

South Somerset District Council

Notice of Meeting



Audit Committee

Making a difference where it counts

Thursday 28th August 2014

10.00 am

**Main Committee Room
Council Offices
Brympton Way
Yeovil
BA20 2HT**

(disabled access is available at this meeting venue)



The public and press are welcome to attend.

If you would like any further information on the items to be discussed, please ring the Agenda Co-ordinator, **Anne Herridge 01935 462570**, website: www.southsomerset.gov.uk

This Agenda was issued on Tuesday 19 August 2014.

A handwritten signature in black ink that reads 'Ian Clarke'.

Ian Clarke, Assistant Director (Legal & Corporate Services)

This information is also available on our website
www.southsomerset.gov.uk



INVESTORS IN PEOPLE

Audit Committee Membership

The following members are requested to attend the meeting:

Chairman: Derek Yeomans
Vice-chairman: Ian Martin

John Calvert
John Dyke
Tony Lock

Roy Mills
Terry Mounter
David Norris

John Richardson
Colin Winder

South Somerset District Council – Council Plan

Our focuses are: (all equal)

- Jobs – We want a strong economy which has low unemployment and thriving businesses
- Environment – We want an attractive environment to live in with increased recycling and lower energy use
- Homes – We want decent housing for our residents that matches their income
- Health and Communities – We want communities that are healthy, self-reliant and have individuals who are willing to help each other

Members Questions on Reports prior to the Meeting

Members of the Committee are requested to contact report authors on points of clarification prior to the Committee meeting.

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Information for the Public

The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance, to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process.

The Audit Committee should review the Code of Corporate Governance seeking assurance where appropriate from the Executive or referring matters to management on the scrutiny function.

The terms of reference of the Audit Committee are:

Internal Audit Activity

1. To approve the Internal Audit Charter and annual Internal Audit Plan;
2. To receive quarterly summaries of Internal Audit reports and seek assurance from management that action has been taken;
3. To receive an annual summary report and opinion, and consider the level of assurance it provides on the council's governance arrangements;
4. To monitor the action plans for Internal Audit reports assessed as "partial" or "no assurance;"
5. To consider specific internal audit reports as requested by the Head of Internal Audit, and monitor the implementation of agreed management actions;
6. To receive an annual report to review the effectiveness of internal audit to ensure compliance with statutory requirements and the level of assurance it provides on the council's governance arrangements;

External Audit Activity

7. To consider and note the annual external Audit Plan and Fees;
8. To consider the reports of external audit including the Annual Audit Letter and seek assurance from management that action has been taken;

Regulatory Framework

9. To consider the effectiveness of SSDC's risk management arrangements, the control environment and associated anti-fraud and corruption arrangements and seek assurance from management that action is being taken;
10. To review the Annual Governance Statement (AGS) and monitor associated action plans;
11. To review the Local Code of Corporate Governance and ensure it reflects best governance practice. This will include regular reviews of part of the Council's Constitution and an overview of risk management;
12. To receive reports from management on the promotion of good corporate governance;

Financial Management and Accounts

13. To review and approve the annual Statement of Accounts, external auditor's opinion and reports to members and monitor management action in response to issues raised;
14. To provide a scrutiny role in Treasury Management matters including regular monitoring of treasury activity and practices. The committee will also review and recommend the Annual Treasury Management Strategy Statement and Investment Strategy, MRP Strategy, and Prudential Indicators to Council;
15. To review and recommend to Council changes to Financial Procedure Rules and Procurement Procedure Rules;

Overall Governance

16. The Audit Committee can request of the Assistant Director – Finance and Corporate Services (S151 Officer), the Assistant Director – Legal and Corporate Services (the Monitoring Officer), or the Chief Executive (Head of Paid Services) a report (including an independent review) on any matter covered within these Terms of Reference;
17. The Audit Committee will request action through District Executive if any issue remains unresolved;
18. The Audit Committee will report to each full Council a summary of its activities.

Meetings of the Audit Committee are held monthly including at least one meeting with the Council's external auditor, although in practice the external auditor attends more frequently.

Agendas and minutes of this committee are published on the Council's website at www.southsomerset.gov.uk

The Council's Constitution is also on the web site and available for inspection in council offices.

Further information can be obtained by contacting the agenda co-ordinator named on the front page.

Audit Committee

Thursday 28 August 2014

Agenda

Preliminary Items

1. Minutes

To approve as a correct record the minutes of the previous meeting held on 26th June 2014.

2. Apologies for absence

3. Declarations of interest

In accordance with the Council's current Code of Conduct (adopted July 2012), which includes all the provisions relating to Disclosable Pecuniary Interests (DPI), personal and prejudicial interests, Members are asked to declare any DPI and also any personal interests (and whether or not such personal interests are also "prejudicial") in relation to any matter on the agenda for this meeting. A DPI is defined in The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (SI 2012 No. 1464) and Appendix 3 of the Council's Code of Conduct. A personal interest is defined in paragraph 2.8 of the Code and a prejudicial interest is defined in paragraph 2.9.

4. Public question time

5. Date of the Next Audit Committee Meeting

The next scheduled meeting of the Audit Committee will be held on **Tuesday 23rd September 2014** at 10.00 am in the Main Committee Room Council Offices, Brympton Way, Yeovil.

Items for Discussion

6. Debt Management Policy (Pages 1 - 8)

7. Treasury Management Performance to June 2014 (Pages 9 - 20)

8. Register of Staff Interests - Annual Report (Pages 21 - 23)

9. Risk Appetite Setting (Pages 24 - 26)

10. Audit Committee - Forward Plan 2014/2015 (Page 27)

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Agenda Item 6

Debt Management Policy

Strategic Director: Mark Williams, Chief Executive
Assistant Director: Donna Parham (Finance and Corporate Services)
Service Manager: Amanda Card, Finance Manager
Lead Officer: Amanda Card, Finance Manager
Contact Details: Amanda.card@southsomerset.gov.uk or 01935 462452

Purpose of the Report

This report requests that members note the impact of the Debt Management Policy.

Recommendations

1. That Audit Committee note the positive impact that the Debt Management Policy has had on debt levels
2. That Service Managers take a more proactive approach to Debt Management

Background

The Debt Management Policy was approved by District Executive in January 2013 and rolled out across the whole Council during April 2013. This has meant that there has been 16 months for the policy to be embedded and an accurate assessment be made on the impact that the Policy has had in terms of debt across the Authority. The adherence of the Debt Management Policy directs officers to take a pro-active approach in order to maximise collection of debts.

A report was brought to Audit Committee in November 2013, where the initial impact shown was that the Debt Management Policy had reduced debt. This report only referred to Sundry Debtors and members requested further information relating to not only Sundry Debtors but other types of debt.

Report Scope

The report will review the arrears levels relevant to Sundry Debtors, Council Tax and National Non-Domestic Rates.

Impact of Implementing the Debt Management Policy

Sundry Debtors

The table beneath shows that for the most part that the month by month comparison of outstanding debt has reduced. This is encouraging.

