treasury Management Performance and Annual Treasury Management and Investment Strategy 2011/2012

- 3.1 Following the Treasury Management Sub-Committee's meeting on 17 January 2011, I gave the Committee a verbal update on the Sub-Committee's consideration of the above report.
- 3.2 The report provided an update on treasury management activity and performance for the period 1 April to 31 December 2010, and sought approval for the Annual Treasury Management and Investment Strategy Statements for 2011/2012 and Prudential Indicators.
- 3.3 The Sub-Committee discussed the amount of interest earned during the first 9 months of the financial year. The under achievement of interest on investments during this period was due primarily to the continuation of historically low interest rates. The Annual Treasury Management and Investment Strategy Statements for 2011/2012 and Prudential Indicators were also discussed by the Sub-Committee.
- 3.4 The Committee endorsed the Sub-Committee's recommendation that the Annual Treasury Management and Investment Strategy 2011/2012 and Prudential Indicators be approved.

4. Anti-Money Laundering Policy, Revised National Fraud Initiative Strategy and Third Quarter Internal Audit Progress Report

- 4.1 The Committee recommended approval of an Anti-Money Laundering Policy, which would ensure the Council complied with all relevant legal and regulatory requirements provided for by the UK's anti-terrorist financing and anti money laundering regimes.
- 4.2 Members also discussed an update on progress made in relation to actions arising from the National Fraud Initiative (NFI) Strategy and recommended endorsement of the revised Strategy. They also received the third quarterly Internal Audit progress report, which was intended to update Members on work undertaken within the third quarter of the financial year and the progress made in achieving the audit plan presented at the Committee's meeting in April 2010. A summary of Internal Audit reports issued in 2010/2011 was discussed.

5. Budget Monitoring Report: 1 April to 31 December 2010

- 5.1 The Committee received the quarterly budget monitoring report which informed Members of the Council's financial position for the third quarter of 2010/2011, and highlighted significant variances. Overall an underspend for the period of £391,000 was being reported, and budget variances over £10,000 were explained in the report.
- 5.2 The capital budget monitoring report showed net expenditure of £3,554,000 compared to a full year revised capital budget of £8,594,000, partly due to the fact that many of the budgets were not profiled, and a number of the projects were due to commence later in the financial year. The capital disposals programme showed capital receipts for the period of £160,000 against a full year disposals estimate of £1,126,000.

6. Corporate Risk Register: Quarterly Monitoring Report

- 6.1 The third 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, *'Suffolk County Council New Strategic Direction'*, concerned with the potential for unexpected consequences of the change in how services were being delivered by the County Council.
- 6.2 One risk had been closed, *'Project Management'*, as it was now considered that project management was completely embedded within the Council's procedures and there was, therefore, no ongoing risk of poor project management. A number of residual risk colours had also changed, and reasons for these were discussed with the Committee.

W:\Democratic WP Services\Committee\Portfolios\2011\Chairman of Performance & Audit Scrutiny Committee\B479 Chairmans Report for Performance & Audit Scrutiny Committee.doc