

Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title:	Agenda
Date:	Thursday 4 June 2015
Time:	5.00 pm
Venue:	Conference Chamber West West Suffolk House Western Way Bury St Edmunds
Full Members:	<p style="text-align: center;">Chairman Sarah Broughton Vice Chairman Patricia Warby</p> <p>Full members and Substitutes of the Committee to be confirmed following Annual Council held on 19 May 2015.</p>
Interests – Declaration and Restriction on Participation:	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
Quorum:	Four Members
Committee administrator:	<p>Christine Brain Scrutiny Officer Tel: 01638 719729 Email: christine.brain@westsuffolk.gov.uk</p>

5.00pm	Public Speaking Prior to the start of the informal discussions, members of the public are invited to put questions/statements of not more than 3 minutes duration in relation to the items to be discussed in Part 1 of the agenda only.
5.00pm	Informal discussions with Forest Heath District Council's Performance and Audit Scrutiny Committee on the seven substantive items listed below under Items 5 to 11 inclusive, to be held in <u>Conference Chamber West.</u>
6.00pm	The formal meeting of the Performance and Audit Scrutiny Committee will commence at 6.00pm or immediately following the conclusion of the informal discussions, whichever is the later, in <u>Conference Chamber West.</u>

All Members of Forest Heath District Council's Performance and Audit Scrutiny Committee have been invited to enable informal discussions on the reports listed in Items 5 to 11 inclusive below to take place between the two authorities.

Note: Membership of the Forest Heath District Council's Performance and Audit Scrutiny Committee to be confirmed at their Annual Council meeting on 27 May 2015.

On the conclusion of the informal joint discussions, Members of Forest Heath's Performance and Audit Scrutiny Committee will withdraw from Conference Chamber West to Conference Chamber East to hold their formal meeting and St Edmundsbury's Performance and Audit Scrutiny Committee will continue its meeting in **Conference Chamber West** as follows:

Agenda

Page No

Procedural Matters

Part 1(A) - Public

1. Apologies for Absence

2. Substitutions

Any Member who is substituting for another Member should so indicate, together with the name of the relevant absent Member.

3. Public Participation

Members of the public are invited to put questions/statements of not more than 3 minutes duration relating to items to be discussed in Part 1 of the agenda only.

4. Minutes

1 - 10

To confirm the minutes of the meeting held on 29 January 2015 (copy attached).

(Following the informal discussions held with Forest Heath District Council's Performance and Audit Scrutiny Committee on Items 5 to 11 below, Members are reminded that no further debate shall take place. However, Members are requested to either formally note/resolve Items 5 to 11 below).

5. Internal Audit Annual Report (2014-15) and Outline Internal Audit Plan (2015-16)

11 - 54

Report No: **PAS/SE/15/006**

(For reference purposes, Forest Heath District Council's Report Number is PAS/FH/15/006)

6. West Suffolk Annual Governance Statement (2013-14) Action Plan Update

55 - 62

Report No: **PAS/SE/15/007**

(For reference purposes, Forest Heath District Council's Report Number is PAS/FH/15/007)

7. Key Performance Indicators and Quarter 4 Performance Report 2014-15

63 - 72

Report No: **PAS/SE/15/008**

(For reference purposes, Forest Heath District Council's Report Number is PAS/FH/15/008)

	Page No
8. Performance Management Report 2015-2016	73 - 80
Report No: PAS/SE/15/009 <i>(For reference purposes, Forest Heath District Council's Report Number is PAS/FH/15/009)</i>	
9. West Suffolk Strategic Risk Register Quarterly Report - March 2015	81 - 94
Report No: PAS/SE/15/010 <i>(For reference purposes, Forest Heath District Council's Report Number is PAS/FH/15/010)</i>	
10. Biannual Corporate Complaints and Compliments Digest	95 - 112
Report No: PAS/SE/15/011 <i>(For reference purposes, Forest Heath District Council's Report Number is PAS/FH/15/011)</i>	
11. Work Programme Update	113 - 118
Report No: PAS/SE/15/012 <i>(For reference purposes, Forest Heath District Council's Report Number is PAS/FH/15/012)</i>	

Part 1(B) - Public

12. Ernst and Young - Annual Certification Report 2013-2014	119 - 132
Report No: PAS/SE/15/013	
13. Ernst and Young - Presentation of External Audit Plan and Fees 2014-15 and 2015-16 Indicative Fees	133 - 164
Report No: PAS/SE/15/014	
14. Financial Outturn Report (Revenue and Capital) 2014-15	165 - 190
Report No: PAS/SE/15/015	
15. Decision Relating to Complaint to Local Government Ombudsman	191 - 198
Report No: PAS/SE/15/016	

Part 2 - Exempt

NONE

Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

**Notes of Informal Discussions held on Thursday 29 January 2015 at 5.00pm
in the Council Chamber, District Offices, College Heath Road,
Mildenhall**

PRESENT: St Edmundsbury Borough Council (SEBC)

Councillor Sarah Broughton
(Chairman of the informal discussions)

Councillors Diane Hind, Beccy Hopfensperger, Derek Redhead, Paula Wade, Frank Warby and Patricia Warby

Forest Heath District Council (FHDC)

Councillors Michael Anderson, Chris Barker, David Bimson, Simon Cole, Tim Huggan, John McGhee, Colin Noble and Tony Wheble

IN ATTENDANCE: SEBC – Councillor David Ray, Portfolio Holder for Performance and Resources

FHDC – Councillor Stephen Edwards, Portfolio Holder for Resources, Governance and Performance

Prior to the formal meeting, at 5.00pm informal discussions took place on the following three items:

- (1) Key Performance Indicators and Quarter 3 Performance Report 2014-15;
- (2) West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2014; and
- (3) Work Programme Update

All Members of St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee had been invited to attend the District Offices, Mildenhall to enable joint informal discussions on the above reports to take place between the two authorities.

The Chairman of Forest Heath's Performance and Audit Scrutiny Committee welcomed all those present to the District Offices, Mildenhall and advised on the format of the proceedings for the informal joint discussions and subsequent separate meetings of each authority, prior to handing over to the Chairman of St Edmundsbury's Performance and Audit Scrutiny Committee, who would be chairing the informal joint discussions.

SEBC's Performance and Audit Scrutiny Committee noted that under its Constitution, FHDC permitted public participation at its Performance and Audit Scrutiny meetings. Therefore, for the purpose of facilitating this Constitutional requirement, it was proposed that public speaking should be permitted prior to the start of the informal discussions to enable any questions/statements to be considered by both Performance and Audit Scrutiny Committees. On this occasion however, there were no questions/statements from members of the public.

Each report was then considered in the order listed on each authorities agenda.

1. **Key Performance Indicators and Quarter 3 Performance Report 2014-15**

The Business Partner (Resources and Performance) presented the report, which set out the Key Performance Indicators (KPIs) being used to measure the Council's performance for 2014/2015. The report also included the third quarter indicators covering April to December 2014 for both Forest Heath and St Edmundsbury Borough Council, together with a combined performance for West Suffolk, where relevant.

Appendix A contained all the KPIs for both Councils and West Suffolk. The current quarter three performance summary for Forest Heath showed that of 26 indicators, 12 were green, 4 were amber, 0 were red and 10 were data only indicators. For St Edmundsbury, the current quarter three summary showed that of a total of 27 indicators, 11 were green, 4 were amber, 2 were red and 10 were data only indicators. For West Suffolk there were a total of 19 indicators, of which 7 were green, 4 were amber, 1 was red and 7 were data only indicators.

It was reported that the general performance in dealing with the various planning applications was steadily improving. Performance on both minor and other applications had improved significantly since quarter two, with performance of other applications exceeding target. The team were now getting to grips with the inherent back-log and the Council should see sustained improvements across all categories of applications. As requested by the Committee at its November 2014 meeting, some new indicators had been added in relation to planning enforcement, which provided information on the number of enforcement cases both opened and closed in the past quarter.

Members scrutinised the report and asked questions to which officers duly responded. In particular discussions were held on:

- (1) **EDG001** – New and existing businesses benefitting from the Council's Business Grant scheme. Officers agreed to provide a written response as to why no grants were awarded in the third quarter.
- (2) **HOU015** – Number of planning enforcement cases closed. Officers agreed to provide a written response as to the number of planning enforcement cases currently in the planning system.

2. **West Suffolk Strategic Risk Register Quarterly Monitoring Report – December 2014**

The Head of Resources and Performance presented the third quarterly risk register monitoring report in respect of the West Suffolk Strategic Risk Register. The Register was updated regularly by the Risk Management Group and at its

recent meeting the Group reviewed the target risk, the risk level where the Council aimed to be, and agreed a current risk assessment. These assessments formed the revised West Suffolk Risk Register (Appendix 1).

Since the last assessment report presented to the Committee on 26 November 2014, there had been no new risks identified and no risks had been amended or closed. Some individual controls and actions had been updated and those which were not ongoing and had been completed by December 2014 had been removed from the Register.

However, following the December review, the probability of the Inherent Risk of WS1A had been changed from 2 to 3 to reflect the importance of Business Rates Retention and improved financial reporting. Also, in light of the recent news concerning the closure of RAF Mildenhall, the probability of the Inherent Risk WS12 had been changed from 2 to 3 to highlight the risk of losing a large employer and contributor to the local economy.

Members scrutinised the report and asked questions to which officers duly responded. In particular discussions were held on inherent risk WS12, - loss of a key employer, which included RAF Mildenhall. Members noted that in future reports, RAF Mildenhall would be reported as a separate risk.

Members on this occasion did not make any suggestions for amendments to the Risk Register.

(Councillor Diane Hind arrived during the consideration of this item)

3. **Work Programme Update**

The Head of Resources and Performance presented the report, which provided information on the current status of each Committee's Work Programme for 2015.

On the conclusion of the informal joint discussions at 5.15pm, Members of St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee withdrew from the Council Chamber to the Training Room to hold their formal meeting.

The Chairman then formally opened the St Edmundsbury Borough Council's Performance and Audit Scrutiny Committee in the Training Room at 5.30pm.

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Minutes of a meeting of the **St Edmundsbury Performance and Audit Scrutiny Committee** held on **Thursday 29 January 2015** at **5.30pm** in the **Training Room**, District Offices, College Heath Road, Mildenhall

Present: **Councillors**

Chairman Sarah Broughton
Vice Chairman Patricia Warby

Beccy Hopfensperger
Derek Redhead

Paula Wade
Frank Warby

Substitutes attending:
Diane Hind

By Invitation:
Dave Ray, Portfolio Holder for Performance and Resources

15. **Apologies for Absence**

Apologies for absence were received from Councillors Paul Farmer, Karen Richardson and David Nettleton.

16. **Substitutions**

The following substitutions were declared:

Councillor Diane Hind substituting for Councillor David Nettleton.
Council Frank Warby substituting for Councillor Paul Farmer.

Councillor Paul Simner was also unable to attend.

17. **Minutes**

The minutes of the meeting held on 26 November 2014, were confirmed as a correct record and signed by the Chairman.

18. **Key Performance Indicators and Quarter 3 Performance Report 2014-2015**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/001 (previously circulated).

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the performance against the Key Performance Indicators for Quarter 3, 2014-15.

19. **West Suffolk Strategic Risk Register Quarterly Monitoring Report - December 2014**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/002 (previously circulated).

Members had scrutinised the report in detail and had asked a number of questions to which responses were duly provided.

There being no decision required, the Committee **noted** the contents of the West Suffolk Strategic Risk Register Quarterly Monitoring Report for December 2014.

20. **Work Programme Update**

Further to the joint informal discussions held prior to the meeting with Forest Heath District Council's Performance and Audit Scrutiny Committee, the Committee formally considered Report PAS/SE/15/003 (previously circulated).

Members had considered the report and asked questions to which responses were duly provided.

There being no decision required, the Committee **noted** the contents of the work programme for 2015.

21. **Financial Performance Report (Revenue and Capital) Quarter 3 - 2014-2015**

The Committee received Report PAS/SE/15/004 (previously circulated), which set out the financial position for the third quarter of 2014/15 and the forecasted outturn position for 2014/15.

Attached to the report at Appendix A was the Revenue Budget Summary for April – December 2014, which showed a current underspend of £502,000, with a forecast position for the year end showing an underspend of £108,000. Appendix B detailed the Council's capital financial position for the first nine months of 2014/15, showing expenditure of £1,692,000.

Members were requested to note the year end forecast position and the significant variances as outlined in the report. Budget holders would continue to work with Resources Business Partners and Business Support Advisors for the remainder of the financial year in order to monitor the forecast position and an outturn position would be presented to the Committee at the end of the financial year. It was reported that the forecasted year end position

would also be fed into the 2015/16 budget setting process. Initial reporting showed that the overall business rate yield anticipated for 2014/15 was higher than the forecasted yield as part of the NNDR1 return back in January 2014. The Council would continue to monitor the business rates closely with Anglia Revenues Partnership and a further update would be provided in the year end outturn report. Any additional income or shortfall against what was forecast would be transferred from the Business Rate Reserve.

Members scrutinised the report and asked a number of questions to which officers duly responded. In particular discussions were held on the Council's capital programme and the future planning of projects. Members noted that future reports would include a forecast position on the capital programme.

Members also discussed burial of the dead, and officers agreed to provide a written response on how many had been buried by the Council during the financial year.

There being no decision required, the Committee **noted** the year end forecast financial position.

22. **Delivering a Sustainable Budget 2015-16 - Update**

The Committee received Report PAS/SE/15/005 (previously circulated), which updated members on progress made towards delivering a balanced budget for 2015/16. Additional pressures and the progress made to date in achieving the 2015/16 savings target was set out in Table 1 of the report. These were now being incorporated into the budgets, over and above those items brought to members' attention in November 2014, as part of Report PAS/SE/14/010.

The Overview and Scrutiny Committee on 17 December 2014 scrutinised the Annual Car Park Tariffs Report (OAS/SE/14/01), which included supporting evidence and justifications. The Committee noted the proposed recommendations for inclusion in the Delivering a Sustainable Budget 2015/16 Update Report to the Performance and Audit Scrutiny Committee, as part of the budget setting process:

- (1) In accordance with the Car Parking Charges Review Group recommendation (24 October 2012) and Cabinet approval (12 December 2012), that a full review of car parking charges should commence in June 2015 on completion of the Pay on Exit/Automatic Number Plate Recognition feasibility investigations and completion of a review on car parking capacity across the district.
- (2) That no increase would be applied to any existing tariff or permit on any car park during 2015/16 financial year.
- (3) The current 'Free from 3' offer in Bury St Edmunds and Haverhill on Tuesdays and Fridays respectively would continue for a further year.
- (4) The introduction of a new tariff structure arising on commencement of a revised Borough of St Edmundsbury Off Street Parking Places Order in 2015:

- a) A tariff of £1.80 for up to 4hrs and £3.00 (all day) to be introduced on the new 40-space Shire Hall car park in Bury St Edmunds (which will replace the Manor House provision).
- b) The introduction of low emission vehicle tariff of 60p for up to 4hrs, £1.20 all day on the Old Sale Yard (Rose and Crown) car park in Haverhill.

Members scrutinised the report in detail and asked a number of questions to which officers duly responded. In particular discussions were held on the budget assumptions set out in Table 1 of the report. Members suggested that more detailed information on the leisure savings identified should be provided in future report monitoring to the Committee.

The Committee **noted** the progress made on delivering a balanced budget for 2015/16 and with the vote being unanimous, it was

RECOMMENDED

That the car park tariffs for 2015/16, as set out in Paragraph 1.3.2 of Report PAS/SE/15/005 be approved, as part of the budget setting process for 2015/16.

23. Treasury Management Report 2014/15 - Investment Activity 1 April to 31 December 2014

The Committee received Report TMS/SE/15/001 (previously circulated), which had been considered by the Treasury Management Sub-Committee on 19 January 2015.

The Head of Resources and Performance provided a verbal update on the Sub-Committee's consideration of the report, which summarised the Treasury Management activity for the first nine months of the 2014/15 financial year.

The Sub-Committee was advised that interest earned during the first nine months of the financial year amounted to £0.261m against the profiled budget for the period of £0.444m; a budgetary deficit of £0.183m. This was due to a lower average rate of interest than projected during the period. The reduction in the average interest rates was primarily due to the continued low bank base rate of 0.50%, which in turn had seen a reduction in the interest rates on the Council's call accounts and fixed term investments. In the current economic climate it was considered likely that these current low rates would continue for the remainder of this year.

The Sub-Committee had scrutinised the content of the report, asking questions of officers who duly responded. Discussions were held on the investment activity and the increase in balances as at 31 December 2014; the Council's potential future borrowing requirements; links to the use of treasury management investment balances and cash flow planning. There were no issues or recommendations needed to be brought to the attention of the Performance and Audit Scrutiny Committee on this occasion.

The Performance and Audit Scrutiny Committee considered the report and there being no decision required, **noted** the contents of the report.

24. **Annual Treasury Management and Investment Strategy Statements 2015/16**

The Committee received Report TMS/SE/15/002 (previously circulated), which had been considered by the Treasury Management Sub-Committee on 19 January 2015.

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management required that prior to the start of the financial year that Council formally approved an Annual Treasury Management and Investment Strategy, setting out the Council's treasury management policy and strategy statements for the forthcoming year.

The Head of Resources and Performance provided a verbal update on the Sub-Committee's consideration of the report, which sought approval of the Annual Treasury Management and Investment Strategy Statements 2015/16, including Treasury related Prudential Indicators (attached as Appendix 1 to Report TMS/SE/15/002). No major changes had been made to the Strategy since it was presented to the Sub-Committee on 20 January 2014. The Treasury Management Code of Practice had also been updated accordingly and no major changes had been made to the Code of Practice since it was presented to the Sub-Committee on 20 January 2014.

The Sub-Committee had scrutinised the content of the report, asking questions of officers who duly responded. In particular the Sub-Committee was pleased to see that based on the current economic climate the interest rate projected in 2015/16 had been revised from 1.50% to 0.90%.

The Performance and Audit Scrutiny Committee considered the report and asked questions to which offices duly responded.

With the vote being 6 for and 1 abstention, it was

RECOMMENDED

That subject to the approval of Full Council, the Annual Treasury Management and Investment Statements 2015/16, as contained in Appendix 1 to Report TMS/SE/15/002, be adopted.

25. **Update on Procurement Exercise for External Fund Manager to Support Treasury Management Activities**

The Committee received Report TMS/SE/15/003 (previously circulated), which had been considered by the Treasury Management Sub-Committee on 19 January 2015.

The Head of Resources and Performance provided a verbal update on the Sub-Committee's consideration of the report, which summarised two potential options on the timing for a procurement exercise for the appointment and use of an external fund manager:

Option A: A procurement exercise commences during the last quarter of 2014/15, following the approval of the Council's spending plans as part of the 2015/16 budget and council tax setting reports at the end of February 2015.

Option B: A procurement exercise commences during the summer of 2015, allowing for further opportunity to consider the business cases for some potentially significant investment opportunities such as Public Sector Village II, Waste Transfer Site and Investing in Housing within the Borough and the Council's overall spending plans.

The Sub-Committee had scrutinised the two options, asking questions of officers who duly responded.

The Performance and Audit Scrutiny Committee considered the report and with the vote being unanimous, it was

RECOMMENDED

That Option B, as detailed in Paragraph 1.2.1 of Report TMS/SE/15/003, be approved.

The Meeting concluded at 6.15pm

Signed by:

Chairman

This page is intentionally left blank

Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Internal Audit Annual Report 2014/15 and Outline Internal Audit Plan 2015/16	
Report No:	PAS/SE/15/006	
Report to and date:	Performance and Audit Scrutiny Committee	4 June 2015
Portfolio holder:	Ian Houlder Portfolio Holder for Performance and Resources Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead officer:	Jon Snares Service Manager (Internal Audit) Tel: 01284 757239 Email: jon.snares@westsuffolk.gov.uk	
Purpose of report:	To provide members with: <ul style="list-style-type: none"> • an overview of the work carried out by Internal Audit for the year ended 31 March 2015; and • the proposed Outline Internal Audit Plan for 2015/16. 	

Recommendation:		Performance and Audit Scrutiny Committee:	
		<p>It is <u>RECOMMENDED</u> that:</p> <p>(1) the contents of the Annual Internal Audit Report for 2014/15 are <u>noted</u>;</p> <p>(2) the conclusion drawn in respect of the annual review of the effectiveness of internal audit is <u>endorsed</u>;</p> <p>(3) the Internal Audit Plan for 2015/16 be <u>approved</u>; and</p> <p>(4) the contents of the Managing the Risk of Fraud, Theft and Corruption Report are <u>noted</u>.</p>	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>		<p><i>Is this a Key Decision and, if so, under which definition?</i></p> <p>Yes, it is a Key Decision - <input type="checkbox"/></p> <p>No, it is not a Key Decision - <input checked="" type="checkbox"/></p>	
Consultation:		<ul style="list-style-type: none"> The Internal Audit Plan has been compiled in consultation with the Head of Resources and Performance (as S151 Officer), Leadership Team, and the external auditors; and Consultation with key officers is also carried out during the audit process and in the production of individual internal audit reports and follow up work. 	
Alternative option(s):		<ul style="list-style-type: none"> N/A 	
Implications:			
Are there any financial implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any staffing implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any ICT implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any legal and/or policy implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Are there any equality implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)

<p>Internal controls within the council may not be efficient and effective and as a result the council may not be identifying significant weaknesses that could impact on the achievement of the council's priorities and/or lead to fraud, financial loss or inefficiency.</p>	<p>Medium</p>	<p>Members receive and approve the Internal Audit Plan and receive a progress report during the year.</p> <p>External Audit reviews the work of Internal Audit and internal control arrangements.</p>	<p>Low</p>
<p>Ward(s) affected:</p>		<p>All</p>	
<p>Background papers: <i>(all background papers are to be published on the website and a link included)</i></p>		<p>N/A</p>	
<p>Documents attached:</p>		<p>Appendix A – Internal Audit Annual Report 2014/15</p> <p>Appendix B - Performance and Audit Scrutiny Committee and Internal Audit Checklists</p> <p>Appendix C – Outline Internal Audit Plan 2015/16</p> <p>Appendix D – Managing the Risk of Fraud, Theft and Corruption Report</p> <p>Appendix E – Summary of Audit Reports Issued</p>	

1. Key issues and reasons for recommendations

1.1 Background Information

1.1.1 Internal audit is an independent and objective assurance and consultancy function designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

1.2 Annual Internal Audit Report 2014/15

1.2.1 In accordance with the Public Sector Internal Audit Standards the Service Manager (Internal Audit) is required to provide an annual written report to those charged with governance, timed to support the Annual Governance Statement, which includes an opinion on the overall adequacy and effectiveness of the organisation's governance arrangements, including the internal control environment. The attached Internal Audit Annual Report (**Appendix A**) summarises the audit work carried out during the year across West Suffolk, presenting an opinion based upon the work performed.

1.3 Review of the Effectiveness of Internal Audit

1.3.1 The Accounts and Audit Regulations 2015 require the councils to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. This report sets out evidence which the Performance and Audit Scrutiny Committees can look to rely on when reviewing whether internal audit is effective, including relevant completed checklists at **Appendix B**.

1.4 Internal Audit Plan 2015/16

1.4.1 In accordance with the Public Sector Internal Audit Standards an Audit Plan (**Appendix C**) has been prepared covering a period of one year. The work of Internal Audit is based upon this Plan which is prepared after consulting with stakeholders, including the Head of Resources and Performance (as S151 Officer), Leadership Team, and the external auditors.

1.5 Managing the Risk of Fraud, Theft and Corruption Report

1.5.1 Fraud, theft and corruption are an ever present threat to the resources available in the public sector. The purpose of this report (**Appendix D**) is to demonstrate the councils' progress in developing and maintaining an anti-fraud and anti-corruption culture and publicise the action taken where fraud or misconduct have been identified.

INTERNAL AUDIT

Annual Internal Audit Report 2014/15 and Internal Audit Plan 2015/16

1. Background

- 1.1 The statutory basis for Internal Audit in local government is provided by the Accounts and Audit Regulations 2015 which requires a local authority to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance '.
- 1.2 The public sector internal auditing standards (the Standards) require the Service Manager (Internal Audit) to report periodically to senior management and the Performance and Audit Scrutiny Committee on Internal Audit's purpose, authority and responsibility and performance relative to its Audit Plan. Also, the Service Manager (Internal Audit) continues to establish a risk-based plan to determine the priorities of the internal audit activity consistent with both councils' priorities.

2. Reporting to Senior Management and the Performance and Audit Scrutiny Committee

2.1 Organisational Independence

- 2.1.1 The Standards require Internal Audit to confirm to the Performance and Audit Scrutiny Committee, at least annually, the organisational independence of the audit activity. Internal Audit effectively achieves this through the Performance and Audit Scrutiny Committee's involvement in the following:
 - approval of the risk-based internal audit plan;
 - receiving communications from the Service Manager (Internal Audit) on the internal audit activity relative to the audit plan and other matters; and
 - approval of the internal audit charter as and when required, but not necessarily annually.
- 2.1.2 As further demonstration of organisational independence, the Service Manager (Internal Audit) can confirm that there has been no inappropriate scope or resource limitations placed upon him

2.2 Performance against the 2014/15 Audit Plan

Fundamental Systems Audits

2.2.1 During 2014/15, all of the fundamental systems audits included within the audit plan were completed. In total, 15 audit reports were issued, comprising the fundamental systems audits plus a number of a number of follow up audits which reviewed progress made against previously agreed actions. An overview of the conclusions and main findings of each audit, together with a brief summary of progress made, is provided at **Appendix E**.

Corporate Consultancy Work

2.2.2 In addition to continuing to perform the usual statutory fundamental systems audits, and other audit responsibilities, Internal Audit has continued to assist with corporate or consultancy style work. This enables early audit input to activities which can often help to prevent or bring early resolution to internal control issues, and also bring audit skills and increase available resource, on significant corporate projects. Work we have been, or are currently, engaged in includes:

- one team member is currently on the Business Process Re-engineering team which is reviewing and re-designing service processes. A number of processes are being looked at across West Suffolk with the staff member specifically involved in reviewing processes related to Freedom of Information and Locality Budgets. Work has also been carried out to review admin activities within HR, Legal and Democratic Services with a view to combining skills, improving processes, reducing waste and increasing efficiency;
- examining processes and controls in the Customer Services area;
- reviewing, and advising on, debt management and recovery processes across West Suffolk;
- producing a West Suffolk Fees and Charges Policy and reviewing information related to this;
- considering the processes and controls operating around fuel receipts for mileage claims, and other related areas;
- research and groundwork on a number of financially related external initiatives on behalf of the Head of Resources and Performance to consider whether these may be of any interest to the councils;
- assisting in reviewing financial aspects of renewable energy investment options; and
- participation in the Housing Investment Project Group – a group of officers looking at investment options, for consideration by Cabinet, to support and increase the delivery of housing across West Suffolk.

Fee Earning Work

2.2.3 Internal Audit has continued to undertake fee earning work within the year, amounting to approximately £27k of income. This consisted of the following:

- work on behalf of East Cambridgeshire District Council as part of the agreement in place whereby West Suffolk provides that council with internal audit resources to assist in completion of their annual audit plan;
- audit of the council tax, non-domestic rates, and housing and council tax benefits systems on behalf of East Cambridgeshire District Council (this is in addition to the work referred to above) and Breckland Council;
- fee earning grant certification work for Suffolk County Council to provide assurance to the Department for Business Innovation & Skills that the conditions of the specific grant determination (Business Growth Programme) have been complied with;
- financial vetting work on behalf of the Home of Horse Racing project regarding the National Horse Racing Museum fit-out works;

Other Audit Work

2.2.4 Other audit work which the section has undertaken during the period included membership and contribution to the following groups:

- Joint Governance Group – this officer group leads on the production of the Annual Governance Statement and its associated documents;
- Joint Strategic Risk Management Group – this is a member and officer group which meets on a quarterly basis to review and update the West Suffolk Strategic Risk Register before being presented to the Informal Joint Performance and Audit Scrutiny Committee;
- Information Governance Working Group - this is an officer group which provides oversight of the proper and secure handling of information by both councils; and
- Records Management Working Group – the role of this officer group is to design and implement a record management framework for the West Suffolk councils; and
- Programme Group - a group that brings service managers together to review and monitor all aspects of project development, delivery and management of projects across the West Suffolk Councils.

2.2.5 During 2014/15 Internal Audit has also:

- responded to over 80 requests for financial vetting or other related financial advice including assessments of organisations' financial suitability to undertake specified contracts for the councils. This has included financial vetting advice for the Waste and Street Scene Software System, CCTV Upgrade Project and Brandon Leisure Centre Heating Replacement; and also
- continued to provide advice to service areas on internal controls.

2.3 Annual Audit Opinion 2014/15

2.3.1 Internal Audit, having taken into account other internal and external assurance processes of the council, has an obligation to provide independent, objective assurance from the work undertaken in respect of the effectiveness of the risk management, control and governance processes operating within the council.

2.3.2 The system of control should help the council to manage and control the risks which could affect the achievement of the council's objectives rather than eliminate them completely. Internal Audit and the other assurance processes can therefore only provide within the Annual Governance Statement reasonable and not absolute assurance of adequacy and effectiveness.

2.3.3 Based upon an independent and objective assessment of the framework of risk management, control and governance processes, Internal Audit can provide reasonable assurance that the framework has operated adequately and effectively during the year. Our work has, however, identified a number of areas where existing arrangements could usefully be improved, and details of these are provided in **Appendix E**.

2.4 Quality Assurance and Improvement Programme

2.4.1 The Standards require that internal audit 'must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity'. This quality assurance and improvement programme is designed to check whether Internal Audit complies with the Standards and also assess its efficiency and effectiveness and identify any areas for improvement.

Quality Assurance and Improvement Programme

2.4.2 Currently, the quality assurance and improvement programme consists of the following elements:

- annual internal self-assessments are undertaken by completing checklists which measure the extent to which Internal Audit is complying with the Public Sector Internal Audit Standards;
- checklists completed in conjunction with the Chairs of the Performance and Audit Scrutiny Committees, covering those committees' view of Internal Audit's role within the authority and Internal Audit's performance;

Appendix A

- a quality review process is undertaken for each individual audit;
- customer satisfaction questionnaires are issued with audit reports for completion by the service area subject to audit; and
- performance against the Audit Plan is measured via two local performance indicators (see paragraph 2.4.7).

Annual Internal Self-Assessment

2.4.3 An internal self-assessment against the Standards which came into effect on 1 April 2013 has been completed to assess compliance with them. There are eleven standards in all, four attribute standards (setting the scene in terms of internal audit's role within the council) and seven performance standards (measuring day-to-day operational practice). The self-assessment has indicated that Internal Audit's current practices generally conform to the Standards. The Service Manager (Internal Audit) considers this to be an acceptable result as it will always be extremely difficult, and not necessarily beneficial, for small internal audit sections (such as West Suffolk) to fully conform to these Standards. A number of areas have been identified for further consideration, and these include:

- revisiting the format of audit reports and audit planning documents to determine whether it would add value to our work to fully comply with Standards in these areas; and
- clearer evidencing of areas where we are conforming with the Standards to demonstrate that this is the case where this can be achieved without additional cost.

Areas identified last year for further consideration and progress made in respect of these are as follows:

- the Standards require an external assessment of Internal Audit to be undertaken at least every 5 years – this remains under consideration but the costs may outweigh the benefits of this;
- Quality Assurance and Improvement Programme (QAIP) to be further developed – this has been reviewed and the QAIP is as set out above and below (paragraph 2.4 refers) ; and
- existing working procedures / practices to be further updated to capture the requirements of the new Standards – working procedures have been updated as appropriate although this needs to be a continuous exercise to ensure that working practices are as efficient as possible and reflect changing customer expectations.

Performance and Audit Scrutiny Committee's Review of Internal Audit's Role in the Authority and Internal Audit Performance

2.4.4 Checklists have been completed in conjunction with the Chairs of the Performance and Audit Scrutiny Committees and the Head of Resources and Performance to assess compliance with good practice. These checklists are included at **Appendix B** and demonstrate a high degree of compliance with good practice.

Quality Review Process

2.4.5 For each audit undertaken, the Internal Audit Manager ensures that:

- all Internal Audit working papers are reviewed to ensure that audit work has been performed in accordance with the agreed objectives for that audit, and sensible conclusions have been arrived at and are based on evidence clearly recorded within the audit working papers;
- the draft audit report issued to management at the end of each audit is accurate, clear, concise, includes all relevant findings, conclusions, and a supportable audit opinion, as well as agreed actions with management which are achievable, make sense, and mitigate risks / add value to the service; and
- the quality review process is robust and properly documented to ensure external audit (currently Ernst & Young) are able to place maximum reliance on Internal Audit's work should they choose to do so.