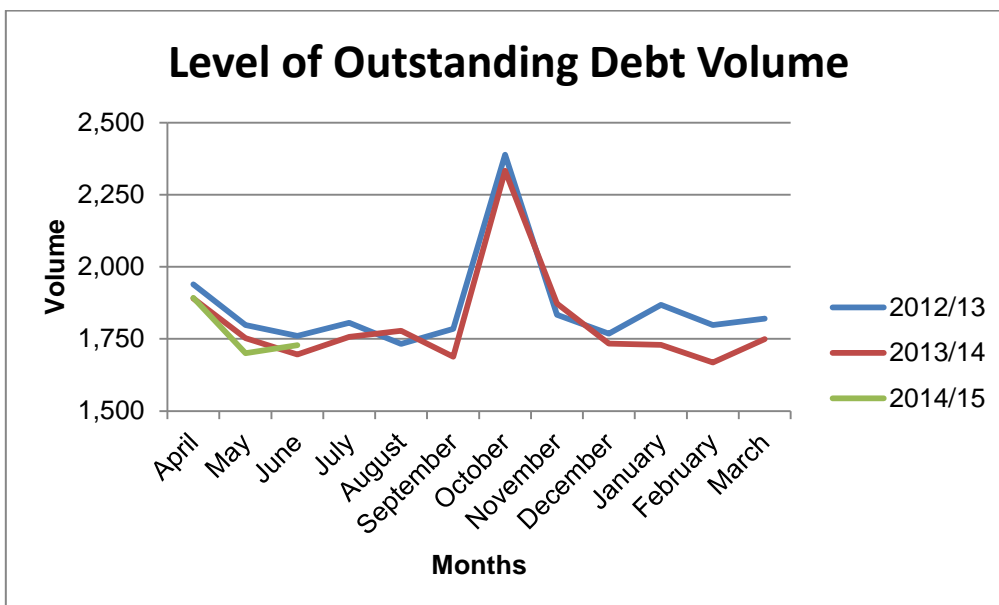
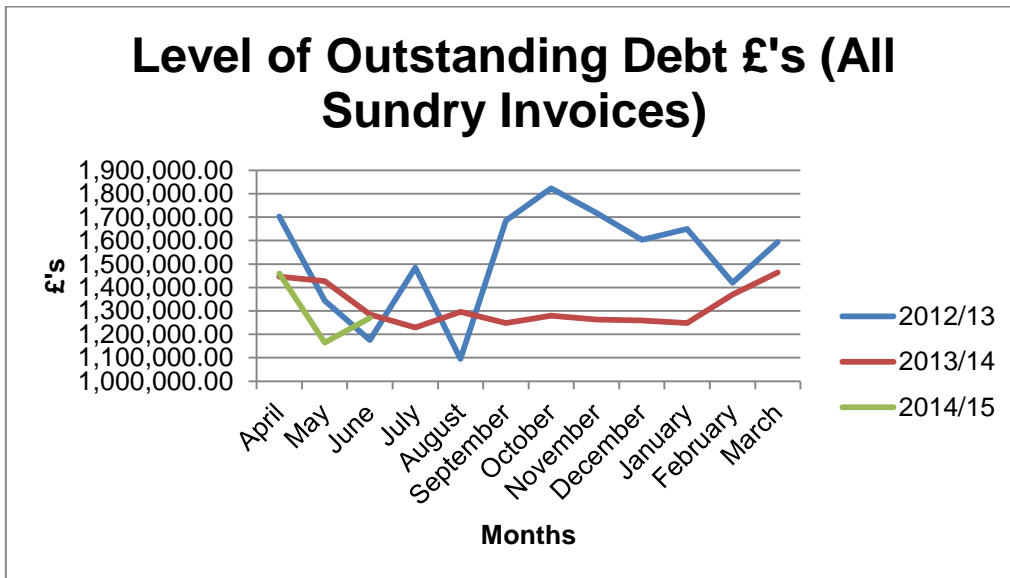
	2012/13	2013/14	Year on year difference %	2014/15	Year on year difference %
April	1,703,337	1,446,074	(15%)	1,459,996	1%
May	1,343,297	1,427,363	6%	1,165,321	(18%)
June	1,175,788	1,285,334	9%	1,270,472	(1%)
July	1,483,694	1,229,348	(17%)	n/a	n/a
August	1,095,160	1,295,762	18%	n/a	n/a

September	1,684,783	1,248,608	(26%)	n/a	n/a
October	1,822,542	1,279,879	(30%)	n/a	n/a
November	1,718,358	1,263,586	(26%)	n/a	n/a
December	1,603,399	1,258,887	(21%)	n/a	n/a
January	1,649,564	1,247,755	(24%)	n/a	n/a
February	1,420,762	1,369,758	(4%)	n/a	n/a
March	1,593,532	1,463,691	(8%)	n/a	n/a

(Figures in brackets represent a reduction)

Appendix A shows the level of debt per service per month.

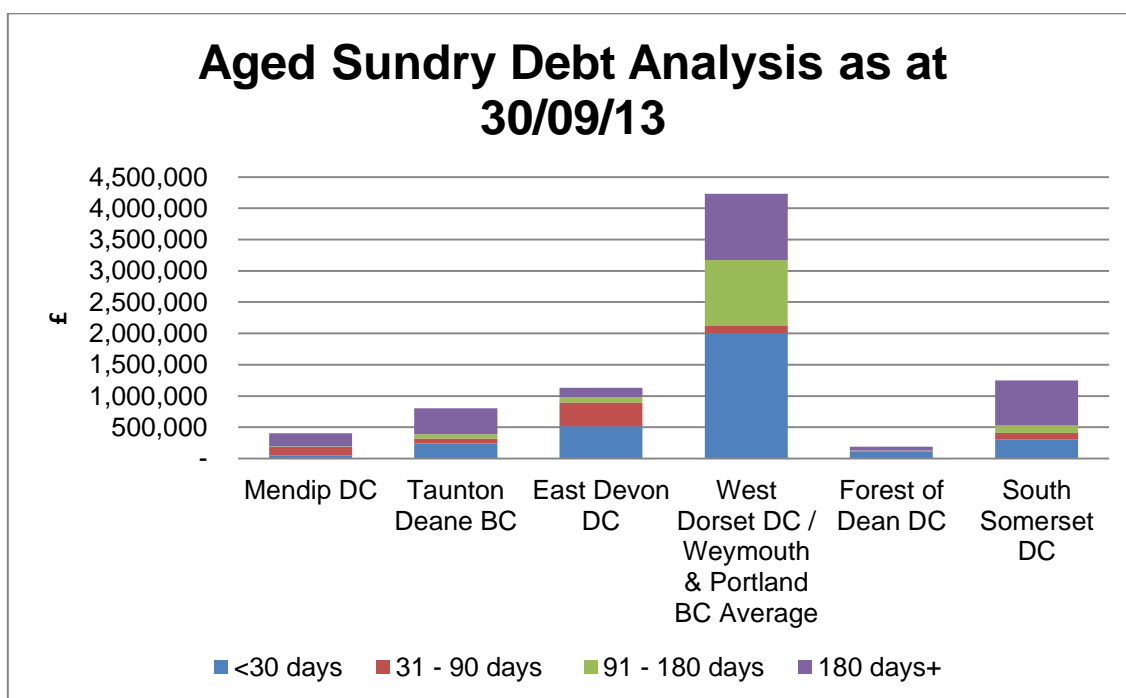
The graph shows that the level of debt has in general fallen, since the Debt Management Policy was rolled out in April 2013. The value of the level of debt overall has also been consistently lower, although the volume of invoices has not changed significantly.



