

# **AUDIT STANDARDS & GOVERNANCE COMMITTEE**

24<sup>th</sup> March 2016

## **SECTION 11 UPDATE**

Relevant Portfolio Holder	Cllr. Geoff Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Jayne Pickering – Exec Director Finance and Resources
Wards Affected	All Wards
Non-Key Decision	

### **1. SUMMARY OF PROPOSALS**

To present the Committee with an update of the progress following the Section 11 recommendations as reported to the Committee on 10<sup>th</sup> December 2015.

### **2. RECOMMENDATIONS**

**The Committee is asked to NOTE the Action Plan as included on Appendix 1.**

### **3. KEY ISSUES**

#### **Financial Implications**

3.1 There are no specific implications to this report.

#### **Legal Implications**

3.2 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. 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.

#### **Service/Operational Implications**

3.4 As Members are aware unqualified opinions were given for the accounts and the Value for Money Judgement on 30<sup>th</sup> September 2015 for the financial year 2014/15.

3.5 There were however a number of concerns raised by Grant Thornton in relation to financial accounting and budget monitoring that require

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addressing for 2015/16 closedown and financial management of budgets for 2016/17.

- 3.6 The action plan was reported to Members to the last meeting of this Committee. The plan was agreed by Grant Thornton and as required by legislation, a summary of the actions to be undertaken was advertised in the local press in early March. Appendix 1 details the action plan as at 15<sup>th</sup> March 2016, this shows that there are 2 areas of concern where the deadline has not been met by the due date. These relate to a full set of template working papers being prepared and agreed with the Auditors.
- 3.7 A meeting has been held with the Auditors to discuss requirements but the Grant Thornton has proposed that they undertake their interim audit work and develop the working paper requirements at the same time and therefore at present there are no formal templates that officers can use to prepare the working papers. It is anticipated therefore that these will be agreed as part of the interim audit in early April.
- 3.8 As part of the Final Accounts process a full detailed timetable has been prepared and agreed with the team, giving clear, set deadlines for tasks to be completed to ensure that the Accounts meet the required quality and the statutory date of 30<sup>th</sup> June 2016, for the 2015/16 accounts. This is being managed with weekly meetings with all team members to allow them to raise any concerns and ensure they are meeting all deadlines. There are also weekly update meetings with the S151 Officer to ensure the timelines are being met and any concerns highlighted. It is proposed that a small member group is also established to monitor the action plan on a monthly basis. Update reports will also be presented to this Committee at each meeting.
- 3.9 A Memorandum including key dates has also been prepared for all Council Officers showing clearly the dates when information is received by Finance and the importance of this, this was emailed to Heads of service and managers and a copy was available for all staff on the council intranet; this is included at Appendix 2.
- 3.10 A risk log is also being held in finance showing all areas of concern that may affect the ability for Officers to meet the timetable, this is being updated on a daily basis and risks are being mitigated where possible. A current copy of this is included at Appendix 3.
- 3.11 Officers will continue to work with both Internal and External Audit to ensure the recommendations are implemented as reported.

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## **Customer / Equalities and Diversity Implications**

3.8 There are no implications arising out of this report.

## **4. RISK MANAGEMENT**

As part of all audit work, auditors undertake a risk assessment to ensure that adequate controls are in place within the Council so reliance can be placed on internal systems.

## **5. APPENDICES**

Appendix 1 -	S11 Action Plan
Appendix 2 -	Officer Memorandum
Appendix 3 -	Finance Risk Log

## **AUTHOR OF REPORT**

Name:	Sam Morgan Financial Services Manager
E Mail:	sam.morgan@bromsgroveandredditchbc.gov.uk
Tel:	(01527) 587088