

# Cabinet



Forest Heath  
District Council

<b>Title of Report:</b>	<b>Report from the Performance &amp; Audit Scrutiny Committee: 24 September 2015</b>	
<b>Report No:</b>	<b>CAB/FH/15/051</b>	
<b>Report to and date:</b>	<b>Cabinet</b>	27 October 2015
<b>Portfolio Holder:</b>	Stephen Edwards Portfolio Holder for Resources and Performance <b>Tel:</b> 01638 660518 <b>Email:</b> <a href="mailto:stephen.edwards@forest-heath.gov.uk">stephen.edwards@forest-heath.gov.uk</a>	
<b>Chairman of the Committee:</b>	Colin Noble Chairman of the Performance and Audit Scrutiny Committee <b>Tel:</b> 07545 423795 <b>Email:</b> <a href="mailto:colin.noble@forest-heath.gov.uk">colin.noble@forest-heath.gov.uk</a>	
<b>Lead Officer:</b>	Christine Brain Scrutiny Officer <b>Tel:</b> 01638 719729 <b>Email:</b> <a href="mailto:Christine.brain@westsuffolk.gov.uk">Christine.brain@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	<p>On 24 September 2015, the Performance and Audit Scrutiny Committee considered the following items:</p> <ol style="list-style-type: none"><li>(1) Ernst and Young – Presentation of 2014-2015 ISA 260 Annual Results Report to those Charged with Governance;</li><li>(2) West Suffolk Annual Governance Statement 2014-2015;</li><li>(3) 2014-2015 Annual Statement of Accounts;</li><li>(4) Delivering a Sustainable Budget 2016-2017;</li><li>(5) Annual Corporate Environmental Performance 2014-2015; and</li><li>(6) Work Programme Update</li></ol> <p>A separate report is included on this Cabinet agenda for Item <b>(4)</b> above.</p>	

<b>Recommendation:</b>	<b>The Cabinet is requested to <u>NOTE</u> the contents of Report No CAB/FH/15/051, being the report of the Performance and Audit Scrutiny Committee.</b>	
<b>Key Decision:</b> <i>(Check the appropriate box and delete all those that <b>do not</b> 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"/>	
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>• See reports listed in Section 2 below.</li> </ul>	
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>• See reports listed in Section 2 below</li> </ul>	
<b>Implications:</b>		
<i>Are there any <b>financial</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Please see background papers.
<i>Are there any <b>staffing</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Please see background papers.
<i>Are there any <b>ICT</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Please see background papers
<i>Are there any <b>legal and/or policy</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Please see background papers.
<i>Are there any <b>equality</b> implications? If yes, please give details</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Please see background papers.
<b>Risk/opportunity assessment:</b>	Please see background papers.	
<b>Ward(s) affected:</b>	Please see background papers.	
<b>Background papers:</b>	Please see background papers, which are listed at the end of the report.	
<b>Documents attached:</b>	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/FH/15/022)**

- 1.1.1 Prior to considering the 2014-2015 Statement of Accounts, the Committee received a presentation from Neil Harris (Director), Melanie Richardson (Audit Manager) 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.
- 1.1.3 Mr Harris confirmed that all work on the audit of the Council's 2014-2015 financial statements had been completed and no further errors had been identified. EY would be issuing an unqualified opinion and certificate on 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. 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 Auditor Director issued his opinion and conclusion.

### **1.2 West Suffolk Annual Governance 2014-2015 (Report No: PAS/FH/15/023)**

- 1.2.1 The Committee received Report No: PAS/FH/15/023, 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 Forest Heath District Council and St Edmundsbury Borough 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 2014-2015, attached as Appendix A to Report No: PAS/FH/15/023 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/FH/15/024)**
- 1.3.1 The Committee scrutinised the 2014-2015 Statement of Accounts as contained with Report No: PAS/FH/15/024. Approval was sought for the accounts attached as Appendix A, in accordance with the powers delegated to it under the Council's Constitution.
- 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 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/FH/15/024 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 **Annual Corporate Environmental Performance 2014-2015 (Report No: PAS/FH/15/026)**
- 1.4.1 The Committee received and **noted** Report No: PAS/FH/15/026, which set out the Annual Environmental Statement covering environmental performance in 2014-2015 (Appendix A). The Statement covered the operations of both Forest Heath District Council and St Edmundsbury Borough Council and the leisure trusts in West Suffolk in respect of energy and water consumption and renewable energy regeneration.
- 1.4.2 By delivering improved environmental performance across West Suffolk, both Councils continue to fulfil both their statutory and policy responsibilities set out in the West Suffolk Sustainability Strategy, and support for the shared strategic vision "*Working together, Forest Heath and St Edmundsbury Councils will support communities to create the best possible future for people in West Suffolk*".
- 1.4.3 The Committee scrutinised the West Suffolk Environmental Statement 2014-2015, and asked a number of questions, to which officers duly responded. In particular discussions were held on the rent a roof scheme and renewable

energy generation, which it was reported would continue to make long term savings for the Council.

1.5 **Work Programme Update (Report No: PAS/FH/15/027)**

- 1.5.1 The Committee received and **noted** its Work Programme, which provided information on current items scheduled to be presented to the Committee during 2015-2016.

**2. Background Papers**

- 2.1.1 Report PAS/FH/15/022 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/FH/15/023 to the Performance and Audit Scrutiny Committee: West Suffolk Annual Governance Statement 2014-2015
- 2.1.3 Report PAS/FH/15/024 to the Performance and Audit Scrutiny Committee: 2014-2015 Annual Statement of Accounts
- 2.1.4 Report PAS/FH/15/026 to the Performance and Audit Scrutiny Committee: Annual Corporate Environmental Performance 2014-2015
- 2.1.5 Report PAS/FH/15/027 to the Performance and Audit Scrutiny Committee: Work Programme Update