It is important to note that the level of debt identified above is a cumulative total meaning that any new invoices raised increases the amount of outstanding debt. The graph above shows that not only has new debt been maintained but existing debt is being managed and reduced. This has meant that short term debtor balances have been improved thus improving cash flow.

Benchmarking of Sundry Debtors

The graph beneath shows the aged sundry debt analysis for 6 District Councils including South Somerset. Not only does the graph show the value of outstanding debts for each Council but a breakdown of how old the debt is. It is worth noting that Taunton Deane BC had an unprecedented level of write offs which reduced the level of debt significantly.



The table beneath shows the level of outstanding debt against budget for each local authority.

	Sundry Debt Value as at 30/09/13	13/14 Budget	Debt Value as % of Budget
Mendip DC	£403,456	£15,096,000	2.67%
Taunton Deane BC	£801,790	£12,319,000	6.51%
East Devon DC	£1,130,510	£15,281,770	7.40%
West Dorset DC/Weymouth & Portland BC Average	£4,231,582	£10,398,134	40.70%
Forest of Deane DC	£190,961	£10,670,580	1.79%
South Somerset DC	£1,248,608	£19,082,300	6.54%

Write off of Sundry Debts

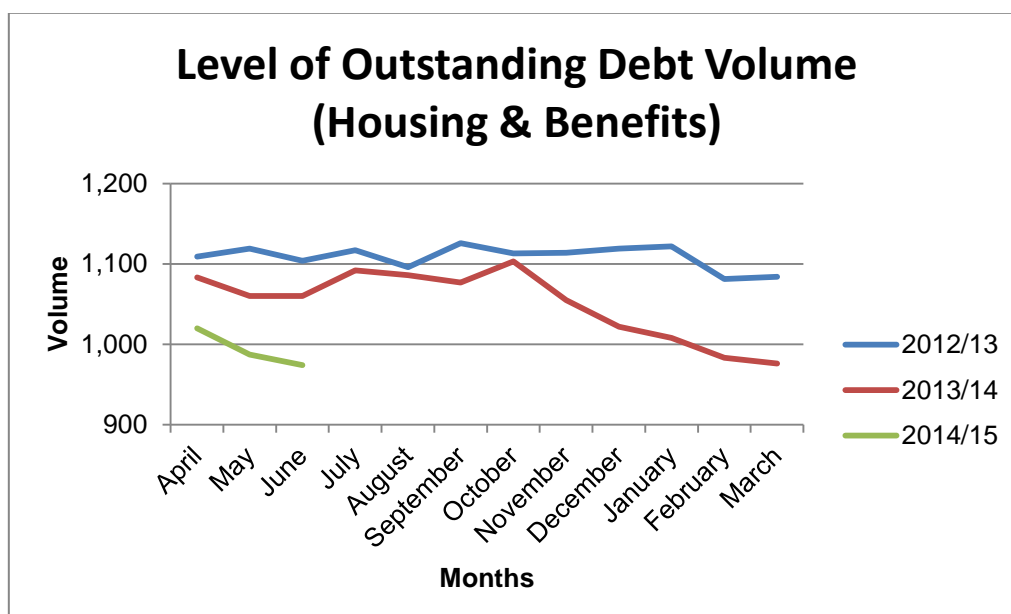
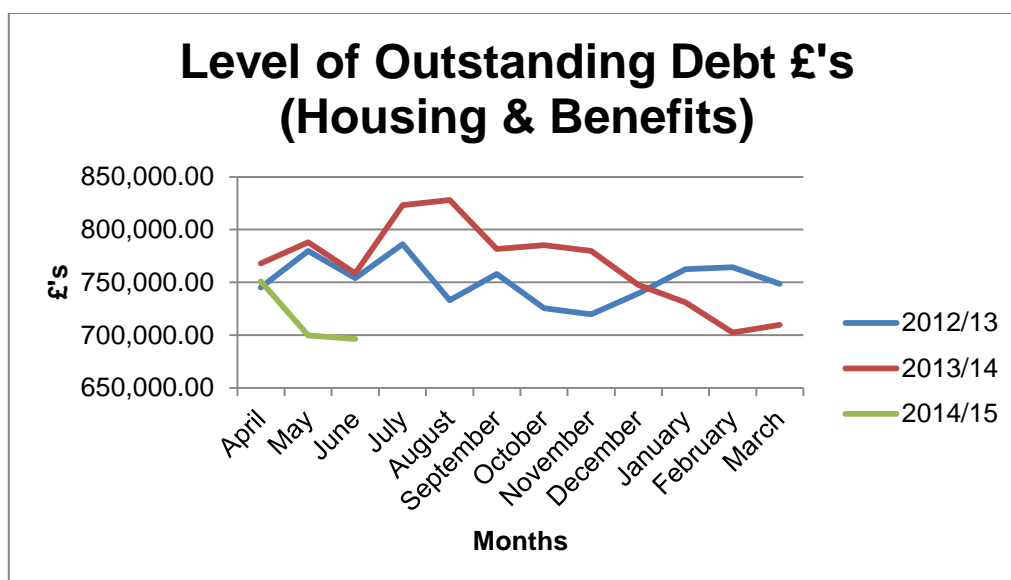
The table beneath shows the amount of debt that has been written off. Debt is only written off when prescribed circumstances laid out in the Debt Management Policy are met. This shows

that good practice is being adhered to, as well as highlighting that debt is not reducing merely because it has been written off.

