

Cabinet



St Edmundsbury
BOROUGH COUNCIL

Title of Report:	Report of the Performance and Audit Scrutiny Committee: 20 September 2017	
Report No:	CAB/SE/17/050	
Report to and date:	Cabinet	17 October 2017
Portfolio Holder:	Ian Houlder Portfolio Holder for Resources and Performance Tel: 01284 810074 Email: ian.houlder@stedsbc.gov.uk	
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Purpose of report:	On 20 September 2017, the Performance and Audit Scrutiny Committee considered the following items: (1) Ernst and Young – Presentation of the Annual Results Report to those Charged with Governance; (2) West Suffolk Local Code of Corporate Governance; (3) West Suffolk Annual Governance Statement 2016-2017; (4) 2016-2017 Annual Statement of Accounts; (5) Annual Corporate Environmental Performance 2016-2017;	

	(6) Work Programme Update. A separate report is included on this Cabinet agenda for Item (2) above.
Recommendation:	The Cabinet is requested to <u>NOTE</u> the contents of Report CAB/SE/17/050, 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 2016-2017 Annual Results Report to those Charged with Governance (Report No: PAS/SE/17/020)

- 1.1.1 Prior to considering the 2016-2017 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. 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 2017.
- 1.1.2 Mr Hodgson confirmed that all work on the audit of the Council's 2016-2017 financial statements had been concluded and no further errors had been identified. EY issued an unqualified opinion and certificate on 21 September 2017, stating the Council had proper arrangements in securing economy, efficiency and effectiveness in its use of resources. He thanked the Assistant Director (Resources and Performance) and her team who had been helpful and instrumental in making this a very smooth audit for EY.
- 1.1.3 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.
- 1.1.4 The Committee **noted** the unqualified opinion of the Financial Statements for 2016-2017, 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.
- 1.1.5 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 2016-2017 (Report No: PAS/SE/17/022)

- 1.2.1 The Committee received Report No: PAS/SE/17/022, which sought Members' approval of the West Suffolk Annual Governance Statement (AGS) 2016-2017, attached as Appendix A, which was produced following the completion of the annual review of the Council's governance arrangements.
- 1.2.2 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.
- 1.2.3 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.

1.2.4 The Committee was advised that the West Suffolk Annual Governance Statement was presented in its usual format. Members considered the report and discussed the focus for 2017-2018. .

1.2.5 The AGS for 2016-2017, attached as Appendix A to Report No: PAS/SE/17/022 was **approved** for signing by the Chief Executive and the Leader of the Council.

1.3 **2016-2017 Annual Statement of Accounts (Report No: PAS/SE/17/023)**

1.3.1 The Committee scrutinised the 2016-2017 Annual Statement of Accounts as contained within Report No: PAS/SE/17/023. 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

1.3.3 The Committee scrutinised the draft accounts and the Members' payments and asked questions to which officers provided responses. Discussions were held on pensions; valuation of the council's assets; Verse and the reduction in member's mileage. The Committee then **resolved**: That

- 1) The 2016-2017 Statement of Accounts, attached as Appendix A to Report No: PAS/SE/17/0232 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 2016-2017 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 **Annual Corporate Environmental Performance 2016-2017 (Report No: PAS/SE/17/024)**

1.4.1 The Committee received and **noted** Report No: PAS/SE/17/024, which set out the Annual Environmental Statement covering environmental performance in 2016-2017 (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 It was brought to the Committee's attention that officers had started a review of key targets, in particular with respect to Greenhouse Gas emissions, in the light of wider discussion with other public sector partners. The outcome of the review and any recommended changes would form part of the future

corporate planning process. There were ongoing resource implications to deliver this work with environmental improvement generally delivering financial returns through reduced resource use. These continue to be reviewed and considered in the light of the Council's Medium Term Financial Strategy.

- 1.4.3 The Committee scrutinised the West Suffolk Environmental Statement 2016-2017, and asked a number of questions to which Officers duly responded. In particular, discussions were held on water consumption and efficiency; staff mileage and renewable energy generation.

1.5 **Work Programme Update (Report No: PAS/SE/17/025)**

- 1.5.1 The Committee received its Work Programme which provided information on current items scheduled to be presented to the Committee during 2017-2018.

- 1.5.2 There being no decision required, the Committee **noted** its Work Programme for 2017-2018.

2. Background Papers

- 2.1.1 Report No: [PAS/SE/17/020](#), [Appendix A](#) and [Appendix B](#) to the Performance and Audit Scrutiny Committee: Ernst and Young – Presentation of 2016-2017 Annual Results Report to those Charged with Governance

- 2.1.2 Report No: [PAS/SE/17/022](#) and [Appendix A](#) to the Performance and Audit Scrutiny Committee: West Suffolk Annual Governance Statement 2016-2017

- 2.1.3 Report No: [PAS/SE/17/023](#), [Appendix A](#) and [Appendix B](#) to the Performance and Audit Scrutiny Committee: 2016-2017 Annual Statement of Accounts

- 2.1.4 Report No: [PAS/SE/17/024](#) to the Performance and Audit Scrutiny Committee: Annual Corporate Environmental Performance 2016-2017

- 2.1.5 Report No: [PAS/SE/17/025](#) to the Performance and Audit Scrutiny Committee: Work Programme Update