

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Report of the Performance and Audit Scrutiny Committee: 23 September 2015	
Report No:	CAB/SE/15/061	
Report to and date:	Cabinet	20 October 2015
Portfolio Holder:	Ian Houlder Portfolio Holder for Resources and Performance Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
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>On 23 September 2015, the Performance and Audit Scrutiny considered the following items:</p> <ol style="list-style-type: none">(1) Ernst and Young – Presentation of 2014/2015 ISA 260 Annual Results Report to those Charged with Governance;(2) West Suffolk Annual Governance Statement 2014/2015;(3) 2014/2015 Annual Statement of Accounts;(4) Delivering a Sustainable Budget 2016/2017; and(5) Work Programme Update. <p>A separate report is included on this Cabinet agenda for Item (4) above.</p>	

Recommendation:	The Cabinet is requested to <u>NOTE</u> the contents of Report CAB/SE/15/061, being the report of the Performance and Audit Scrutiny Committee.	
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"/> Report for information only.	
Consultation:	<ul style="list-style-type: none"> • See reports listed in Section 2 below. 	
Alternative option(s):	<ul style="list-style-type: none"> • See reports listed in Section 2 below 	
Implications:		
<i>Are there any financial implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Please see background papers.
<i>Are there any staffing implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Please see background papers.
<i>Are there any ICT implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Please see background papers
<i>Are there any legal and/or policy implications?</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Please see background papers.
<i>Are there any equality implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Please see background papers.
Risk/opportunity assessment:	Please see background papers.	
Ward(s) affected:	Please see background papers.	
Background papers:	Please see background papers, which are listed at the end of the report.	
Documents attached:	None	

1. Key issues and reasons for recommendation

1.1 Ernst and Young – Presentation of 2014-2015 ISA 260 Annual Results Report to those Charged with Governance (Report No: PAS/SE/15/023)

- 1.1.1 Prior to considering the 2014-2015 Statement of Accounts, the Committee received a presentation from Neil Harris (Director) and Mary Springer (Auditor) from Ernst and Young (EY) on the results of EY's work to date. A copy of the Audit Committee summary was attached as [Appendix A](#).
- 1.1.2 Attached at [Appendix B](#) was a Letter of Representation on behalf of the Council, in connection with the audit and financial statement for the year 31 March 2015. The Head of Resources and Performance advised the Committee that during the time of the audit, auditors were unable to obtain a third party confirmation of £3m investment with Ulster Bank. Therefore, an additional paragraph was to be included in the Letter of Representation, to read as follows:
- Specific Disclosure – I confirm that an Investment of £3m with Ulster Bank, for which auditors were unable to obtain third party confirmation, existed at 31 March 2015.*
- 1.1.3 Mr Harris confirmed that all work on the audit of the Council's 2014-2015 financial statements had been concluded and no further errors had been identified. EY was currently working on closing down the audit files, which meant EY was not able to issue an unqualified opinion and certificate until Friday 25 September 2015, on both the Council's 2014-2015 financial statements and arrangements for securing economy, efficiency and effectiveness in its use of resources. However, he reassured Members that EY endeavours to conclude its audit work by the date of the Committee. He then drew the Committee's attention to a couple of key areas contained within Appendix A, and Members asked questions to which Mr Harris duly responded.
- 1.1.4 The Committee **noted** the unqualified opinion of the Financial Statements for 2014-2015, and the Value for Money Conclusions stating that the Council had proper arrangements in securing economy, efficiency and effectiveness in the use of resources (page 3 of Appendix A), issued by the Auditor.
- 1.1.5 Following the resolution of the Committee, the Letter of Representation on behalf of the Council was **approved**, before the Audit Director issued his opinion and conclusion.

1.2 West Suffolk Annual Governance Statement 2014-2015 (Report No: PAS/SE/15/024)

- 1.2.1 The Committee received Report No: PAS/SE/15/24, which sought Members' approval of the West Suffolk Annual Governance Statement (AGS) 2014-2015, attached as [Appendix A](#). The AGS is designed to provide stakeholders of the Council with the assurance that the Council has operated within the law and that the Council has met the requirements of the Accounts and Audit Regulations 2015.

- 1.2.2 The AGS was prepared by the Officer Governance Group and was presented as a joint statement for St Edmundsbury Borough Council and Forest Heath District Council to reflect both councils working together and sharing services across West Suffolk.
- 1.2.3 The Committee was advised that no significant governance issues had been raised, but the AGS recognised the work of the planning and regulatory service and the additional resources deployed to the service during 2014-2015.
- 1.2.4 The AGS for 2014-2015, attached as Appendix A to Report No: PAS/SE/15/024 was **approved** for signing by the Chief Executive and the Leader of the Council.
- 1.3 **2014-2015 Annual Statement of Accounts (Report No: PAS/SE/15/025)**
- 1.3.1 The Committee scrutinised the 2014-2015 Statement of Accounts as contained within Report No: PAS/SE/15/025. Approval was sought for the accounts attached as [Appendix A](#), in accordance with the powers delegated to it under the Council's Constitution. Attached as [Appendix B](#) was a schedule of payments which had been made to Councillors during the financial year.
- 1.3.2 The attached Statement of Accounts (Appendix A) had been amended (as appropriate) to take on board issues raised by the audit process up to the date of distribution. Only minor presentational changes are now required prior to the signing of the accounts.
- 1.3.3 The Committee scrutinised the draft accounts and the Members' payments and asked questions to which officers provided responses. The Committee then **resolved**: That
- (i) The 2014-2015 Statement of Accounts, attached as Appendix A to Report No: PAS/SE/15/025 be **approved** in accordance with the powers delegated to it under the Council's Constitution.
 - (ii) The Chairman of the Performance and Audit Scrutiny Committee signs the certification of the 2014-2015 Statement of Accounts on behalf of the Committee.
 - (iii) The Chief Finance Officer, in consultation with the Portfolio Holder for Resources and Performance, be given delegated authority to make any presentational and non-material changes to the Statement of Accounts that may be required up to the date of publication.
- 1.4 **Work Programme Update (Report No: PAS/SE/15/027)**
- 1.4.1 The Committee received its Work Programme which provided information on current items scheduled to be presented to the Committee during 2015-2016.
- 1.4.2 The Committee **noted** its Work Programme, subject to the inclusion of a report on setting proposed fees for Brown Bins at its November 2015 meeting.

2. Background Papers

- 2.1.1 Report [PAS/SE/15/023](#) to the Performance and Audit Scrutiny Committee: Ernst and Young – Presentation of 2014-2015 ISA 260 Annual Results Report to those Charged with Governance
- 2.1.2 Report [PAS/SE/15/024](#) to the Performance and Audit Scrutiny Committee: West Suffolk Annual Governance Statement 2014-2015
- 2.1.3 Report [PAS/SE/15/025](#) to the Performance and Audit Scrutiny Committee: 2014-2015 Annual Statement of Accounts
- 2.1.4 Report [PAS/SE/15/027](#) to the Performance and Audit Scrutiny Committee: Work Programme Update