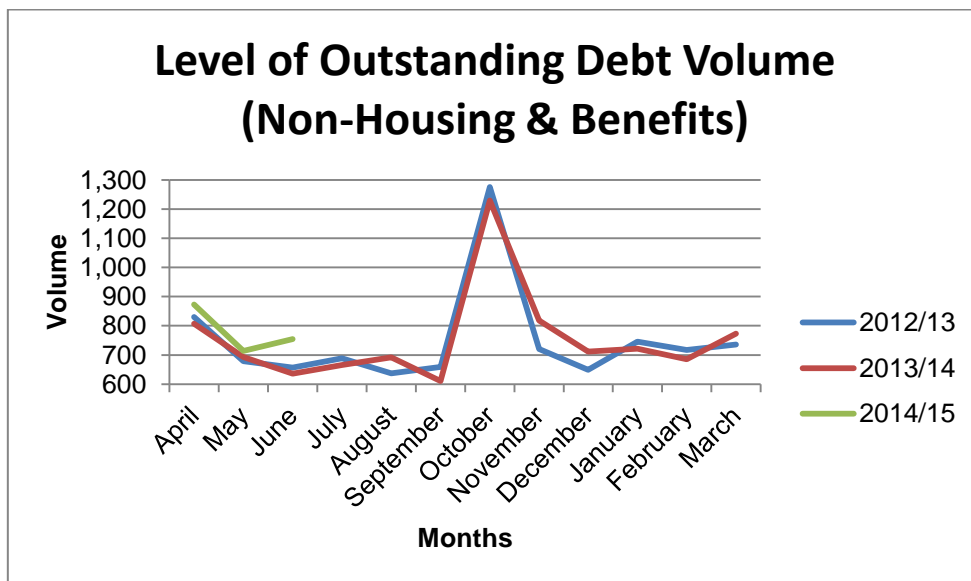
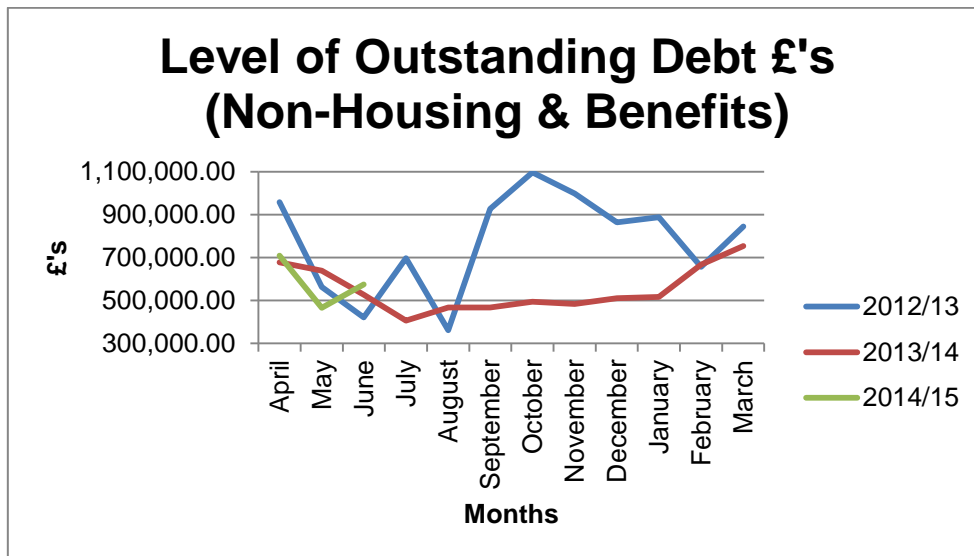
	£	Number of invoices
2012/13	77,854	181
2013/14	93,020	311
2014/15 (to July 2014)	45,749	52
	216,623	544

It is meaningful to split Sundry Invoices into two categories: Housing and Benefits; and Non-Housing and Benefits.

The Housing and Benefits' outstanding debt accounts for just over 50% of all Sundry Debtor debts. The graph beneath show that the value of debt has increased during 2013/14 but have since reduced significantly which is very encouraging. The number of outstanding invoices have reduced significantly over both years meaning that in effect there are less debtors.



For the non-housing and benefits sundry debt the amount has reduced significantly especially during the months of October. The volume of invoices outstanding has remained fairly static.



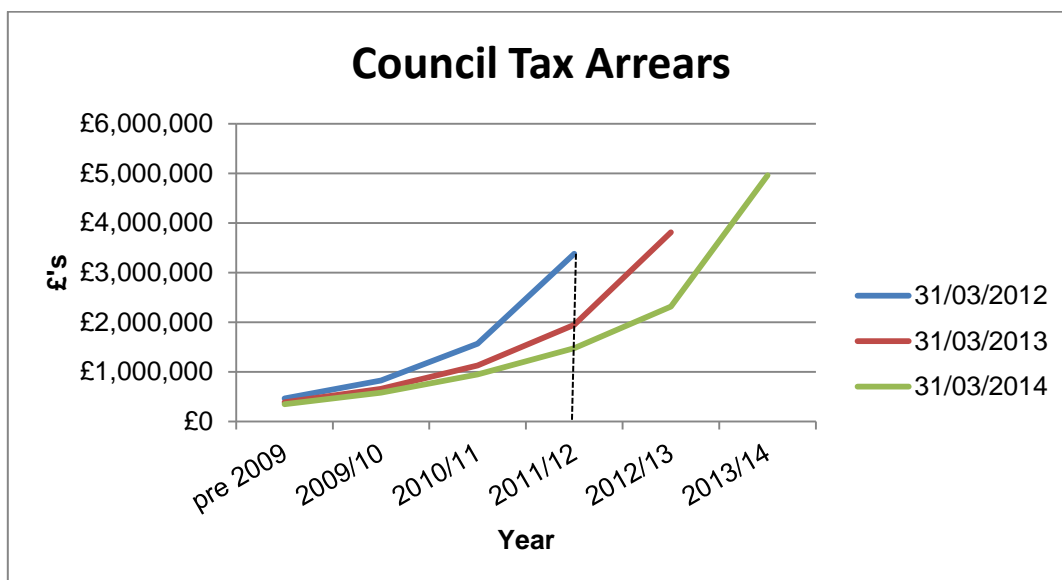
The above results indicate that the Benefits and Housing Services are able to follow the Debt Management Policy more rigidly than perhaps other services. Both Services have dedicated resources that focus on the management of debt.

Council Tax

The table beneath highlights the collection rates for Council Tax for a number of Councils.

	2012/13	2013/14	Difference
East Devon DC	98.67%	98.60%	-0.07%
West Dorset DC	98.25%	98.03%	-0.22%
Taunton Deane BC	98.34%	98.04%	-0.30%
Mendip DC	96.83%	97.60%	+0.77%
South Somerset DC	97.81%	97.40%	-0.41%
Weymouth & Portland DC	95.55%	96.28%	+0.73%

The arrears in the graph beneath are cumulative. It highlights that the arrears for previous years are still being collected in the following years. For example, if you look along the x axis at say 2011/12, there are 3 lines, the blue one (year ended 31/01/12, say £3.4m) is the original value of debt for that year, the red line directly underneath shows that the £3.4m outstanding has fallen to just under £2m for year ended 31/03/13 and then to about £1.5m for year ended 31/03/14 (green line). This is shown by the vertical dotted line.



It is worth noting that out of the total arrears just 14.9% belong to South Somerset District Council with the remainder being shared proportionately between the other major preceptors based on precepts.

