

REDDITCH BOROUGH COUNCIL

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

26th APRIL 2018

CORPORATE GOVERNANCE AND RISK – S11 MONITORING

Relevant Portfolio Holder	Councillor John Fisher-Portfolio Holder for Corporate Management
Portfolio Holder Consulted	
Relevant Head of Service	Jayne Pickering – Exec Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

1. SUMMARY OF PROPOSALS

The report provides an update to the S11 recommendations.

2. RECOMMENDATIONS

- 2.1. It is recommended that the Audit Governance and Standards Committee note the progress to the S11 recommendations

3. KEY ISSUES

3.1 S11 Recommendations

As members are aware the Council received a s11 notice (Audit Commission Act 1998) in relation to a number of recommendations relating to the financial management and accounting of the Authority in 2015/16. As part of the monitoring of the actions in place to address these recommendations the Committee agreed to receive updates of the progress against the actions to ensure that the Council is taking appropriate action to address the significant issues identified.

- 3.2 The S11 recommendations from addressed 2 areas. The preparation of the accounts recommendations have been resolved however there remain a couple of improvements identified in relation to the budget monitoring. These include :

- The Council should put in place robust arrangements to ensure that the budget preparation processes are based on sound assumptions. The Auditors have recognised that improvements have been made on this recommendation however there remain further actions that they have identified to ensure the Council has robust plans in place. These include:

- Clearer monitoring of savings plans to include an assessment of risk and mitigation
- Monitoring arrangements of the Council Plan actions to be progressed

Action :

- *Best practice report to be developed to provide enhanced savings monitoring report from quarter 2 to include risk assessment of achievement of savings*
- *Further sensitivity analysis in relation to demand on services and demographic assumptions to be considered for future reviews of the Medium Term Financial Plan.*
- *Business case framework developed to ensure a consistent approach to inform and capture future savings*

Officers are continuing to implement improvements to ensure the recommendations are delivered for the Council. It is anticipated that Grant Thornton will assess the Council's delivery of the S11 recommendations.

Legal Implications

- 3.3 The Code constitutes 'proper accounting practices' to be followed by a local authority under the terms of section 21 of the Local Government Act 2003

Service/Operational Implications

- 3.4 None, as a direct result of this report

Customer / Equalities and Diversity Implications

- 3.5 None, as a direct result of this report.

4. RISK MANAGEMENT

Effective financial management is included in the Corporate Risk Register.

5. BACKGROUND PAPERS

CIPFA recommended template for the Statement of Accounts

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