Customer Satisfaction

2.4.6 At the conclusion of each full audit undertaken the relevant service (e.g. Finance, if it is a financial system being audited) is given the opportunity to complete a customer satisfaction questionnaire and give their view of the quality and usefulness of the audit review undertaken. Services do however generally prefer to give feedback informally during report discussions. Negative feedback is rare and were this to be received the Service Manager (Internal Audit) would discuss this in detail with the relevant service manager with a view to make any necessary improvements for the future.

Local Performance Indicators

2.4.7 As mentioned above in paragraph 2.4.2 internal audit performance against the Audit Plan is measured throughout the year, via two local performance indicators, as follows:

- (1) The percentage of the planned core financial and information systems audits completed during the year – these being the main audits upon which assurances regarding the Annual Governance Statement are based and upon which the external auditors may seek to place reliance for their work on the annual Statement of Accounts.

100% of planned core systems audits were completed for the year 2014/15.

Appendix A

- (2) External audit utilisation of internal audit work – based on the extent to which external audit are able to utilise internal audit’s work.

The external auditors (Ernst & Young) confirmed in their ‘Audit Results Report – ISA (UK & Ireland) 260’ to Performance and Audit Scrutiny Committee in September 2014 that they had ‘utilised the work of Internal Audit as much as possible’. This means in effect that the external auditors had used the work of Internal Audit to inform their own work and avoid any unnecessary duplication of work by internal and external auditors.

Assessment of the workings of the Performance and Audit Scrutiny Committee against good practice

- 2.4.8 When looking at the effectiveness of internal audit, this incorporates more than just the Internal Audit section: the Performance and Audit Scrutiny Committee is also a key element of this process.

A checklist has been completed in conjunction with the Chairs of the Performance and Audit Scrutiny Committees reviewing these committees against good practice. Based on these completed checklists, the Service Manager (Internal Audit) has concluded that the function and operation of the Performance and Audit Committee essentially satisfies the key requirements of this good practice document (Toolkit for Local Authority Audit Committees). See attached completed checklist at **Appendix B**.

Conclusion on Review of Effectiveness of Internal Audit

- 2.4.9 The completion of checklists referred to above provides evidence to the Performance and Audit Scrutiny Committees that internal audit is effective and the opinion of the Service Manager (Internal Audit) in this Annual Report can be relied upon as a key source of evidence in the production of the Annual Governance Statement.

3. Internal Audit Plan 2015/16

- 3.1 In accordance with the Public Sector Internal Audit Standards an annual risk-based Audit Plan has been established to determine the priorities of the internal audit activity, consistent with the West Suffolk councils’ priorities, for approval by the Performance and Audit Scrutiny Committees.
- 3.2 The proposed 2015/16 Audit Plan is provided at **Appendix C** and has been produced in consultation with the Head of Resources and Performance (as the councils’ Section 151 Officer), Leadership Team and the external auditors.
- 3.3 The Audit Plan is clearly influenced by the resources made available by the council for Internal Audit. For this reason a balance needs to be achieved in terms of keeping costs at a realistic level, whilst ensuring that the level of audit coverage is appropriate and sufficient to enable the Service Manager (Internal Audit) to discharge his duty to provide a robust annual audit opinion in support of the West Suffolk Annual Governance Statement.

Appendix A

- 3.4 The Audit Plan provides for the annual review of all the main financial systems together with work in a number of other areas.
- 3.5 Whilst Internal Audit must be in a position to give an opinion/assurance that covers the effectiveness of risk management, control and governance processes in relation to both existing and new systems / developments it is essential that such work is undertaken in a flexible and supportive manner, in conjunction with senior management, to ensure that both risks and opportunities are properly considered. For this reason, Internal Audit includes time in the Audit Plan to support and work with management / staff by providing advice and guidance on controls to ensure an adequate control environment is in place to mitigate significant risks. In addition, time is included in the Audit Plan for continued assistance with corporate projects / pieces of work relating to major developments / changes.
- 3.6 In times of significant transformation, organisations must manage change effectively and ensure that core controls remain in place. Both West Suffolk councils are facing significant financial pressures as a result of the national reduction in public sector spending, whilst engaging in a number of major projects and different ways of working. It is important for Internal Audit to add value to both councils through providing timely, objective and relevant assurance, and contributing to the effectiveness and efficiency of risk management, control and governance processes. The proposed 2015/16 Audit Plan seeks to ensure that this is the case, by retaining enough flexibility to enable Internal Audit to react to changing risks and priorities.

4. Managing the Risk of Fraud, Theft and Corruption

- 4.1 The West Suffolk councils have a sizeable workforce, significant levels of income and expenditure, and provide a variety of services. Despite occasional incidents, probity is judged to remain at a high level.
- 4.2 Managing the risk of theft, fraud and corruption is considered in detail at **Appendix D.**

Performance and Audit Scrutiny Committees - Self Assessment

Issue	Yes (Y) / No (N) / Partia l (P)	Comments/action
Establishment, Operation and Duties		
Role and Remit		
1. Does the audit committee have written terms of reference?	Y	
2. Do the terms of reference cover the core functions of an audit committee as identified in the CIPFA guidance?	Y	
3. Are the terms of reference approved by the council and reviewed periodically?	Y	
4. Has the audit committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	Y	
5. Can the audit committee access other committees and full council as necessary?	Y	Performance and Audit Scrutiny Committee can make recommendations to committees and/or Council and can ask for information from other committees.
6. Does the authority's statement on internal control include a description of the audit committee's establishment and activities?	N/A	The Statement on Internal Control has been superseded by the Annual Governance Statement which does not require a description of the audit committee's establishment and activities.
7. Does the audit committee periodically assess its own effectiveness?	Y	This checklist is considered by Performance and Audit Scrutiny Committee annually.
8. Does the audit committee make a formal annual report on its work and performance during the year to full council?	Y	SEBC - Yes FHDC - There will be a formal annual report from 2015/16 onwards.

Issue	Yes (Y) / No (N) / Partia l (P)	Comments/action
Membership, Induction and Training		
9. Has the membership of the audit committee been formally agreed and a quorum set?	Y	
10. Is the Chairman independent of the executive function?	Y	
11. Has the audit committee Chairman either previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	Y	Appropriate training is provided
12. Are new audit committee members provided with an appropriate induction?	Y	Members are provided with training via the Members Induction Programme.
13. Have all members' skills and experiences been assessed and training given for identified gaps?	Y	Training may be provided where appropriate.
14. Has each member declared his or her business interests?	Y	
15. Are members sufficiently independent of the other key committees of the council?	Y	
Meetings		
16. Does the audit committee meet regularly?	Y	
17. Do the terms of reference set out the frequency of meetings?	Y	
18. Does the audit committee calendar meet the authority's business needs, governance needs and the financial calendar?	Y	
19. Are members attending meetings on a regular basis and if not, is appropriate action taken?	Y	
20. Are meetings free and open without political influences being displayed?	Y	
21. Does the authority's S151 officer or deputy attend all meetings?	Y	
22. Does the audit committee have the benefit of attendance of appropriate officers at its meetings?	Y	

Internal Control		
23. Does the audit committee consider the findings of the annual review of the effectiveness of the system of internal control (as required by the Accounts & Audit Regulations) including the review of the effectiveness of the system of internal audit?	Y	
24. Does the audit committee have responsibility for review and approval of the Annual Governance Statement and does it consider it separately from the accounts?	Y	
25. Does the audit committee consider how meaningful the Annual Governance Statement is?	Y	
26. Does the audit committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	Y	
27. Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?	N/A	Risk Management is a quarterly agenda item of the Performance and Audit Scrutiny Committee.
28. Has the audit committee (with delegated responsibility) or the full council adopted "Managing the Risk of Fraud – Actions to Counter Fraud and Corruption?"	Y	<p>The West Suffolk Anti-Fraud and Anti-Corruption Policy meets current good practice as set out in the CIPFA Better Governance Forum guidance 'Managing the Risk of Fraud: actions to counter fraud and corruption'.</p> <p>An appendix of the Annual Internal Audit Report relates to fraud and demonstrates the progress made by the council annually in developing anti-fraud arrangements; and publicises the actions taken where fraud or misconduct has been identified.</p>
29. Does the audit committee ensure that the "Actions to Counter Fraud and Corruption" are being implemented?	Y	
30. Is the audit committee made aware of the role of risk management in the preparation of the internal audit plan?	Y	
31. Does the audit committee review the authority's strategic risk register at least annually?	Y	Reports are presented to Performance and Audit Scrutiny Committee on a quarterly basis.

32. Does the audit committee monitor how the authority assesses its risk?	Y	
33. Do the audit committee's terms of reference include oversight of the risk management process?	Y/N	SEBC - Yes FHDC - This is not currently specifically mentioned in the committee's terms of reference but could be included in the future.
Financial Reporting and Regulatory Matters		
34. Is the audit committee's role in the consideration and/or approval of the annual accounts clearly defined?	Y	
35. Does the audit committee consider specifically:		The Performance and Audit Scrutiny Committee reviews and challenges the draft accounts before approval. This challenge may include any of the bullet points but it is considered unrealistic for example for Members to have the detailed technical knowledge to challenge suitability of accounting policies. Large write-offs are approved by Cabinet in accordance with the policy.
• the suitability of accounting policies and treatments	Y	
• major judgements made	Y	
• large write-offs	N	
• changes in accounting treatment	Y	
• the reasonableness of accounting estimates the narrative aspects of reporting?	Y	
36. Is an audit committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	Y	
37. Does the audit committee review management's letter of representation?	Y	Included within the External Auditors (Ernst and Young) Annual Audit Letter.
38. Does the audit committee annually review the accounting policies of the authority?	N	See response to question 35.
39. Does the audit committee gain an understanding of management's procedures for preparing the authority's annual accounts?	Y	Albeit at a very high level.

<p>40. Does the audit committee have a mechanism to keep it aware of topical legal and regulatory issues, for example by receiving circulars and through training?</p>	<p>Y</p>	<p>A specific duty of a member of the Performance and Audit Scrutiny Committee is to be aware of national developments and best practice relating to scrutiny and to keep the effectiveness of the process under review.</p> <p>Additionally, any new legislative requirements affecting the Committee would always be made known to it via a report.</p>
<p>Internal Audit</p>		
<p>41. Does the audit committee approve, annually and in detail, the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the authority's significant risks?</p>	<p>Y</p>	
<p>42. Does internal audit have an appropriate reporting line to the audit committee?</p>	<p>Y</p>	
<p>43. Does the audit committee receive periodic reports from the internal audit service including an annual report from the Head of Internal Audit?</p>	<p>Y</p>	
<p>44. Are follow-up audits by internal audit monitored by the audit committee and does the committee consider the adequacy of implementation of recommendations?</p>	<p>Y</p>	<p>Follow-ups to previous audit recommendations are included in subsequent reports presented to Performance and Audit Scrutiny Committee.</p>
<p>45. Does the audit committee hold periodic private discussions with the Head of Internal Audit?</p>	<p>Y</p>	<p>Service Manager (Internal Audit) attends Chairmen's briefing before Committee.</p>
<p>46. Is there appropriate cooperation between the internal and external auditors?</p>	<p>Y</p>	<p>Internal Audit and External Audit liaise to ensure work is not duplicated and that External Audit is able to utilise the work of Internal Audit should they choose to do so.</p>
<p>47. Does the audit committee review the adequacy of internal audit staffing and other resources?</p>	<p>Y</p>	

48. Has the audit committee evaluated whether its internal audit service complies with CIPFA's Code of Practice for Internal audit in Local Government in the United Kingdom?	Y	Note – the Public Sector Internal Audit Standards apply from 2013-14 onwards. Compliance with these new Standards is covered within the 2014-15 Internal Audit Annual Report.
49. Are internal audit performance measures monitored by the audit committee?	Y	
50. Has the audit committee considered the information it wishes to receive from internal audit?	Y	
External Audit		
51. Do the external auditors present and discuss their audit plans and strategy with the audit committee (recognising the statutory duties of external audit)?	Y	
52. Does the audit committee hold periodic private discussions with the external auditor?	N	Believed not to be the case – but could if felt necessary.
53. Does the audit committee review the external auditor's annual report to those charged with governance?	Y	
54. Does the audit committee ensure that officers are monitoring action taken to implement external audit recommendations?	Y	The Service Manager (Internal Audit) does this and would build into internal audit work / action plans where necessary – Internal Audit performance reports cover areas of improvement still required.
55. Are reports on the work of external audit and other inspection agencies presented to the committee, including the Audit Commission's annual audit and inspection letter?	Y	
56. Does the audit committee assess the performance of external audit?	Y	
57. Does the audit committee consider and approve the external audit fee?	Y	

Administration		
Agenda Management		
58. Does the audit committee have a designated secretary from Committee/Member Services?	Y	
59. Are agenda papers circulated in advance of meetings to allow adequate preparation by audit committee members?	Y	
60. Are outline agendas planned one year ahead to cover issues on a cyclical basis?	Y	
61. Are inputs for Any Other Business formally requested in advance from committee members, relevant officers, internal and external audit?	Y	
Papers		
62. Do reports to the audit committee communicate relevant information at the right frequency, time, and in a format that is effective?	Y	
63. Does the audit committee issue guidelines or a pro forma concerning the format and content of the papers to be presented?	Y	All committees now use the Corporate Report Template. This template is very clear on every area which must be covered when writing committee reports.
Actions Arising		
64. Are minutes prepared and circulated promptly to the appropriate people?	Y	
65. Is a report on matters arising made and minuted at the audit committee's next meeting?	N/A	If an issue is raised at a meeting and a report or more information is requested at a future meeting, this would be a separate report, but would not necessarily be titled as matters arising, although the report would make it clear that the issue arose at an earlier meeting.
66. Do action points indicate who is to perform what and by when?	Y	

Performance and Audit Scrutiny Committee's Review of Internal Audit's Role in the Authority	
Question	Result (narrative)
1. Do the internal auditors receive the necessary degree of co-operation?	Yes – during the year, all reviews and investigations are carried out with the fullest possible co-operation of officers, at all levels.
2. Do the authority's statements on corporate governance reflect reality?	Yes – these receive input from a number of officers and are subject to various review processes to ensure they are robust.
3. Has there been any attempt to restrict the scope of the internal auditors' work in any way?	No – an Annual Audit Plan is produced which is presented to and approved by the Performance and Audit Scrutiny Committee. The scope of individual reviews are discussed and agreed with officers at the pre-audit meeting. During the year, no attempt has been made by officers to adversely influence the scope of the work to be undertaken.
4. Was the original audit plan modified due to deficiencies in internal control or accounting records?	No
5. Did the auditors have any significant disagreements with management? How were these resolved?	No – all audit recommendations are discussed with operational management at the post-audit meeting. Any significant disagreements would be discussed with senior management and if not resolved this would be reported to Performance and Audit Scrutiny Committee.
6. Do the internal auditors have any concerns about management's control awareness or operating style?	No – during the year there were no concerns regarding the 'tone at the top'. Senior management provide a level of challenge and scrutiny, particularly around control deficiencies identified through the audit review process which lead to audit recommendations.
7. What is the internal auditors' view of their relationship with management?	The Service Manager (Internal Audit) believes that the good working relationship with management has continued during the year.
8. Do the internal auditors believe they are under any undue pressure?	No – the Service Manager (Internal Audit) believes that the service is not only seen as independent and objective, but is also treated as such.
9. Are there any other matters that, in the opinion of the internal auditors, should be considered by the audit committee?	No

Performance and Audit Scrutiny Committee's Review of Internal Audit's Performance

Question	Result
1. Are there formal terms of reference that define internal audit's objectives, responsibilities, authority and reporting lines?	Yes – the Internal Audit Charter addresses objectives and responsibilities, authority and reporting lines.
2. Has the scope of internal audit work been determined using a risk-based systematic approach and in accordance with the Public Sector Internal Audit Standards?	Yes - a risk based approach is taken when preparing the Internal Audit Plan – also, the scope of each individual audit is based on a consideration of relevant risks.
3. What are the relative emphases given to internal control reviews, VFM (economy/efficiency/effectiveness) audits and special projects?	Internal Audit's primary objective is to review the internal controls framework. However, increasingly Internal Audit are also getting involved in special projects, at the request of management, where this is appropriate and audit skills can be used to add maximum value.
4. Are any restrictions placed on the scope of internal audit work and, if so, who establishes them?	The only restriction is that of capacity, i.e. number of available person-days. Capacity issues that affect any proposed audit plans would be addressed by the Leadership Team and the Performance and Audit Scrutiny Committee.
5. If internal audit is asked to undertake a special project, how is its independence safeguarded?	The Service Manager (Internal Audit) has direct access to all levels of Members and officers.
6. Does internal audit report directly to an appropriate level of management that will ensure audit recommendations are given due weight and attention?	Yes – audit recommendations are agreed by Service Managers, and are often ratified by Heads of Service. In addition, progress of implementation of audit recommendations is monitored by Performance and Audit Scrutiny Committee.
7. Are the internal auditors free from any other responsibilities that could impair their objectivity?	Yes
8. Do internal audit staff have sufficient technical knowledge and experience to ensure that duties are performed to an appropriate standard? Is there sufficient information systems expertise to deal with the level of technology used by the authority?	The Service Manager (Internal Audit) is a professionally qualified accountant and has approximately 30 years audit experience covering private practice, local government and the National Audit Office. Remaining audit staff also have good local government and private sector experience. Their qualifications include Accounting Technician and the Diploma in

	<p>Internal Audit Practice.</p> <p>Internal Audit staff have a basic level of IT skills. If it was felt that additional specialist expertise is needed in say IT we have access to a number of specialists through the Suffolk audit network.</p>
<p>9. Is the work of the internal auditors properly planned, completed, supervised and reviewed? Are there any quality assurance procedures?</p>	<p>Yes - an audit brief is issued in respect of each piece of audit work setting scope, objectives, time allocation, audit approach, etc. The degree of supervision will depend on the complexity of the audit but support is always available. All work undertaken is documented and reviewed according to agreed quality standards within the section.</p>
<p>10. Are internal audit reports issued on a timely basis?</p>	<p>Yes</p>
<p>11. Are reports followed up on a timely basis? Is there evidence that internal audit has a systematic approach to following up recommendations, and reporting on those where little or no action has been taken by management?</p>	<p>Yes</p>

West Suffolk Internal Audit Plan 2015/16

1. Introduction

1.1 The objectives of internal audit are to:

- provide a professional, independent and objective assurance and advisory service that assists the Head of Resources and Performance in her statutory duty as Section 151 Officer at both West Suffolk councils and ensure that the finances of each council are properly administered; and
- work with management to improve the operation of the councils.

1.2 The internal audit service is delivered and developed in accordance with the West Suffolk Internal Audit Charter approved by both councils Performance and Audit Scrutiny committees in April 2013.

1.3 The Service Manager (Internal Audit) will remain alert to emerging local and national issues and risks through a number of channels, including:

- attendance at senior officer meetings including Senior Management Team (Leadership Team and Service Managers) and Programme Group, the member and officer Strategic Risk Management Group, staff briefings, feedback from S151 Officer, and networking with other West Suffolk colleagues;
- regular liaison and meetings with other councils' audit managers within the region;
- regular liaison and meetings with external audit; and
- professional reference material, websites, and discussion forums.

2. Drivers for the 2015/16 Audit Plan

2.1 Following the same approach as last year this is a joint West Suffolk Audit Plan and each audit covering both councils will be undertaken as a single audit review.

2.2 The Audit Plan necessarily involves a degree of flexibility in the utilisation of audit resources so that these resources can react quickly to changing risks within the councils and assist with corporate projects where timely audit input can help prevent or bring early resolution to internal control or governance issues.

- 2.3 The Audit Plan takes into account the need to produce an annual internal audit opinion for each West Suffolk council, in support of, and taking into account the assurance framework operating at both councils. This is achieved through a consideration of the risks of undertaking or not undertaking relevant audit work throughout the year, including fundamental systems audits, corporate project work, ad hoc advice and assistance, etc. This annual internal audit opinion underpins the Annual Governance Statement.
- 2.4 Where any sources of assurance other than the work contained within this Plan are relied on in forming the annual audit opinion for each council, additional work may be undertaken by Internal Audit where necessary and appropriate to validate these other sources of assurance.
- 2.5 All audit work will be undertaken in the context of adding value wherever possible in support of the vision and priorities contained within the West Suffolk Strategic Plan 2014-16.

3. Core Financial Systems and Fundamental Review Work (audits which must be undertaken every year):

- 3.1 The following audits must be undertaken every year, and therefore must be given priority in the Audit Plan, as these form the foundations of the annual internal audit opinion (paragraph 2.3 refers):

- Accounts Payable (Creditors)
- Accounts Receivable (Debtors)
- Main Accounting System (General Ledger)
- Payroll
- Treasury Management
- Council Tax
- Non Domestic Business Rates
- Housing and Council Tax Benefits
- ICT Audit
- Cash Handling

Priorities of other work within the Audit Plan need to be assessed on an ongoing basis as these may change during the year.

- 3.2 It is worth noting that where complex new systems have recently been implemented, including Accounts Payable, Accounts Receivable, and the Main Financial System, these systems will require significantly more audit resource to audit in the first year or two after implementation to ensure that controls are operating as expected.

4. Corporate Work

- Project Work – projects to be undertaken will be agreed with senior management based on current priorities, risks, and furthering the behaving more commercially agenda;
- Significant involvement in the preparation of the Annual Governance Statement;
- Input to corporate working groups including the Officer Information Governance Group, Officer Records Management Working Group, and the Strategic Risk Management Group;
- Financial vetting of potential contractors;
- General advice and assistance to departments; and
- Managing and developing the councils’ anti-fraud framework including:
 - ✓ Presenting to Performance and Audit Scrutiny Committee an annual report on managing the risk of fraud;
 - ✓ Considering the risk of fraud in planning all audit work;
 - ✓ Proactive anti-fraud reviews
 - ✓ Maintaining a watching brief on good practice externally;
 - ✓ Regular review and update of fraud related policies as appropriate;
 - ✓ Initiatives to raise fraud awareness and the importance of corporate governance;
 - ✓ Providing significant support to the regular National Fraud Initiative exercise;
 - ✓ Investigating any non-ARP related suspected frauds / irregularities; and
 - ✓ The Service Manager (Internal Audit) acting as Money Laundering Reporting Officer – including responsibility for review and maintenance of anti-money laundering arrangements at the councils, plus reporting of any relevant suspicious activity to the National Crime Agency.

5. Follow-Up Work

Follow-up work will be undertaken to check the extent to which agreed recommendations / actions have been implemented in respect of previous audits undertaken. Where this follow-up work relates to a core financial system or fundamental review work, this will form an integral part of the annual audit for that area. However, where this relates to a non-fundamental system a separate follow-up audit will be undertaken and a follow-up audit report issued.

6. Behaving More Commercially

- 6.1 All audit work undertaken will take into account the need for services to behave more commercially and opportunities for this will be specifically considered in audit reviews where appropriate.
- 6.2 Income generated by Internal Audit in 2015/16 from audit work undertaken on behalf of other local authorities is likely to be approximately £24k - £25k. This work includes the council tax, non-domestic rates, and housing and council tax benefits audits for two of our Anglia Revenues Partnership partners (East Cambridgeshire DC and Breckland Council) as well as additional audit work requested by East Cambridgeshire DC, and audit of certain grant claims for Suffolk CC.
- 6.3 The team is always open to other opportunities for generating further income but any significant increase in fee earning work may require additional staff resources and therefore any such opportunities would need to be considered in the light of any additional costs incurred as well as the needs of the West Suffolk councils.

7. Other Responsibilities

In addition to the audit reviews identified above there is also time allocated in the Internal Audit Plan regarding:

- maintaining Internal Audit's Quality Assurance and Improvement Programme (the internal processes which ensure that Internal Audit substantially complies with the audit standards that public sector organisations are obliged to work to, and also assess Internal Audit's efficiency and effectiveness while identifying any areas for improvement);
- reviewing, revising, and creating where necessary new Internal Audit strategies, policies, procedures, and audit approach;
- reporting Internal Audit activities to the Performance and Audit Scrutiny Committees and Leadership Team;
- liaising with other Internal Audit services across Suffolk and Cambridgeshire with a view to achieving continuous improvement of the internal audit product; and
- liaising with External Audit.

8. Staff Resources

8.1 The Public Sector Internal Audit Standards (Standard 2030) require that the Audit Plan explains how Internal Audit's resource requirements have been assessed. The West Suffolk councils have been going through a significant period of change and it is important that this is reflected in the current and future staffing and skills base of Internal Audit. Internal Audit resource requirements are based on a recognition that:

- the ability to be flexible wherever possible and react to services' need for advice and assistance including corporate project work is a crucial element of Internal Audit's ability to add maximum value;
- all services, including Internal Audit, have an ongoing obligation to ensure that the cost of the service is minimised wherever appropriate;
- the councils have a statutory obligation to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, thereby covering a broad spectrum of work.

8.2 The Service Manager (Internal Audit) considers that the current Internal Audit staff resource is adequate to fulfil the requirements of this Audit Plan and meet statutory obligations. The following full time equivalent posts are filled:

Service Manager (Internal Audit)
Senior Auditor x 2
Auditor x 0.6

This page is intentionally left blank

Managing the Risk of Fraud, Theft and Corruption Report

1. Introduction

- 1.1 The West Suffolk councils spend millions of pounds of public money each year on essential local services. It is essential that they protect and preserve their ability to provide these services by ensuring assets are protected against all risks of loss and damage.
- 1.2 The purpose of this report is to bring together in a single document a summary of the work which has taken place during 2014/15 to prevent and detect fraud, theft and corruption. By publishing the report the councils aim to show their commitment to minimising the risk of theft, fraud and corruption and deter any would-be fraudsters.

2. The Risk of Fraud

- 2.1 Theft, fraud & corruption is an ever present threat to the resources available in the public sector. It is costly, both in terms of reputational risk and financial losses.
- 2.2 The councils mitigating controls include:
 - ✓ clear policies and procedures available to staff and members;
 - ✓ specialised / qualified staff to identify and investigate potential areas of fraud;
 - ✓ compliance with the National Fraud Initiative; and
 - ✓ a sound internal control environment as demonstrated by internal and external audit opinions.
- 2.3 However, whilst there are mitigating controls in place to manage the risks of theft, fraud & corruption, these risks cannot be completely eradicated. West Suffolk recognises its vulnerability to fraud and its key fraud risk areas, and takes positive action to minimise that risk. Greater emphasis is being placed on preventative and early detection work in the coming year in areas at greatest risk of fraud, for example, a fraud risk assessment (to be updated on an annual basis) has been conducted by Internal Audit to identify those areas susceptible to fraud. Based on likely fraud exposure audit work will be carried out to ensure appropriate mitigating actions are in place.

3. CIPFA Code of Practice – Managing the Risk of Fraud and Corruption

- 3.1 The CIPFA Code of Practice was published in October 2014 and builds upon previous CIPFA guidance on managing the risk of fraud, commonly known as the 'Red Book'. The code illustrates

good governance and operational arrangements to help counter fraud and corruption.

- 3.2 Whilst the code is voluntary, an assessment will be undertaken by Internal Audit early in 2015/16 to assess how the councils compare to the requirements of the Code of Practice. Under previous guidance the councils were considered to be substantially complying with the requirements of the Code.

4. Protecting the Public Purse

- 4.1 The Audit Commission published its final annual report on reviewing the landscape of fraud against councils before the Commission closed in March 2015. This report, entitled 'Protecting the Public Purse 2014: Fighting Fraud Against Local Government' highlighted that fraud valued at £188 million was detected by England's councils in 2013/14, a tenfold increase since 1990. The publication details statistics, trends, and particular cases of fraud within Local Government. Internal Audit uses these reports as another source of information and good practice to help guide its anti-fraud work.

5. Local Government Transparency Code

- 5.1 From February 2015 Local Authorities must publish the following information annually about their counter fraud work, as required by the Local Government Transparency Code:
- number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers;
 - total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud;
 - total number (absolute and full time equivalent) of professionally accredited counter fraud specialists;
 - total amount spent by the authority on the investigation and prosecution of fraud; and
 - total number of fraud cases investigated.

The 2014/15 data for both West Suffolk councils has been included in the 'open data and transparency' area of the website.

6. Corporate Fraud, Theft, Bribery and Corruption Arrangements

6.1 Awareness

- 6.1.1 The West Suffolk Anti-Fraud and Anti-Corruption Policy, drafted by Internal Audit, was approved and adopted within 2014/15. The policy was previously reviewed for both councils in 2011 and was reviewed again in 2014 to ensure it continues

Appendix D

to reflect best practice, legislation and shared services arrangements. The main change in updating the previous Strategy (re-named as a Policy) was to include a section on social housing fraud in recognition of the Prevention of Social Housing Fraud Act 2013 which as well as creating new criminal offences in this area gave greater powers to local authorities to investigate social tenancy fraud through better access to data from banks and utility companies.

- 6.1.2 An annual fraud awareness newsletter is published to staff via the intranet: this is designed to highlight areas of fraud in the workplace and to help staff understand why we need to combat it effectively.
- 6.1.3 A number of messages have been included in the councils' internal bulletin to remind staff of their responsibilities regarding declarations of interests, and gifts and hospitality.
- 6.1.4 A leaflet is available to staff via the intranet regarding fraud, corruption, and bribery and what we can do to stop it.
- 6.1.5 A follow up audit review of the arrangements in place to identify potential money laundering activity was conducted during the year with no significant issues outstanding. An Anti-Money Laundering e-learning training module was released in 2014/15 to further promote staff understanding. Messages were also placed in the staff newsletter, Wavelength, during the year to promote staff awareness.
- 6.1.6 Internal Audit has also recently developed a draft Fraud Response Plan which describes the action individuals should take if they suspect fraud or corruption. Once finalised the Plan will be made available to staff on the intranet.
- 6.1.7 The council is a member of the National Anti-fraud Network (NAFN), recognised as a centre of excellence dedicated to supporting its members in protecting the public purse from fraud, abuse and error. Regular alerts are received which are viewed, with action taken where necessary.

6.2 Reported suspicions

- 6.2.1 Part of the work of the section is the investigation of potential irregularities where processes / systems are found not to be functioning as intended, resulting in potential loss to West Suffolk of resources / money. In the last year Internal Audit have been involved in two such investigations – the outcomes of both investigations was to advise on areas where controls needed to be strengthened.
- 6.2.2 In addition, council officers alerted the police to a situation at a Newmarket industrial unit where there were concerns over

possible illegal activities. Local press subsequently reported that a cannabis farm consisting of 90 plants and hydroponics equipment had been discovered.

7. Revenues and Benefits (ARP) Fraud Arrangements

7.1 Awareness

7.1.1 All new staff recruited to the revenues and benefits section are given a half day fraud awareness session which includes an awareness of key documents, and the role of the benefits fraud team and the types of fraud that they uncover. Fraud awareness training has recently included Money Laundering training.

7.2 Reported suspicions

7.2.1 Reports are written for the local newspaper each time there is a successful prosecution. Prosecutions are also reported via the Magistrate Court listings within the local newspaper.

7.3 Successful investigations

7.3.1 In all cases recovery is sought from the claimant either by sundry debtor invoice or collection from ongoing benefit, if still entitled.

7.3.2 Examples of successful benefit fraud prosecutions for 2014/15 include (note figures have been rounded):

- One individual made a claim for benefit stating that he was a lone parent. At no time did he notify any changes in his circumstances to confirm that his partner had joined the household. Enquiries revealed evidence which suggested his partner had been in the household for almost ten years. As a result, the individual was overpaid benefits by the council and the DWP in excess of £90,000. He was successfully prosecuted and sentenced by way of 18 months imprisonment.
- Another individual made a claim for benefit on the basis of being a lone parent. Evidence was obtained which revealed that she had failed to declare her partner in the household. She was overpaid benefit in excess of £13,000. She was prosecuted for failing to notify a change of circumstances and was sentenced by way of 24 weeks imprisonment.
- Another individual made a claim for benefit on the basis of being in part time employment. The individual

changed employment to full time and failed to notify this change. As a result she was overpaid benefit in excess of £5,400. She was prosecuted for this offence and sentenced to 60 hours unpaid work.

Normal recovery procedures have been instigated for these prosecutions.

7.4 Sanctions applied

7.4.1 For the 2014/15 financial year there have been:

- prosecutions - 14 for St Edmundsbury BC and 9 for Forest Heath DC;
- formal cautions - 20 for St Edmundsbury BC and 18 for Forest Heath DC; and
- administrative penalties - 6 for St Edmundsbury BC and 8 for Forest Heath DC.