Council Tax Write Offs

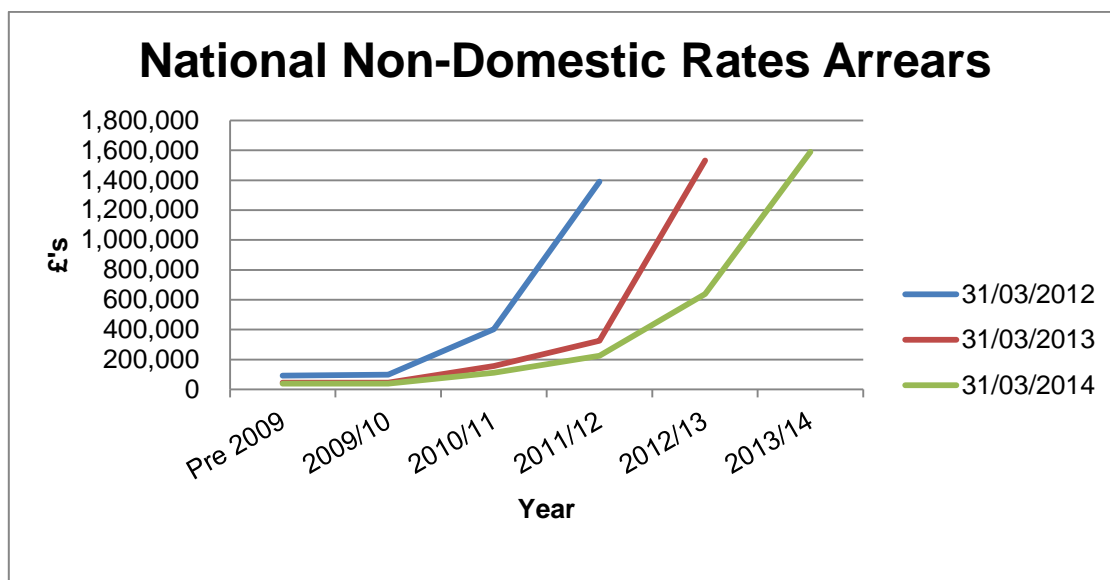
Council Tax collection of arrears follows a different procedure, whereby Magistrates Courts can issue a liability order. The following recovery options are available: agreement to pay; appointed bailiff; attachments to earnings and attachments to benefits. Only once these are exhausted can a debt be written off. The table beneath shows the value of write offs over the past 3 years.

	£	Number of invoices
2012/13	63,440	1,062
2013/14	61,341	956
2014/15 (to July 2014)	1,143	5
	125,924	2,023

National Non-Domestic Rates

The table beneath highlights the collection rates for National Non-Domestic Rates for a number of Councils.

	2012/13	2013/14	Difference
Mendip DC	99.20%	98.90%	-0.30%
Taunton Deane BC	99.22%	98.88%	-0.34%
South Somerset DC	96.39%	98.81%	2.42%
East Devon DC	98.66%	98.36%	-0.30%
West Dorset DC	96.35%	98.11%	+1.76%
Weymouth & Portland DC	96.57%	95.38%	-1.19%



The arrears in the graph above are cumulative. It highlights that the arrears for previous years are still being collected in the following years. For example, the National Non-Domestic Rates arrears that relate to 2011/12 have reduced over the 3 years.

It is worth noting that out of the total arrears just 40% belong to South Somerset District Council with the remainder being shared between the other major preceptors.

National Non-Domestic Rates Write Offs

National Non-Domestic Rates collection of arrears follows a similar procedure to Council Tax, whereby Magistrates Courts can grant a liability order with the following recovery options are available: agreement to pay or an appointed bailiff; Only once these are exhausted can a debt be written off. The table beneath shows the value of write offs over the past 3 years.

	£	Number of invoices
2012/13	482,131	243
2013/14	40,145	31
2014/15 (to July 2014)	0	0
	216,623	274

Future Monitoring

The data that is available for comparative purposes is limited. As data becomes available, Audit Committee will be updated on the impact that the Debt Management Policy has on debt levels.

Financial Implications

There were no direct financial implications in approving the Debt Management policy but since being implemented the level of short term debtors has reduced thus improving cash flow.

Background Papers: *Debt Management Policy*
Financial Procedure Rules
Debt Management Policy report to Audit Committee (September 2012)
SWAP: Debt Management Themed Review

Appendix A - Total Outstanding (£'s)

		Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
BUR	Yeovil Crematorium & Cemetery	51,775.00	64,130.00	55,825.00	79,360.00	73,832.00		80,641.00	65,354.00	79,365.00
CHR	Human Resources	26.56	1,980.00			2,960.92				
CNU	Nursery	4,901.34	1,315.57							
CPR	Procurement & Office Services	117.54	232.17	200,785.84	2,625.42		117.39	399.60	1,769.87	37.49
EDV	East Area Development	20,474.40	458.93	156.39	649.16	26,394.00	1,796.00	40.00		10,847.00
FAC	Accountancy	5,390.15	5,390.15		12,166.14		15,593.19	15,235.96		
FBN	Benefits Department	420,213.72	409,131.84	395,923.92	402,376.63	429,563.86	456,733.24	449,647.64	437,336.72	427,304.69
FBO	Benefits Overpayment			857.85	857.85	857.85			717.85	717.85
FSS	Finance		11,649.60		1,465.15					
FRV	Revenues Department		7,480.00		600.00		8,195.00		1,375.00	
GCT	Countryside	150.00								923.93
GOC	Octagon & Arts	1,929.20	6,065.00	2,160.22	2,506.24	2,317.96	4,728.50	1,818.00	1,644.06	1,618.45
GOL	Goldenstones	192.90								
GSP	Leisure Services	8,904.42	46,881.86	17,600.48	47,721.62	1,944.22	11,509.05	64,750.39	38,997.47	22,276.71
GTR	Tourism	4,140.00			3,873.40			1,800.00	4,984.00	
HHE	Housing & Welfare		3,000.00			3,000.00				
HHL	Homelessness	333,863.06	348,769.68	342,788.23	345,320.05	327,973.74	324,910.54	297,937.34	271,626.64	268,229.12
HLC	Licensing	1,800.00	1,260.00	3,866.40	3,140.00	3,727.50	2,553.26	5,360.00	3,030.00	3,178.99
HLG	Licensing	50.00	850.00		50.00	50.00	2,380.00	300.00	510.00	100.00
KHT	Horticultural Services	24,009.37	222,561.50	68,800.02	186,657.88	116,734.59	34,588.86	58,339.64	129,823.08	182,871.87
KPS	Property Services	67,260.16	33,909.63	10,144.41	17,460.90	63,976.07	26,613.16	33,787.80	18,041.90	30,893.13
KST	Streetscene	672.50	199.50	199.50						
KWT	Transport	5,448.45	270.68	878.19			8,144.00	90.35		
LLE	Legal Services	1,470.00	1,205.30							
LLS	Legal Services (Court Costs)	68,642.12	49,692.16	56,793.44	53,625.76	49,671.00	53,751.66	63,518.14	62,023.14	72,257.18
LMM	Democratic Services		565.58	29.00	2,915.00	575.00				
NEH	Environmental Health	3,715.08	2,172.06	4,574.57	4,174.67	4,727.79	5,188.94	3,010.46	2,839.11	4,822.62
PAR	South Somerset Careline	2,832.12	2,087.82	872.63	924.13	3,230.79	1,303.76	1,839.83	478.61	4,981.77
PPS	Printing Services	545.28	1,087.69	326.19	900.10	125.53	376.29	1,326.06	563.74	1,076.03
RBC	Building Control	88,530.24	39,511.34	41,650.54	44,178.79	52,615.54	48,791.93	53,479.05	54,444.60	20,527.76
RDC	Development Control	50,849.74	376,771.74	380,133.00	327,194.00	81,570.50	219,142.30	106,601.50	107,897.50	116,632.38
REC	Economic Development									
RED	Yeovil Innovation Centre	4,453.50	6,948.91	12,585.39	32,687.73	16,502.02	2,888.54	17,027.27	33,997.23	5,936.32
RSH	Strategic Housing						756.00			108.00
RSP	Economy - Spatial Policy						15,304.00		1,080.00	
RTC	Tourist Information		5,040.00							
SDV	South Area Development	345.22	20,645.22	345.22		21,199.99	3,234.10	215.00	218,536.59	14,000.00
SWA	South West Audit Partnership		12,079.32	400.01	12,000.00					
TIS	ICT	1,075.20	1,440.00			1,309.20				1,379.70
WDV	West Area Development	2,010.98		5,702.78	8,101.81	473.75	8.40	1,722.88	6,619.65	386.32
		1,175,788.25	1,684,783.25	1,603,399.22	1,593,532.43	1,285,333.82	1,248,608.11	1,258,887.91	1,463,690.76	1,270,472.31

