

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Head of Corporate Organisation	Report Number:	JAC50
To: Joint Audit and Standards Committee	Date of meeting:	16 March 2015

DRAFT ANNUAL REPORT OF THE JOINT AUDIT AND STANDARDS COMMITTEE 2014/15

1. Purpose of Report

- 1.1 In accordance with the Constitution, the Committee must report annually to Council on its work during the last year and make recommendations for future work programmes and if appropriate, amended working methods.

2. Recommendations

- 2.1 That the contents of this report regarding work carried out in 2014/15 be noted.

3. Financial Implications

- 3.1 There have been no financial implications to date other than the costs of officer time and normal allowances for Members that are included in the budget.

4. Risk Management

- 4.1 This report is an update on work completed during 2014/15. Risk management considerations for individual topics will be included in reports to the Committee as the year progresses.

5. Consultations

- 5.1 Members have been invited to identify any topics for consideration during 2014/15.

6. Equality Analysis

- 6.1 There are no equality implications with this report. Equality analysis considerations for individual topics will be included in reports to the Committee as the year progresses.

7. Shared Service / Partnership Implications

- 7.1 Shared Service/Partnership implications for individual topics will be included in reports to the Committee as the year progresses.

8. Key Information

Work in 2014/15. The following is a summary of the Committee's main achievements during the year:

8.1 Treasury Management Strategy 2014/15

Treasury Management is an important part of the overall financial management of the Councils' affairs. It links to the Councils' Medium Term Financial Strategy (MTFS), the Joint Strategic Plan and our investment strategy e.g. prudential borrowing, 'Invest to Save' and 'Profit for Purpose'.

The proposed Treasury Management Strategy Statement (which includes the Annual Investment Strategy for managing surplus funds and borrowing strategy) in accordance with the CIPFA Treasury Management Code. The Prudential Indicators and Minimum Revenue Provision (MRP) Statement are linked to the Budget report that will be presented to Executive/Strategy Committee and Council meetings in February 2015.

The Code of Practice recommends that the strategy is subject to scrutiny before it is presented to Council, which falls within the remit of the Joint Audit & Standards Committee.

At the mid-year the Committee also recommended to Full Councils amendments to the Treasury Management Strategy investment levels and categories.

8.2 Complaints Monitoring

Complaints received by the Councils are reported quarterly to Members of the Committee showing how the complaints are being dealt with and what actions to resolve are being taken. An independent person is appointed under the Localism Act 2011 to consult on each complaint.

8.3 Compliance with Localism Act 2011

The Committee review the actions outstanding to secure full compliance with Chapter 7 of the Localism Act 2011 by (i) the Councils, (ii) Parish/Town Councils and (iii) Councillors.

Whilst additional officer time has been allocated to assist with the on-going maintenance of these records a variety of initiatives are currently underway to manage recording and data capture, which will be reviewed by the Committee in March 2015.

8.4 Interim Internal Audit Report 2014/15

The Audit Plan 2014/15 was approved by the Joint Audit and Standards Committee on 3 March 2014 (Paper JAC21), having previously been endorsed by both S151 Officers and Management Team.

The Committee were informed that the first six months of the year had shown an increased demand on Internal Audit's services to provide assurance, support and guidance on a diverse range of activities. The Corporate Manager – Internal Audit continues to monitor these requests to ensure that these demands do not have an adverse impact on the delivery of the Audit Plan. As the Council's Delivery and Enabling Programmes develop it is anticipated that these types of requests will increase requiring a refresh of how the Audit Plan is to be developed next year to meet demands on a risk based approach.

The Corporate Manager – Internal Audit was confident that the Audit Plan will be completed on time, and that he will be able to deliver a robust annual audit opinion in the Annual Internal Audit Report.

8.5 Declaration of Interests, Gifts and Hospitality

The Declaration of Interests reports provide the Committee with the information for its monitoring of interests/gifts and hospitality. In June 2014 the Committee received data for the period from 29 January 2014 to 18 June 2014 for Babergh District Council and for the period from 19 December 2013 to 21 May 2014 for Mid Suffolk District Council. The next report is due to the March meeting.

8.6 Joint Annual Governance Statement 2013/14

This report enabled the Committee to be satisfied that the Joint Annual Governance Statement (AGS), to accompany each Council's financial accounts 2013/14, properly reflected the risk environment and any actions required to improve it. The finalised AGS was signed by the Leader of each Council on behalf of the respective Council together with the Chief Executive on behalf of both Councils.

8.7 Prevention of Financial Crime policy

As part of the Committee's role in Council Governance the policy was reviewed to bring together our existing anti-fraud and corruption documents in to one document for the purpose of producing a more succinct, easier to reference and better imparts the messages of financial prudence and probity than previously experienced.

8.8 Significant Business Risks

The Significant Business Risk Register is the tool used to identify, assess, manage and review all pertinent risks to the Councils. Members review the contents of the Integrated Significant Business Risk Register and actions being taken.

Members were advised in November 2014 of a half day refresh risk workshop to review the current Significant Business Risk Register. The workshop was facilitated by Zurich and attended by Heads of Service or their representatives.

The purpose of the workshop was to refresh the register that exists in order to create a more aligned version which promoted and supported each Council's strategic priorities. A draft register has subsequently been created which links closely with the Strategic Priorities and Delivery Programme.

A follow up workshop is to be held early in the new year to confirm risk owners and determine the future reporting arrangements. Once the follow up workshop has been held Internal Audit will be in a position to upgrade the Joint Risk Management Strategy and present it to the Committee for approval. The Strategy will help support and embed risk management across both Councils.

8.9 Manage the Risk of Fraud and Corruption

The Committee receives an annual report explaining the current arrangements in place across both Councils to ensure there is a proactive corporate approach to preventing Fraud and Corruption and creating a culture where Fraud and Corruption will not be tolerated. It also provides details of proactive work undertaken by Internal Audit to deter, prevent and detect Fraud and Corruption.

Although both Councils have traditionally encountered low levels of Fraud and Corruption, the risk of such losses internally and externally is fully recognised as part of each Council's operations that need to be managed proactively and effectively.

9. Appendices

None

10. Background Documents

10.1 None

Authorship:

Name John Snell

Job Title Corporate Manager – Internal Audit

Tel. 01473 825822/ 01449 724567

Email: john.snell@babergh.gov.uk

J:\DOCS\Committee\REPORTS\Joint Audit & Standards\2014\160315-JAC Draft Ann Report.dot.docx