7.4.2 These compare with last year's figures which were:

- prosecutions – 15 for St Edmundsbury BC and 17 for Forest Heath DC;
- formal cautions – 12 for St Edmundsbury BC and 10 for Forest Heath DC; and
- administrative penalties – 9 for St Edmundsbury BC and 4 for Forest Heath DC.

7.4.3 Not all investigations result in a sanction but the investigation itself stops or reduces the amount of benefit paid. Investigations are sometimes closed without a sanction because it is considered to be a genuine error or because there is insufficient evidence of fraud or because the health of the individual at the time the fraud is discovered is worse than at the time of the interview. In these instances the benefit has been corrected and recovery action on any overpayment is taken so a saving to the tax payer has been made although not recorded as a fraud.

7.5 Financial loss recovered and (where appropriate) financial savings

7.5.1 Every effort is made to recover debt caused by fraud in line with Department for Work and Pensions (DWP) guidance.

Appendix D

7.5.2 The recovery of fraud debt for the financial year 2014/15 is as follows:

	Total
St Edmundsbury BC	
Housing Benefit	£180,754.88
Council Tax Benefit	£39,454.14
Forest Heath DC	
Housing Benefit	£96,919.58
Council Tax Benefit	£20,312.64

This compares with the 2013/14 figures which were:

	Total
St Edmundsbury BC	
Housing Benefit	£102,614.71
Council Tax Benefit	£27,114.17
Forest Heath DC	
Housing Benefit	£135,199.87
Council Tax Benefit	£16,789.99

7.5.3 During this year the Revenues and Benefits compliance team, as part of the Anglia Revenues Partnership has undertaken proactive work with regard to false claims to Single Person Discount for Council Tax which could lead to court action. This area of work is ongoing with the use of new data matching software.

7.5.4 Investigations will also be undertaken regarding potentially false applications for business rate exemptions.

7.5.5 The Fraud and Investigation Team within the ARP are currently all in scope to transfer to the Department of Work and Pensions Single Fraud Investigation Service (SFIS) in September 2015. All welfare benefits including Housing Benefit will be investigated by SFIS. A bid to retain staff within a Counter Fraud Team has been made and the outcome of this is awaited at the time of drafting this report. Any retained Counter Fraud Team will investigate Single Person Discount Fraud together with offences relating to Council Tax Support.

8. Policies and Procedures

8.1 The council has a range of interrelated policies and procedures that provide a corporate framework to counter fraudulent activity. These include:

- Codes of Conduct for Members and Officers

- Code of Corporate Governance
- Constitution – including Contract and Financial Procedure Rules
- Anti-Fraud and Anti-Corruption Policy
- Whistleblowing Policy
- Anti-Money Laundering Policy
- Recruitment and Selection Procedures

9. National Fraud Initiative

9.1 Councils are required to participate in the biennial National Fraud Initiative (NFI), an exercise involving data matching of records such as benefits, payroll, pensions, student awards, housing rents (where appropriate), licenses, parking permits, and travel concessions. Internal Audit takes a leading role in co-ordinating this exercise working across a number of service areas to support staff in providing data and subsequently investigating and recording the results of matches. In addition to the biennial exercise, annual exercises are now undertaken to match the Electoral Register with Council Tax single person discounts.

9.2 The 2014/15 NFI exercise saw matches being released in January 2015. For St Edmundsbury BC, a total of 1018 matches were reported with 197 high priority matches. By mid-May 2015, a total of 293 matches had been processed with another 36 in progress. This resulted in the identification of 9 errors, with a value of £20,577.68. £10,420.00 was identified as a duplicate creditor payment which is being recouped with the remaining errors being recovered from the Benefits Overpayment process.

For FHDC, a total of 465 matches were reported with 91 high priority matches. By mid-May 2015 a total of 137 matches had been processed with another 19 in progress. This resulted in the identification of 1 error, with a value of £291.60 for which arrangements are being made to recover the error through the Benefits Overpayment process.

9.3 In December 2014, the Council Tax Single Persons data and Electoral Register data was matched, producing 981 matches for St Edmundsbury BC and 487 matches for Forest Heath DC which have been provided to ARP to review.

10. Internal Audit

10.1 Fraud and corruption risks are identified as part of the annual audit planning process, with the annual Internal Audit Plan including resources to undertake special irregularity investigative work, co-ordination of the NFI data matching exercise, and proactive anti-fraud and anti-corruption work.

This page is intentionally left blank

Summary of Internal Audit Reports Issued in 2014/15

1. Introduction

- 1.1 During the period, 21 audit reviews were completed to final report stage. Audit reports are issued as final where their contents have been agreed with management, in particular responsibility for actions and timescale. 6 of these audit reviews relate to work undertaken on behalf of East Cambridgeshire DC, the results of which have not been included within this report.
- 1.2 The following sections contain a summary of the content of the internal audit reports issued during the 2014/15 financial year. Each summary provides an indication of the issues arising from the reviews, as well as action taken in response to previous audit reports. The audit summaries covered by sections 2 - 6 below were previously reported to Performance and Audit Scrutiny Committee in the November 2014 half-yearly report. They are re-presented here for the sake of completeness and to enable the Service Manager (Internal Audit) to discharge his responsibility to present a summary of the audit work which forms the basis of the annual opinion on the overall adequacy and effectiveness of both councils control environment.
- 1.3 It should be noted that each summary below represents the situation at the point in time that the audit work was undertaken and therefore it is likely that a number of agreed key improvements will subsequently have been made.
- 1.4 In line with CIPFA good practice guidance, opinions are provided on the operation of control mechanisms where a full audit has been undertaken for the area reviewed. A key to these opinions can be found at the end of this appendix. Where a follow-up review has been undertaken full testing of controls will not always be undertaken and therefore an opinion on the operation of controls will not normally be given.
- 1.5 Progress towards implementing the required key improvements referred to below will be reviewed by Internal Audit during 2015/16 and reported to Performance and Audit Scrutiny Committee as appropriate.

2. Criminal Records Bureau (CRB) Checks (St Edmundsbury BC and Forest Heath DC) Follow Up

2.1 A follow up review on an audit covering CRB checks in relation to HR recruitment processes, and licensing.

- Recruitment – the original recommendations have all been implemented; and
- Licensing – whilst all agreed actions have been implemented, a new minor recommendation has been suggested in respect of reviewing and aligning documents to ensure that up to date information and requirements are clearly set out.

3. Apex (St Edmundsbury BC) Follow Up

3.1 A follow up review on an audit covering the key financial areas of cash handling and transaction management, purchasing of goods and services, and stock management. The review confirmed that the vast majority of the original recommendations had now been implemented although some limited further work was still required to address some medium risk recommendations in the areas of cash handling and purchase of goods and services.

4. Bury Festival (St Edmundsbury BC) Follow Up

4.1 A follow up review on an audit covering cash handling arrangements at the Bury Festival. The review confirmed that the majority of the agreed actions have now been implemented, with only a small number (medium risk recommendations) outstanding around further improving the recording of income for programme and merchandise sales.

5. West Suffolk House Health and Safety (St Edmundsbury BC and Forest Heath DC) Follow Up

5.1 A follow up review on an audit on the health and safety arrangements at West Suffolk House. All of the agreed actions have now been completed.

6. Human Resources (St Edmundsbury BC and Forest Heath DC) Follow Up

6.1 A follow up review on an audit covering processes to support recruitment, promotion and termination of service, pay and remuneration, and career development. The review confirmed that no significant actions remain to be implemented from the original audit report issued.

7. Treasury Management

- 7.1 This audit review covered controls relating to the management of the council's short-term and long-term investments with approved organisations to achieve the best possible rate of return. Audit work undertaken resulted in a **substantial assurance** opinion being given.

Improvements made since the previous audit

- 7.2 There have been a number of changes over recent months to align treasury management working arrangements across West Suffolk in order to ensure working practices are consistent and efficient.

Key areas where improvements are required

- 7.3 Reconciliations are generally performed monthly. However, ideally, a full management trail of all monthly reconciliations should exist, with management review and sign off to ensure they are completed accurately and in a timely fashion.
- 7.4 Staff should be reminded of the need to include the authorising officer's signature on the investment quotation form in order to demonstrate that a clear segregation of duties exists for the instructing, processing and authorising of treasury transactions.

8. Accounts Payable (Creditors)

- 8.1 The purpose of this audit was to review the controls around the accounts payable system which is designed to record and report on expenditure made on behalf of the councils. A **substantial assurance** opinion was provided.

Improvements made since the previous audit

- 8.2 A new financial system (Agresso) has been implemented and introduced across West Suffolk – this is a key corporate system of the councils which helps to support shared services and align processes and procedures across the two councils.

Key areas where improvements are required

- 8.3 Audit testing confirmed that purchase orders are often being raised after invoices have been received. Orders should be raised in advance of goods and services being supplied - this will ensure that expenditure is appropriately committed against the relevant budget headings.
- 8.4 Suppliers of goods and services to the councils are generally paid promptly but performance could be further improved in this area.

9. Main Accounting System (General Ledger)

- 9.1 The purpose of this audit was to ensure that adequate accounting routines exist, they are open and transparent so as to protect the integrity of the system, and that those routines are implemented in practice. A **substantial assurance** opinion was achieved.

Improvements made since the previous audit

- 9.2 Similar to the Accounts Payable and Accounts Receivable audits the key development since the last audit has been the introduction of a new financial management system across West Suffolk.

Key areas where improvements are required

- 9.3 The audit found that although monthly bank reconciliations were being completed these could on occasions have been better evidenced by the reconciliations being signed and dated. Improvements in this area were noted around the year end.
- 9.4 Reconciliation documentation should be received monthly from ARP and then reviewed by Finance to ensure any variances are investigated in a timely manner.
- 9.5 Staff should be reminded to ensure that journals contain sufficient description and documentation to support the need for the journal. Also, it would be useful if journals processed as a batch include an authorisation process.
- 9.6 It should be noted that significant progress was made in addressing the above issues during the course of, or immediately following, the audit review.

10. Payroll

- 10.1 This audit reviewed the key controls for payroll processing including adequate documentation for starters and leavers, controls over amendments to individual payroll records, verifications to ensure that statutory deductions are correctly calculated and promptly paid to the Inland Revenue, reconciliations between the payroll system and the general ledger are correctly and promptly undertaken, and that any changes to pay and rewards have been correctly implemented. A **full assurance** opinion was given.

Improvements made since the previous audit

- 10.2 Significant changes have taken place within Payroll and Human Resources with the roll out of the self service system which allows staff to view and update some of their personal details, submit online expense claims, view and print payslips and book annual leave.

Key areas where improvements are required

10.3 None.

11. Accounts Receivable (Debtors)

11.1 The purpose of the audit was to review the controls around the accounts receivable system to record, collect and report on income received by the councils for chargeable services provided. A **substantial assurance** opinion was provided.

Improvements made since the previous audit

11.2 Similar to the Accounts Payable and General Ledger audits the key development since the last audit has been the introduction of a new financial management system across West Suffolk.

Key areas where improvements are required

11.3 It was identified that the debt recovery process could usefully be improved upon in some service areas to ensure that the recovery process is carried out on a timely basis and is effective.

11.4 Sundry debts identified for write-off should be passed to the appropriate officer for approval on a timely basis.

12. Council Tax

12.1 The West Suffolk Internal Audit Team undertook the Council Tax audit on behalf of four local authorities in the Anglia Revenues Partnership (St Edmundsbury BC, Forest Heath DC, East Cambridgeshire DC and Breckland DC). The audit focus was to establish if procedures to ensure that council tax bills are correctly issued have been properly and consistently followed. An opinion of **substantial assurance** was given.

Improvements made since the previous audit

12.2 Improvements were noted in a number of areas including the administration of system parameters (input and verification checks on council tax bandings in the council tax system), and notes and documentation recorded on the system to support actions taken on individual accounts.

Key areas where improvements are required

12.3 Recommendations were made to further improve controls for council tax processes, including controls in respect of the ownership and processing of credit balances, but none of these were deemed to be high risk findings / recommendations.

13. Non Domestic Rates (NDR)

- 13.1 Similar to the council tax audit review, this year's review of NDR was undertaken by the West Suffolk Internal Audit Team on behalf of four of the authorities working together as ARP.
- 13.2 The audit was undertaken to provide assurance on the controls in place within the NDR System, for managing NDR collection from commercial properties within West Suffolk. An opinion of **substantial assurance** was given.

Improvements made since the previous audit

- 13.3 Improvements were observed in the process for administering refunds and an opportunity to review working practices was taken to reduce the level of paperwork retained.

Key areas where improvements are required

- 13.4 Recommendations were made to introduce quality assurance checking procedures and further actions were recommended to improve administration and ensure a full management history was available for the NNDR accounts.

14. Housing and Council Tax Benefits Review

- 14.1 Similar to council tax and NDR the West Suffolk Internal Audit Team undertook the audit on behalf of four of the ARP local authorities. The audit focus was to establish if procedures for key controls were adequately followed to reduce the risk of incorrect housing benefit assessments and transaction processing, leading to inaccurate payments. The audit also included reviewing compliance with appropriate legislation and data quality within the system. The system achieved a **substantial assurance** opinion for the period under audit.

Improvements made since the previous audit

- 14.2 2014/15 has seen a number of changes within ARP structure, resources and the addition of new partners. It was encouraging to see that these changes had not had a detrimental effect on the day to day operation of the Housing Benefits function.
- 14.3 A number of improvements across all areas were evident.

Key areas where improvements are required

- 14.4 Some recommendations to further improve processes and controls were made, in particular with the collection of overpayments which is being addressed through increased resources.
- 14.5 Reduction in unnecessary system processes was recommended to ensure staff work efficiently, without increasing risk.

15. Car Parks Cash Handling Review

- 15.1 A number of car parks are operated across West Suffolk with significant amounts of income collected during the course of a year. The audit focus was to review the controls surrounding cash collection, retention and banking. Systems were reviewed to ensure that income due to or held by the councils is accurately recorded and that income is receipted and banked correctly and promptly. An opinion of ***substantial assurance*** was given.

Improvements made since the previous audit

- 15.2 There were no outstanding significant recommendations to review from 2013/14.

Key areas where improvements are required

- 15.3 Car parking staff to be reminded of the importance of checking that bank paying in slips are correct and relate to the monies they are preparing for banking.

16. Anti-Money Laundering 2013/14 Follow Up

- 16.1 A high level audit was conducted in 2013/14 to review the framework in place to identify potential money laundering activity, staff understanding of money laundering, and awareness of the policy. A review of the progress of agreed actions concluded that all actions have now been completed which includes the implementation of an Anti-Money Laundering e-learning module.

17. Meaning of words used

Full Assurance	The full assurance opinion is given where no significant or fundamental recommendations have been made and where controls within the system should provide full assurance that the risks material to the achievement of the system objectives are adequately managed.
Substantial Assurance	The substantial assurance opinion is given where a small number of significant, but no fundamental recommendations have been made and where controls within the system should provide substantial assurance that the risks material to the achievement of the system objectives are adequately managed.
Limited Assurance	The limited assurance opinion is given where a small number of fundamental and also a number of significant recommendations have been made and where controls within the system provide limited assurance that the risks material to the achievement of the system objectives are adequately managed.
No Assurance	The no assurance opinion is given where little or no assurance could be gained from a system where a large number of both fundamental and significant recommendations were proposed and where controls within the system provide little or no assurance that the risks material to the achievement of the system objectives are adequately managed.

Informal Joint Performance and Audit Scrutiny Committee



Title of Report:	West Suffolk Annual Governance Statement – 2013/14 Action Plan Update	
Report No:	PAS/SE/15/007	
Report to and date:	Performance and Audit Scrutiny Committee	4 June 2015
Portfolio Holder:	Ian Houlder Portfolio Holder for Performance and Resources Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead Officer:	Jon Snares Service Manager (Internal Audit) Tel: 01284 757239 Email: jon.snares@westsuffolk.gov.uk	
Purpose of report:	To advise the Committee of action taken on the Annual Governance Statement Action Plan 2013/14.	
Recommendation:	It is <u>RECOMMENDED</u> that the Committee <u>notes</u> the position in respect of progress under the 2013/14 Action Plan for the Annual Governance Statement.	
Key Decision: (Check the appropriate box and delete all those that do not apply.)	Is this a Key Decision and, if so, under which definition? Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	

Consultation:	<ul style="list-style-type: none"> Appropriate consultation with those holding actions under the Plan has resulted in the information in the Plan being updated. 		
Alternative option(s):	<ul style="list-style-type: none"> N/A 		
Implications:			
Are there any financial implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	•
Are there any staffing implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	•
Are there any ICT implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	•
Are there any legal and/or policy implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	•
Are there any equality implications? <i>If yes, please give details</i>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	•
Risk/opportunity assessment:	<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>		
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Actions not concluded	Medium	Monitor the Action Plan and take necessary remedial action	Low
Ward(s) affected:	All		
Background papers: <i>(all background papers are to be published on the website and a link included)</i>	N/A		
Documents attached:	Appendix A – Action Plan for the Annual Governance Statement 2013/14.		

1. Key issues and reasons for recommendation

1.1 Background Information

1.1.1 The Annual Governance Statement for 2013/14 was approved at the Performance and Audit Scrutiny Committee as follows:

- St Edmundsbury Borough Council – 24 September 2014; and
- Forest Heath District Council – 25 September 2014.

1.1.2 Both Committees also approved an Action Plan for strengthening governance arrangements.

1.1.3 An update on progress against the agreed actions is attached as **Appendix A**.

This page is intentionally left blank

ACTION PLAN FOR THE WEST SUFFOLK ANNUAL GOVERNANCE STATEMENT 2013/14 Appendix A

AREA FOR FURTHER IMPROVEMENT	ACTION REQUIRED	WHEN BY	CURRENT	BY WHOM
<p><u>SEBC and FHDC</u></p> <p>1. Decide how the quality of service for users is to be measured and make sure that the information needed to review service quality effectively and regularly is available.</p>	<p>Review and determine the councils' service standards following the organisational restructure.</p>	<p>End of June 2014</p>	<p>New KPI targets for 2014/15 scheduled to go through informal Cabinet briefing before going on to Performance and Audit Scrutiny Committee in May 2014.</p> <p>The targets for 2014/15 have been revised slightly and are going to be reported based on the new corporate priorities.</p> <p>Customer satisfaction measures are also being developed.</p> <p>Update position May 2015 – performance management arrangements were reviewed in April 2015, these will be considered by Joint Performance & Audit Scrutiny Committee in June 2015.</p>	<p>Head of Resources and Performance</p>

ISSUE	ACTION	WHEN BY	CURRENT	BY WHOM
<p><u>SEBC and FHDC</u></p> <p>2. There is a written strategy and policy in place for managing risk which has been communicated to all relevant staff.</p> <p>Where employed, risk management information systems meet users' needs.</p>	<p>Risk Management Strategy to be revised and thereafter communicated to staff.</p>	<p>End of March 2015</p>	<p>Work is underway to produce a common set of procedures / strategy for managing risk.</p> <p>Update position May 2015 – revised risk management framework taken to Senior Management Team / Leadership Team April 2015, framework to be considered by Joint Performance & Audit Scrutiny Committee July 2015.</p>	<p>Risk Management Group</p>
<p><u>SEBC and FHDC</u></p> <p>3. There are written financial regulations in place which have been formally approved, regularly reviewed and widely communicated to all relevant staff.</p>	<p>Update Financial Procedural Rules.</p>	<p>End of June 2014</p>	<p>A new banking contract came into force 1st April 2014, bearing this in mind a decision was made to update the individual council's strategies and codes of practice, which went through council in February 2014 rather than produce a joint document. With new</p>	<p>Head of Resources and Performance</p>

ISSUE	ACTION	WHEN BY	CURRENT	BY WHOM
			<p>banks accounts now up and running it is our intention to produce a common set of procedures / strategy / code of practice.</p> <p>Update position May 2015 – Joint Financial Rules and Contract Procedure Rules were approved during 2014/15. The Treasury Management Strategy and Code of Practice were also reviewed.</p>	

This page is intentionally left blank

Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Key Performance Indicators and Quarter 4 Performance report 2014-15	
Report No:	PAS/SE/15/008	
Report to and dates:	Performance and Audit Scrutiny Committee	4 June 2015
Portfolio holder:	Ian Houlder Portfolio Holder for Performance and Resources Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	This report sets out the Key Performance Indicators being used to measure the Council's performance for 2014-15 and an overview of performance against those indicators for the fourth quarter of 2014-15.	
Recommendation:	Performance and Audit Scrutiny Committee: Members are requested to Review the Council's performance against the Key Performance Indicators for Quarter 4, 2014-15 and identify any further information required or make recommendations where remedial action or attention is required to address the Council's performance.	

Key Decision: (Check the appropriate box and delete all those that do not apply.)	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>		
Consultation:	<ul style="list-style-type: none"> This report has been prepared in consultation with all relevant staff and Leadership Team. 		
Alternative option(s):	<ul style="list-style-type: none"> The option of doing nothing may result in poor performance, monitoring performance can highlight where remedial action may be needed 		
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> While there are no direct financial or budget implications arising from this report, it is possible that any recommendations of the Committee may have some resource implications. For example, resources may need to be reallocated to improve performance in a future period. 	
<i>Are there any staffing implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> There are no legal implications from this report. Poor performance levels may impact on the Council's ability to implement its policies or high-level strategies. 	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Failure to achieve optimum or target performance which may impact on resources	High	Regular reporting of performance to Joint Leadership Team, Portfolio Holders and to PASC can highlight where remedial action may be needed.	Medium
Ward(s) affected:		All Ward	
Background papers:		None	
Documents attached:		Appendix A – Forest Heath, St Edmundsbury and West Suffolk Key Performance Indicators 2014-15 – Quarter 4 Results	

1. Key issues and reasons for recommendation





1.1 Key Issues

1.1.1 The report at **Appendix A** presents performance against Quarter 4 2014-15 for both Forest Heath and St Edmundsbury, together with a combined performance for West Suffolk where this is relevant.

1.1.2 Forest Heath KPIs are denoted with a FH/ prefix, St Edmundsbury KPIs are denoted with a SE/ prefix and those for West Suffolk with a WS/ prefix.

1.1.3 The information included in the report has been provided by Heads of Service and service management. Most indicators report performance against an agreed target using a traffic light system with additional commentary provided for performance indicators below optimum performance. Other KPIs report a data value only (e.g. no target performance) in order to track performance over time.

1.1.4 The following table shows the status of the current performance for all indicators:

Quarter 4 2014-15	PI on or exceeded target 	PI below target within tolerance 	PI significantly below target 	Data only Indicators 
Forest Heath KPIs	7	7	1	10
St Edmundsbury KPIs	10	3	2	10
West Suffolk KPIs	8	4	2	7

1.1.5 Where performance is below target the data is supported by notes and explanations from services.

1.1.6 An indicator for return on our investments was suggested by the committee and work continues on pulling together some proposed indicators for the 2015/16 KPI discussions.

1.2 Planning Performance

1.2.1 Generally performance in dealing with the various planning applications has remained steady from quarter 3. Performance on major and other applications has improved since quarter three.






1.2.2 As requested at the November committee meeting, there have been some indicators added in relation to planning enforcement. These indicators give details of the number of enforcement cases both opened and closed in the past quarter. They can be found in Appendix A, indicator numbers 59 to 62.

1.2.3 These figures give a snapshot of enforcement complaints over the last quarter. The new enforcement team is now in place with a Principal Enforcement Officer taking up their post in early February 2015. The Development Manager will be writing a monitoring report for the Council's Development Control Committee which will include key performance and outcomes for planning applications, appeals and enforcement.

This page is intentionally left blank

**West Suffolk
Key Performance Indicators 2014-15 - Quarter 4**

















Key:

	PI significantly below target	5
	PI below target but within agreed tolerance	14
	PI on or exceeded target	25
	Contextual indicator – no targets set	27
	Short term trend (comparing current quarter with previous quarter).	

Page 67

Code and Short Name	13/14 Actual	Target		Performance								Quarterly Traffic Light Icon	Short Term Trend Arrow	Target	Latest Note
		Annual Target 2014/15	Q1 2014/15		Q2 2014/15		Q3 2014/15		Q4 2014/15						
			Value	Target	Value	Target	Value	Target	Value	Target					

Priority: Increased opportunity for economic growth

1	FH/EDG001* New and existing businesses benefitting from the Council's Business Grant schemes	12		1		2		0		4				Quarter	Four grants were awarded in the fourth quarter with a value of £6,000.
2	SE/EDG001* New and existing businesses benefitting from the Council's Business Grant schemes	-		-		6		9		8				Quarter	Eight grants were awarded in the fourth quarter, with a value of £12,000.
3	FH/EDG002* Percentage of industrial units that are vacant or % of industrial floor area vacant	New indicator for 14/15	16.75%	15.00%	16.75%	14.20%	16.75%	14.20%	16.75%	15.83%	16.75%			Quarter	10 units in Brandon, 7 units in Mildenhall and 2 unit in Newmarket
4	SE/EDG002* Percentage of industrial units that are vacant or % of industrial floor area vacant	New indicator for 14/15	3.00%	3.30%	3.00%	3.30%	3.00%	2.40%	3.00%	2.40%	3.00%			Quarter	4 units vacant in Bury St Edmunds
5	WS/EDG002* Percentage of industrial units that are vacant or % of industrial floor area vacant	New indicator for 14/15	8.25%	7.95%	8.25%	7.60%	8.25%	6.93%	8.25%	8.01%	8.25%			Quarter	
6	FH/EDG003* Income from entire commercial property portfolio	£1,513,712	£1,759,735	£431,350	£439,934	£382,575	£439,933	£504,467	£439,933	£412,481	£439,933			Quarter	Target includes £64,400 rent income for properties which are now being refurbished. It is anticipated that they will not get any rental income until 2015/16. For year end forecasts, see Q4 budget monitoring on this agenda.
7	SE/EDG003* Income from entire commercial property portfolio	£2,408,011	£2,462,150	£609,035	£615,538	£640,613	£615,537	£622,523	£615,537	£642,465	£615,537			Quarter	
8	WS/EDG003* Income from entire commercial property portfolio	£3,921,723	£4,221,885	£1,040,385	£1,055,471	£1,023,188	£1,055,470	£1,126,990	£1,055,470	£1,054,946	£1,055,470			Quarter	

No:	Code and Short Name	13/14 Actual	Target	Performance								Quarterly Traffic Light Icon	Short Term Trend Arrow	Target	Latest Note
			Annual Target 2014/15	Q1 2014/15		Q2 2014/15		Q3 2014/15		Q4 2014/15				Cumulative or Quarter	
			Value	Target	Value	Target	Value	Target	Value	Target					

Priority: Resilient families and communities that are healthy and active

9	FH/FAC001* Income generated from leisure service activities - Council controlled	New indicator for 14/15	£33,500	£960	£8,375	£1,354	£16,750	£45,254	£25,125	£53,110	£33,500			Cumulative	Income relates to feed-in-tariff from solar panels on leisure centre roofs. Monies received from British Gas for the period 13.03.13 - 19.12.14, therefore the higher than anticipated income is due to the increased time period.
10	SE/FAC001* Income generated from leisure service activities - Council controlled	New indicator for 14/15	£1,400,800	£374,825	£350,200	£682,527	£700,400	£1,138,135	£1,099,480	£1,647,299	£1,400,800			Cumulative	Income less than budget in areas such as Bury Festival, however this is offset by higher income at the Apex.
11	FH/FAC003* Financial benefit of families & communities agenda	New indicator for 14/15													Consider performance indicators for 2015/16
12	SE/FAC003* Financial benefit of families & communities agenda	New indicator for 14/15													As above
13	WS/FAC003* Financial benefit of families & communities agenda	New indicator for 14/15													As above
14	FH/FAC004* Percentage of household waste recycled and composted	46.00%	49.00%	48.28%	49.00%	46.00%	49.00%	50.00%	49.00%	46.00%	49.00%			Quarter	Cumulative figure calculated using actual but unaudited figures. The recycling rate in quarter four has fallen due to less organic material being collected through the brown bin scheme. This is an annual pattern due to the growing season ending over winter, tonnages in the brown bin will increase again over the next quarter. Unaudited figures for 14/15 show FHDC has achieved an overall recycling rate of 46.05% which is a very slight decrease from 46.10% in 2013/14. This is due to an increase in residual waste collected which is in line with other authorities in Suffolk and is due to an improving economy and increase in the housing stock.
15	SE/FAC004* Percentage of household waste recycled and composted	50.00%	53.00%	55.06%	53.00%	54.00%	53.00%	55.00%	53.00%	52.00%	53.00%			Quarter	Cumulative figure calculated using actual but unaudited figures. The Recycling rate in quarter four has fallen due to less organic material being collected through the brown bin scheme. This is an annual pattern due to the growing season ending over winter, tonnages in the brown bin will increase again over the next quarter. Unaudited figures for 14/15 show SEBC has achieved an overall recycling rate of 51.60% which is a 1% decrease from 52.61% in 2013/14. This is due to an increase in residual waste collected which is in line with other authorities in Suffolk and is due to an improving economy and increased housing stock.
16	WS/FAC004* Percentage of household waste recycled and composted	49.00%	51.00%	51.67%	51.00%	51.00%	52.00%	52.00%	51.00%	50.00%	51.00%			Quarter	Calculated using actual but unaudited figures. The recycling rate in quarter four has fallen due to less organic material being collected through the brown bin scheme. This is an annual pattern due to the growing season ending over winter, tonnages in the brown bin will increase again over the next quarter. Unaudited figures for 14/15 show West Suffolk has achieved an overall recycling rate of 49.55% which is a decrease of 0.76% from 50.31% in 2013/14. This is due to an increase in residual waste collected which is in line with other authorities in Suffolk and is due to an improving economy and increased housing stock.
17	FH/FAC005* Number of fly tipping incidents	289		58		104		149		235				Cumulative	There were a total of 235 incidents of fly tipping recorded over the year, which is significantly lower than the 289 incidents recorded over the same period last year. This decrease is largely attributed to continued targeted enforcement in hot spot areas.
18	SE/FAC005* Number of fly tipping incidents	206		47		107		161		227				Cumulative	There were a total of 227 incidents of fly tipping recorded over the year, which is slightly higher than the 206 incidents recorded over the same period last year
19	WS/FAC005* Number of fly tipping incidents	495		105		211		310		462				Cumulative	
20	FH/SE/FAC006* Number of fly tipping interventions	937		222		469		624		811				Cumulative	Over the last year there have been 811 enforcement interventions taken to combat fly tipping. This is more than three times the number of actual incidents because many of the actions are proactively taken such as the majority of 'duty of care' inspections. Out of these interventions there were 294 investigations, 188 warning letters, 318 'duty of care inspections' 3 fixed penalty notices, 5 formal cautions and 2 successful prosecutions resulting in over £2000 in fines. Over this period there was also a 'stop and search' operation in which vehicles were stopped to check for waste carrier compliance.
21	SE/FAC006* Number of fly tipping interventions	129		153		302		411		625				Cumulative	Over the last year there have been 625 enforcement interventions taken to combat fly tipping. This is nearly three times the number of actual incidents because many of the actions are proactively taken such as the majority of 'duty of care' inspections. Out of these interventions there were 95 investigations, 49 warning letters, 475 'duty of care inspections' 1 fixed penalty notice and 2 successful prosecutions resulting in over £1100 in fines. Over this period there were also 3 'stop and search' operations in which vehicles were stopped to check for waste carrier compliance.
22	WS/FAC006* Number of fly tipping interventions	1,066		375		771		1,035		1436				Cumulative	This total is automatically calculated and represents the total number of fly tipping interventions taken across West Suffolk by FHDC and SEBC.