Note: Benefit debt is reducing due to receiving more automatic updates from the DWP when they make changes instead of relying on the claimant. This has resulted in less overpayments being made. There is also an officer within benefits solely responsible for pursuing debt which is helping to keep the debt levels down. Horticultural services has increased due to the processing of 2 invoices at the end of June totalling £143,220 both of which were settled in full in July. Development Control debt relates primarily to 2 invoices for planning obligations at Maidenbeech, Crewkerne. These are being persued by Legal although an element of them relate to SCC who are also persuing payment.

Agenda Item 7

Treasury Management Performance to June 2014

Chief Executive: Mark Williams
Assistant Director: Donna Parham – Finance and Corporate Services
Service Manager: Amanda Card - Finance
Lead Officer: Karen Gubbins, Principal Accountant - Exchequer
Contact Details: Karen.gubbins@southsomerset.gov.uk or (01935) 462456

Purpose of Report

1. To review the treasury management activity and the performance against the Prudential Indicators for the three months ended 30th June 2014.

Recommendations

2. The Audit Committee are asked to:
 - Note the Treasury Management Activity for the three-month period ended 30th June 2014.
 - Note the position of the individual prudential indicators for the three-month period ended 30th June 2014.

The Investment Strategy for 2014/15

3. The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities at least twice a year. The Council reports six monthly to Full Council against the strategy approved for the year. The scrutiny of treasury management policy, strategy and activity is delegated to the Audit Committee.
4. Treasury management in this context is defined as:

"The management of the local authority's cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks".
5. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.
6. Overall responsibility for treasury management remains with the Council. No treasury management activity is without risk; the effective identification and management of risk are integral to the Council's treasury management objectives.
7. In order to diversify the authority's investment portfolio which is largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved

8. Money Market Funds (MMFs) will be utilised but good treasury management practice prevails and whilst MMFs provide good diversification the Authority will also seek to diversify any exposure by utilising more than one MMF. The Authority will also restrict its exposure to MMFs with lower levels of funds under management and it will not exceed 0.5% of the net asset value of the MMF. In the case of Government MMFs, the Council will ensure exposure to each Fund does not exceed 2% of the net asset value of the Fund.
9. The Authority has evaluated the use of pooled funds and determined the appropriateness of their use within the investment portfolio. Pooled funds enable the Authority to diversify the assets and the underlying risk in the investment portfolio and provide the potential for enhanced returns. Investments in pooled funds will be undertaken based on advice received from Arlingclose Ltd.
10. In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Office or UK Treasury Bills (The rates of interest from the DMADF are below equivalent money market rates, but the returns are an acceptable trade-off for the guarantee that the Council's capital is secure).

Interest Rates 2014/15

11. Base rate began the financial year and remains at 0.5%.
12. Our advisors are forecasting that the outlook is for official interest rates to remain at 0.5% until September 2015, as shown below:

	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Official Bank Rate											
Upside risk	0.25	0.25	0.25	0.50	0.25	0.50	0.50	0.50	0.50	0.75	0.75
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50
Downside risk					0.25	0.25	0.50	0.50	0.75	0.75	1.00

Investment Portfolio

13. The table below shows the Council's overall investments as at 30th June 2014:

	Value of Investments at 01.04.14 £	Value of Investments at 30.06.14 £	Fixed/ Variable Rate
Externally Managed Investments			
Money Market Fund(Variable Net Asset Value)	997,565	997,565	Variable
Property Fund	<u>3,052,479</u>	<u>3,052,479</u>	Variable
Total	<u>4,050,044</u>	<u>4,050,044</u>	
Internal Investments			
Certificates of Deposit	6,519,416	15,204,739	Fixed
Corporate Bonds	8,127,004	8,034,528	Fixed
Floating Rate Notes (FRNs)	3,006,315	2,029,677	Variable
Term Deposits (Banks)	9,000,000	16,500,000	Variable

Term Deposits (Other LA's)	5,000,000	5,000,000	Variable
Money Market Funds (Constant Net Asset Value) & Business Reserve Accounts	7,690,000	0	Variable
Total	39,342,735	46,768,944	
TOTAL INVESTMENTS	43,392,779	50,818,988	

Returns for 2014/15

14. The returns to 30th June 2014 are shown in the table below:

	Actual Income £'000	Rate of Return
Externally Managed Investments		
Payden Money Market Fund (VNAV)	2	
Property Fund	37	
Total	39	3.95%
Internal Investments		
Certificates of Deposit	19	
Corporate Bonds	25	
Floating Rate Notes (FRNs)	6	
Term Deposits	32	
Money Market Funds (CNAV) & Business Reserve Accounts	10	
Total	92	0.74%
Other Interest		
Miscellaneous Loans	6	
Total	6	
TOTAL INCOME TO 30TH JUNE 2014	137	0.98%
PROFILED BUDGETED INCOME	85	
FORECAST SURPLUS FOR YEAR END	53	
BENCHMARK RATE OF RETURN		0.40%

15. The table above shows investment income for the year to date compared to the profiled budget. The annual budget is set at £340,340. We currently estimate that the position at the end of the financial year will be an overall favourable variance in the order of £52,800

16. The outturn position is affected by both the amount of cash we have available to invest and the interest base rate set by the Bank of England. Balances are affected by the timing of capital expenditure and the collection of council tax and business rates.

Investments

17. Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its Treasury

Management Strategy Statement for 2014/15. New investments can be made with the following institutions:

- Other Local Authorities;
- AAA-rated Money Market Funds;
- Certificates of Deposit (CDs) and Term Deposits with UK Banks and Building Societies systemically important to the UK banking system and deposits with select non-UK Banks (Australian, Canadian and American);
- T-Bills and DMADF (Debt Management Office);
- Bonds issued by Multilateral Development Banks, such as the European Investment Bank;
- Commercial Paper
- Other Money Market Funds and Collective Investment Schemes meeting the criteria in SI 2004 No 534, SI 2007 No 573 and subsequent amendments.

