C153

St Edmundsbury
BOROUGH COUNCIL

Council
27 September 2011

CABINET MEMBER REPORT TO FULL COUNCIL

Written report by Cllr David Ray, Resources and Efficiency Portfolio

Portfolio includes:

- Accountancy;
- Internal Audit;
- Use of Resources and Best Value;
- Benefits;
- Budget setting and management;

- Revenues and Investments;
- Payments;
- Payroll;
- Procurement; and
- ICT infrastructure and support.

Summary:

- **2010/2011 Financial Statements complete and external audit approaching completion.**
- **Anglia Revenues Partnership (ARP) IT migration complete, the final step in the Borough Council joining the ARP partnership.**
- **Annual Governance Statement complete.**
- **Staff trained on Suffolk E-sourcing system.**

1.   *Financial Services*

1.1   Financial Statements 2010/2011

1.1.1   The main focus of the Financial Services team's work over the past six months has been the preparation of the Council's 2010/2011 financial statements, which, for the first time, are required to be produced in accordance with International Financial Reporting Standards (IFRS). The Audit Commission (the Council's appointed external auditors) commenced the audit of the Statement of Accounts in July, with a view to its completion prior to the 30 September 2011 statutory deadline for publication. The results of their audit of the Council's draft 2010/2011 Statement of Accounts will be presented to the Performance and Audit Committee on 20 September 2011 (Report C140) for consideration alongside the draft Statement of Accounts (Report C138). The audited Statement of Accounts is included on this Council agenda (Report C145) for final approval prior to publication on 30 September 2011.

1.2   Treasury Management: Investment Activity 1 April 2011 to 31 August 2011

1.2.1   Due to continued volatility and uncertainty in the global banking and investment markets, investment returns have remained under pressure.

1.2.2   The 2011/2012 Annual Treasury Management and Investment Strategy (approved by Council on 1 March 2011, (Minute 90 (B)(1) refers) set out the Council's projections for the current financial year. The budget for investment income in 2011/2012 is £0.457m, equivalent to £11.97 for each Council Tax Band D property, representing a continuation of the previous year's 1.5% target rate of return on investments.

1.2.3   As at the end of August 2011 interest actually earned during the first quarter of the financial year amounted to £0.229m against the profiled budget for the period of £0.199m, a budgetary surplus of £0.030m. This budgetary surplus was due primarily to higher than projected average cash holdings during the period (arising mainly from timing difference in expected capital expenditure and receipts cashflows).   The average rate of return on investments during the period was 1.43% against the target rate for the year of 1.5%, reflecting the continuation of historically low interest rates during the period and ongoing difficulties in finding attractive rates of interest with financial institutions that can deliver the required level of security.

2.   _Revenues and Benefits: Anglia Revenues Partnership (ARP)_

2.1   The Revenues and Benefits team have now migrated onto ARP's Revenues and Benefits software ('Academy'). This was the final step in joining the ARP partnership, and was a significant piece of work for all staff involved.

2.2   Due to the migration, the usual performance reports on Revenues and Benefits are not available. There is a degree of backlog work (since the system was taken down for nearly three weeks in order to complete the migration) and the whole team in ARP is working to reduce this. A 'blip' in performance was always inevitable; it is hoped that by the next meeting of Full Council, the previous service standards will have been recovered.

3.   _Corporate Internal Audit Work_

3.1   Internal Audit lead on producing the Annual Governance Statement and the accompanying supporting evidence. Work on the Annual Governance Statement was completed in June 2011 and subsequently considered by the Performance and Audit Scrutiny Committee in July and Cabinet on 14 September in advance of being presented for approval by Full Council at this meeting and signing of the Annual Governance Statement itself by the Leader and Chief Executive directly afterwards.

3.2   A significantly revised draft Anti-Fraud and Anti-Corruption Strategy was also presented to the Performance and Audit Scrutiny Committee and Cabinet, for recommendation for approval by Council at this meeting. Revisions to the existing Strategy were made necessary to take into account requirements of the Bribery Act 2010 which came into force in July 2011.

3.3   In addition, Internal Audit are currently undertaking a focussed review to determine current adherence to the requirements of the Bribery Act 2010, to ensure the Council's procedures cover the six principles outlined in guidance issued by the Ministry of Justice. The outcome of this review will be reported to the Performance and Audit Scrutiny Committee in Internal Audit's next Annual Fraud Report in April 2012, or sooner if significant concerns are raised.

3.2   Statutory Annual Audit Plan

3.2.1   A number of audit reviews have now been completed, these being Performance Indicators, Cash Handling Arrangements, and an Independent Examination of the 2010/2011 accounts for the West Stow Anglo Saxon Village Trust.

3.2.2   The team has completed eleven follow up audit reviews in the year so far whereby the checking progress on agreed actions. These include Cash Handling at various outstations, ICT Disaster Recovery, Gifts and Hospitality, Grants Paid, Emergency Planning and Business Continuity, Car Parks, and ICT Back Up Arrangements.

3.2.3   Work is also at an advanced stage on a number of full audits and follow up audit reviews including Risk Management, Registers of Interests, Contract Procedures, and Data Protection Arrangements.

4.   *Procurement*

4.1   Officers trained on Suffolk E-Sourcing System

4.1.1   Suffolk County Council, and all district councils in Suffolk are collaboratively implementing a new E-Sourcing System to manage their Procurement and Contract management activities. It is an online tool for managing the whole procurement process electronically, from inviting bids to evaluating expressions of interest and awarding contracts.

4.1.2   The business benefits associated with use of this system are:-

(a)   to improve suppliers' access to Suffolk Local Authority tendering activities and contract information;

(b)   reduced tendering timescales through use of an electronic tendering system; and

(c)   to reduce the overall cost of the tendering process.

The website can be accessed using the following link:
www.suffolksourcing.co.uk

4.1.3   The Council have already provided necessary training to all identified officers for them to use the electronic Tendering system and electronic Contract Management system successfully. A total of 28 officers have received the training in this Council.

4.2   Procurement Activities

4.2.1   A number of tenders have recently delivered good savings and/or improved compliance. These include the bedding plants supplier (20% saving with no loss of quality) and Government Procurement Cards (improved operational efficiency available through the new contract) and the 2011 Retail Appraisal.

4.2.2   Work is also ongoing on some major projects including a catering contract for The Apex, Athenaeum, Abbey Gardens and other outlying leisure facilities.

5.   *ICT Infrastructure and Support*

5.1   **Shared Services:** We are still awaiting a decision from Forest Heath District Council full council on the approval of the ICT shared service business case.

5.2   **Anglia Revenues Partnership (ARP):** The Council migration onto the new ARP revenues and benefits software is now complete and we are running live on the new systems. The Borough Council's ICT team is now, in conjunction with Breckland District Council IT staff, providing ongoing support for the Revenues and Benefits applications.

5.3   **Telephony:** The upgrade to our telephone system software is now complete and we are currently migrating users across to the new voicemail and home working telephony systems. Once this is complete we will be providing drop in sessions to demonstrate the new Audio Web Conferencing and meeting room conference phones.