No:	Code and Short Name	13/14 Actual	Target		Performance								Quarterly Traffic Light Icon	Short Term Trend Arrow	Target		Latest Note
			Annual Target 2014/15	Q1 2014/15		Q2 2014/15		Q3 2014/15		Q4 2014/15		Cumulative or Quarter					
				Value	Target	Value	Target	Value	Target	Value	Target						

Priority: Homes for our communities

23	FH/HOU001* Average stay in temporary accommodation (all provisions) in weeks	7	16	12	16	8	16	10	16	6	16			Quarter	
24	SE/HOU001* Average stay in temporary accommodation (all provisions) in weeks	13	16	9	16	12	16	8	16	10	16			Quarter	
25	WS/HOU001* Average stay in temporary accommodation (all provisions) in weeks	10	16	10	16	11	16	9	16	9	16			Quarter	
26	FH/HOU003* Total number of empty properties (empty for a period of 12 months or longer) brought back into use for West Suffolk through Council intervention	Changed from 13/14 indicator	50	65	12		25		37	53	50			Cumulative	
27	SE/HOU003* Total number of empty properties (empty for a period of 12 months or longer) brought back into use for West Suffolk through Council intervention	Changed from 13/14 indicator	50	73	12		25		37	55	50			Cumulative	
28	WS/HOU003* Total number of empty properties (empty for a period of 12 months or longer) brought back into use for West Suffolk through Council intervention	Changed from 13/14 indicator	100	138	25		50		74	108	100			Cumulative	
29	FH/SE/HOU004* The number of applicants on the housing register	1,153		1,153		1,260		1,301		973				Cumulative	
30	SE/HOU004* The number of applicants on the housing register	1,661		1,661		1,881		2,014		1,599				Cumulative	
31	WS/HOU004 The number of applicants on the housing register	2,814		2,814		3,141		3,315		2,572				Cumulative	
32	FH/SE/HOU005* Time taken to make decisions on homelessness applications (Days)	21	14	16	14	18	14	15	14	13	14			Quarter	The revised working practices and nomination agreements introduced in January 2015 have resulted in a slight improvement in performance.
33	SE/HOU005* Time taken to make decisions on homelessness applications (Days)	22	14	15	14	19	14	15	14	14	14			Quarter	The revised working practices and nomination agreements introduced in January 2015 have resulted in a slight improvement in performance.

No:	Code and Short Name	13/14 Actual	Target		Performance								Quarterly Traffic Light Icon	Short Term Trend Arrow	Target	Latest Note	
			Annual Target 2014/15	Q1 2014/15		Q2 2014/15		Q3 2014/15		Q4 2014/15		Cumulative or Quarter					
				Value	Target	Value	Target	Value	Target	Value	Target						
34	WS/HOU005* Time taken to make decisions on homelessness applications (Days)	22	14	15	14	18	14	15	14	14	14	14	14	✓	↑	Quarter	The revised working practices and nomination agreements introduced in January 2015 have resulted in a slight improvement in performance.
35	FH/HOU006* Number of households where homelessness prevented	127	150	35	37	93	75	136	112	172	150	150	150	✓	↑	Cumulative	The new emphasis on homeless prevention has resulted in improved performance against this indicator and will be maintained moving forward.
36	SE/HOU006* Number of households where homelessness prevented	146	180	46	45	90	90	135	135	186	180	180	✓	↑	Cumulative	The new emphasis on homeless prevention has resulted in improved performance against this indicator and will be maintained moving forward.	
37	WS/HOU006* Number of households where homelessness prevented	273	330	81	82	183	165	271	247	358	330	330	✓	↑	Cumulative	The new emphasis on homeless prevention has resulted in improved performance against this indicator and will be maintained moving forward.	
38	FH/HOU007* Number of people accepted as homeless	72		18		37		49		61			📊	→	Cumulative		
39	SE/HOU007* Number of people accepted as homeless	198		63		115		150		182			📊	↓	Cumulative		
40	WS/HOU007* Number of people accepted as homeless	270		81		152		199		243			📊	↓	Cumulative		
41	FH/HOU008* Number of households living in temporary accommodation	45		8		8		10		8			📊	↑	Quarter		
42	SE/HOU008* Number of households living in temporary accommodation	130		37		30		28		27			📊	↑	Quarter		
43	WS/HOU008* Number of households living in temporary accommodation	175		45		38		38		35			📊	→	Quarter		
44	FH/HOU009* Private sector tenancies made available through West Suffolk Lettings Partnership	19	40	12	10	20	20	31	30	35	40	40	⚠️	↑	Cumulative	The reduction of available properties that fall within the Local Housing Allowance figures coming onto the market continues to be a problem, we are therefore looking at alternative approaches to encouraging landlords to consider using the scheme.	
45	SE/HOU009* Private sector tenancies made available through West Suffolk Lettings Partnership	60	90	7	22	15	45	28	67	43	90	90	⚠️	↑	Cumulative	The reduction of available properties that fall within the Local Housing Allowance figures coming onto the market continues to be a problem, we are therefore looking at alternative approaches to encouraging landlords to consider using the scheme.	
46	WS/HOU009* Private sector tenancies made available through West Suffolk Lettings Partnership	79	130	19	32	35	65	59	97	78	130	130	⚠️	↑	Cumulative	The reduction of available properties that fall within the Local Housing Allowance figures coming onto the market continues to be a problem, we are therefore looking at alternative approaches to encouraging landlords to consider using the scheme.	
47	FH/HOU010* Number of private rented properties brought up to standard	38		6		12		22		25			📊	↑	Cumulative		
48	SE/HOU010* Number of private rented properties brought up to standard	13		6		18		28		33			📊	↑	Cumulative		
49	WS/HOU010* Number of private rented properties brought up to standard	51		12		30		50		58			📊	↑	Cumulative		
50	FH/HOU011* Percentage of major planning applications determined within 13 weeks	28.60%	60.00%	50.00%	60.00%	66.67%	60.00%	55.56%	60.00%	0.00%	60.00%	60.00%	⚠️	↓	Quarter	3 major applications were determined in the quarter, with 0 being within the agreed timescales.	
51	SE/HOU011* Percentage of major planning applications determined within 13 weeks	23.10%	60.00%	22.22%	60.00%	75.00%	60.00%	57.14%	60.00%	80.00%	60.00%	60.00%	✓	↑	Quarter	15 major applications were determined in the quarter, with 12 being within the agreed timescales.	
52	WS/HOU011* Percentage of major planning applications determined within 13 weeks	25.53%	60.00%	30.77%	60.00%	72.73%	60.00%	56.25%	60.00%	66.67%	60.00%	60.00%	✓	↑	Quarter		
53	FH/HOU012* Percentage of minor planning applications determined within 8 weeks	52.70%	65.00%	23.08%	65.00%	46.15%	65.00%	71.43%	65.00%	72.09%	65.00%	65.00%	✓	↑	Quarter	43 minor applications were determined in the quarter, with 31 being within 8 weeks.	
54	SE/HOU012* Percentage of minor planning applications determined within 8 weeks	39.30%	65.00%	54.10%	65.00%	40.43%	65.00%	59.38%	65.00%	55.56%	65.00%	65.00%	⚠️	↓	Quarter	63 minor applications were determined in the quarter, with 35 being within 8 weeks.	
55	WS/HOU012* Percentage of minor planning applications determined within 8 weeks	43.37%	65.00%	44.83%	65.00%	43.02%	65.00%	64.15%	65.00%	62.26%	65.00%	65.00%	⚠️	↓	Quarter		
56	FH/HOU013* Percentage of other planning applications determined within 8 weeks	70.00%	80.00%	71.93%	80.00%	66.04%	80.00%	80.00%	80.00%	78.72%	80.00%	80.00%	⚠️	↓	Quarter	47 other applications were determined in the quarter, with 37 being within 8 weeks.	
57	SE/HOU013* Percentage of other planning applications determined within 8 weeks	54.60%	80.00%	81.29%	80.00%	70.76%	80.00%	81.40%	80.00%	82.35%	80.00%	80.00%	✓	↑	Quarter	170 other applications were determined in the quarter, with 140 being within 8 weeks.	
58	WS/HOU013* Percentage of other planning applications determined within 8 weeks	58.12%	80.00%	78.95%	80.00%	69.64%	80.00%	81.03%	80.00%	81.57%	80.00%	80.00%	✓	↑	Quarter		
59	FH/HOU014* Number of planning enforcement cases opened	New indicator for 14/15						21		36			📊	↓	Quarter		
60	SE/HOU014* Number of planning enforcement cases opened	New indicator for 14/15						38		50			📊	↓	Quarter		
61	FH/HOU015* Number of planning enforcement cases closed	New indicator for 14/15						40		25			📊	↓	Quarter		
62	SE/HOU015* Number of planning enforcement cases closed	New indicator for 14/15						31		100			📊	↑	Quarter		

No:	Code and Short Name	13/14 Actual	Target		Performance								Quarterly Traffic Light Icon	Short Term Trend Arrow	Target		Latest Note
			Annual Target 2014/15	Q1 2014/15		Q2 2014/15		Q3 2014/15		Q4 2014/15		Cumulative or Quarter					
				Value	Target	Value	Target	Value	Target	Value	Target						

Corporate indicators

63	WS/COR002* Working days/shifts lost due to sickness absence - all	5.67	6.50	5.67	6.50	6.12	6.50	6.95	6.50	7.18	6.50			Quarter	
64	FH/COR004* Percentage of benefit fraud prosecutions which were successful	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%		100.00%			Quarter	
65	SE/COR004* Percentage of benefit fraud prosecutions which were successful	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%		100.00%			Quarter	
66	WS/COR005* % of non-disputed invoices paid within 30 days of receipt	SE - 96.50% FH - 97.67%	98.00%	Not available	98.00%	Not available	98.00%	Not available	98.00%	72.84%	98.00%			Quarter	New calculation following the implementation of the new Agresso Financial Management System. Value is now linked to invoice date rather than date the invoices is actually received - may need to review calculation for 2015/16. Work is on-going to improve the performance of this indicator with each department.
67	FH/COR006* Percentage return on the investment of the council's reserves and balances	2.10%	1.90%	1.82%	1.90%	1.69%	1.90%	1.67%	1.90%	1.65%	1.90%			Quarter	The falling rate is due to the continuing low bank base rate and not being able to replace the high interest rates on maturing investments. Above budget for actual interest income received due to higher investment balances available.
68	SE/COR006* Percentage return on the investment of the council's reserves and balances	1.31%	1.50%	0.85%	1.50%	0.83%	1.50%	0.80%	1.50%	0.75%	1.50%			Quarter	The reduction in the average interest rate is primarily due to the continued fall in rates being offered on both call accounts, and fixed term investments.
69	FH/COR007* Collection of Council Tax	97.12%	98.00%	29.73%	29.55%	58.09%	57.39%	83.45%	83.22%	96.97%	98.00%			Cumulative	
70	SE/COR007* Collection of Council Tax	98.40%	98.00%	30.07%	29.86%	59.38%	59.01%	86.55%	87.34%	98.30%	98.00%			Cumulative	
71	FH/COR008* Collection of Business Rates	98.51%	99.00%	28.39%	28.60%	56.38%	58.50%	82.63%	82.65%	97.65%	99.00%			Cumulative	
72	SE/COR008* Collection of Business Rates	98.27%	99.00%	30.21%	28.60%	58.82%	58.50%	84.49%	84.00%	98.30%	99.00%			Cumulative	
73	WS/COR009* Percentage of answered calls	New indicator for 14/15	90.00%	95.00%	90.00%	91.00%	90.00%	94.00%	90.00%	95.00%	90.00%			Quarter	
74	FH/COR010* Number of face to face contacts (not including visitor management)	New indicator for 14/15		14,846		13,364		11,143		10,458				Quarter	
75	SE/COR010* Number of face to face contacts (not including visitor management)	New indicator for 14/15		17,949		15,315		21,741		27,547				Quarter	
76	WS/COR010* Number of face to face contacts (not including visitor management)	New indicator for 14/15		32,795		28,679		32,884		38,005				Quarter	

This page is intentionally left blank

Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Performance Management 2015/16	
Report No:	PAS/SE/15/009	
Report to and dates:	Performance and Audit Scrutiny Committee	4 June 2015
	Cabinet	23 June 2015
Portfolio holder:	Ian Houlder Portfolio Holder for Performance and Resources Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	This report sets out our approach to Performance Management in 2015/16 through the use of a recognised performance management tool, the balanced score card.	
Recommendation:	Performance and Audit Scrutiny Committee: Members are requested to review and comment on the approach to Performance Management for 2015/16.	

Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>		<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
Consultation:		<ul style="list-style-type: none"> This report has been prepared in consultation with all relevant staff and Leadership Team. 	
Alternative option(s):		<ul style="list-style-type: none"> The option of doing nothing may result in poor performance, monitoring performance can highlight where remedial action may be needed 	
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> There are no direct financial or budget implications arising from this report. Poor performance levels may impact on the Council's financial position. 	
<i>Are there any staffing implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> There are no legal implications from this report. Poor performance levels may impact on the Council's ability to implement its policies or high-level strategies. 	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Failure to adopt a performance management approach for 2015/16 results in poor performance levels which may impact on resources	Medium	Report through to PASC outlining the approach for 2015/16 and use of a recognised performance management tool	Low
Failure to achieve optimum or target performance which may impact on resources	High	Regular reporting of performance to Joint Leadership Team, Portfolio Holders and to PASC can highlight where remedial action may be needed.	Medium
Ward(s) affected:		All Ward	

Background papers: <i>(all background papers are to be published on the website and a link included)</i>	None
Documents attached:	Appendix A – Balanced Scorecard template for West Suffolk

1. Key issues and reasons for recommendation(s)

1.1 Key Issues

1.1.1 All of our transformational activities require us to understand our performance. This report outlines how we will assess, manage, monitor and develop our overall approach to performance management. This is important because we need information on inputs, outputs, outcomes, risks, use of resources and how we manage projects, both for our own services and those of our partners.

1.1.2 This report reflects on the roles and responsibilities of all staff and management levels in the performance management approach. Our aim is to provide access to accurate, timely and relevant information for decision making, along with the skills and knowledge to analyse results and design improvements when needed.

1.1.3 The benefits of effective performance management

- clear, timely and better quality information will help us to **focus our efforts and resources** on the things that will provide the greatest benefit to stakeholders. Improved performance management will support a culture of **continuous improvement** by using evidence to identify the most efficient and effective approaches that provide the best value for money.
- inclusive performance management, that involves all staff, will **give employees the business information they need**, empowering them to understand their service area, identify improvements and make sound decisions about the way forward, using the available technology. We will need clarity about the roles and responsibilities for performance management and the recent service manager restructure will support us in this.
- being able to communicate performance information to stakeholders will help us to **improve accountability and increase confidence** in West Suffolk

1.2 **Proposals for performance management arrangements**

1.2.1 The performance framework needs to be:

- **Proactive and responsive** to issues arising in performance terms in real-time;
- **Simple and easily understood** for our internal and external performance discussions (with our partners);
- **Integrated** with and compatible with our existing technology and accessible from all IT devices;
- **Available in real-time** by being automated as much as possible so as not to create an industry and to ensure the information is available in a timely manner;
- **Encourage staff ownership** not just for following processes but for producing results to our stakeholders;
- **Adaptable** to allow management to deliver key performance messages and challenges to various audiences;
- **Proportionate** to ensure the data and information is of value taking into account the time and efforts that were needed to collate and facilitate it;
- **Transparent** so that performance is articulated and understood and can be presented externally;
- **A facilitator for challenge** to the performance discussions;

- **Democratically accountable** and encourages feedback and scrutiny through PASC, Portfolio Holders and senior managers;
- **A facilitator for a performance culture** by moving from measuring and reporting to managing and improving results;
- **Commercially-minded** to drive the desired behaviours and decision making;
- **Adding value** by facilitating the production of accurate, timely, unbiased and trend information for high-level decision making as well as for day-to-day management, resulting in better results overall and to our stakeholders;
- **Enabling links** between the various performance disciplines, including the links between inputs and outcomes;
- **Supported by the use of a performance management tool** with visual presentation and the recognised traffic light Red, Amber, Green (RAG) ratings;
- **Trusted** by West Suffolk customers, staff, councillors and stakeholders by achieving the above.

1.2.2 It must be noted that whilst benefits of the new framework should accrue from the beginning, those benefits increase over the coming months/years, as the new performance management principles and practices become embedded in the West Suffolk culture. Consequently, we need to sustain and improve our performance management framework in order to gain the greatest benefit.

2. Performance Management approach 2015/16

2.1 Proposed performance management tool

2.1.1 The right performance management tool can act as a catalyst for creating and sustaining the performance management framework desired by the West Suffolk councils. A recognised performance management tool is the balanced scorecard.

2.1.2 The **Balance scorecard (BSC)** is a measurement tool that seeks to integrate information from multiple areas/disciplines across an organisation, connecting financial data, business processes, and customer feedback to obtain a balance between internal and external measures, between objective and subjective measures and between performance results and the drivers of future results. There are a number of versions of balanced scorecards that have, over the years, been used in different industries. Our preference is to present the information in a dashboard style. Once automated, dashboards could be produced for different levels in the organisation; for different services; by Portfolio Holder; by issue etc, according to the audience.

2.1.3 Adopting this tool could do much more than create a framework for measuring the performance of West Suffolk. We could use the Balanced Scorecard to transform West Suffolk's strategy, set measureable goals and design a timetable for execution. Through BSC, we can focus on measuring and observing the cause and effect relationships between key objectives and have an accurate report on leading and lagging initiatives.

2.1.4 A balanced scorecard approach requires considerable database, data flow and data presentation capacity. We need to explore the best options for this, in order to ensure integration with existing systems and automation wherever possible. Further work is needed on the best supporting system on which to base a new approach and in the absence of an integrated/automated system, the development of the BSCs have been based on Excel, providing the functionality need to present the data but only after

manual input into the file.

- 2.1.5 It's important to stress that the framework and tool is a means to an end, not an end in itself. Simply implementing a new performance management tool onto our existing traditionally managed Councils may sound a simple step to achieve, but in practice, it is not likely to make much difference immediately. To develop we must continue to develop the councils' attitude, culture and behaviours towards performance management through the councils' appraisal systems and practices.

3.0 Progress, next steps and timescales

- 3.1 Work has commenced on developing the Head of Service level BSC along with a Corporate BSC that would be presented to this committee on a quarterly basis. These BSC's are designed to support members in the scrutiny of the councils' performance and delivery against its strategic priorities. Service Managers will also hold service level BSC's to assist with the performance and delivery of their operational service responsibilities.
- 3.2 Following the 4 June PASC discussions, the next step is to present the Head of Service Level and Corporate BSC's along with the 2015/16 performance targets and 1st quarter performance data to this committee for scrutiny on 30th July. It is envisaged the BSC report will replace a number of the existing reports that currently go through this committee, such as the quarterly Key Performance Indicator report, quarterly Strategic Risk Register report and the Bi-annual Corporate Complaints and Compliments report.
- 3.3 Over the next few months, staff will also look for options for the best supporting systems to deliver on our desired performance management outcomes (as detailed in paragraph 2.1.4 above).

WEST SUFFOLK - TEMPLATE BALANCED SCORECARD

PERIOD

Feb 15

Appendix A

			Current Value	Target	Frequency	Trend	Comments				Current Value	Target	Frequency	Trend	Comments	
RESOURCES	FINANCIAL	% variance against budget						CUSTOMER	SATISFACTION	Number of formal complaints				B	Complaints received by Head of Service between April and September 2014	
										Number of compliments					B	Compliments received by Head of Service between April and September 2014
	ICT															
	STAFF															
			Current Value	Target	Frequency	Trend	Comments				Current Value	Target	Frequency	Trend	Comments	
INTERNAL PROCESSES								OUTCOMES								

PROJECTS	Name	Project Lead	Project Stage	Project Status	Approval details	Approved budget	Forecast Spend	Variance	Comments

RISK

This page is intentionally left blank

Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	West Suffolk Strategic Risk Register Quarterly Monitoring Report – March 2015	
Report No:	PAS/SE/15/010	
Report to and date:	Performance and Audit Scrutiny Committee	4 June 2015
Portfolio holder:	Ian Houlder Portfolio Holder for Resources and Performance Tel: 01284 810074 Email: ian.holder@stedsbc.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To review the West Suffolk Strategic Risk Register Quarterly Monitoring Report.	
Recommendation:	Performance and Audit Scrutiny Committee It is <u>RECOMMENDED</u> that Members scrutinise the updated West Suffolk Strategic Risk Register at Appendix 1 and refer any major issues requiring attention to Cabinet.	

Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>		<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
Consultation:		• Not Applicable	
Alternative option(s):		• Not Applicable	
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> • There are no direct financial or budget implications arising from this report. Specific risks associated with finance and resources are included in the West Suffolk Strategic Risk Register at Appendix 1.	
<i>Are there any staffing implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
See individual assessments against each risk as detailed in Appendix 1.			
Ward(s) affected:		All Ward/s	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		Appendix 1 West Suffolk Strategic Risk Register 2014/2015	

1. Key issues and reasons for recommendation

1.1 Key Issues and Summary

- 1.1.1 The West Suffolk Strategic Risk Register is updated regularly by the Risk Management Group. The Group is comprised of service representatives, including Health and Safety, supported by a Director and the Portfolio Holder for Resources, Governance and Performance. Heads of Service may be required to provide further information as requested by the Group.
- 1.1.2 At its most recent assessment in April 2015 the Group reviewed the Target Risk, the risk level where the Council aims to be, and agreed a Current Risk assessment. These assessments form the revised West Suffolk Strategic Risk Register at **Appendix 1**.
- 1.1.3 Part of this assessment included the consideration of the controls and actions in place to address the individual risks. Where Target Risk levels are lower than the Current Risk assessment, further action is either being taken or planned in order to treat the risk and meet the target.
- 1.1.4 Since the last assessment reported to the Committee on 29 January 2015, there has been one new risk identified relating to closure of RAF Mildenhall (please see 1.2.1 below) and one risk has been closed, WS9 (please see 1.3.1 below) Some individual controls or actions have been updated and those that were not ongoing and had been completed by March 2015 have been removed from the register.

1.2 New or Amended Risks

- 1.2.1 Following confirmation that RAF Mildenhall is to close, the Group felt that it would be appropriate to raise a new risk, WS22, Effects of the closure of RAF Mildenhall. Although specific to Forest Heath District Council it was decided that the risk should be included as a West Suffolk risk as the impact could be felt across the region.
- 1.2.2 Initial Inherent and Residual Risk scores together with initial actions have been included in West Suffolk Strategic Risk Register and will be reviewed at the next meeting of the Group.

1.3 Closed Risks

- 1.3.1 Following the full review and adoption of the revised Constitution by both Forest Heath District Council and St Edmundsbury Borough Council, the Group agreed that risk WS9, Ineffective governance that does not take into account the rapidly, ever changing external environment, be removed from the West Suffolk Strategic Risk Register.

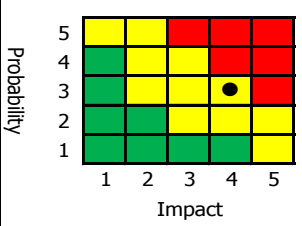
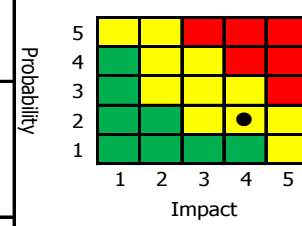
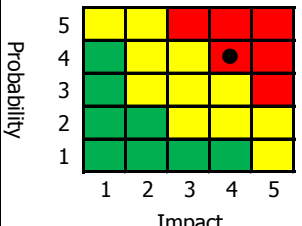
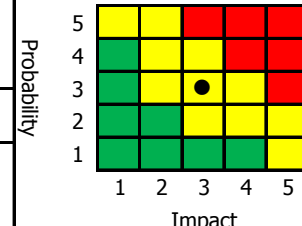
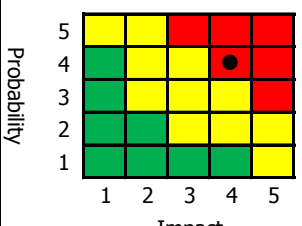
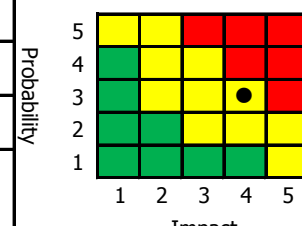
1.4 Reasons for Recommendations

- 1.4.1 The Council's Strategic Plan for 2013/2014, adopted by the Council in February 2014, includes three key priority areas supported by a range of actions to deliver specific outcomes.

- 1.4.2 The West Suffolk Strategic Risk Register identifies and records the level of risk associated with delivering the Council's plans alongside meeting its statutory responsibilities and the organisation's overall ability to respond to change. Through assessment of risk and the likelihood and impact of potential failure to meet these challenges, the level of controls and where possible, action required is identified and implemented.

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS1 A	10-Jul-14	Financial	Head of Resources and Performance	Poor financial management	Failure in specific areas to achieve projected income, or expenditure exceeds the approved budgets (revenue or capital).		1) Monthly monitoring reports (revenue and capital) to budget holders.	Head of Resources & Performance	On-going	On-going	
							2) Business rate retention income and localising of Council tax being monitored monthly by Finance and ARP	Head of Resources & Performance	On-going	On-going	
							3) Regular meetings between budget holders and Resources and Performance business advisors/partners	Service Managers / Business Partners / Advisers	On-going	On-going	
							4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	On-going	On-going	
							5) New joint financial management system now in place, development of more comprehensive budget planning, monitoring and reporting processes including training for budget holders	Head of Resources & Performance	Apr-15	Dec-15	
							6) Strengthen the overall Performance Management Framework	Head of Resources & Performance	Apr-15	Mar-16	
							7) Monitoring of investment decisions and original business cases targets/outcomes through an Officer group with representatives from Finance and Performance, Legal, Policy, Commercial and Programme Management	Head of Resources & Performance	Feb-15	on-going	
WS1 B	10-Jul-14	Financial	Head of Resources and Performance	Poor financial planning	Failure to deliver a sustainable Medium Term Financial Strategy, especially in view of continued financial uncertainty around areas such as Comprehensive Spending Review, localisation of Business Rates, localising Council Tax, increased service demand, and use of reserves. Over reliance on any one particular MTFS theme such as behaving more commercially or being an investing authority		1) Budget preparation for 2016/17 - 2018/19 continues to challenge all six MTFS themes. Proposals include reference to such themes so that scrutiny can take place by LT	LT	On-going	Mar-16	
							2) Demand trends and financial implications validated as part of budget setting. Using monitoring reports to identify trends.	Service Managers / Business Partners / Advisers	On-going	On-going	
							3) Medium Term Financial Strategy update - including review of assumptions, sensitivity analysis and review of reserve and balance levels	Head of Resources and Performance	On-going	On-going	
							4) Scrutiny of financial reports by LT and Members through Performance and Audit Scrutiny Committee	LT	On-going	On-going	
							5) Monitor Government statements on future of local government funding	LT	On-going	On-going	
WS2	10-Jul-14	Customer	Head of Families & Communities	Maintain and promote our public image, maintain effective communications	Councils being portrayed negatively in the media (including social media) which undermines public trust and confidence. Councils' poor reputation preventing them from entering into positive partnerships with others, or securing funding. Lack of public trust and confidence in the councils that could affect their ability to work WITH communities in achieving the strategic priorities and to achieve behaviour change (e.g. around recycling, channel shift etc.). This could also potentially impact on our ability to recruit staff in competitive market.		1) Monitor media coverage through daily media alerts and, where appropriate, provide a robust response.	Comms Team	On-going	On-going	
							2) Positively engage with social media to disseminate positive stories about West Suffolk and address errors or misrepresentation	Comms Team	On-going	On-going	
							3) Train and support staff and Members in proactive communications and dealing with media.	Comms Team	On-going	On-going	
							4) Deliver a communications work programme which focuses on proactive communications.	Comms Team	On-going	On-going	

Page 85

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS3	10-Jul-14	Customer	Head of Families & Communities	Failure to deliver channel shift	Service delivery methods do not meet customer needs or expectations with potential to damage Councils' reputation; customer expectations may need to be more carefully managed in new financial climate; services fail to deliver savings in required time scale or maintain quality; excessive demands on staff time.		1) Continue to develop new web presence with full digital by default capability.	Head of Families & Communities	Oct-14	On-going	
							2) Clear and consistent public communications to explain changes to services and establish realistic expectations of service levels.	Service Manager (Corporate Communications)	On-going	On-going	
							3) Continuing development to ensure web site remains fit for purpose.	Head of Families & Communities	Nov-14	On-going	
WS4	10-Jul-14	Professional	Head of Human Resources, Legal & Democratic Services	Staff retention (professional staff / technical staff). Staff trust and goodwill (morale)	Lack of staff skills, experience and capacity could prevent delivery of services and high levels of performance. Failure to have motivated staff with appropriate workload.		1) Corporate training programme in place (including induction) for staff and members.	HR Business Partner	On-going	On-going	
							2) Identification of workforce needs through effective Workforce Development Planning.	HR Business Partner	On-going	On-going	
							3) Regular cycle of staff reviews (as and when needed) and follow up action plans.	Head of HR, Legal and Democratic Services	On-going	On-going	
							4) A development and support programme is continuously being reviewed to support staff and managers through the change agenda in the public sector, this includes staff resilience and capacity management	Head of HR, Legal and Democratic Services	On-going	On-going	
							5) Consistent and regular communication to staff, including opportunities for feedback. New intranet now rolled out to facilitate this objective.	Service Manager (Corporate Communications)	On-going	On-going	
							6) Annual workforce monitoring data presented to the West Suffolk Joint Staff Consultative Panel; no significant issues raised. Monitoring period has been realigned to April - March.	Head of HR, Legal & Democratic Services / HR Business Partner	On-going	On-going	
							7) Salary bench-marking being undertaken	Head of HR, Legal and Democratic Services	On-going	On-going	
							8) More outreach to Careers Fairs, Colleges and schools	Head of HR, Legal and Democratic Services	On-going	On-going	
WS6	10-Jul-14	Political	Chief Executive	Managing public / councillor expectations with less resources	Falling short of providing the level of service that the public and councillors expect and demand.		1) Understand priorities and expectations through Strategic Plan and MTFS	LT	On-going	On-going	
							2) Develop corporate project plan and assign lead officers and members to the key council projects.	LT	On-going	On-going	
							3) Assign dedicated corporate project resources to lead on the monitoring of the strategic plan	LT	On-going	On-going	
							4) Review and align service and skilled resources available to the strategic plan including communicate resources.	LT	On-going	On-going	
							5) Regular monitoring and update discussions with portfolio holders on the corporate project plan progress	Programme Manager	On-going	On-going	
							6) Delivery comprehensive member induction plan	LT	May-15	Jul-15	

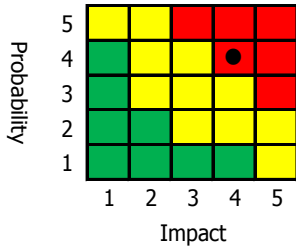
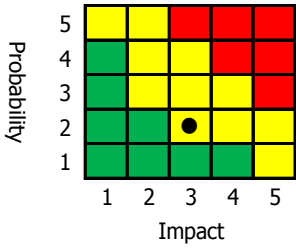
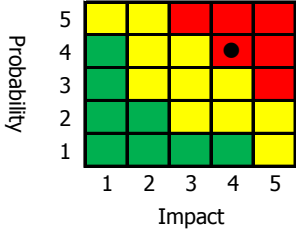
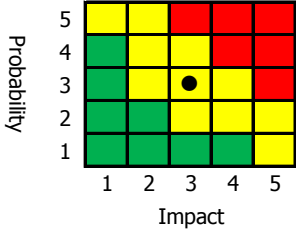
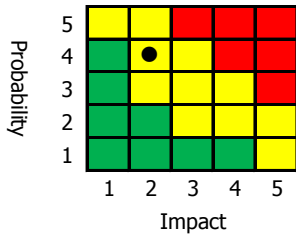
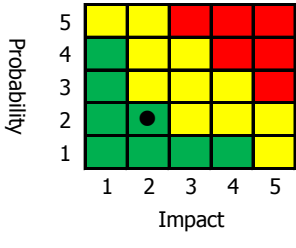
RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS7	10-Jul-14	Technological Financial Customer	Corporate Programme Manager / All HoS	Poor project management	Key strategic outcomes not being delivered due to projects failing to be completed on time. Budgets are overspent due to delays. Peaks and troughs in resource demands for support services are not managed, resulting in unmanageable workloads for e.g. IT team, exacerbating the delays.		1) Creation of efficient project management framework (led by corporate programme manager).	Programme Manager	On-going	On-going	
							2) Development and ongoing oversight of corporate project plan, to avoid concurrent demands on support services	Programme Manager	Jun-14	On-going	
							3) Training of all staff involved in project work in core project management skills	L&D team	On-going	On-going	
							4) Project support and resources to be included in further project business cases.	LT	On-going	On-going	
							5) Better understanding of Corporate capacity / priorities	LT	On-going	On-going	
							6) Maintain a proactive communications strategy	Head of Families & Communities	On-going	On-going	
WS7	10-Jul-14	Technological	Head of Resources and Performance	ICT integration	Integration of ICT across services and systems not being achieved.		1) Planned alignment of ICT infrastructure and corporate systems through corporate project plan	Infrastructure Support Manager	On-going	On-going	
							2) Planned Business Applications alignment – including, Customer Access solution, Waste Management, GIS system - through corporate project plan	Service Manager (ICT)	On-going	Mar-16	
							3) Regular review of both integration programmes through corporate projects plan.	Programme Manager/ LT	On-going	On-going	
							4) Implementation of Integration Tool kit.	Service Manager (ICT)	On-going	On-going	
							5) Monthly testing of the Council PSN compliance including the checking and monitoring of new and existing staff. No tolerance approach adopted.	Infrastructure Support Manager	On-going	On-going	
							6) Development of a West Suffolk Information Strategy and links to the wider public sector integration agenda (Transformation Challenge Award)	Service Manager (ICT)	May-15	Jan-16	
WS8	10-Jul-14	Political Social	Head of Families & Communities	Failure to deliver; Families & Communities agenda	Opportunities being missed to create or influence the provision of: (i) a thriving voluntary sector and active communities who take the initiative to help the most vulnerable (ii) people playing a greater role in determining the future of their communities (iii). improved wellbeing, physical and mental health (iv) accessible countryside and green spaces		1) Initial Families & Community Strategy now complete. Continuous development and review of strategy to ensure that it remains fit for purpose.	Service Manager (Families & Communities)	Oct-13	On-going	
							2) Continue to develop the Locality Officers role	Service Manager (Families & Communities)	Apr-15	Mar-15	
							3) Locality budgets available.	Service Manager (Families & Communities)	Oct-13	On-going	
							4) Develop new ways of working with councillors and the Families & Communities team	Service Manager (Families & Communities)	Oct-13	On-going	
							5) Implementation of the new approach to grants	Service Manager (Families & Communities)	Apr-15	Dec-15	

