

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Report of the Performance and Audit Scrutiny Committee: 21 September 2016	
Report No:	CAB/SE/16/048	
Report to and date:	Cabinet	18 October 2016
Portfolio Holder:	Ian Houlder Portfolio Holder for Resources and Performance Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
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Lead Officer:	Christine Brain Scrutiny Officer Tel: 01638 719729 Email: christine.brain@westsuffolk.gov.uk	
Purpose of report:	On 21 September 2016, the Performance and Audit Scrutiny Committee considered the following items: (1) Ernst and Young – Presentation of 2015-2016 ISA 260 Annual Results Report to those Charged with Governance; (2) West Suffolk Annual Governance Statement 2015-2016; (3) 2015-2016 Annual Statement of Accounts; (4) Arrangements for Appointment of External Auditors; (5) Decision Relating to Complaint to the Local Government Ombudsman; and	

	(6) Work Programme Update. A separate report is included on this Cabinet agenda for Item (4) above.
Recommendation:	The Cabinet is requested to <u>NOTE</u> the contents of Report CAB/SE/16/048, 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 2015-2016 ISA 260 Annual Results Report to those Charged with Governance Report No: PAS/SE/16/018)

- 1.1.1 Prior to considering the 2015-2016 Statement of Accounts, the Committee received a presentation from Mark Hodgson (Executive Director) and Mark Russell (Assistant Manager) from Ernst and Young (EY) on the results of EY's work to date. A copy of the Audit Results Report 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 2016.
- 1.1.3 Mr Hodgson confirmed that all work on the audit of the Council's 2015-2016 financial statements had been concluded and no further errors had been identified. EY issued an unqualified opinion and certificate on 21 September 2016, stating the Council had proper arrangements in securing economy, efficiency and effectiveness in its use of resources. He explained that the St Edmundsbury accounts were the first set of accounts to be signed off for 2015-2016, and were the best that he had seen so far this year.
- 1.1.4 He then drew the Committee's attention to a couple of key areas contained within Appendix A, and Members asked questions to which Mr Hodgson duly responded.
- 1.1.5 The Committee **noted** the unqualified opinion of the Financial Statements for 2015-2016, and the Value for Money Conclusions stating that the Council had proper arrangements in securing economy, efficiency and effectiveness in the use of resources (Appendix A), issued by the Auditor.
- 1.1.6 Following the resolution of the Committee, the Letter of Representation on behalf of the Council was **approved**, before the Executive Director (EY) issued his opinion and conclusion, and the Chief Finance Officer in consultation with the Chairman, was given delegated authority to conclude the signing of the accounts.

1.2 West Suffolk Annual Governance Statement 2015-2016 (Report No: PAS/SE/16/019)

- 1.2.1 The Committee received Report No: PAS/SE/16/019, which sought Members' approval of the West Suffolk Annual Governance Statement (AGS) 2015-2016, 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 the West Suffolk Annual Governance Statement had not changed materially since last year. Members considered the report and did not raise any issues.
- 1.2.4 The AGS for 2015-2016, attached as Appendix A to Report No: PAS/SE/16/019 was **approved** for signing by the Chief Executive and the Leader of the Council.
- 1.3 **2015-2016 Annual Statement of Accounts (Report No: PAS/SE/16/020)**
- 1.3.1 The Committee scrutinised the 2015-2016 Annual Statement of Accounts as contained within Report No: PAS/SE/16/020. 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
- 1) The 2015-2016 Statement of Accounts, attached as Appendix A to Report No: PAS/SE/16/020 be **approved** in accordance with the powers delegated to it under the Council's Constitution.
 - 2) The Chairman of the Performance and Audit Scrutiny Committee signs the certification of the 2015-2016 Statement of Accounts on behalf of the Committee.
 - 3) 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 **Decision Relating to Complaint to the Local Government Ombudsman (Report No: PAS/SE/16/022)**
- 1.4.1 The Committee received the above report which set out a complaint which had been referred to the Local Government Ombudsman in relation to the Local Planning Authorities decision not to re-consult on an application for a rear extension.
- 1.4.2 There being no decision required, the Committee **noted** the action taken by the Head of Planning and Growth to remedy the findings of the Local Government Ombudsman (LGO) and the proposed payment of £500 to settle the complaint.

1.5 **Work Programme Update (Report No: PAS/SE/16/023)**

- 1.5.1 The Committee received its Work Programme which provided information on current items scheduled to be presented to the Committee during 2016-2017.
- 1.5.2 There being no decision required, the Committee **noted** its Work Programme for 2015-2016.

2. Background Papers

- 2.1.1 [Report No: PAS/SE/16/018](#) to the Performance and Audit Scrutiny Committee: Ernst and Young – Presentation of 2015-2016 ISA 260 Annual Results Report to those Charged with Governance
- 2.1.2 [Report No: PAS/SE/16/019](#) to the Performance and Audit Scrutiny Committee: West Suffolk Annual Governance Statement 2015-2016
- 2.1.3 [Report No: PAS/SE/16/020](#) to the Performance and Audit Scrutiny Committee: 2015-2016 Annual Statement of Accounts
- 2.1.4 [Report No: PAS/SE/16/022](#) to the Performance and Audit Scrutiny Committee: Decision Relating to Complaint to the Local Government Ombudsman
- 2.1.5 [Report No: PAS/SE/16/023](#) to the Performance and Audit Scrutiny Committee: Work Programme Update