18. The graph shown in Appendix A shows the performance of the in-house Treasury team in respect of all investments for the quarter ending 30th June 2014 in comparison to all other clients of Arlingclose.

19. The graph shows that SSDC is in a satisfactory position in terms of the risk taken against the return on investments.

Borrowing

20. An actual overall borrowing requirement (CFR) of £9.7 million was identified at the beginning of 2014/15. As interest rates on borrowing exceed those on investments the Council has used its capital receipts to fund capital expenditure. As at 30th June 2014 the Council had no external borrowing.

Breakdown of investments as at 30th June 2014

Date Lent	Counterparty	Principal Amount	Rate	Maturity Date
17-Feb-14	Barclays Bank Plc	1,000,000	0.85	17-Feb-15
17-Jul-13	Barclays Bank Plc	1,000,000	0.85	17-Jul-14
7-Nov-13	Barclays Bank Plc	1,000,000	0.86	7-Nov-14
12-Aug-13	Nationwide Building Society	1,000,000	0.72	12-Aug-14
30-Sep-13	Birmingham City Council	1,000,000	0.50	26-Sep-14
28-Mar-14	Bank of Scotland	1,000,000	0.70	29-Sep-14
3-Jun-14	Nationwide Building Society	1,000,000	0.75	18-Mar-15
2-Jan-14	Bank of Scotland	1,000,000	0.75	2-Jul-14
25-Oct-13	Lancashire County Council	1,000,000	0.60	24-Oct-14
4-Mar-14	Santander	1,000,000	0.60	4-Sep-14
11-Dec-13	Lancashire County Council	1,000,000	0.60	5-Nov-14
6-Jan-14	Greater London Authority	2,000,000	1.03	6-Oct-15
31-Mar-14	Bank of Scotland	1,000,000	0.95	27-Mar-15
1-Apr-14	Nationwide Building Society	1,000,000	0.60	20-Oct-14
14-Apr-14	Nationwide Building Society	1,000,000	0.77	19-Mar-15
8-May-14	National Australia Bank Ltd	1,000,000	0.53	17-Nov-14
22-May-14	Santander	1,000,000	0.62	22-Nov-14
23-May-14	Rabobank International	1,000,000	0.78	22-May-15
16-Jun-14	National Australia Bank Ltd	1,500,000	0.47	16-Sep-14
25-Jun-14	Santander	1,000,000	0.63	22-Dec-14

	Corporate Bonds			
07-Aug-13	Vodafone Group PLC	1,000,000	1.02	08-Sep-14
10-Dec-13	GE Capital UK Funding	1,000,000	1.42	18-Jan-16
17-Jan-14	Places for People Capital Markets PLC	568,000	2.67	27-Dec-16
17-Jan-14	Places for People Capital Markets PLC	432,000	2.67	27-Dec-16
10-Feb-14	Thames Water Utilities Finance Ltd	450,000	1.02	30-Jun-15
10-Feb-14	Heathrow Funding Ltd	1,000,000	1.16	08-Jun-15
10-Feb-14	Volkswagen International Finance NV	500,000	0.88	19-Dec-14
17-Feb-14	National Australia Bank Ltd	1,000,000	0.62	08-Dec-14
07-Apr-14	Suncorp Metway Ltd	300,000	1.05	27-Oct-14
07-Apr-14	Commonwealth Bank of Australia	501,000	0.99	14-Dec-15
08-Apr-14	Nordea Bank AB	500,000	0.98	15-Dec-15
02-Jun-14	Volkswagen International Finance NV	500,000	0.98	20-Aug-15
	Certificates of Deposit (CDs)			
14-Feb-14	Deutsche Bank LDN 0.73 16/02/15	1,000,000	0.70	16-Feb-15
07-Mar-14	Standard Chartered 0.59 8/9/14	1,500,000	0.56	08-Sep-14
24-Mar-14	Barclays Bank Plc 0.9 25/3/15	1,000,000	0.87	25-Mar-15
02-Apr-14	Standard Chartered 0.59% 2/10/14	1,000,000	0.56	02-Oct-14
09-Apr-14	Nordea Bank Finland 0.51% 9/7/14	1,000,000	0.48	09-Jul-14
15-Apr-14	Nordea Bank Finland 0.51% 15/7/14	2,000,000	0.48	15-Jul-14
16-Apr-14	Deutsche Bank LDN 0.68% 16/1/15	1,000,000	0.65	16-Jan-15
29-Apr-14	Standard Chartered 0.61% 29/10/14	1,000,000	0.58	29-Oct-14
09-May-14	ING Bank 0.52% 1/7/14 (secondary)	2,000,000	0.46	01-Jul-14
13-May-14	Rabo 0.82% 12/5/15	800,000	0.79	12-May-15
15-May-14	Deutsche Bank 0.85% 14/5/15	1,000,000	0.82	14-May-15
05-Jun-14	Deutsche Bank 0.85% 4/6/15	1,000,000	0.82	04-Jun-15
19-Jun-14	Credit Suisse 0.56% 19/6/14	900,000	0.53	19-Sep-14
	Floating Rate Notes (FRNs)			
25-Nov-13	HSBC Bank PLC	1,000,000	0.82	16-May-16
03-Apr-14	Yorkshire Building Society *Covered by Mortgage*	1,000,000	0.94	23-Mar-16
	Externally Managed Funds			
	CCLA Property Fund	3,000,000		
	Payden Fund VNAV	1,000,000		

* Note: Money Market Funds are instant access accounts so the rate displayed is a daily rate

Prudential Indicators – Quarter 1 monitoring

Background:

21. In March 2014, Full Council approved the indicators for 2014/15, as required by the Prudential Code for Capital Finance in Local Authorities. The Local Government Act 2003 allowed local authorities to determine their own borrowing limits provided they are affordable and that every local authority complies with the code.

Prudential Indicator 1 - Capital Expenditure:

22. The revised estimates of capital expenditure to be incurred for the current year compared to the original estimates are:

	2014/15 Original Estimate £'000	Expected Outturn £'000	2014/15 Variance £'000	Reason for Variance
Approved capital schemes	4,561	5,294	733	Slippage from previous years makes up the majority of the variance as well as transfers into the main programme from the reserve schemes
Reserves	1,847	2,387	540	The variance is due to slippage from last financial year into this financial year
Total Expenditure	6,408	7,681	1,273	

23. The above table shows that the overall estimate for capital expenditure has increased.

Prudential Indicator 2 - Ratio of Financing Costs to Net Revenue Stream:

24. A comparison needs to be made of financing capital costs compared to the revenue income stream to support these costs. This shows how much of the revenue budget is committed to the servicing of finance.

Portfolio	2014/15 Original Estimate £'000	Expected Outturn £'000	2014/15 Variance £'000	Reason for Variance
Financing Costs*	(226)	(265)	(39)	
Net Revenue Stream	17,541	17,827	286	Carry forwards being approved and added to the original budget
%*	(1.3)	(1.5)		

*figures in brackets denote income through receipts and reserves

25. The financing costs include interest payable, notional amounts set aside to repay debt, less, interest on investment income. The figure in brackets is due to investment income outweighing financing costs significantly for SSDC but is nevertheless relevant since it shows the extent to which the Council is dependent on investment income.