Page 87

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
	(b)		Head of Planning & Growth	Failure to deliver; Growth Agenda inc coping with growth and increase in demand	Opportunities being missed to create or influence the provision of: (i) beneficial growth that enhances prosperity and quality of life (ii) existing businesses that are thriving and new businesses brought to the area (iii) people with the educational attainment and skills needed in our local economy (iv) vibrant, attractive and clean high streets, village centres and markets		1) Developing engagement with the two Local Enterprise Partnerships. Deliver Six Point Plan for Jobs and Growth. Monitoring the local economy. 2) Small budget to support businesses with grants. Business rate income being closely monitored from April 2013 by ARP. Developing Inward Investment strategy. Increase Business engagement 3) Support to WSC, SCC, UCS and other agencies involved with skills development. Monitoring attainment levels. 4) New Markets Development Officer post. Developing market towns action plan. Supporting and developing Business Improvement Districts.	Head of Planning & Growth	On-going	On-going	
	(c)		Head of Housing / Head of Planning & Growth	Failure to deliver; Housing Agenda	Opportunities being missed to create or influence the provision of: (i) sufficient housing for current and future generations, including more affordable homes and improvements to existing housing (ii) new developments that are fit for the future, properly supported by infrastructure, and that build communities, not just housing (iii) homes that are flexible for people's changing needs		1) West Suffolk Housing strategy adopted, implementation of agreed Action Plan. 2) Sub-regional Strategic Housing Market Assessment completed 2008 to identify levels of need, with annual updates and reviews. 3) Implement revised targets for Affordable Housing for new developments over a certain size. Continue to implement Local Plans. 4) Adopted PPS3 Housing proposals for developing affordable housing, particularly in rural areas. 5) Growth area status confirmed and funding received for infrastructure works for housing development and further funding approved. Continue to work on implementation of Community Area Funding Support. Growth area funds now allocated. 6) Local Investment Plan 2014-18 approved by HCA, now working with RP partners to deliver. Quarterly monitoring of plan and annual review. 7) West Suffolk Choice Based Lettings Scheme reviewed April 2013 to reflect changes in legislation, regular reviews taking place as legislation changes introduced. Retendering of sub-regional system to be completed by June 2015, with new system fully operational by April 2016. 8) Expansion of West Suffolk Lettings Partnership co-ordinates work with private sector landlords, help given to applicants to access private rented sector. 9) Disabled Facilities Grants process and Home Improvement Agency contract being reviewed with partners in order to introduce a more co-ordinated and integrated service across agencies - tender process to be completed July 2015. 10) Supported Housing register project to improve allocation and management of specialist housing needs countywide. Phase 1 to be completed Sept 15, with Phase 2 completed April 16	Head of Housing	Oct-14	Apr-18	

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS11	10-Jul-14	Economic Financial Competitive	Chief Executive / Directors	Failure to adapt to new public sector models, explore opportunities with partners	West Suffolk fails to deliver better services for public sector customers (regardless of the organisation), fails to close its budget gap due to missing opportunities for new sources of funding and opportunities for savings through economies of scale and better integration.		1) Keep a watching brief on, and disseminate information on new funding models and opportunities through DCLG, RSN, LGA, EELGA etc. 2) Maintain good relationships with public sector partners, e.g. CCG, SCEG, ARP authorities to hear of, and take opportunities arising from opportunities for partnership working. 3) Robust business cases for identified opportunities 4) Keeping a watching brief on the new/changing National policies following May 2015 Elections	Policy Team Chief Executive and Directors LT LT	On-going On-going On-going On-going	On-going On-going On-going On-going	
WS12	10-Jul-14	Partnership	Head of Planning & Growth	Loss of a key employer (for example USAFE, Racing Industry, Greene King, WS Hospital, Centre Parcs, British Sugar)	Failure to retain major employers in the area and the economic impact that it would have		1) Awareness of and engagement with the top 100 employers in the area. 2) Ensuring there is sufficient employment land / premises for expansion. 3) Understand skills shortage and requirements by linking business to education providers and encourage business to take on apprentices. 4) Help businesses access third party funding. 5) Further development of the six point jobs and growth plan	Head of Planning & Growth Head of Planning & Growth Head of Planning & Growth Head of Planning & Growth Head of Planning & Growth	On-going On-going On-going On-going On-going	On-going On-going On-going On-going	
WS13	10-Jul-14	Partnership Financial	Directors	Partner / Public Sector failure	Partners or partnerships failing; cost shunting (transfer of costs between partners); partnerships not achieving desired outcomes.		1) Robust SLA arrangements in place. 2) Regular monitoring of arrangements / outcomes. 3) Regular meetings with key partners, including fortnightly Suffolk CEO meetings to discuss impact and potential response of the Suffolk wide system. 4) Ensure effective engagement in the Transformation Challenge Award	All HoS All HoS All HoS CEO and LT	On-going On-going On-going On-going	On-going On-going On-going On-going	
WS14	10-Jul-14	Physical Social Legal	Director	Service failure through unplanned events	Reduced level or failure to deliver services to both internal and external clients due to unforeseen events.		1) Each service needs to have sufficient cross-trained staff to be able to continue essential services delivery in the event of an unexpected staff shortage. 2) Services must have a workable Business Continuity Plan arrangements in place. 3) Combined West Suffolk Business Continuity Plan is in place for major identified threats, regularly reviewed and practised. 4) Appointed officers within each service to be responsible for the continuity plans.	Heads of Service / Service Managers Heads of Service/All staff LT Heads of Service / Appointed Officers	On-going On-going On-going On-going	On-going On-going On-going On-going	

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS16	10-Jul-14	Legal	Director	Breach of data protection and information security	Failure to ensure the accuracy and control of data. Not using good practice when handling data.		1) Information governance group coordinates councils' approach to risks	Director	On-going	On-going	
							2) Records Management Working Group to coordinate councils' approach to records management	Director	On-going	On-going	
							3) Regular buildings checks to ensure information is held securely.	Service Manager (Internal Audit)	On-going	On-going	
							4) Review of building access arrangements and implement new arrangements.	Service Manager (Property Services)	Aug-14	Aug-15	
							5) Improve staff and member communication on good practices and data security	Service Manager (Corporate Communications)	On-going	On-going	
							6) Information Security e-learning - 1st phase, existing officers, completed. All new staff and members to complete module as part of induction programme.	Director	Apr-14	On-going	
WS18	10-Jul-14	Customer Financial Professional	Head of Resources & Performance	Poor Performance Management	Risk of individual services having below par performance levels and possible dips in performance while establishing new service models.		1) Performance and Audit Scrutiny Committee (PASC) receive comprehensive performance monitoring report	Head of Resources & Performance / R&P Business	On-going	On-going	
							2) Early identification, reporting and monitoring of potential problem areas.	Service Managers / Business Partners / Advisers	On-going	On-going	
							3) Strengthen the overall Performance Management Framework	Head of Resources & Performance	Apr-15	Mar-16	
WS19	10-Jul-14	Economic Social	All HoS	Demographic changes	Unable to meet the demands created by population changes (caused by growth, ageing, diversity, employment) including the impact on infrastructure and other related service provision.		1) Key services (planning, housing and waste) use forecasting models (e.g. East of England forecasting model, POPGROUP) to build population change into future service planning	Head of Housing/ Planning & Growth/Operations	On-going	On-going	
							2) Monitor, research and analysis around demographics through DCLG, ONS, LGA, LGC and other sources and share key findings with relevant services.	Policy Team	On-going	On-going	
							3) Attend meetings of Suffolk Information Forum and Transformation Challenge Award Data and Intelligence work stream to share best practice around population monitoring and forecasting. NB particular attention needs to be paid to Forest Heath due to population forecasts not being able to deal accurately with USAFE population.	Policy Team	On-going	On-going	

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
WS20	10-Jul-14	Physical	Head of Human Resources, Legal & Democratic Services	Implementation of the Corporate Health and Safety Policy	Failure to ensure the safety and well being of staff. Failure to provide safe and healthy environment for visitors and the general public. Risk of corporate manslaughter charges.		1) Corporate Health and Safety strategy, objectives and implementation plans in place for all internal and external functions performed by the Council. 2) Full-time H&S Manager leading this work. 3) Well being programme in place. 4) Requirement for all staff to complete online H&S training and members to complete appropriate H&S induction programme. 5) Communications to staff. 6) Appropriate insurances in place and regularly reviewed. 7) Continue a programme of health and safety audits according to H&S Risk	Service Manager (Health & Safety) Service Manager (Health & Safety) Service Manager (Health & Safety) Service Manager (Health & Safety) Service Manager (Corporate Communications) Service Manager (Health & Safety) Service Manager (Health & Safety)	On-going On-going On-going On-going On-going On-going On-going	On-going On-going On-going On-going On-going On-going On-going	
WS21	10-Jul-14	Social Legal	Head of Housing	Safeguarding children and vulnerable adults	Children and vulnerable adults being treated in an improper manner and not in accordance with legislation.		1) Working in Countywide safeguarding partnership. 2) Safe recruitment procedures are adopted for all staff recruitment. 3) Regular staff and member training and briefing sessions taking place - 88 key staff completed training introduction of an e-learning module on safeguarding being reconsidered. Introduction to safeguarding now included as part of both staff and member induction programme.	Head of Housing Head of HR, Legal & Dem Services Head of Housing / HR. Legal & Dem Services	On-going Jul-09 On-going	On-going On-going On-going	
WS22	21-Apr-15	Economic and social	Chief Executive	Effects of the closure of RAF Mildenhall	Negative impact on the local economy, families and community or the housing market		1) Attend and play an active role in meetings of the Government-led Mildenhall, Alconbury and Molesworth Working Group as representatives of the community and local businesses 2) Co-ordinate and lead the Forest Heath member-led local Mildenhall and Lakenheath Airbases Group 3) Commission an impact study to measure the impact of the USAFE on West Suffolk and the surrounding areas	Chief Executive Chief Executive Head of Planning and Growth	Feb-15 Mar-15 Apr-15	On-going On-going On-going	

RISK ID NUMBER	Date risk added to register	Type	Current Owner	Title	Description - What are we trying to avoid?	WS Inherent Risk	Summary of Actions - What we are doing / need to do to prevent it.	Who is responsible for the actions	Start date	Target completion date/ Complete	WS Residual Risk
							4) Work with external partners (including USAFE and UK Military) and internal departments to consider the actions to mitigate the impact of the net loss in USAFE personnel and also to consider opportunities for the RAF Mildenhall site in the context of the Government's One Public Estate Programme.	Chief Executive	On-going	On-going	
							5) Hold engagement sessions with representatives from local businesses, housing organisations and the community to discuss the effects of the closure of RAF Mildenhall. Communicate with these groups throughout the project	Chief Executive	Feb-15	Mar-15	

This page is intentionally left blank

Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Biannual Corporate Complaints and Compliments Digest	
Report No:	PAS/SE/15/011	
Report to and date:	Performance and Audit Scrutiny Committee	4 June 2015
Portfolio Holder:	Robert Everitt Portfolio Holder for Families and Communities Tel: 01284 769000 Email: Robert.everitt@stedsbc.gov.uk	
Lead Officer:	Davina Howes Head of Families and Communities Tel: 01284 757070 Email: davina.howes@westsuffolk.gov.uk	
Purpose of report:	To report and provide an overview of the number and range of corporate complaints and compliments received during the period 1 October 2014 to 31 March 2015. This report includes information relating to Forest Heath District Council and St Edmundsbury Borough Council working together as West Suffolk with data being shown for the individual councils as appropriate.	
Recommendation:	The Committee is asked to consider the latest digest and make any recommendations to the relevant Cabinet arising from the information in the report.	

Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>		<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
Consultation:		• Not applicable	
Alternative option(s):		• Not applicable	
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<i>Are there any staffing implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
Failure to record complaints and use feedback to inform service delivery.	Medium	Complaints procedure in place and regular reporting to management and members.	Low
Ward(s) affected:		All Wards	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>			
Documents attached:		Appendix A – Information on complaints and compliments received.	

1. Key issues and reasons for recommendation

1.1 General

- 1.1.1 The aim of the digest is to provide an overview of the number and type of corporate complaints that the councils receive, as well as monitoring effectiveness of response and learning from any mistakes that have been made. Across both councils 27 corporate complaints and 49 compliments were received during the period October 2014 to March 2015 and data is provided for the individual councils.
- 1.1.2 Corporate complaints are co-ordinated and monitored by the Customer Services Team. The Team is supported in this work via a network of service complaints co-ordinators who are responsible for ensuring responses within their service areas are made in accordance with the councils' complaints procedure.
- 1.1.3 The councils operate a two step corporate complaints procedure which is implemented if complaints are not resolved by services. Step 1 involves a complainant who is dissatisfied with any part of the councils' service, or wishes to point out a fault, making a complaint by email, telephone, letter or via an online feedback form. Complainants receive a response within five working days which provides them with the name of the person dealing with the complaint and either responds to the complaint and explains how the situation has been dealt with or lets them know that the complaint will require more investigation and advises when they can expect to receive a full reply.
- 1.1.4 If a complainant is not satisfied with the response received under Step 1 of the procedure, they can request that the complaint moves to Step 2. This involves the complaint being investigated by Legal Services which provide an explanation of how the situation has been handled, the investigations that have taken place and whether the response provided is reasonable and fair.
- 1.1.5 The councils aim to fully respond to 90% of Step 1 and Step 2 complaints within 20 working days (from the date of acceptance of the complaint at each step). However, it is recognised that some complaints, and particularly at Step 2, can involve complex investigations and can take longer than 20 working days to complete. If additional time is required, this is agreed with the complainant.
- 1.1.6 The report also includes details of the number of compliments that the councils receive. The monitoring of compliments is important as it provides an opportunity to recognise services, teams or individual members of staff who have been praised by the customer for delivering an excellent service.

1.2 Local Government Ombudsman Report 2014/2015

- 1.2.1 Where a complainant is dissatisfied with the outcome of our Step 1 and 2 procedures they can ask the Local Government Ombudsman (LGO) to investigate the matter. The LGO informs us of the outcomes of individual complaints submitted to them (whether the matter was upheld, not upheld or partly upheld).

- 1.2.2 During the period 1 October 2014 to 31 March 2015 the LGO received one complaint about Forest Heath District Council which is currently still under investigation.

During the period 1 October 2014 to 31 March 2015 the LGO received two complaints about St Edmundsbury Borough Council, one of which is currently still under investigation. The LGO found limited fault by the Council in the second complaint and a further explanation will be provided in Part Two of PASC for St Edmundsbury Council.

1.3 **Complaints**

- 1.3.1 A breakdown of corporate complaints in the period 1 October 2014 to 31 March 2015, including outcomes and lessons, can be found at **Appendix A**.

1.4 **Compliments**

- 1.4.1 As part of the monitoring of feedback from our customers, the Customer Service Team maintains records of compliments received for particular services or individuals. Services are asked to pass on positive feedback in order to promote a culture which acknowledges and celebrates excellent customer service and also provides an opportunity to share that learning with other staff members. Between 1 October 2014 to 31 March 2015, 49 compliments were received by both councils. A breakdown of compliments received by service is attached at **Appendix A**.

Complaints and Compliments Digest

1. Number of complaints received and speed of response

27 corporate complaints were received between 1 October 2014 to 31 March 2015.

The table below shows how this compares with the previous six months and full year at both councils.

Level of complaint	Total number of complaints received and completed		Number responded to within target of 20 working days (or within extension agreed with complainant)		Percentage responded to within target of 20 working days	
	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC
October 2014– March 2015 (half year)						
	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC
Step 1	8	10	7	9	88%	90%
Step 2	5	4	1	3	20%	75%
April 2014 - September 2014 (half year)						
	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC
Step 1	6	12	4	9	67%	75%
Step 2	1	7	1	6	100%	86%
April 2013 - March 2014 (full year)						
	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC
Step 1	13	31	9	23	69%	74%
Step 2	14	18	12	16	86%	89%

2. Monthly analysis of corporate complaints received by Head of Service

Service	Month												Totals
	October		November		December		January		February		March		
	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC	FHDC	SEBC	
Housing				1	1	1		1			2		6
HR, Legal and Democratic Services		1			1		1						3
Operations	1	2		1		1	1					1	7
Planning and Regulatory Services		2		1									3
Resources and Performance (including ARP)	1	1							1	1	3	1	8
Monthly totals	2	6		3	2	2	2	1	1	1	5	2	27

3. Corporate Complaints – October 2014 to March 2015

Service	Specific service area	Council	Complaint regarding	Outcomes and lessons learned
Housing	Public Health and Housing	FHDC	Administration of a Disabled Facilities Grant	Step two complaint not upheld.
	Public Health and Housing	FHDC	Housing repairs and landlord enforcement	Step two complaint not upheld.
	Public Health and Housing	SEBC	Administration of cavity wall insulation grant and installation from a third party	Step one complaint not upheld.
	Housing Options	FHDC	Council responsible for death of a woman due to not being housed as required	Step one complaint not upheld.
	Housing Options	SEBC	Council not taking responsibility for rehousing complainant and family	Step one complaint not upheld.
	Housing Options	SEBC	Council not taking responsibility for rehousing complainant and family	Step two complaint not upheld
HR, Legal and Democratic Services	Legal	FHDC	Complaint regarding Freedom of Information request for planning	Step two complaint upheld and apology given as not all the information asked for the original request was provided.

Service	Specific service area	Council	Complaint regarding	Outcomes and lessons learned
	Legal	FHDC	Certificate of Lawful Use and conduct of Council officers	Step one complaint not upheld.
	Legal	SEBC	Application to remove a restrictive covenant on land purchased from Council which was refused	Step one complaint not upheld. Ensure full explanations of fee calculations and processes are provided in all relevant correspondence.
Operations	Property	FHDC	Complaint regarding time taken to discharge conditions on a lease	Step one complaint not upheld. Matter identified quickly and dealt with by property services.
	Property	SEBC	Council negligent with work carried out to property in the late 1990s	Step one complaint not upheld.
	Waste	FHDC	Cleansing of horse walks	Step one complaint not upheld.
	Waste	SEBC	Soiled latex gloves lying in Cotton Lane	Step one complaint upheld. Relevant parties informed of their responsibilities for disposal of this type of waste.
	Waste	SEBC	Correspondence regarding potential abandoned vehicle obstructing highway	Step one complaint not upheld.
	Waste	SEBC	Council cleansing vehicle parked in new residential restricted parking zone	Step one complaint upheld. Staff education/training relating to the restricted parking areas.
	Parks	SEBC	Parking charges at Nowton Park	Step one complaint not upheld.
Planning and Regulatory Services	Planning	SEBC	Response to Freedom of Information request for planning application statistical data.	Step two complaint upheld. Request for information was not completed within 20 working days. Keep customer informed of any potential delays.

Service	Specific service area	Council	Complaint regarding	Outcomes and lessons learned
	Planning	SEBC	Handling of applications to discharge conditions relating to planning application.	Step one complaint not upheld however the concerns noted.
	Planning	SEBC	Handling of planning applications	Step one complaint not upheld.
Resources and Performance (including ARP)	Anglia Revenues Partnership	FHDC	Complaint regarding National Non Domestic Rates(NNDR) allocation for a business unit	Step one complaint upheld and apology given. Complainant requested complaint be raised to Step two as below.
	Anglia Revenues Partnership	FHDC	Complaint regarding NNDR allocation for a business unit	Step two complaint upheld and recompense awarded.
	Anglia Revenues Partnership	FHDC	Complaint regarding Council Tax billing and lack of exemption	Step one complaint partially upheld and apology issued for the delay in correspondence.
	Anglia Revenues Partnership (Joint West Suffolk complaint)	FHDC	Challenge to response to Freedom of Information request to provide names of landlords receiving largest amounts of housing benefit	Step two complaint upheld. Officers did believe they were correctly applying the exemption under Section 40 (2) of the Act when they responded to the request but careful consideration of the Information Commissioner's findings will be given to any future requests of this nature.
	Anglia Revenues Partnership	FHDC	Reminder for overdue amount on Council Tax account	Step one complaint not upheld.
	Anglia Revenues Partnership	SEBC	Complaint about a benefits overpayment and how this was communicated	Step one complaint not upheld.
	Anglia Revenues Partnership	SEBC	Bailiff employed by Rosedale for collection of Council tax	Step one complaint not upheld.

Service	Specific service area	Council	Complaint regarding	Outcomes and lessons learned
	Anglia Revenues Partnership (Joint West Suffolk complaint)	SEBC	Challenge to response to Freedom of Information request to provide names of landlords receiving largest amounts of housing benefit	Step two complaint upheld. Officers did believe they were correctly applying the exemption under Section 40 (2) of the Act when they responded to the request but careful consideration of the Information Commissioner's findings will be given to any future requests of this nature.

4. Compliments received between 1 October 2014– 31 March 2015

Service	FHDC	SEBC	Total compliments received
Families and Communities	3		3
Housing		1	1
Operations	9	36	45
Total	12	37	49

Compliments – 1 October 2014 and March 2015

		Service	Compliment / Comment Details
Families and Communities	FHDC	Customer Services	Helpful customer services staff – advice to visitors to area.
		Customer Services	Helpful customer services staff – customer with concerns regarding refuse collection.
		Customer Services	Professional service provided by customer services staff regarding sensitive data issue.
Housing	SEBC	Housing Options	Helpful housing options staff.
Operations	FHDC	Waste	Thanks for the clear up job around the garages at Newnham Close, Mildenhall.
		Waste	The crew arrived this morning to sweep and clear up the road. They did a sterling job. I really would appreciate it, if you could pass on my sincere thanks to the crew for the amazing job they did.
		Waste	A big thank you to all those who have been clearing up the leaves lately. Especially in Emmanuel Close and in and around the garage blocks. The whole area looks so much better.
		Waste	Sincere thanks for quick removal of fly tipped sofa.
		Waste	Please pass on my sincere thanks to the operative of the sweeper who swept Herringswell Road yesterday morning. He kindly waited while I moved my car so he could sweep the cul de sac. I know his workload is heavy and his consideration is much appreciated.
Waste	Resident called with thanks to the crew for an excellent job cleansing Leaders Way by the cul-de-sac. Resident was extremely pleased with the outcome and wishes us to pass on her thanks to the crew.		

		Service	Compliment / Comment Details
Operations	FHDC	Waste	The resident wishes to thank Operations and the crew for making a special arrangement for their bins to be emptied whilst roadworks were taking place.
		Waste	Customer wished to compliment team on clearing up the graffiti reported.
		Waste	Customer with an assisted collection wishes to thank the crew for collecting, emptying and placing the bin back in the correct place. Most grateful for this.
	SEBC	Parks and Open Spaces Landscapes	Resident called saying she was very impressed with the hedge cutting. She said the staff were very polite and helpful.
		Parks and Open Spaces Landscapes	Well done and thanks for dealing with the issue so quickly of the overgrown hedges etc.
		Parks and Open Spaces Landscapes	Thanks for arranging quote and job to be carried out and please pass on my thanks and appreciation to the crew that carried out the work and installed the fencing. A really professional job which looks good.
		Parks and Open Spaces Landscapes	I had a walk down the Chase this morning, thank you very much for the work done, should improve the flow rate across there.
		Parks and Open Spaces Landscapes	The job was done beautifully by your staff and they cleaned up brilliantly.
		Parks and Open Spaces Landscapes	Very happy with landscapes work carried out. Thank you to all who took care of this.

		Service	Compliment / Comment Details
Operations	SEBC	Parks and Open Spaces Landscapes	Please pass on compliments and thanks to crew for cutting the shrubs etc. round this street and property.
		Parks and Open Spaces Landscapes	Shrubs/bushes up against residents' property have been cut - wants to pass on her thanks for a good job.
		Parks and Open Spaces Landscapes	Resident phoned in to say thank you for doing such a good job trimming the grass verges.
		Parks and Open Spaces Landscapes	Visitors to a grave were assisted by a lovely gentleman, who is a groundsman working there, to locate an almost unmarked grave. I feel bad that I have misplaced the groundsman's name. He had also previously assisted friends of our family to locate the site. We are all very grateful for his assistance. He also kindly supplied us with your details.
		Parks and Open Spaces Landscapes	Thank you to the men in the white van trimming the trees in Highbury Crescent, Bury St Edmunds. She said to tell them they did a wonderful job and should be commended.
		Waste	Brilliant job emptying the skips, always within a couple of hours of asking, excellent service.
		Waste	Resident would like to thank the Borough for delivering his replacement bin so quickly.
		Waste	Thank you for clearing the fly tipped items.
		Waste	Thank you so much to the replacement team! Pass on thanks to everyone involved. Overwhelmed how you looked after this matter, so professional!

		Service	Compliment / Comment Details
Operations	SEBC	Waste	Thanks to the domestic crew who today emptied bin and cleared up rubbish on her verge caused by cats.
		Waste	I write to you to say how brilliant your waste operatives are that come round our area. They always turn up on the appointed day and never leave a mess or fail to empty bins. When we were in Cornwall recently the bin men there failed to collect black bin rubbish for three weeks running although they did collect the recyclables - a totally different service.
		Waste	Today I visited Bury St Edmunds for an appointment. Not knowing my way around I stopped and asked a street cleaner working in The Traverse. Would you please send him my most grateful thanks for being so friendly and helpful in guiding me in the right direction and also providing me with a street map. If everyone was as friendly and helpful as this gentleman the world would be a better place. He is an asset to Bury St Edmunds.
		Waste	Just wanted to extend my thanks to you and your team for a seamless management during the 2014 Christmas fair. Please extend my gratitude to all your team members.
		Waste	Thanks to all involved removing rubbish today from the Tollgate changing rooms.
		Waste	Please pass my thanks on to the waste operatives who emptied our bin this week even though I had forgotten to put it out (I wasn't well). I am really grateful to them.
		Waste	Would like to say thank you to litter picker in Haverhill who saw her in the street the other day to say that he is still on the look out for her earring that she lost on 11th November - he was very kind.
		Waste	Resident phoned in to say thank you to the team for the swift arrival of the second black bin needed for medical reasons.

		Service	Compliment / Comment Details
Operations	SEBC	Waste	Please praise and thank all the crews. They are always very polite and pleasant to her and check her bin store even if she hasn't opened the doors for them and doesn't just pass by.
		Waste	Many thanks for all your help and for your team who do a great job in all weathers for us.
		Waste	Customer wished to compliment service for arranging a new bin to be delivered. He was impressed with the polite service from Customer Services on the telephone and the speed which the crew arranged for the bin to be delivered.
		Waste	I would really appreciate it if you would give a big thank you to the bin men many people are quick to report and complain but not many people give good feed back they are always friendly and always make my son's day on Fridays. He waits on the window ledge to see them and when they do they never ignore him always saying hi, putting their thumbs up and beeping the horn and that is so kind of them to make the effort to put a smile on my kids face as he is obsessed about dust carts. Thank you for reading.
		Waste	Customer ordered a new bin on the 11th February, she received her bin on Friday. She was very pleased with our service and asked that I passed on the message.
		Waste	Can I also once again praise the team at the Haverhill depot. I phoned in a couple of issues in the town yesterday and on one, the team was already on it and on the other they were just waiting for a bit of information before actioning. They all do a really good job in this town and I absolutely appreciate their diligence.
		Waste	Big thank you to the Waste Team for clearing the lay by where the travellers site used to be.
		Waste	Just a quick email to say thanks for the excellent response to the fly tipping removal request I asked for yesterday. This morning it was all gone when I drove past.

		Service	Compliment / Comment Details
Operations	SEBC	Waste	Just to say "Thank You" very much for clearing all the litter along the Elveden Road between Elveden and Barnham and doing it so quickly. It really looks so much better and I will continue to do my bit. Would you please pass on my thanks to all concerned.
		Waste	Thanks to the waste team for their prompt action in clearing fly tipping on Pinnars Way, Hospital Road (near the cemetery).
		Waste	A big thank you for the honest bin man on the black bin crew round today who found her son's wallet on the ground this morning and brought it to her.
		Waste	Excellent service, please pass on our thanks to the appropriate people. Re: litter pick in Honington and Sapiston - equipment hire and waste collection.
		Waste	Can I just thank you very much for sorting out the collection of the TV and freezer from the roadside along the Barnham Road. Much appreciated.

This page is intentionally left blank

Informal Joint Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Work Programme Update	
Report No:	PAS/SE/15/012	
Report to and date:	Performance and Audit Scrutiny Committee	4 June 2015
Chairman of the Committee:	Sarah Broughton Chairman of the Performance and Audit Scrutiny Committee Tel: 01284 787327 Email: sarah.broughton@stedsbc.gov.uk	
Lead officer:	Christine Brain Scrutiny Officer Tel: 01638 719729 Email: Christine.brain@westsuffolk.gov.uk	
Purpose of report:	<p>1. Members are asked to consider and note the current status of its Work Programme attached at Appendix 1(A).</p> <p>2. Attached at Appendix 1(B), for information is the current position of the Work Programme for Forest Heath District Councils Performance and Audit Scrutiny Committee.</p>	
Recommendation:	<p>Performance and Audit Scrutiny Committee:</p> <p>It is <u>RECOMMENDED</u> that:</p> <p>Members consider and <u>note</u> the current status of its Work Programme.</p>	

Performance and Audit Scrutiny Committee Work Programme (St Edmundsbury Borough Council)

Description	Lead Officer
30 July 2015 (Time: 5.00pm)	
Informal Joint Meeting (Hosted by Forest Heath District Council)	
Joint Reports	
Key Performance Indicators and Quarter 1 Performance Report 2015-2016	Resources and Performance Business Partner
West Suffolk Strategic Risk (June 2015)	Service Manager (Finance and Performance)
Work Programme Update	Scrutiny Officer
St Edmundsbury Specific Reports	
Annual Performance Report on the Apex	Commercial Manager
Financial Performance Report (Revenue and Capital) Quarter 1 (April – June 2015)	Service Manager (Finance and Performance)
Annual Treasury Management Report 2014-2015 & Investment Activity 1 April-30 June 2015	Service Manager (Finance and Performance)
23 September 2015 (Time: 4.30pm)	
EY – Presentation of 2014-2015 ISA 260 Annual Governance Report to those Charged with Governance	Head of Resources and Performance
Annual Governance Statement 2014-2015	Head of Resources and Performance
2014-2015 Statement of Accounts	Head of Resources and Performance
Work Programme Update	Scrutiny Officer
25 November 2015 (Time: 5.00pm)	
Informal Joint Meeting (Hosted by St Edmundsbury Borough Council)	
Joint Reports	
Mid-year Internal Audit Progress Report 2015/16	Service Manager (Internal Audit)
KPI and Quarter 2 Performance Report (2015-2016)	Resources and Performance Business Partner
West Suffolk Strategic Risk Register Quarterly Monitoring Report – Sept 2015	Service Manager (Finance and Performance)
Biannual Corporate Complaints and Compliments Report	Head of Families and Communities
Work Programme Update	Scrutiny Officer

St Edmundsbury Specific Reports	
EY- Presentation of Annual Audit Letter (2014-2015)	Head of Resources and Performance
Financial Performance Report (Revenue and Capital) Quarter 2 – 2015-16	Service Manager (Finance and Performance)
Delivering a Sustainable Budget 2016-2017 and Budget Consultation Results	Head of Resources and Performance
Car Park Tariffs 2016-2017	Head of Operations
Mid-year Treasury Management Performance Report and Investment Activity (April – Sept 2015)	Service Manager (Finance and Performance)
28 January 2016 (Time: 5.00pm) Informal Joint Meeting (Hosted by Forest Heath District Council)	
Joint Reports	
KPI and Quarter 3 Performance Report (2015-2016)	Resources and Performance Business Partner
West Suffolk Strategic Risk Register Quarterly Monitoring Report – Dec 2015	Service Manager (Finance and Performance)
Work Programme Update	Scrutiny Officer
St Edmundsbury Specific Reports	
Financial Performance Report (Revenue and Capital) Quarter 3 – 2015-16	Service Manager (Resources and Performance)
Delivering a Sustainable Budget 2016-2017 Update	Head of Resources and Performance
Treasury Management Report 2015/16 – Investment Activity 1 April to 31 Dec 2015	Service Manager (Finance and Performance)
Annual Treasury Management and Investment Strategy Statements 2016/17	Service Manager (Finance and Performance)

Performance and Audit Scrutiny Committee Work Programme (Forest Heath District Council)

Description	Lead Officer
30 July 2015 (Time: 5.00pm)	
Informal Joint Meeting (Hosted by Forest Heath District Council)	
Joint Reports	
Key Performance Indicators and Quarter 1 Performance Report 2015-2016	Resources and Performance Business Partner
West Suffolk Strategic Risk (June 2015)	Service Manager (Finance and Performance)
Work Programme Update	Scrutiny Officer
Forest Heath Specific Reports	
Financial Performance Report (Revenue and Capital) Quarter 1 (April – June 2015)	Service Manager (Finance and Performance)
Annual Treasury Management Report 2014-2015 & Investment Activity 1 April-30 June 2015	Service Manager (Finance and Performance)
24 September 2015 (Time: 6.00pm)	
EY – Presentation of 2014-2015 ISA 260 Annual Governance Report to those Charged with Governance	Head of Resources and Performance
Annual Governance Statement 2014-2015	Head of Resources and Performance
2014-2015 Statement of Accounts	Head of Resources and Performance
Annual Corporate Environmental Statement 2014-2015	Environment Manager
Work Programme Update	Scrutiny Officer
25 November 2015 (Time: 5.00pm)	
Informal Joint Meeting (Hosted by St Edmundsbury Borough Council)	
Joint Reports	
Mid-year Internal Audit Progress Report 2015/16	Service Manager (Internal Audit)
KPI and Quarter 2 Performance Report (2015-2016)	Resources and Performance Business Partner
West Suffolk Strategic Risk Register Quarterly Monitoring Report – Sept 2015	Service Manager (Finance and Performance)
Biannual Corporate Complaints and Compliments Report	Head of Families and Communities
Work Programme Update	Scrutiny Officer

Forest Heath Specific Reports	
EY- Presentation of Annual Audit Letter (2014-2015)	Head of Resources and Performance
Financial Performance Report (Revenue and Capital) Quarter 2 – 2015-16	Service Manager (Finance and Performance)
Delivering a Sustainable Budget 2016-2017 and Budget Consultation Results	Head of Resources and Performance
Mid-year Treasury Management Performance Report and Investment Activity (April – Sept 2015)	Service Manager (Finance and Performance)
28 January 2016 (Time: 5.00pm) Informal Joint Meeting (Hosted by Forest Heath District Council)	
Joint Reports	
KPI and Quarter 3 Performance Report (2015-2016)	Resources and Performance Business Partner
West Suffolk Strategic Risk Register Quarterly Monitoring Report – Dec 2015	Service Manager (Finance and Performance)
Work Programme Update	Scrutiny Officer
Forest Heath Specific Reports	
Financial Performance Report (Revenue and Capital) Quarter 3 – 2015-16	Service Manager (Finance and Performance)
Delivering a Sustainable Budget 2016-2017 Update	Head of Resources and Performance
Treasury Management Report 2015/16 – Investment Activity 1 April to 31 Dec 2015	Service Manager (Finance and Performance)
Annual Treasury Management and Investment Strategy Statements 2016/17	Service Manager (Finance and Performance)

This page is intentionally left blank

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Ernst and Young – Annual Certification Report 2013/2014	
Report No:	PAS/SE/15/013	
Report to and date:	Performance and Audit Scrutiny Committee	4 June 2015
Portfolio holder:	Ian Houlder Portfolio Holder for Performance and Resources Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: Rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To update members on the outcome of the annual audit of grant claims by Ernst and Young (our external auditors) as detailed in their Annual Certification Report for 2013/2014, attached at Appendix A .	
Recommendation:	Members are asked to <u>note</u> the Annual Certification Report for 2013/2014.	
Key Decision: (Check the appropriate box and delete all those that <u>do not</u> apply.)	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
Consultation:	<ul style="list-style-type: none"> This report has been prepared in consultation with ARP, Resources and Performance, Leadership Team and the Portfolio Holder for Performance and Resources. 	
Alternative option(s):	<ul style="list-style-type: none"> N/A 	

Implications:			
Are there any financial implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • The report includes the final fee for certification of the 2013/2014 grant claims (£41,096).	
Are there any staffing implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any ICT implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any legal and/or policy implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • External audit is a statutory function.	
Are there any equality implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Risk/opportunity assessment: <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>			
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Errors identified as a result of 2013/2014 testing may have been replicated in 2014/2015	Medium	Perform early extended testing in those areas where errors were identified	Low
Ward(s) affected:		N/A	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		Appendix A – Ernst and Young Annual Certification Report 2013/2014	

1. Key issues and reasons for recommendation

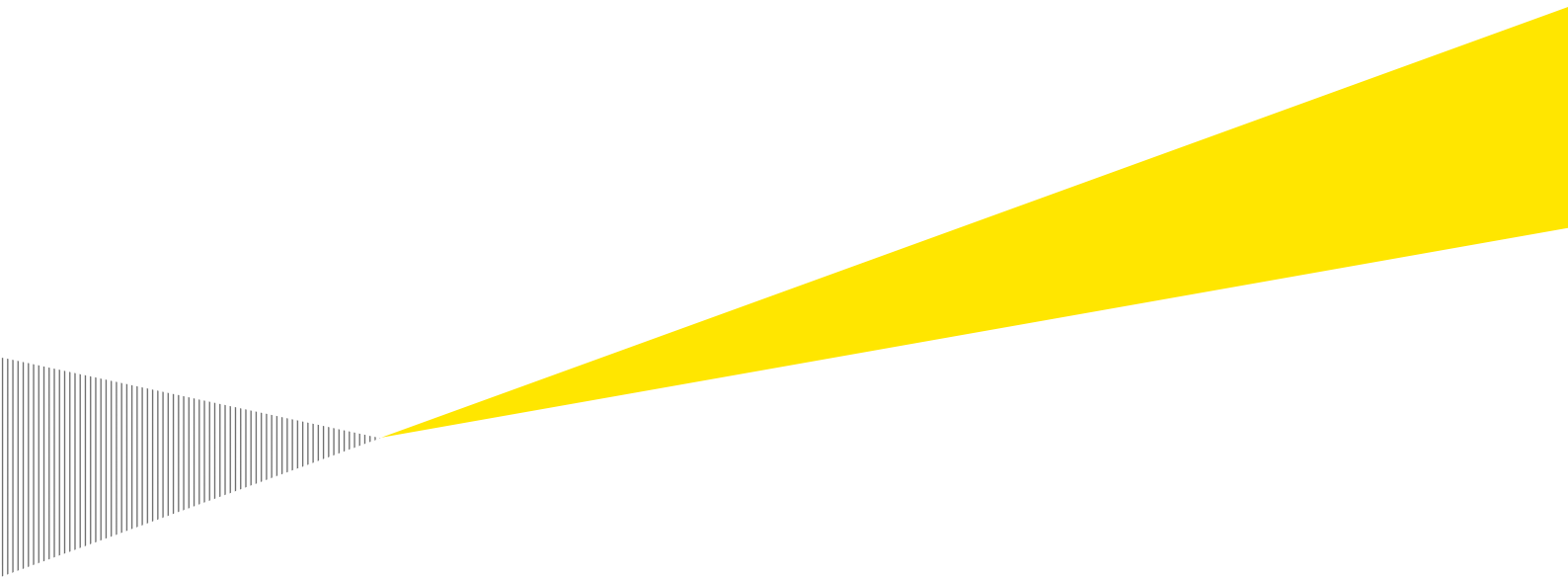
- 1.1 Ernst and Young (EY) has issued at **Appendix A**, an Annual Report on the Certification of Claims and Returns for 2013/2014. This report summarises the results of the certification work that has been undertaken by EY staff as part of the annual audit of grant claims to government departments.
- 1.2 The report at Appendix A includes key messages arising from the assessment of the arrangements for preparing claims and returns and information on claims that were qualified.
- 1.3 External audit is required by section 28 of the Audit Commission Act 1998 to certify some claims and returns for grants or subsidies paid by government departments and public bodies paid to St Edmundsbury Borough Council.
- 1.4 Funding from government grant-paying departments is an important income stream for the Council which has to put in place procedures to ensure that it has met the conditions attached to these grants. The summary of work on the 2013/2014 grant claims is outlined in Section 1 of Appendix A.
- 1.5 For the financial year 2013/2014, EY certified one claim with a total value of £29.1 million. This was the Housing Benefits Subsidy Claim.
- 1.6 The certification work found errors on the claim amounting to £2,864 and these errors have been corrected by officers. A qualification letter setting out further errors and uncertainties was also reported to the Department for Work and Pensions.
- 1.7 The relevant officers of the Council and Anglia Revenues Partnership (ARP) have agreed the qualifications in respect of the 2013/2014 certification work, as detailed in Appendix A. ARP has taken action to address the issues for 2014/2015.
- 1.8 EY have made no recommendations to Members as a result of the audit.

This page is intentionally left blank

Certification of claims and returns annual report 2013-14

St Edmundsbury Borough Council

3 February 2015



The Members of the Performance and Audit Scrutiny Committee
St Edmundsbury Borough Council
West Suffolk House
Western Way
Bury St Edmunds
Suffolk
IP33 3YU

3 February 2015

Ref:
Your ref:

Direct line: +44 1582 - 643476

Email: nharris2@uk.ey.com

Dear Members

Certification of claims and returns annual report 2013-14
St Edmundsbury Borough Council

We are pleased to report on our certification work. This report summarises the results of our work on St Edmundsbury Borough Council's 2013-14 claims and returns.

Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and are required to complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require certification from an appropriately qualified auditor of the claims and returns submitted to them.

Under section 28 of the Audit Commission Act 1998, the Audit Commission may, at the request of authorities, make arrangements for certifying claims and returns because scheme terms and conditions include a certification requirement. When such arrangements are made, certification instructions, issued by the Audit Commission to appointed auditors of the audited body, set out the work they must undertake before issuing certificates and set out the submission deadlines.

Certification work is not an audit. Certification work involves executing prescribed tests designed to give reasonable assurance that claims and returns are fairly stated and in accordance with specified terms and conditions.

In 2013-14, the Audit Commission did not ask auditors to certify individual claims and returns below £125,000. The threshold below which auditors undertook only limited tests remained at £500,000. Above this threshold, certification work took account of the audited body's overall control environment for preparing the claim or return. The exception was the housing and council tax benefits subsidy claim where the grant paying department sets the level of testing.

Where auditors agree it is necessary, audited bodies can amend a claim or return. An auditor's certificate may also refer to a qualification letter where there is disagreement or uncertainty, or the audited body does not comply with scheme terms and conditions.

Statement of responsibilities

In March 2013 the Audit Commission issued a revised version of the 'Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns' (statement of responsibilities). It is available from the Chief Executive of each audited body and the Audit Commission website.

The statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

This annual certification report is prepared in the context of the statement of responsibilities. It is addressed to those charged with governance and is prepared for the sole use of the audited body. As appointed auditor we take no responsibility to any third party.

Summary

Section 1 of this report outlines the results of our 2013-14 certification work and highlights the significant issues.

We checked and certified one claim with a total value of £29.1 million. We issued a qualification letter on this claim, the details of which are included in section 2. Our certification work found errors, which the Council corrected. The amendments had a marginal impact on the grant due.

We have made one recommendation this year given the level of errors found and extra testing we performed. The recommendation is set out in section 4.

Fees for certification work are summarised in section 2. The indicative fees for 2013-14 are based on final 2011-12 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification have been removed, and the fees for certification of housing benefit subsidy claims have been reduced by 12 per cent. This is to reflect the removal of council tax benefit from the scheme.

We welcome the opportunity to discuss the contents of this report with you at the next Performance and Audit Scrutiny Committee.

Yours faithfully

Neil A Harris
Audit Director
For and behalf of Ernst & Young LLP
Enc

Certification of claims and returns annual report 2013-14

Contents

1. Summary of 2013-14 certification work.....	5
2. 2013-14 certification fees.....	7
3. Looking forward.....	8
4. Summary of recommendations	9

1. Summary of 2013-14 certification work

We certified one claim in 2013-14. Our main findings are shown below.

Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£ 29,095,112
Limited or full review	Full review
Amended	Amended - total subsidy claimed decreased by £2,864 for errors identified during testing.
Qualification letter	Yes
Fee - 2013-14	£41,096
Fee - 2012-13	£31,370

Councils run the Government's housing benefits scheme for tenants. Councils responsible for the scheme claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

The certification guidance requires auditors to complete more extensive '40+' or extended testing if initial testing of twenty cases identifies errors in the calculation of benefit or compilation of the claim. We found errors in several areas. The Council carried out extended testing by undertaking 100% testing for all non-HRA rent rebates and isolating the population for the errors across rent allowances and testing all relevant cases.

Summary of errors

Description of Cell	Nature of error
Cell 011: Non-HRA rent rebates - total expenditure	Underpaid benefit due to incorrect Local Housing Allowance (LHA) rate being used Misclassification between cell 012 and 014, error relates to residents of one hotel only
Cell 028: Non-HRA rent rebates - eligible overpayments	Incorrect classification of overpayments
Cell 038: Non-HRA rent rebates - backdated expenditure	Incorrect classification of backdates
Cell 094: Rent allowances - total expenditure	Incorrect calculation of earned income Incorrect rent increase date applied Local Housing Allowance (LHA) rate incorrectly applied Incorrect calculation of non-dependent earnings Incorrect calculation of capital tariff income

The Council amended the claim for non-HRA errors as 100% of the relevant cells had been tested. We have reported underpayments, uncertainties and the extrapolated value of other errors in our Qualification Letter. The DWP then decides whether to ask the Council to carry out further work to quantify the error or claw back the benefit subsidy paid.

As the errors were found in November 2014, the Council may have made similar errors in the early part of the 2014-15 financial year. I have therefore recommended the need for early extended testing in these areas to identify the extent of similar errors that may have been made in 2014-15.

We also plan to perform some of our work on the 2014-15 claim earlier in the year to help alleviate workload pressures in November 2015.

2. 2013-14 certification fees

From 2012-13 the Audit Commission replaced the previous schedule of maximum hourly rates with a composite indicative fee for certification work for each body. The indicative fees for 2013-14 are based on actual certification fees for 2011-12, reflecting the amount of work required by the auditor to certify claims and returns in that year, adjusted to reflect the fact that a number of schemes would no longer require auditor certification. There was also a 40 per cent reduction in fees reflecting the outcome of the Audit Commission procurement for external audit services.

The 2013-14 fee for certification of housing benefit subsidy claims has been reduced from the indicative fee by a further 12% to reflect the removal of council tax benefit from the scheme.

Claim or return	2012-13	2013-14	2013-14
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	31,370	46,700	41,096
National non-domestic rates return	440	-	-
Total	31,810	46,700	41,096

The NNDR return no longer requires certification in 2013/14.

3. Looking forward

For 2014-15, the Audit Commission has calculated indicative certification fees based on the latest available information on actual certification fees for 2012-13, adjusted for any schemes that no longer require certification. From 2013-14 the NNDR return no longer requires certification.

The Council's indicative certification fee for 2014-15 is £27,610. The actual certification fee may be higher or lower than the indicative fee, if we need to undertake more or less work than in 2012-13 on individual claims or returns. Details of individual indicative fees are available at the following link:

[<http://www.audit-commission.gov.uk/audit-regime/audit-fees/201415-fees-and-work-programme/individual-certification-fees/>]

We must seek the agreement of the Audit Commission to any proposed variations to indicative certification fees. The Audit Commission expects variations from the indicative fee to occur only where issues arise that are significantly different from those identified and reflected in the 2012-13 fee.

DCLG and HM Treasury are working with grant-paying bodies to develop assurance arrangements for certifying claims and returns following the closure of the Commission (due April 2015).

The Audit Commission currently expects that auditors will continue to certify local authority claims for housing benefit subsidy from the Department for Work and Pensions (DWP) under the arrangements developed by the Commission. The DWP has asked the Commission to prepare the auditor guidance for 2014/15. Arrangements for 2015/16 onwards are to be confirmed, but DWP envisages that auditor certification will be needed until 2016/17, when Universal Credit is expected to replace housing benefit.

The Audit Commission has changed its instructions to allow appointed auditors to act as reporting accountants where the Commission has not made, or does not intend to make, certification arrangements. This removes the previous restriction saying that the appointed auditor cannot act if the Commission has declined to make arrangements.

4. Summary of recommendations

This section highlights the recommendations from our work and the actions agreed.

Recommendation	Priority	Agreed action and comment	Deadline	Responsible officer
Housing benefits subsidy claim	High	Agreed	29 May 2015	Paul Corney
Perform early extended testing in those areas where errors were identified in 2013-14, to ascertain the extent of similar errors arising in 2014-15.				

Ernst & Young LLP

Assurance | Tax | Transaction | Advisory

www.ey.com/uk

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

© Ernst & Young LLP 2015. Published in the UK.
All rights reserved.

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Ernst and Young – Presentation of External Audit Plan and Fees 2014/2015 and 2015/2016 Indicative Fees	
Report No:	PAS/SE/15/014	
Report to and date/s:	Performance and Audit Scrutiny Committee	4 June 2015
Portfolio holder:	Ian Houlder Portfolio Holder for Performance and Resources Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: Rachael.mann@westsuffolk.gov.uk	
Purpose of report:	To provide members with a basis to review: <ul style="list-style-type: none"> • Ernst and Young’s proposed approach and scope for the 2014/2015 audit along with the planned fees to complete the work as set out in the Audit Plan, attached at Appendix A; and • The indicative fees for the 2015/2016 audit as set out in the letter attached at Appendix B. 	
Recommendation:	Members are asked to <u>note</u> the External Audit Plan and Fees for 2014/2015, along with the indicative fees for 2015/2016.	

Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>		<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
Consultation:		<ul style="list-style-type: none"> This report has been prepared in consultation with the Resources and Performance team, Leadership Team and the Portfolio Holder for Performance and Resources. 	
Alternative option(s):		<ul style="list-style-type: none"> N/A 	
Implications:			
<i>Are there any financial implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> The report includes the planned 2014/2015 audit fee of £58,356 and certification of claims fee of £27,610. The report also includes indicative fees for 2015/2016 of £43,767 (audit fees) and certification of claims fee of £30,822. 	
<i>Are there any staffing implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
<i>Are there any ICT implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
<i>Are there any legal and/or policy implications? If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> External audit is a statutory function. 	
<i>Are there any equality implications? If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
The assessment of the key strategic or operational risks and the financial statement risks facing the Council may not be correct	Medium	Assessment of key strategic or operational risks and the financial statement risks facing the Council have been identified through External Audits knowledge of the entity's operations and discussion with members and officers.	Low
Ward(s) affected:		N/A	

Background papers: <i>(all background papers are to be published on the website and a link included)</i>	None
Documents attached:	Appendix A – Ernst and Young Audit Plan 2014/2015 Appendix B – Ernst and Young Annual Audit and Certification Fees 2015/2016

1. Key issues and reasons for recommendation

1.1 The Council's appointed external auditors, Ernst & Young ("EY"), are required to provide an audit plan which covers the work they plan to perform in order to provide the Council with:

- An audit opinion on whether the financial statements of St Edmundsbury Borough Council give a true and fair view of the financial position as at 31 March 2015 and of the income and expenditure for the year then ended; and
- A statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness. The Audit Plan (attached) is based on EY's risk-based approach to audit planning.

1.2 When planning the audit EY take into account several key inputs:

- Strategic, operational and financial risks relevant to the financial statements.
- Developments in financial reporting and auditing standards.
- The quality of systems and processes.
- Changes in the business and regulatory environment.
- Management's views on all of the above.

1.3 Section 3 of **Appendix A**, summarises EY's assessment of the key risks which drive the development of an effective audit for the Council, and outlines their planned audit strategy in response to those risks. Officers will be working with EY over the coming months to ensure that these risks are managed and where possible to come to an agreement over their treatment prior to the issuing of the Annual Governance Report, and Audit Opinion (due to be issued by EY by September 2015).

1.4 EY also review and report to the National Audit Office ('NAO'), to the extent and in the form required by them, on our Whole of Government Accounts return.

1.5 The planned fee for carrying out this work for 2014/2015 is set out on page 15 of **Appendix A** and the indicative fee for 2015/16 is contained in **Appendix B**. The fees are summarised below:

	Planned fee 2014/2015 £	Indicative fee 2015/2016 £
Total Code audit fee	58,356	43,767
Certification of claims and returns	27,610	30,822

1.6 The 2015/2016 audit is the first that EY will undertake following the closure of the Audit Commission on 31 March 2015. Their contract will now be overseen by Public Sector Audit Appointments Ltd (PSAA). The fee for 2015/2016 is an indicative fee only, set by the Audit Commission for each audited body prior to its closure. It will be reviewed and updated as necessary following completion of the 2014/15 audit.

St Edmundsbury Borough Council

Year ending 31 March 2015

Audit Plan

26 March 2015



DELIBERATELY LEFT BLANK FOR PRINTING PURPOSES

Performance and Audit Scrutiny Committee
St Edmundsbury Borough Council
West Suffolk House
Western Way
Bury St Edmunds
Suffolk
IP33 3YU

26 March 2015

Dear Councillors

Audit Plan

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Performance and Audit Scrutiny Committee with a basis to review our proposed audit approach and scope for the 2014/15 audit in accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, Standing Guidance, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks.

We welcome the opportunity to discuss this plan with you at the next Performance and Audit Scrutiny Committee as well as to understand whether there are other matters which you consider may influence our audit.

Yours faithfully



Neil Harris
For and behalf of Ernst & Young LLP
Enc

DELIBERATELY LEFT BLANK FOR PRINTING PURPOSES

Contents

1. Overview	2
3. Financial statement risks	4
4. Economy, efficiency and effectiveness	7
5. Our audit process and strategy	8
6. Independence	12
Appendix A Fees	15
Appendix B UK required communications with those charged with governance	17

In March 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the Chief Executive of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Results Report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

1. Overview

Context for the audit

This Audit Plan covers the work that we plan to perform to provide you with:

- ▶ our audit opinion on whether the financial statements of St Edmundsbury Borough Council give a true and fair view of the financial position as at 31 March 2015 and of the income and expenditure for the year then ended; and
- ▶ a statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

When planning the audit we take into account several key inputs:

- ▶ strategic, operational and financial risks relevant to the financial statements;
- ▶ developments in financial reporting and auditing standards;
- ▶ the quality of systems and processes;
- ▶ changes in the business and regulatory environment; and
- ▶ management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council. Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

In parts three and four of this report we provide more detail on the areas which we believe present significant risk to the financial statements audit, and outline our plans to address these risks. Our proposed audit process and strategy are summarised below and set out in more detail in section five.

We will provide an update to the Performance and Audit Scrutiny Committee on the results of our work in these areas in our report to those charged with governance scheduled for delivery in September 2015.

2. The Local Audit and Accountability Act 2014

The Local Audit and Accountability Act 2014 (the 2014 Act) closes the Audit Commission and repeals the Audit Commission Act 1998.

The 2014 Act requires the Comptroller and Auditor General to prepare a Code of Audit Practice. This must be laid before Parliament and approved before 1 April 2015.

Although this new Code will apply from 1 April 2015, transitional provisions within the 2014 Act provide for the Audit Commission's 2010 Code to continue to apply to audit work in respect of the 2014/15 financial year. This plan is therefore prepared on the basis of the continued application of the 2010 Code of Audit Practice throughout the 2014/15 audit.

3. Financial statement risks

We outline below our assessment of the financial statement risks facing the Council, identified through our knowledge of the Council's operations and discussion with Members and officers.

At our meeting, we will seek to validate these with you.

Significant risks (including fraud risks)	Our audit approach
Risk of management override	
<p>As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.</p> <p>For local authorities the potential for the incorrect classification of revenue spend as capital is a particular area where there is a risk of management override.</p>	<p>Our approach will focus on:</p> <ul style="list-style-type: none"> ▶ testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; ▶ reviewing accounting estimates for evidence of management bias; ▶ evaluating the business rationale for significant unusual transactions; and ▶ reviewing capital expenditure on property, plant and equipment to ensure it meets the relevant accounting requirements to be capitalised.
Other financial statement risks	
Business rates appeals provision	
<p>Individual councils now need to provide for rating appeals. This includes not only claims from 1 April 2014 but claims that relate to earlier periods. As appeals are made to the Valuation Office, Councils may not be aware of the level of claims. Council's may also find it difficult to obtain sufficient information to establish a reliable estimate.</p>	<p>Our approach will focus on:</p> <ul style="list-style-type: none"> ▶ reviewing the Council's provision for business rate appeals to ensure it has been calculated on a reasonable basis in line with IAS37. As part of this we will ensure the provision is supported by appropriate evidence and that the level of estimation uncertainty is adequately disclosed in the accounts.
Group accounting standards	
<p>The 2014/15 CIPFA Code of Practice introduces new accounting practices in relation to:</p> <ul style="list-style-type: none"> ▶ the specification of new control criteria under IFRS 10 (Consolidated financial statements); ▶ new classification requirements for joint arrangements under IFRS 11 (Joint arrangements); and ▶ the requirements of the new disclosures standard IFRS 12 (Disclosures of interests in other entities). 	<p>Our approach will focus on:</p> <ul style="list-style-type: none"> ▶ evaluating management controls in place to ensure all group assessment considerations have been made; and ▶ reviewing the reasonableness of the group assessment against the requirements of the Code and International Financial Reporting Standards (IFRS).

There is a risk that associated group boundary changes may go undetected, and that the required disclosures are not made in accordance with the new standards.

Other issues identified from walkthrough testing undertaken to date

Our audit approach

Cash and bank

As at the end of January 2015 bank reconciliations had only been completed to August 2014. Regular bank reconciliations are an important control to identify any anomalies or differences requiring further investigation or action.

Our approach will focus on:

- ▶ the review and testing of the year end bank reconciliations, ensuring that any reconciling items can be adequately supported.

Payroll

Our walkthrough identified an amendment (bank account change) that had not been reviewed by a second officer.

Our approach will focus on:

- ▶ undertaking predictive analytical review procedures and running our payroll analytics tool to confirm the reasonableness of pay data.

We will provide an update to the Performance and Audit Scrutiny Committee on the results of our work in these areas in our report to those charged with governance scheduled for delivery in September 2015.

Respective responsibilities in relation to fraud and error

We would like to take this opportunity to remind you that management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk.

Based on the requirements of auditing standards our approach will focus on:

- ▶ identifying fraud risks during the planning stages;
- ▶ enquiry of management about risks of fraud and the controls to address those risks;
- ▶ understanding the oversight given by those charged with governance of management's processes over fraud;
- ▶ consideration of the effectiveness of management's controls designed to address the risk of fraud;
- ▶ determining an appropriate strategy to address any identified risks of fraud; and
- ▶ performing mandatory procedures regardless of specifically identified fraud risks.

We will consider the results of the National Fraud Initiative and may refer to it in our reporting to you.

4. Economy, efficiency and effectiveness

Our approach to the value for money (VFM) conclusion for St Edmundsbury Borough Council for 2014/15 is based on criteria specified by the Audit Commission relating to whether there are proper arrangements in place at the Council for securing:

- ▶ financial resilience, and
- ▶ economy, efficiency and effectiveness in the use of resources.

The Audit Commission VFM guidance for 2014/15 requires that auditors consider and assess the significant risks of giving a wrong conclusion and carry out as much work as is appropriate to enable them to give a safe conclusion on arrangements to secure VFM.

Our assessment of what is a significant risk is a matter of professional judgement, and is based on consideration of both quantitative and qualitative aspects of the subject matter in question.

We have undertaken a high-level summary of our risk assessment and have not identified any significant risks. We have identified the following area that we will focus on as part of our assessment.

Area of focus	Arrangements for securing:	Our audit approach
Pressures from economic downturn		
<p>To date the Council has responded well to the financial pressure resulting from the continuing economic downturn.</p> <p>However, with the Council forecasting a cumulative budget gap of £3.4m by 2017/18, there remains significant financial pressure on the Council's budget and MTFS during the current and forthcoming financial years.</p>	<p>Financial resilience</p>	<p>Our approach will continue to focus on:</p> <ul style="list-style-type: none"> ▶ the adequacy of the Council's budget setting process; ▶ the robustness of any assumptions; ▶ the effective use of scenario planning to assist the budget setting process; ▶ the effectiveness of in year monitoring against the budget; ▶ the Council's approach to prioritising resources.

We will keep our risk assessment under review throughout our audit and communicate to the Performance and Audit Scrutiny Committee any revisions to the specific risks identified here and any additional local risk-based work we may need to undertake as a result.

5. Our audit process and strategy

5.1 Objective and scope of our audit

Under the Audit Commission's Code of Audit Practice ('the Code') our principal objectives are to review and report on, the Council's:

- ▶ financial statements
- ▶ arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue a two-part audit report covering both of these objectives.

i) Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

We will also review and report to the NAO on the Whole of Government Accounts return to the extent and in the form they require.

ii) Arrangements for securing economy, efficiency and effectiveness

The Code sets out our responsibility to satisfy ourselves that the Council has proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In arriving at our conclusion, we will rely as far as possible on the reported results of the work of other statutory inspectorates on corporate or service performance.

In examining the Council's corporate performance management and financial management arrangements, we consider the following criteria and areas of focus specified by the Audit Commission:

- ▶ arrangements for securing financial resilience – whether the Council has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.
- ▶ arrangements for securing economy, efficiency and effectiveness - whether the Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

5.2 Audit process overview

Our intention is to carry out a fully substantive audit in 2014/15 as we believe this to be the most efficient audit approach. Although we are therefore not intending to rely on individual system controls in 2014/15, the overarching control arrangements form part of our assessment of your overall control environment and will form part of the evidence for your Annual Governance Statement. We will review the work completed by internal audit as part of this element of our work.

Processes

We are not planning to rely on testing of key controls and will take a fully substantive approach to the audit as we believe this is the most efficient approach.

Analytics

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular in respect of payroll and journal entries. These tools:

- ▶ help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests; and
- ▶ give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Performance and Audit Scrutiny Committee.

Internal audit

As in prior years, we will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where issues are raised that could impact on the year-end financial statements

Use of experts

In producing the financial statements, management will place reliance on the work undertaken by a small number of experts, including a professional valuer in relation to the valuation of property plant and equipment, and an actuary in relation to the Council's liability to the local government pension scheme administered by Suffolk County Council. We anticipate being able to undertake sufficient procedures such that we will be able to place reliance on the work undertaken by management's experts.

We also anticipate relying on the work of the experts commissioned by the Audit Commission in respect of land and property values, and the work undertaken by the pension scheme actuary appointed by Suffolk County Council.

We will utilise specialist EY resource, as necessary, to help us to form a view on judgments made in the financial statements. Our plan currently includes the involvement of specialists in pensions and valuations.

Mandatory procedures required by auditing standards

As well as the financial statement risks outlined in section three, we must perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- ▶ addressing the risk of fraud and error;
- ▶ significant disclosures included in the financial statements;
- ▶ entity-wide controls;
- ▶ reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements; and
- ▶ auditor independence.

Procedures required by the Code

- ▶ reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement;
- ▶ reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO; and
- ▶ reviewing and examining, where appropriate, evidence relevant to the Council's corporate performance management and financial management arrangements, and its reporting on these arrangements.

5.3 Materiality

For the purposes of determining whether the financial statements are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the users of the financial statements. Our evaluation requires professional judgement and so takes into account qualitative as well as quantitative considerations implied in the definition. We have determined that overall materiality for the Council's financial statements is £1.3m based on 2% of gross operating expenditure.

We will communicate uncorrected audit misstatements greater than £66k to you.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

5.4 Fees

The Audit Commission has published a scale fee for all authorities. This is defined as the fee required by auditors to meet statutory responsibilities under the Audit Commission Act in accordance with the Code of Audit Practice 2010. The indicative fee scale for the audit of St Edmundsbury Borough Council is £58,356. Further information is provided in Appendix A.

5.5 Your audit team

The engagement team is led by Neil Harris, who has significant experience on St Edmundsbury Borough Council. Neil Harris is supported by Melanie Richardson who is responsible for the day-to-day direction of audit work, and who is the key point of contact for the Head of Resources and Performance. Mary Springer will supervise the on-site audit team, is the key point of contact for the finance team and is responsible for raising and discussing emerging issues with officers.

5.6 Timetable of communication, deliverables and insights

We have set out below a timetable showing the key stages of the audit, including the VFM work and the Whole of Government Accounts. The timetable includes the deliverables we have agreed to provide to the Council through the Performance and Audit Scrutiny Committee's cycle in 2015. These dates are determined to ensure our alignment with the Audit Commission's rolling calendar of deadlines.

From time to time matters may arise that require immediate communication with the Performance and Audit Scrutiny Committee and we will discuss them with the Chairman as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter to communicate the key issues arising from our work to the Council and external stakeholders, including members of the public.

Audit phase	Timetable	Committee timetable	Deliverables
High level planning	December		
Risk assessment and setting of scopes	January - February		
Testing routine processes and controls	February - April	Performance and Audit Scrutiny Committee	Audit Plan
Year end audit including WGA	July - September	Performance and Audit Scrutiny Committee	Report to those charged with governance via the Audit Results Report Audit report (including our opinion on the financial statements and overall value for money conclusion). Audit completion certificate Reporting to the NAO on the Whole of Government Accounts return.
Conclusion of reporting	October	Performance and Audit Scrutiny Committee	Annual Audit Letter

In addition to the above formal reporting and deliverables we will seek to provide practical business insights and updates on regulatory matters.

6. Independence

6.1 Introduction

The APB Ethical Standards and ISA (UK and Ireland) 260 “Communication of audit matters with those charged with governance”, requires us to communicate with you on a timely basis on all significant facts and matters that bear on our independence and objectivity. The Ethical Standards, as revised in December 2010, require that we do this formally both at the planning stage and at the conclusion of the audit, as well as during the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications	
Planning stage	Final stage
<ul style="list-style-type: none"> ▶ The principal threats, if any, to objectivity and independence identified by EY including consideration of all relationships between you, your affiliates and directors and us; ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality Review; ▶ The overall assessment of threats and safeguards; ▶ Information about the general policies and process within EY to maintain objectivity and independence. 	<ul style="list-style-type: none"> ▶ A written disclosure of relationships (including the provision of non-audit services) that bear on our objectivity and independence, the threats to our independence that these create, any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▶ Details of non-audit services provided and the fees charged in relation thereto; ▶ Written confirmation that we are independent; ▶ Details of any inconsistencies between APB Ethical Standards, the Audit Commission’s Standing Guidance and your policy for the supply of non-audit services by EY and any apparent breach of that policy; and ▶ An opportunity to discuss auditor independence issues.

During the course of the audit we must also communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of our safeguards, for example when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future contracted services, and details of any written proposal to provide non-audit services;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period are disclosed, analysed in appropriate categories.

6.2 Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including any principal threats. However we have adopted the safeguards below to mitigate these threats along with the reasons why they are considered to be effective.

Self-interest threats

A self-interest threat arises when EY has financial or other interests in your entity. Examples include where we have an investment in your entity; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with the Council. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services, and we will comply with the policies that the Council has approved and that are in compliance with the Audit Commission's Standing Guidance.

A self-interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to the Council. We confirm that no member of our audit engagement team, including those from other service lines, is in this position, in compliance with Ethical Standard 4.

There are no other self-interest threats at the date of this report.

Self-review threats

Self-review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no other self-review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your entity. Management threats may also arise during the provision of a non-audit service where management is required to make judgements or decisions based on that work.

There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

The Audit Commission's standing guidance for auditors requires confirmation, before the start of the sixth year of an individual auditor's work on an engagement, that there are no independence issues that would preclude an extension for an additional period of up to no more than two years. This is Neil Harris's seventh year on the St Edmundsbury Borough Council audit. We agreed with the Audit Commission in 2013/14 that there were no independence issues that would preclude an extension for a further year.

Overall Assessment

Overall we consider that the adopted safeguards appropriately mitigate the principal threats identified, and we therefore confirm that EY is independent and the objectivity and

independence of Neil Harris, your audit engagement Director and the audit engagement team have not been compromised.

6.3 Other required communications

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes within EY for maintaining objectivity and independence can be found in our annual Transparency Report, which the firm is required to publish by law. The most recent version of this report is for the year ended 27 June 2014 and can be found here:

<http://www.ey.com/UK/en/About-us/EY-UK-Transparency-Report-2014>

Appendix A Fees

A breakdown of our agreed fee is shown below.

	Planned Fee 2014/15	Out-turn 2013/14	Published scale fee 2013/14	Explanation
	£	£	£	
Opinion Audit and VFM Conclusion	58,356	60,356	57,456	In 2013/14 there was an additional fee of £2,000 in respect of additional audit work undertaken in respect of the financial statements audit. A further £900 was charged in respect of NNDR opinion assurance previously gained through grant claim procedures.
Total Audit Fee – Code work	58,356	60,356	57,456	
Certification of claims and returns *	27,610	41,096	46,700	The 2013/14 fee for certification of housing benefit subsidy claims was reduced from the indicative fee by a further 12% to reflect the removal of council tax benefit from the scheme.

All fees exclude VAT.

The agreed fee presented above is based on the following assumptions:

- ▶ officers meeting the agreed timetable of deliverables;
- ▶ the operating effectiveness of the internal controls for the key processes outlined in section 5.2 above;
- ▶ we can rely on the work of internal audit as planned;
- ▶ the Audit Commission making no significant changes to the use of resources criteria on which our conclusion will be based;
- ▶ our accounts opinion and use of resources conclusion being unqualified;
- ▶ appropriate quality of documentation is provided by the Council; and
- ▶ the Council has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

*Our fee for the certification of grant claims is based on the indicative scale fee set by the Audit Commission.

Appendix B UK required communications with those charged with governance

There are certain communications that we must provide to the Performance and Audit Scrutiny Committee. These are detailed here:

Required communication	Reference
<p>Planning and audit approach</p> <p>Communication of the planned scope and timing of the audit including any limitations.</p>	<p>▶ Audit Plan</p>
<p>Significant findings from the audit</p> <ul style="list-style-type: none"> ▶ our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ significant difficulties, if any, encountered during the audit ▶ significant matters, if any, arising from the audit that were discussed with management ▶ written representations that we are seeking ▶ expected modifications to the audit report ▶ other matters if any, significant to the oversight of the financial reporting process 	<p>▶ Report to those charged with governance</p>
<p>Misstatements</p> <ul style="list-style-type: none"> ▶ uncorrected misstatements and their effect on our audit opinion ▶ the effect of uncorrected misstatements related to prior periods ▶ a request that any uncorrected misstatement be corrected ▶ in writing, corrected misstatements that are significant 	<p>▶ Report to those charged with governance</p>
<p>Fraud</p> <ul style="list-style-type: none"> ▶ enquiries of the Performance and Audit Scrutiny Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ a discussion of any other matters related to fraud 	<p>▶ Report to those charged with governance</p>
<p>Related parties</p> <p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ non-disclosure by management ▶ inappropriate authorisation and approval of transactions ▶ disagreement over disclosures ▶ non-compliance with laws and regulations ▶ difficulty in identifying the party that ultimately controls the entity 	<p>▶ Report to those charged with governance</p>
<p>External confirmations</p> <ul style="list-style-type: none"> ▶ management's refusal for us to request confirmations ▶ inability to obtain relevant and reliable audit evidence from other procedures 	<p>▶ Report to those charged with governance</p>

<p>Consideration of laws and regulations</p> <ul style="list-style-type: none"> ▶ audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ enquiry of the Performance and Audit Scrutiny Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Performance and Audit Scrutiny Committee may be aware of 	<ul style="list-style-type: none"> ▶ Report to those charged with governance
<p>Independence</p> <p>Communication of all significant facts and matters that bear on EY's objectivity and independence</p> <p>Communication of key elements of the audit engagement director's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ the principal threats ▶ safeguards adopted and their effectiveness ▶ an overall assessment of threats and safeguards ▶ information about the general policies and process within the firm to maintain objectivity and independence 	<ul style="list-style-type: none"> ▶ Audit Plan ▶ Report to those charged with governance
<p>Going concern</p> <p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ whether the events or conditions constitute a material uncertainty ▶ whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ the adequacy of related disclosures in the financial statements 	<ul style="list-style-type: none"> ▶ Report to those charged with governance
<p>Significant deficiencies in internal controls identified during the audit</p>	<ul style="list-style-type: none"> ▶ Report to those charged with governance
<p>Fee Information</p> <ul style="list-style-type: none"> ▶ breakdown of fee information at the agreement of the initial audit plan ▶ breakdown of fee information at the completion of the audit 	<ul style="list-style-type: none"> ▶ Audit Plan ▶ Report to those charged with governance ▶ Annual Audit Letter if considered necessary
<p>Certification work</p> <ul style="list-style-type: none"> ▶ Summary of certification work undertaken 	<ul style="list-style-type: none"> ▶ Annual Report to those charged with governance summarising grant certification, and Annual Audit Letter if considered necessary

EY | Assurance | Tax | Transactions | Advisory

Ernst & Young LLP

© Ernst & Young LLP. Published in the UK.
All rights reserved.

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

ey.com

This page is intentionally left blank

Ian Gallin
Chief Executive
St Edmundsbury Borough Council
West Suffolk House
Western Way
Bury St Edmunds
IP33 3YU

15 April 2015

Ref:

Direct line: 01223 394459

Email: nharris2@uk.ey.com

Dear Ian

Annual Audit and Certification Fees 2015/16

We are writing to confirm the audit and certification work that we propose to undertake for the 2015/16 financial year at St Edmundsbury Borough Council.

Our 2015/16 audit is the first that we will undertake following the closure of the Audit Commission on 31 March 2015. Our contract will now be overseen by Public Sector Audit Appointments Ltd (PSAA), an independent company set up by the Local Government Association, until it ends in 2017 (or 2020 if extended by the Department of Communities and Local Government).

The responsibility for publishing the statutory Code of Audit Practice, under which we will conduct our audit work, has transferred to the National Audit Office.

Indicative audit fee

The fee reflects the risk-based approach to audit planning set out in the National Audit Office's Code of Audit Practice for the audit of local public bodies, applying from 2015/16 audits.

The audit fee covers the:

- Audit of the financial statements
- Value for money conclusion
- Whole of Government accounts.

For the 2015/16 financial year the Audit Commission has set the scale fee for each audited body prior to its closure. The scale fee is based on the fee initially set in the Audit Commission's 2012 procurement exercise, reduced by 25% following the further tendering of contracts in March 2014. It is not liable to increase during the remainder of our contract without a change in the scope of our audit responsibilities.

The 2015/16 scale fee is based on certain assumptions, including:

- The overall level of risk in relation to the audit of the financial statements is not significantly different from that of the prior year;

- We are able to place reliance on the work of internal audit to the maximum extent possible under auditing standards;
- The financial statements will be available to us in line with the agreed timetable;
- Working papers and records provided to us in support of the financial statements are of a good quality and are provided in line with our agreed timetable; and
- Prompt responses are provided to our draft reports.

Meeting these assumptions will help ensure the delivery of our audit at the indicative audit fee which is set out in the table below.

For St Edmundsbury Borough Council this fee is set at the scale fee level as the overall level of audit risk is not significantly different from that of the prior year.

As we have not yet completed our audit for 2014/15, our audit planning process for 2015/16 will continue as the year progresses. Fees will be reviewed and updated as necessary, within the parameters of our contract.

Certification fee

The Audit Commission has set an indicative certification fee for housing benefit subsidy claim certification work for each audited benefits authority. The indicative fee is based on actual 2013/14 benefit certification fees and incorporating a 25 per cent reduction.

The indicative certification fee is based on the expectation that an audited body is able to provide the auditor with complete and materially accurate housing benefit subsidy claim with supporting working papers, within agreed timeframes.

The indicative certification fee for 2015/16 relates to work on the housing benefit subsidy claim for the year ended 31 March 2016. We have set the certification fee at the indicative fee level. We will update our risk assessment after we complete 2014/15 benefit certification work, and to reflect any further changes in the certification arrangements.

Summary of fees

	Indicative fee 2015/16 £	Planned fee 2014/15 £	Actual fee 2013/14 £
Code audit fee	43,767	58,356	57,456
Additional fee for risk based audit work on 2013-2014 financial statements – set out in our 2013-2014 Annual Audit Letter			2,900
Total Code audit fee	43,767	58,356	60,356
Certification of housing benefit subsidy claim	30,822	27,611	41,096

Any additional work that we may agree to undertake (outside of the Code of Audit Practice) will be separately negotiated and agreed with you in advance.

Billing

The indicative audit fee will be billed in 4 quarterly instalments of £18,647.25.

Audit plan

Our plan is expected to be issued by March 2016. This will communicate any significant financial statement risks identified, planned audit procedures to respond to those risks and any changes in fee. It will also set out the significant risks identified in relation to the value for money conclusion. Should we need to make any significant amendments to the audit fee during the course of the audit, we will discuss this in the first instance with the Head of Resources and Performance and, if necessary, prepare a report outlining the reasons for the fee change for discussion with the Performance and Audit Scrutiny Committee.

Audit team

The key members of the audit team for the 2015/16 financial year are:

Neil Harris Director	nharris2@uk.ey.com	Tel: 01223 394459
Melanie Richardson Manager	mrichardson1@uk.ey.com	Tel: 01223 394631

We are committed to providing you with a high quality service. If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, please contact me. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London, SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute.

Yours faithfully



Neil Harris
Director
Ernst & Young LLP
United Kingdom

cc. Rachael Mann, Head of Resources and Performance
Sarah Broughton, Chair of the Performance and Audit Scrutiny Committee

This page is intentionally left blank

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Financial Outturn Report (Revenue and Capital) 2014/15	
Report No:	PAS/SE/15/015	
Report to and dates:	Performance and Audit Scrutiny Committee	4 June 2015
Portfolio holder:	Ian Houlder Portfolio Holder for Performance and Resources Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead officer:	Rachael Mann Head of Resources and Performance Tel: 01638 719245 Email: rachael.mann@westsuffolk.gov.uk	
Purpose of report:	This report sets out the Financial Performance for the year 2014/15.	
Recommendation:	Performance and Audit Scrutiny Committee: Members are requested to <u>note</u> the 2014/15 outturn revenue and capital position and forward any relevant issues or comments to Cabinet for their consideration.	
Key Decision: (Check the appropriate box and delete all those that <u>do not</u> apply.)	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	

Consultation:	<ul style="list-style-type: none"> This report and the figures therein have been compiled by the Finance team in consultation with the relevant budget holders, services and Leadership Team. 		
Alternative option(s):	<ul style="list-style-type: none"> In order for the Council to be able to meet its strategic priorities it is essential that sufficient and appropriate financial resources are available. 		
Implications:			
Are there any financial implications? If yes, please give details	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <ul style="list-style-type: none"> As set out in the body of this report. 		
Are there any staffing implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 		
Are there any ICT implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 		
Are there any legal and/or policy implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> As outlined in the body of this report. 		
Are there any equality implications? If yes, please give details	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <ul style="list-style-type: none"> 		
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Budget variances	High	Clear responsibilities for budget monitoring and control ensure that there is strong accountability for each individual budget line. Budget monitoring is undertaken on a monthly basis with budget holders and reported to Leadership Team quarterly.	Low
Wider economic situation around income levels	High	Budgets reflect the economic situation facing the Council, and have been scrutinised by officers and members at budget setting time. Continue to monitor areas closely to ensure assumptions remain reasonable.	Medium
Capital investment plans continue to be affordable, prudent and sustainable	Medium	Prudential Indicators are in place to safeguard the Council	Low

Treasury Management	Medium	Treasury Management Policy and Procedures are in place	Low
Fluctuation in Business rate retention yield	High	Work with ARP to understand the variance to deliver a realistic forecast.	Medium
Ward(s) affected:		All Ward	
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		None	
Documents attached:		Appendix A – Revenue outturn position 2014/15. Appendix B – Analysis of Revenue Variances 2014/15 Appendix C – Capital outturn position 2014/15. Appendix D – Earmarked Reserves 2014/15. Appendix E – Explanation of Reserves	

1. Key issues and reasons for recommendation

1.1 Key Issues

- 1.1.1 Monitoring year-end financial performance plays an important role in understanding how the Council's financial plans and strategies have contributed towards the achievement of the Council's priorities.
- 1.1.2 The Council continues to face considerable financial challenges as a result of uncertainty in the wider economy and constraints on public sector spending, declining interest receipts and increased demand on front line services such as Housing Benefits and homelessness along with the reduction in central government grant funding. In order to respond to these pressures, the Council has had to make significant savings, the main contributor to delivering these savings was through sharing resources with Forest Heath District Council, which has to date achieved in excess of £3.5m in savings across both Councils.
- 1.1.3 Savings achieved through sharing services with Forest Heath District Council have to date been predominately delivered through the joining up of services and staff structures. However it was always envisaged that further savings could be achieved through the procuring and commissioning of joint service and supply contracts.
- 1.1.4 As reported to the November committee, report PAS/SE/14/009, during September and October business partners and advisors from the Resources and Performance team held a number of budget challenge meetings with heads of service and portfolio holders. The focus of these meetings was to review all supplies, service and income budgets across West Suffolk. This review took into account previous spending patterns, but more importantly what the projected spending and income requirement under a shared service for 2015/16 would look like. The challenge meetings also provided the opportunity to consider potential contractual savings as a result of joining up contracts across West Suffolk. Through these challenge days, £128,000 for St Edmundsbury of savings were identified which were built into the 2015/16 budget setting process.
- 1.1.5 The report includes a revenue year end outturn **under spend of £109,000**, details of these can be seen in **Appendix A**.
- 1.1.6 The overall underspend position has arisen in part, as reported at quarter 3 in January report PAS/SE/15/004, from the budget challenge work as detailed in paragraph 1.1.4 above, where potential savings were identified and implemented immediately rather than waiting for the next financial year.
- 1.1.7 The Council's capital outturn position for the year 2014/2015 is a **net underspend of £3,735,000** which predominately relate to the timing of capital projects. Further details are provided in **Appendix C**.
- 1.1.8 A summary of the earmarked reserves for the year 2014/2015 can be found at **Appendix D**, as at 31 March 2015 the balance of the Council's reserves is **£13,383,000**

- 1.1.9 The numbers reported here are subject to the final stages of the Council's 2014/15 accounts closure process and the review from external auditors Ernst and Young and may change depending on the findings and outcomes of those pieces of work, however any changes will be reported to this committee as part of the final accounts report in September 2015.
- 1.1.10 In order to understand the numbers within this report, we felt it may be useful to explain the meaning of the brackets around some of numbers, as this can be confusing if you are not familiar with them. In accounting terms if a budget or actual figure has a bracket around it then it will increase the council's general fund reserve, so income is in brackets and expenditure is not. In the variance column, a bracket around the number means the actual against the budget has resulted in an under spend against budget or income above budget. Numbers without brackets means the actual against the budget has resulted in an over spend against budget.

1.2 Revenue Performance

- 1.2.1 The revenue outturn position as at 31 March 2015 currently shows an overall under spend of £109,000. A summary by Head of Service area can be found in **Appendix A** with comments for variances by cost centre at **Appendix B**
- 1.2.2 Resources and performance is showing an overspend of £181,000, this is largely due to the cost of change (including one off redundancy costs) following the in-year Leadership Team and Service Management restructure. This was originally planned to be funded from the invest to save earmarked reserve, however having taken into account the overall underspend position across the Council general fund budget for 2014/15, these costs will now be met from the in-year budget, leaving more in the reserve to fund future investment opportunities.
- 1.2.3 Business Rates
- 1.2.4 The Business Rates Retention Scheme introduced by Government from April 2013 is intended to provide incentives for local authorities to drive economic growth. The authorities will be able to retain a share of any growth that is generated in business rates revenue in their areas. Previously, all business rates revenues were held centrally and redistributed to councils based on the government's assessment of our need.
- 1.2.5 Under the new scheme local authorities were also allowed to form pools for the purposes of business rates retention. Both West Suffolk authorities signed up along with the other Suffolk Authorities and the County Council to be designated as the Suffolk Pool from April 2013.
- 1.2.6 The collection of business rates, income and expenditure (such as appeals provisions and exemptions) goes into a designated collection fund. The 2014/15 outturn position shows a deficit of £98k in respect of this collection fund for business rates. This is a combination of the deficit brought from 2013/14 and the in year surplus in respect of 2014/15. Under current accounting rules, this deficit is carried forward into 2015/16 onwards. This has been reflected in the 2015/16 budget.

1.2.7 However the accounting treatment for any growth and section 31 grants is in the year of receipt and any difference from budget is transferred to/from the earmarked reserve for Business Rates Retention Equalisation to mitigate the impact on the general fund. For 2014/15, the net transfer to the reserve is £100k.

1.2.8 Year end variances over £50k are explained in the table below.

Year end variance: Over / (under) spend	Explanation
(£80,000)	Rebate received on previously paid gate fee expenditure for dry recyclables, not budgeted for. Paid up until October 2014.
(£310,000)	Waste management underspends relating to savings on vehicle costs due to lower fuel prices, tipping charges less than anticipated and some vacant posts in the operation team.
(£151,000)	More people visiting the town centres (and using the car parks) than anticipated.
(£75,000)	Increased tickets sales at the Apex resulting in more income than budgeted.
(£125,000)	Vacant posts within Internal Audit and Customer Services Sections through vacancy management processes.
(£111,000)	Lower than budgeted housing benefit payments made.
(£90,000)	Higher than anticipated council tax court costs received.
(£52,000)	Lower utility costs, including gas and cleaning than anticipated.
£276,000	Overspend in planning services, see paragraphs 1.2.10 to 1.2.13 below.
£65,000	Level of building control income lower than was predicted at this time last year.
£58,000	Market toll income 12% lower than anticipated.
£349,000	Cost of change resulting from the Leadership Team and Service Manager restructure, see paragraph 1.2.2 above.
£219,000	Interest receipts received from the Council's investments are £219,000 lower than anticipated due to lower interest rates. This difference would normally be funded from the Council's interest equalisation reserve, however as there is an overall underspend across the Council this transfer has not been made.

1.2.9 As part of the budget setting process for 2015/16, work has already been done to adjust the majority of these budgets for the variances stated above.

1.2.10 The variance reported in Planning, as reported in **Appendix A**, is created in the main by three elements. The first is due to less planning fee income being received than budgeted, circa £258k. Part of the reason for this is the introduction of Permitted Development Orders and the impact of the 'Prior approval' process, which has reduced the number of applications the authority are now able to charge for, even though these applications still require a similar level of resource to administer. It should be noted that these changes to the Permitted Development Order were intended to be a short term incentive and

will need to be reviewed by any new Government in 2015/16. There are also some large applications which were expected to be received in 2014/15, which are now likely to be received in the 2015/16 financial year. The estimated value of these applications is £77k.

- 1.2.11 The second is linked to additional legal costs relating to enforcement and appeals. Appeal costs of circa £60k were unbudgeted and would typically be funded from the council's contingency general fund. For 2014/15 it is proposed that these costs are funded from the overall underspend presented in this report.
- 1.2.12 The third element is around employee costs. Due to a number of vacancies across the planning section, and staff turnover there has been a net underspend on employee costs of circa £54k. This is despite incurring costs of £84k with an external solicitor to undertake planning enforcement work, and employing agency staff to undertake scanning of historic planning files.
- 1.2.13 In the context of the above extra budgetary pressures, it should be noted that the overall performance in planning has improved in Quarter 4 as reported in the Performance and Audit Scrutiny Committee Report PAS/SE/15/008.

1.3 **Capital Position**

- 1.3.1 The Council's capital outturn position for 2014/15 shows a **net underspend of £3,735,000**. **Appendix C** to this report contains further details by project with respective variances and comments.

This page is intentionally left blank

St Edmundsbury Borough Council**2014/15 Outturn Report****Summary by Head of Service**

Head of Service	Budget for Year £	Spend for Year £	Over/ (Under) Spend for Year £
Head of Resources & Performance	3,191,782	3,373,130	181,348
Head of HR, Legal & Democratic Services	1,575,103	1,571,648	(3,455)
Head of Families & Communities	1,263,139	1,254,925	(8,214)
Head of Planning & Growth	1,021,981	1,329,623	307,642
Head of Operations	2,639,703	1,823,264	(816,439)
Head of Housing	1,073,870	1,084,853	10,983
TOTALS:	10,765,578	10,437,443	(328,135)
Interest Receivable	(578,665)	(359,229)	219,436
TOTALS:	10,186,913	10,078,214	(108,699)

This page is intentionally left blank

St Edmundsbury Borough Council					2014/15 Outturn Report
Detail by Head of Service					Appendix B
LT01	HEAD OF RESOURCES & PERFORMANCE				
Cost Centre	Cost Centre Description	Budget for Year £	Spend for Year £	Over / (Under) Spend for Year £	Year End Variance Notes
1000	Resources & Performance	490,470	500,972	10,502	
1090	Grants to Organisations	498,333	490,654	(7,679)	
4025	Housing Act Advances	(100)	(49)	51	
8000	General Fund Adjustments	(899,888)	(678,904)	(17,091)	
	Resources & Performance:	88,815	312,673	(14,217)	
1001	Internal Audit	174,973	118,425	(56,548)	Vacancy management
	Internal Audit:	174,973	118,425	(56,548)	
1002	ICT	896,885	893,833	(3,052)	
	ICT:	896,885	893,833	(3,052)	
1010	Anglia Revenues Partnership	1,436,938	1,436,938	0	
1012	Council Tax Administration	(199,306)	(289,764)	(90,458)	Income from court costs higher than budgeted
1013	Business Rate Administration	(59,150)	(50,593)	8,557	Discretionary NNDR Relief budgeted not required £118k, transferred to the Business Rates Reserve.
4090	Housing Benefits	(480,528)	(591,751)	(111,223)	Lower than budgeted housing benefit payments.
	Anglia Revenues Partnership:	697,954	504,830	(193,124)	
1100	Corporate Expenditure	1,056,705	1,195,389	138,684	Increase in bad debt provision linked to industrial property rents.
1150	Non-Distributed Costs	219,050	552,122	333,072	Cost of change associated with Leadership Team and Service Manager restructure.
1151	Non-Distributed Costs - Cost of Unused Assets	23,850	2,608	(21,242)	
	Corporate Expenditure:	1,299,605	1,750,119	450,514	
1020	Emergency Planning	33,550	31,325	(2,225)	
	Emergency Planning:	33,550	31,325	(2,225)	
	TOTALS: RESOURCES & PERFORMANCE	3,191,782	3,611,205	181,348	
LT02	HEAD OF HR & DEMOCRATIC SERVICES				
Cost Centre	Cost Centre Description	Budget for Year £	Spend for Year £	Over / (Under) Spend for Year £	Comments
1030	Human Resources & Payroll	331,050	354,204	23,154	Additional licences for roll out of ICT Projects and maintenance agreements
	Human Resources:	331,050	354,204	23,154	

St Edmundsbury Borough Council					2014/15 Outturn Report
Detail by Head of Service					Appendix B
1032	Health & Safety	92,740	89,345	(3,395)	
Health & Safety:		92,740	89,345	(3,395)	
1031	Central Training Services	134,748	117,310	(17,438)	
Learning & Development:		134,748	117,310	(17,438)	
1040	Legal Services	211,783	202,648	(9,135)	
Legal Services:		211,783	202,648	(9,135)	
1130	Democratic Services	166,620	154,550	(12,070)	
1131	Members Expenses	393,500	395,134	1,634	
1132	Mayoralty & Civic Functions	101,786	94,127	(7,659)	
Democratic Services:		661,906	643,811	(18,095)	
1041	Electoral Registration	90,601	98,394	7,793	
1042	Election Expenses	52,275	65,936	13,661	
Elections:		142,876	164,330	21,454	
TOTALS: HR & DEMOCRATIC SERVICES		1,575,103	1,571,648	(3,455)	
LT03	HEAD OF FAMILIES & COMMUNITIES				
Cost Centre	Cost Centre Description	Budget for Year £	Spend for Year £	Over / (Under) Spend for Year £	Comments
1140	Policy	106,033	111,931	5,898	
Policy:		106,033	111,931	5,898	
1141	Communications	147,500	163,984	16,484	
Communications:		147,500	163,984	16,484	
1050	Customer Services	491,467	422,855	(68,612)	Vacancy management
3100	Bus Stations	193,715	199,382	5,667	
Customer Services:		685,182	622,237	(62,945)	
2041	Sports Development & Community Recreation	50,584	47,158	(3,426)	
2080	Community Development	224,302	225,027	725	
2085	Community Centres	49,538	84,588	35,050	Over spend relates to the timing of a transfer of a community centre.
Families & Communities:		324,424	356,773	32,349	
TOTALS: FAMILIES & COMMUNITIES		1,263,139	1,254,925	(8,214)	
LT04	HEAD OF PLANNING & GROWTH				

St Edmundsbury Borough Council					2014/15 Outturn Report
Detail by Head of Service					Appendix B
Cost Centre	Cost Centre Description	Budget for Year £	Spend for Year £	Over / (Under) Spend for Year £	Comments
5000	Development Control	(233,367)	89,002	322,369	Planning fee income under budget by £258k. Part of the reason for this is the introduction of Permitted Development Orders which has reduced the number of applications we can charge for. There have also been additional legal costs relating to enforcement and appeal costs.
Development Control:		(233,367)	89,002	322,369	
5005	Planning Policy	776,658	747,890	(28,768)	Vacancy management
5006	Local Plan	(63,150)	(58,250)	4,900	
Place Shaping:		713,508	689,640	(23,868)	
1060	Land Charges	(139,047)	(108,476)	30,571	Additional expenditure relating to spent on new computer software
5010	Building Control	(114,971)	(50,005)	64,966	Building control income £60k lower than budgeted
5015	Planning & Regulatory Support	305,825	252,462	(53,363)	Vacancy management
Business (BC & Support):		51,807	93,981	42,174	
3090	Prevention of Pollution	116,431	92,085	(24,346)	
3091	Environmental Management	36,039	35,023	(1,016)	
3092	Drinking Water Quality	5,739	5,671	(68)	
3093	Climate Change	87,875	90,679	2,804	
4020	Home Energy Conservation	4,750	3,448	(1,302)	
Environment:		250,834	226,906	(23,928)	
3095	Licensing	(61,331)	(45,255)	16,076	Licensing income lower than budgeted.
3096	Hackney Carriage & Private Hire Licensing	(62,488)	(45,229)	17,259	
3097	Food Safety	67,522	43,666	(23,856)	
3098	Health & Safety at Work Act/Enforcement	80,122	55,234	(24,888)	Vacancy management
Business Reg & Licensing:		23,825	8,416	(15,409)	
5020	Economic Development & Growth	153,466	152,572	(894)	
5021	Strategic Tourism & Markets	82,508	85,157	2,649	
5022	Bury Christmas Fayre	(20,600)	(20,207)	393	
5023	Park & Ride	0	2,169	2,169	
5024	Vibrant Town Centres	0	1,987	1,987	
Economic Development & Growth:		215,374	221,678	6,304	
TOTALS: PLANNING & GROWTH		1,021,981	1,329,623	307,642	
LT05	HEAD OF OPERATIONS				
Cost Centre	Cost Centre Description	Budget for Year £	Spend for Year £	Over / (Under) Spend for Year £	Comments

St Edmundsbury Borough Council					2014/15 Outturn Report
Detail by Head of Service					Appendix B
3005	Vehicle Workshop	(45,489)	(40,304)	5,185	
3006	Pool Cars	0	(14,202)	(14,202)	
3010	Vehicle Workshop Trading Account - FHDC	0	4,215	4,215	
Fleet Management:		(45,489)	(50,291)	(4,802)	
3000	Depots	(66,251)	(118,260)	(52,009)	Utilities, including gas and cleaning costs lower than budget.
3060	Grounds Maintenance Operatives	(47,429)	(12,058)	35,371	Additional spend of material costs
3061	Tree Maintenance Operatives	0	(15,804)	(15,804)	
3065	Waste & Cleansing Operatives	(482,955)	(624,913)	(141,958)	Vacancy Management combined with savings on fuel costs
6020	Markets	(107,599)	(49,250)	58,349	Bury Market income lower than budgeted, has been reflected in the 2015/16 budgets
Operational:		(704,234)	(820,285)	(116,051)	
3030	Street Cleansing	1,287,299	1,293,899	6,600	
3040	Refuse Collection (Black Bin)	972,975	974,098	1,123	
3041	Recycling Collection (Blue Bin)	622,802	474,488	(148,314)	7 month rebate for previously paid gate fee expenditure for dry recyclables, not budgeted for.
3042	Compostable Collection (Brown Bin)	345,633	274,123	(71,510)	Waste tipping charges lower than budgeted.
3043	Bulky, Fridges, Metal & Scrap Collection	105,642	113,377	7,735	
3044	Clinical & Hazardous Waste Collection	18,384	10,492	(7,892)	
3045	Multi-Bank Recycling Sites	(12,017)	(58,301)	(46,284)	Waste tipping charges lower than budgeted.
3048	Trade Waste	(77,241)	(81,951)	(4,710)	Additional income from Trade Waste fees been transferred to the Invest to Save Reserve, to be used to fund the costs of the new in-cab technology to support the overall Waste Service
Waste - Business & Commercial		3,263,477	3,000,225	(263,252)	
1080	Property Services	232,238	232,238	0	
Property Maintenance:		232,238	232,238	0	
1081	Estates Management	136,345	131,486	(4,859)	
6000	Industrial & Business Units	(1,390,424)	(1,470,067)	(79,643)	Increased rental income off-set additional contribution to building maintenance reserve
6010	Town Centres & Shops	(821,918)	(736,366)	85,552	Increased rental income off-set additional contribution to building maintenance reserve
Property Management:		(2,075,997)	(2,074,947)	1,050	
1070	Offices: West Suffolk House	(154,955)	(142,264)	12,691	
1071	Offices: Haverhill House	(25,555)	(28,618)	(3,063)	
1075	Courier & Postal Service	141,400	137,100	(4,300)	
1076	Printing & Copying Service	25,500	21,112	(4,388)	
3020	Public Conveniences	162,866	145,308	(17,558)	
3070	District Highways Services	350,037	324,965	(25,072)	Underspend on grounds maintenance works
3071	Street Furniture	197,596	198,685	1,089	
3072	Land Drainage & Associated Works	8,650	(5,929)	(14,579)	
Facilities & Highways Services:		705,539	650,359	(55,180)	
1082	CCTV & Support	132,668	119,004	(13,664)	
3025	CCTV	224,653	213,948	(10,705)	

St Edmundsbury Borough Council					2014/15 Outturn Report
Detail by Head of Service					Appendix B
3026	Green Travel Plan	(31,600)	(31,600)	0	
3027	Street Banners & Displays	(388)	819	1,207	
CCTV & Support:		325,333	302,171	(23,162)	
3110	Off Street Car Parks	(2,671,320)	(2,822,499)	(151,179)	More people visiting the town centres (and using the car parks) than anticipated
3120	On Street Car Parking	(119,649)	(119,649)	0	
Car Parking:		(2,790,969)	(2,942,148)	(151,179)	
2000	Leisure Services Management & Support	185,151	187,390	2,239	
2017	Arboriculture (Tree Maintenance Works)	223,926	220,354	(3,572)	
2020	Other Parks and Play Provision	345,514	300,855	(44,659)	Higher than expected income from car parking and hire fees
2021	Abbey Gardens	283,716	306,664	22,948	Underachievement of income associated with bowls and golf, and the tennis courts being unusable.
2022	Nowton Park	95,727	100,746	5,019	
2023	East Town Park	106,337	102,350	(3,987)	
2024	Clare Country Park	447	(18,101)	(18,548)	
2025	Children's Play Areas	93,270	87,469	(5,801)	
2050	Cemeteries & Closed Churchyards	196,182	186,891	(9,291)	
2055	Allotments	200	(1,569)	(1,769)	
2040	Sports & Leisure Centres	578,186	584,665	6,479	
Leisure & Cultural - Parks		2,108,656	2,057,714	(50,942)	
2030	Arts, Heritage & Cultural Services	204,613	182,703	(21,910)	
2031	Moyse's Hall Museum	211,466	227,243	15,777	
2032	West Stow Country Park	128,672	143,535	14,863	
2035	Heritage Outreach Services	20,500	8,451	(12,049)	
2036	Heritage Sites & Monuments	3,543	3,644	101	
2037	West Front Houses	52,297	31,109	(21,188)	
2070	Tourist Information Centres	121,612	100,142	(21,470)	Reduction in costs associated with move into the Apex.
2071	Shopmobility	24,366	19,233	(5,133)	
Leisure & Cultural - TIC & Heritage:		767,069	716,060	(51,009)	
2061	The Athenaeum	64,712	60,383	(4,329)	
2062	The Guildhall, Bury St Edmunds	38,351	37,892	(459)	
Leisure & Cultural - Public Halls:		103,063	98,275	(4,788)	
2072	Bury Festival	35,000	29,109	(5,891)	
Commercial - Entertainment & Events:		35,000	29,109	(5,891)	
2010	Leisure Promotion	159,940	143,439	(16,501)	
Commercial - Marketing:		159,940	143,439	(16,501)	
2011	Apex - Commercial Activities	34,770	(23,439)	(58,209)	Increased tickets sales at the Apex resulting in more income than budgeted.
2060	The Apex - Building	521,307	504,784	(16,523)	
The Apex		556,077	481,345	(74,732)	
TOTALS: OPERATIONS		2,639,703	1,823,264	(816,439)	

St Edmundsbury Borough Council				2014/15 Outturn Report	
Detail by Head of Service				Appendix B	
LT06 HEAD OF HOUSING					
Cost Centre	Cost Centre Description	Budget for Year £	Spend for Year £	Over / (Under) Spend for Year £	Comments
4021	Housing Renewals	123,421	111,730	(11,691)	
4031	Burial of the Dead	15,262	21,828	6,566	
4032	Gypsies & Travellers	28,862	31,652	2,790	
4033	Other Public Health Services	200,883	193,200	(7,683)	
	Public Health & Housing:	368,428	358,410	(10,018)	
4000	Housing Development & Strategy	213,154	231,009	17,855	
	Housing Development & Strategy:	213,154	231,009	17,855	
4010	Homelessness	255,753	212,594	(43,159)	Under spend on accommodation costs due to the reduction in the number of households being put in temporary accommodation
4011	Housing Advice & Choice Based Lettings	155,537	178,076	22,539	
4015	Non-HRA Housing Properties	0	(250)	(250)	
	Housing Options:	411,290	390,420	(20,870)	
4005	Housing Business & Partnerships	80,998	105,014	24,016	
	Housing Business & Partnerships:	80,998	105,014	24,016	
	TOTALS: HOUSING:	1,073,870	1,084,853	10,983	

St Edmundsbury Borough Council

Appendix C

Capital Monitoring - April 2014 - March 2015

Project Description	2013-14 Actual Spend £	2014/15				2015/16			Notes
		2014-15 Original Budget incl c/fwds £	2014-15 Revised Budget for Year £	2014-15 Actual Spend for Year £	2014/15 Over / (Under) Spend for Year £	Original Budget from 2015/16 Budget Setting report £	Budget carry forwards from 2014/15 £	Revised Budget £	
Bury Town Football - Relocation Scheme	51,854	1,877,000	0	0	0	1,627,000	0	1,627,000	
Environmental Improvement Works, Risbygate Street	0	72,000	0	0	0	72,000	0	72,000	
Cattle Market Redevelopment - TC Management & Enhancement Fund	0	242,000	0	0	0	0	0	0	
Town centre public realm works	0	312,000	0	0	0	0	0	0	
St Andrews St South access arrangements	0	35,000	35,000	10,087	(24,913)	0	24,913	24,913	Carry forward 2014/15 under spend.
Peach Maltings	0	51,000	0	0	0	51,000	0	51,000	
Haverhill Plaza	0	5,000	5,000	3,940	(1,060)	0	1,060	1,060	Provision of benches - Project agreed by HAWP. Carry forward 2014/15 under spend.
Hollands Road Employment Units	0	27,000	27,000	14,542	(12,458)	0	12,458	12,458	Carry forward 2014/15 under spend.
Hardwick Heath Parking	0	24,000	0	0	0	0	0	0	
Nowton Park Car Parking	2,000	31,000	0	0	0	0	0	0	
Children's Play Equipment - Haverhill Recreation Ground	6,327	64,000	64,000	52,793	(11,207)	0	11,207	11,207	Contractors started on site in January, with completion by the end of June 2015. Carry forward 2014/15 under spend.
Children's Play Equipment - Nowton Park	37,000	0	0	0	0	0	0	0	
Children's Play Equipment - Horringer Court	0	0	0	47,931	47,931	0	0	0	Funding for this project is from Suffolk County Council Property Services budget transfer (£36,000), SCC ward members' locality budget (£4,000) and S106 agreement (£8,000).
Children's Play Equipment - Aeroplane Park	0	0	0	28,243	28,243	0	0	0	Quendon Place play area. Estimated spend £31,745. Funded from S106.
Moyse's Hall & West Stow new exhibits	20,684	0	0	0	0	0	0	0	
West Stow - Collections Building	0	0	0	27,086	27,086	0	0	0	Expense incurred from when the Collections Study Building was built. Due to the archaeological importance of the site, a trench was dug to check for finds. Due to the length of time taken to write the report, we have only recently received the bill associated with this work.
BSE Skatepark	155,170	0	0	98,927	98,927	0	0	0	Scheme complete. Funded by Bury Skate Park Experience (£72,000), Suffolk Environmental Trust (£9,960) and Bury Town Council. Retention sum of £5,814 is payable in April 2015.
Parks Infrastructure	16,457	29,000	29,000	34,837	5,837	0	0	0	
Haverhill Crematorium (Feasibility)	0	0	0	0	0	0	0	0	
Infrastructure Completion	0	15,000	0	0	0	0	0	0	
Tassel Road, Roads and Sewers	0	7,000	0	0	0	0	0	0	
Homefield Business Park - new access road	0	6,000	0	0	0	0	0	0	
Cycle Stands Cattle Market	0	5,000	0	0	0	5,000	0	5,000	
Feasibility Studies - Environmental Enhancement Schemes	0	20,000	0	0	0	0	0	0	

FHDC 5 Year Capital Programme Report

Project Description	2013-14 Actual Spend £	2014/15				2015/16			Notes
		2014-15 Original Budget incl c/fwds £	2014-15 Revised Budget for Year £	2014-15 Actual Spend for Year £	2014/15 Over / (Under) Spend for Year £	Original Budget from 2015/16 Budget Setting report £	Budget carry forwards from 2014/15 £	Revised Budget £	
Gypsy and traveller site	(17,044)	589,000	0	2,000	2,000	589,000	(2,000)	587,000	
Havebury - Bury Road, Chedburgh	0	400,000	0	0	0	400,000	0	400,000	
Millfields Way, Haverhill	95,000	96,000	96,000	95,000	(1,000)	0	0	0	
Private Sector Housing Leasing Scheme	25,000	0	0	0	0	0	0	0	
Purchase of Lake Avenue HMO	0	0	200,000	250,366	50,366	0	0	0	Purchase cost and renovation costs, funding from affordable housing provision and S106.
Provision of Affordable Housing	0	304,000	104,000	15,000	(89,000)	0	38,634	38,634	Will be used to fund any over spend on the Purchase of Lake Avenue HMO. Carry forward 2014/15 under spend.
Generating Renewable Energy	0	44,000	0	0	0	0	0	0	
Vehicle & Plant Purchases	164,593	1,110,000	392,000	179,316	(212,684)	1,565,000	212,684	1,777,684	Carry forward 2014/15 under spend.
CCTV Cameras and Server	0	272,000	272,000	26,697	(245,303)	0	245,303	245,303	Scheme in progress. Carry forward 2014/15 under spend.
Suffolk Business Park Investment	0	2,121,000	2,621,000	144,607	(2,476,393)	0	2,476,393	2,476,393	Agreed at full Council on 23/09/14 - £3m less what already paid of original loan. Carry forward 2014/15 under spend.
Growth Area Initiatives		78,000	0	0	0	88,000	0	88,000	
Haverhill Railway Walks, Education		27,000	27,000	0	(27,000)	0	27,000	27,000	Carry forward 2014/15 under spend.
High Street Haverhill Improvements	2,504	693,000	0	0	0	693,000	0	693,000	
Clements Primary School Site	30,583	0	0	0	0	0	0	0	
Millfields Way, Haverhill - Housing Scheme	0	85,000	85,000	0	(85,000)	0	85,000	85,000	Carry forward 2014/15 under spend.
Lark Valley Path	70,335	27,000	27,000	0	(27,000)	0	27,000	27,000	Carry forward 2014/15 under spend.
Oakes Road, Open Space, Bury St Edmunds		2,000	0	0	0	0	0	0	Scheme complete
Lake Avenue, Open Space, Bury St Edmunds		2,000	0	0	0	0	0	0	Scheme complete
Spring Lane Nature Reserve		3,000	0	0	0	0	0	0	Scheme complete
Gainsborough Recreation Ground, Bury St Edmunds		3,000	0	0	0	0	0	0	Scheme complete
Park & Ride Site - Claas	57,725	0	0	0	0	0	0	0	
Westley Estate Precint	50,412	0	0	0	0	0	0	0	
Mustow Street Crossing	15,440	0	0	0	0	0	0	0	
Historic Buildings Grant	7,500	3,000	0	0	0	0	0	0	
Rural Environment - minor improvement works in villages		46,000	0	0	0	0	0	0	
Rural Initiatives Grant Scheme	25,824	152,000	152,000	59,042	(92,958)	0	92,958	92,958	On-going grant scheme. Carry forward 2014/15 under spend.
Empty Homes Grants to Private Owners	0	71,000	0	0	0	71,000	0	71,000	
Private Sector Disabled Facilities Grants	405,266	830,000	400,000	376,990	(23,010)	500,000	0	500,000	
Private Sector Renewal Grants	238,559	522,000	200,000	179,849	(20,151)	300,000	0	300,000	
Asset Management Plan									
Major Planned Building Works	0	500,000	0	0	0	717,000	0	717,000	
HH Office Improvements	0	0	33,000	32,558	(442)	0	0	0	
Bury Leisure Centre Flumes & Cladding	35,496	518,000	518,000	455,613	(62,387)	0	62,387	62,387	Work on scheme currently progressing, expected to be complete by end of May 2015. Carry forward 2014/15 under spend.

FHDC 5 Year Capital Programme Report

Project Description	2013-14 Actual Spend £	2014/15				2015/16			Notes
		2014-15 Original Budget incl c/fwds £	2014-15 Revised Budget for Year £	2014-15 Actual Spend for Year £	2014/15 Over / (Under) Spend for Year £	Original Budget from 2015/16 Budget Setting report £	Budget carry forwards from 2014/15 £	Revised Budget £	
The Apex - New Public Venue	0	34,000	0	0	0			0	
The Apex - Improvements	100,015	18,000	18,000	23,139	5,139	0	0	0	
Bury Cemetery Buildings	0	0	70,000	0	(70,000)	0	70,000	70,000	Project likely to be deferred to the next financial year. Carry forward 2014/15 under spend.
Bury Leisure Centre - All Weather Pitch	0	150,000	0	0	0	150,000	0	150,000	
Haverhill Leisure Centre - All Weather Pitch	0	150,000	200,000	0	(200,000)	0	200,000	200,000	Project likely to be deferred to the next financial year. Carry forward 2014/15 under spend.
New Moreton Hall Park	0	0	160,000	2,509	(157,491)	0	157,491	157,491	This is a S106 funded project. The land is not yet transferred to SEBC. The project will go out to tender this financial year for award next financial year. The spend will be deferred to 2015/16. Carry forward 2014/15 under spend.
County Upper School MUGA	0	1,000	0	0	0	0	0	0	
Abbey Gardens Play Area	0	2,000	0	0	0	0	0	0	
Leisure Asset Management Scheme	0	337,000	78,000	0	(78,000)	324,000	78,000	402,000	Carry forward 2014/15 under spend.
Shared FMS - Agresso	165,533	0	0	10,865	10,865	0	0	0	Phase 1 - System implementation is complete
Idox System - Software	62,855	0	0	0	0	0	0	0	
CRM Project	48,160	0	170,750	94,778	(75,972)	0	75,972	75,972	Project progressing. Carry forward 2014/15 under spend.
West Stow biomass boiler	0	0	0	0	0	140,000	0	140,000	
Rent-a-roof	0	0	0	0	0	540,000	0	540,000	
Feasibility Studies	0	0	0	0	0	100,000	0	100,000	
Invest to Save Projects	0	0	0	0	0	500,000	0	500,000	
PENDING ITEMS									
Haverhill depot water borehole	0	0	21,000	0	(21,000)	0	21,000	21,000	Carry forward 2014/15 under spend.
West Stow Investment opportunitites	0	0	0	2,855	2,855	400,000	(2,855)	397,145	
	1,873,246	12,012,000	6,004,750	2,269,570	(3,735,180)	8,832,000	3,914,605	12,746,605	

This page is intentionally left blank

2014-15 - Earmarked Reserve Monitoring

Reserve Details	As Per Budget Report			2014/15 Actual Closing Balance	2014/15 Variance (Under) / Over spent	Notes
	2014/15 Opening Balance	2014/15 Forecast Movement	2014/15 Budgeted Closing Balance			
New Homes Bonus Reserve	1,577,149	745,127	2,322,276	2,346,657	(24,381)	
Invest to Save Reserve	1,101,367	(87,380)	1,013,987	830,986	183,001	£138k funded for WSH restack project, £87k for WSOH feasibility, £27k for PSVII feasibility. Transferred in £150k from trade waste re Waste Back Office Project
Risk/Recession Reserve	35,000	(4,100)	30,900	38,795	(7,895)	
BRR Equalisation Reserve	488,493	0	488,493	588,294	(99,801)	Net movement made up as follows: - (£72k) income under-budgeted compared to NNDR1 (Business rates estimate return) - £60k additional levy paid based on NNDR3 (Business rates outturn return) - (£7k) additional income received from Suffolk Business rates pool based on NNDR3 - (£36k) additional renewal energy disregarded in 2013/14 accounted in 2014/15 - £48k less income received from S31 grants - (£118k) discretionary relief budget not required - removed from 2015/16 - £25k adjustment in respect of the 2012/13 final pool
Self Insured Fund	454,833	50,000	504,833	231,387	273,446	Funding of £236k of insurance excesses, linked to MMI claim.
Computer & Telephone Equipment Reserve	103,057	48,100	151,157	300,279	(149,122)	£136k transferred from the Office Equipment Reserve
Office Equipment Reserve	987,592	(172,700)	814,892	828,198	(13,306)	
Section 106 - Public Service Village	65,298	(37,400)	27,898	47,595	(19,697)	
HB Equalisation Reserve	1,606,812	0	1,606,812	1,606,812	0	
Special Pension Reserve	316,945	0	316,945	316,945	(0)	
Interest Equalisation Reserve	227,408	0	227,408	227,408	0	
ARP Reserve	0	0	0	59,896	(59,896)	ARP under spend transferred in to reserve along with unused grant, likely to be used in 2015/16
Vehicle & Plant Renewal Fund	1,863,615	270,425	2,134,040	2,184,299	(50,259)	Less expenditure on vehicle purchases than anticipated
Wheeled Bins	74,615	22,350	96,965	113,040	(16,075)	
BR-Building Repairs Reserve - Leisure	607,638	(457,637)	150,001	573,785	(423,784)	Haverhill All Weather Pitch plus some other smaller schemes deferred to 2015/16
BR-Building Repairs Reserve - Other	1,053,923	(54,303)	999,620	1,257,449	(257,829)	Less expenditure on repairs & maintenance than anticipated, linked to Asset Management Plan
BR-Bunting Road Service	11,779	0	11,779	11,779	(0)	
BR-Leased Flats Management	33,957	0	33,957	33,957	0	
Commuted Maintenance Reserve	828,869	(108,900)	719,969	685,175	34,794	Utilisation of commuted maintenance sums
M-Gershom Parkington Bequest	519,654	(4,800)	514,854	526,319	(11,465)	
M-Others	65,279	0	65,279	65,279	0	
The Apex Reserve	32,580	0	32,580	32,580	(0)	
Abbey Gardens Donation	20,927	0	20,927	20,927	(0)	
Cemetery & Gravestone Provision	5,239	0	5,239	0	5,239	
Rural Areas Action Plan	90,818	(41,000)	49,818	90,818	(41,000)	Anticipated utilisation of reserve not required

2014-15 - Earmarked Reserve Monitoring

Reserve Details	As Per Budget Report			2014/15 Actual Closing Balance	2014/15 Variance (Under) / Over spent	Notes
	2014/15 Opening Balance	2014/15 Forecast Movement	2014/15 Budgeted Closing Balance			
Planning Reserve	313,578	(101,600)	211,978	172,679	39,299	£22k legal fees for Land Charges, and £21k Planning Inspectorate Fees
EI-Historic Building Grants	621	0	621	621	0	
S106 Monitoring Officer Reserve	0	75,000	75,000	13,617	61,383	Funding of S106 Monitoring Officer
Economic Development Reserve (LABGI)	40,974	(5,000)	35,974	50,597	(14,623)	
Election Reserve	84,786	30,000	114,786	126,366	(11,580)	
St Edmundsbury Totals:	12,612,806	166,182	12,778,988	13,382,539	(603,551)	

The purposes of each of the above earmarked reserves are explained briefly below:

New Homes Bonus reserve

Monies received in respect of the New Homes Bonus Grant which have been set aside to support the delivery of the Council's strategic priorities.

Invest to Save reserve

Monies set aside for investment in new technologies and streamlined working practices to provide longer term efficiencies and savings

Risk/Recession reserve

Monies set aside to provide against possible future financial risks arising, for example shortfalls in income levels and interest rates, reductions in Government grant funding and the like.

BRR Equalisation reserve

To neutralise the impact of any year on year fluctuations in growth or reduction of business rate income.

Self-insured reserve

Monies set aside to meet potential future Insurance Excess payments.

Computer equipment

To meet future computer hardware and software requirements.

Office equipment

To purchase significant replacement items of office equipment.

Section 106 agreement - Public Service Village

To finance the Council's share of the expenditure relating to the planning conditions attached to West Suffolk House.

Housing benefit Equalisation reserve

To cover year-on-year adjustments made to the level of subsidy grant received from the Department for Works and Pensions.

Special pension reserve

To repay part of the pension fund deficit referred to in note 35 - Defined Benefit Pension Scheme and fund expenditure arising from departmental restructuring.

Interest equalisation reserve

To mitigate against possible adverse fluctuations in the interest rates received from the Council's investments.

ARP Reserve

Government Grant monies received by the Anglia Revenues Partnership (ARP) for specific purposes which are held in reserve due to timings of receipts and usage.

Vehicle and plant

For the purchase of replacement vehicles and plant.

Wheeled bins

Money set aside for the purchase of replacement bins used for trade and domestic refuse collection.

Building repairs

Money set aside for significant repairs and improvements to public buildings and investment properties, including energy conservation measures.

Commuted maintenance

Money set aside from developers' contributions to finance the maintenance of open spaces and play areas.

Museum reserves

For the purchase of new exhibits, exhibition and display equipment and conservation of existing collections.

The Apex reserve

To cover fixtures and fittings that are outside the capital works and to support future years marketing and programming of events.

Abbey Gardens donation reserve

For the improvement of the Abbey Gardens.

Cemetery and gravestone reserve

Set up to finance the inspection and making safe of gravestones in Bury St Edmunds and Haverhill cemeteries.

Rural areas action plan

In 2006/07 the Council received LAA 1 Performance Reward grant, which was placed in this reserve to finance any revenue costs arising from the implementation of the new Rural Areas Action Plan.

Planning services reserve

Money set-aside to finance planning related initiatives.

Environmental improvements – Historic Building Grants

Covers expenditure and grant payable to third parties for the repair and maintenance of historic buildings and monuments. Some of the reserve also relates to work on schemes for improvement in conservation and industrial areas.

S106 Monitoring Officer Reserve

Monies set aside in order to fund the post of Monitoring Officer in the Planning Department.

Economic development reserve

Contains funds received from the Local Authority Business Growth Incentive Scheme - LABGI. (LABGI grant is awarded to councils for successfully encouraging enterprise and employment in their local area).

Election Reserves

Monies set aside to finance the cost of local elections.

This page is intentionally left blank

Performance and Audit Scrutiny Committee



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Decision relating to complaint to Local Government Ombudsman	
Report No:	PAS/SE/15/016	
Report to and date:	Performance and Audit Scrutiny Committee	04 June 2015
Portfolio holder:	Ian Houlder Portfolio Holder for Performance and Resources Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
Lead officer:	Joy Bowes Service Manager (Legal) Tel: 01284 757141 Email: joy.bowes@westsuffolk.gov.uk	
Purpose of report:	For the Committee to note the decision of the Local Government Ombudsman following determination of a complaint.	
Recommendation:	Performance and Audit Scrutiny Committee: It is <u>RECOMMENDED</u> that, the Committee <u>notes</u> the Local Government Ombudsman's decision that there was some limited fault by the Council which would be adequately remedied by a payment of £100 to the complainant.	
Key Decision: <i>(Check the appropriate box and delete all those that do not apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	

Consultation:		•	
Alternative option(s):		•	
Implications:			
Are there any financial implications? If yes, please give details		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • Payment of £100	
Are there any staffing implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any ICT implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any legal and/or policy implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any equality implications? If yes, please give details		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Risk/opportunity assessment:		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
Risk area	Inherent level of risk (before controls)	Controls	Residual risk (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Negative image of Council. Further complaints.	Medium	Accept LGO's recommendations. Review procedures	Low
Ward(s) affected:			
Background papers: <i>(all background papers are to be published on the website and a link included)</i>		N/A	
Documents attached:		Appendix 1 – Local Government Ombudsman Decision	

1. Key issues and reasons for recommendation

1.1 Summary of the Complaint

- 1.1.1 The complainant, Mr A, complained to the Council regarding his application to remove a restrictive covenant on his land. Mr A considered that he had been misled regarding the fees required to be paid by him to remove the restrictive covenant and that he had not been informed of the requirement to seek the variation of the restrictive covenant. The investigating officer did not uphold the complaint but accepted that a detailed explanation as to how the fees had been calculated ought to have been provided to him upon commencement of his application. The Council apologised to Mr A for any misunderstanding this caused.
- 1.1.2 Mr A was not satisfied with the outcome of his complaint and referred it to the Local Government Ombudsman. Following an investigation, the Local Government Ombudsman decided that there was some limited fault by the Council and in recognition of this proposed that the Council pay to Mr A the sum of £100 to settle the complaint. Full details of the Local Government Ombudsman's decision are appended to this report.
- 1.1.3 Following receipt of the Local Government Ombudsman's decision and proposal for settlement, the sum of £100.00 was paid to Mr A and the matter closed.

This page is intentionally left blank

Complaint reference:
14 015 424

Complaint against:
St Edmundsbury Borough Council

The Ombudsman's final decision

Summary: Mr A complains the Council inappropriately advised him to apply for planning permission before seeking the lifting of a restrictive covenant on his land. There was some limited fault by the Council and in recognition of this it has agreed to my proposal that it pay Mr A £100 to settle the complaint.

The complaint

1. Mr A complains the Council inappropriately advised him to apply for planning permission before seeking the lifting of a restrictive covenant on his land. As Mr A will not pay the sum the Council is seeking to lift the covenant, this was an abortive cost. The Council also failed to explain what its charge was for, so he unnecessarily produced his own deed of variation.

The Ombudsman's role and powers

2. The Ombudsman investigates complaints of injustice caused by maladministration or service failure. I have used the word fault to refer to these. The Ombudsman cannot question whether a council's decision is right or wrong simply because the complainant disagrees with it. She must consider whether there was fault in the way the decision was reached. (*Local Government Act 1974, section 34(3)*)
3. If there has been fault, the Ombudsman considers whether it has caused an injustice and, if it has, she may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1)*)

How I considered this complaint

4. In considering the complaint I spoke to Mr A and reviewed the information he and the Council provided. Both Mr A and the Council were given the opportunity to comment on my draft decision.

What I found

5. In 2009 Mr A bought some land next to his garden from the Council. When the land was sold the sale was subject to a restrictive covenant which prohibited the erection of a shed on the land.
6. Planning permission was obtained to change the land's use to garden land. This permission was subject to a planning condition that no building or structure be erected on the land without further planning permission. This meant normal permitted development rights to erect a shed in the garden of a house without planning permission were removed.

-
7. In September 2013 Mr A decided he wanted to build a shed on the land. He submitted a planning application which sought to vary the condition attached to the change of use permission removing permitted development rights and preventing anything being built on the land without permission.
 8. Having submitted his application, Mr A met with Officer X, a senior planning officer, who informed him that the planning condition did not say nobody could have an outbuilding on the land but that it enabled the Council to keep control of what was built on it by requiring a formal planning application. Officer X advised Mr A that an application to vary the condition would fail as the Council would not want to lose the control it had. However, if Mr A submitted an application for a specific structure, ie the shed, the Council might approve it because it would be assessed on its own merits.
 9. As a result of this advice Mr A withdrew his initial application and submitted one which applied for permission for the shed in its own right, and to retain fencing he had already erected. Permission was granted in January 2014.
 10. Meanwhile, in November 2013, the Council wrote to Mr A about the restrictive covenant on the land which prohibited the erection of a shed.
 11. Having obtained planning permission, Mr A wrote to the Council about varying the covenant and in March the Council confirmed it would be agreeable to varying it. It confirmed “the Council’s costs for this matter will be £2,000 in total”.
 12. In his attempts to avoid what he understood to be the Council’s administrative costs of £2,000 in preparing the necessary deed of variation, Mr A drafted one himself and sent it to the Council.
 13. In June the Council told Mr A the deed was not acceptable and clarified that the £2,000 was consideration to be paid to the Council because of the increase in value of the land without the restrictive covenant imposed.
 14. Mr A complained to the Council about its handling of matters, believing he had been misled into applying for planning permission before the restrictive covenant had been removed and that it had not been properly explained to him what the cost represented. Mr A says he would not have applied for planning permission for the shed and paid the application fee had he known it would cost him £2,000 to remove the covenant.
 15. The Council considered his complaint under its own complaints procedure. It did not uphold his complaint or accept he had been misled regarding the fees to be paid to remove the covenant. However, it did acknowledge that the £2,000 sum had been described differently throughout the Council’s correspondence and that a detailed explanation about how the sum had been reached should have been given to him at the outset instead of leaving him to actively seek out an explanation.

Analysis

16. I understand the confusion that Mr A, as a lay person, had with what was required in order to get to his shed erected and how it was not clear to him initially that the grant of planning permission was separate from, and did not override, the restrictive covenant on the land.
17. In Mr A’s August 2014 letter of complaint to the Council he refers to the application form he submitted in 2013 as being one to remove the restrictive covenant when in fact it was a planning application to vary a planning condition. Mr A followed

Officer X's advice about submitting a planning application for the shed itself. While Mr A may have misunderstood that this was all he needed to do, the Officer concerned has explained he would not have given Mr A any advice about the removal of a covenant because this is a private matter and not a planning matter. There are no notes of the conversation Officer X had with Mr A but the officer has recalled the case and described what took place.

18. Given the original application Mr A submitted in 2013 was a planning application, and Officer X's recollection of their meeting, I cannot conclude there was fault here. Mr A was correctly told about how to apply for planning permission and the issue of the restrictive covenant was properly raised by the Council's letter in November 2013.
19. There was, however, some fault by the Council in the way it conveyed information about the cost of removing the restrictive covenant to Mr A. It variously described the £2,000 sum as a cost, a payment and a consideration and it was not until its consideration of his complaint at the final stage of its complaints procedure that a detailed explanation of how the figure of £2,000 had been reached was given to Mr A.
20. Mr A has confirmed he has not suffered any actual loss in pursuing his wish to erect a shed other than the cost of the planning application. He says he would not have submitted this had he known it would cost £2,000 to remove the covenant. However, a planning application was required to retain fencing he had erected at his property so this cost would have always existed.
21. Mr A seeks the removal of the restrictive covenant for nil consideration as compensation for the Council's fault in dealing with matters. While this is not a remedy I propose because it is not warranted by the fault or injustice caused to him I do recognise the time and trouble Mr A has expended in pursuing matters

Agreed action

22. To settle the complaint I proposed the Council pay Mr A £100 in recognition of the fault identified above. The Council has agreed to make this payment.

Final decision

23. There has been fault by the Council which will be adequately remedied by the payment of £100.

Investigator's decision on behalf of the Ombudsman

This page is intentionally left blank