Prudential Indicator 3 - Capital Financing Requirement:

26. The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. Estimates of the year-end capital financing requirement for the authority are:

	2014/15 Original Estimate £'000	Expected Outturn £'000	2014/15 Variance £'000	Reason for Variance
Opening CFR	9,374	9,622	248	
Capital Expenditure	5,410	6,256	846	See explanation for Prudential Indicator 1 above
Capital Receipts*	(4,461)	(5,294)	(833)	Slippage of schemes approved in previous years
Grants/Contributions*	(949)	(962)	(13)	
Minimum Revenue Position (MRP)	(114)	(163)	(49)	More leases taken out for vehicles at the end of 13/14
Additional Finance Leases	0	0	0	
Closing CFR	9,260	9,459	199	

*Figures in brackets denote income through receipts or reserves.

Prudential Indicator 4 – Gross Debt and the Capital Financing Requirement:

27. The Council is also required to ensure that any medium term borrowing is only used to finance capital and therefore it has to demonstrate that the gross external borrowing does not, except in the short term exceed the total of capital financing requirements over a three year period. This is a key indicator of prudence.

	2014/15 Original Estimate £'000	2014/15 Qtr 1 Actual £'000	2014/15 Variance £'000	Reason for Variance
Borrowing	0	0	0	
Finance Leases	147	348	201	More leases taken out for vehicles at the end of 13/14
Total Debt	147	348	201	

28. Total debt is expected to remain below the CFR.

Prudential Indicator 5 - Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

29. The Council must set three years of upper limits to its exposure to the effects of changes in interest rates. As a safeguard, it must ensure that its limit would allow it to have up to 100% invested in variable rate investments to cover against market fluctuations. For this purpose, term deposits of less than 365 days are deemed to be variable rate deposits. Fixed rate deposits are investments in Eurobonds, Corporate Bonds and term deposits exceeding 365 days.

	2014/15 % Limit	2014/15 Qtr 1 Actual %	2014/15 Variance %	Reason for Variance
Fixed	80	12.1	(67.9)	Within limit
Variable	100	87.9	(12.1)	Within limit

30. The Council must also set limits to reflect any borrowing we may undertake.

	2014/15 % Limit	2014/15 Qtr 1 Actual %	2014/15 Variance %	Reason for Variance
Fixed	100	0	100	SSDC currently has no borrowing
Variable	100	0	100	SSDC currently has no borrowing

31. The indicator has been set at 100% to maximise opportunities for future debt as they arise.

Prudential Indicator 6 - Upper Limit for total principal sums invested over 364 days:

32. SSDC must also set upper limits for any investments of longer than 364 days. The purpose of this indicator is to ensure that SSDC, at any time, has sufficient liquidity to meet all of its financial commitments.

Upper Limit for total principal sums invested over 364 days	2014/15 Maximum Limit £'000	2014/15 Qtr 1 Actual £'000	Reason for Variance
Between 1-2 years	25,000	7,122	Within limit
Between 2-3 years	20,000	1,057	Within limit
Between 3-4 years	10,000	0	Within limit
Between 4-5 years	10,000	0	Within limit
Over 5 years	5,000	0	Within limit

33. The table above shows that the Council adopts a policy of safeguarding its investments by minimising investments that are redeemable more than five years ahead.

Prudential Indicator 7 – Credit Risk:

34. The Council considers security, liquidity and yield, in that order, when making investment decisions.

Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council’s assessment of counterparty credit risk.

The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution and its sovereign
- Sovereign support mechanisms
- Credit default swaps (where quoted)
- Share prices (where available)
- Economic Fundamentals, such as a country’s net debt as a percentage of its GDP
- Corporate developments, news articles, markets sentiment and momentum
- Subjective overlay

The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

Prudential Indicator 8 - Actual External Debt:

35. This indicator is obtained directly from the Council’s balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities (this represents our finance leases). This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/2014	£’000
Borrowing	0
Other Long-term Liabilities (Finance Leases)	511
Total	511

Prudential Indicator 9 - Authorised Limit for External Debt:

36. The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy. Borrowing will arise as a consequence of all the financial transactions of the Council not just arising from capital spending.

37. This limit represents the maximum amount that SSDC may borrow at any point in time during the year. If this limit is exceeded the Council will have acted ultra vires. It also gives the Council the responsibility for limiting spend over and above the agreed capital programme. A ceiling of £12 million was set to allow flexibility to support new capital projects over and above the identified borrowing requirement.

	2014/15 Estimate	2014/15 Qtr 1 Actual	2014/15 Variance	Reason for Variance
	£'000	£'000	£'000	
Borrowing	11,000	0	(11,000)	SSDC currently has no external borrowing
Other Long-term Liabilities (Finance Leases)	1,000	348	(652)	Within limit
Total	12,000	348	(11,652)	

Prudential Indicator 10 – Operational Boundary for External Debt:

38. The operational boundary sets the limit for short term borrowing requirements for cash flow and has to be lower than the previous indicator, the authorised limit for external debt. A ceiling of £10 million was set.

	2014/15 Estimate	2014/15 Qtr 1 Actual	2014/15 Variance	Reason for Variance
	£'000	£'000	£'000	
Borrowing	9,200	0	(9,200)	SSDC currently has no external borrowing
Other Long-term Liabilities (Finance Leases)	800	348	(452)	Within limit
Total	10,000	348	(9,652)	

Prudential Indicator 11 - Maturity Structure of Fixed Rate borrowing:

39. This indicator is relevant to highlight the existence of any large concentrations of fixed rated debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest changes in any one period. When we borrow we can take a portfolio approach to borrowing in order to reduce interest rate risk. This indicator is shown as the Council has set limits in anticipation of future borrowing.

Maturity structure of fixed rate borrowing	2011/12 Actual	2012/13 Actual	2013/14 Qtr 1 Actual	Lower Limit	Upper Limit
	%	%	%	%	%
Under 12 months	0	0	0	0	100
12 months and within 24 months	0	0	0	0	100
24 months and within 5 years	0	0	0	0	100
5 years and within 10 years	0	0	0	0	100
10 years and within 20 years	0	0	0	0	100
20 years and within 30 years	0	0	0	0	100
30 years and within 40 years	0	0	0	0	100
40 years and within 50 years	0	0	0	0	100
50 years and above	0	0	0	0	100

As the council doesn't have any fixed rate external borrowing at present the above upper and lower limits have been set to allow flexibility.

Prudential Indicator 12 - Incremental Impact of Capital Investment Decisions:

40. SSDC must show the effect of its annual capital decisions for new capital schemes on the council taxpayer. Capital spend at SSDC is financed from additional receipts so the figure below actually shows the possible decreases in council tax if all capital receipts were invested rather than used for capital expenditure.

Incremental Impact of Capital Investment Decisions	2013/14 Actual £	2014/15 Estimate £	2015/16 Estimate £	2016/17 Estimate £
Decrease in Band D Council Tax	0.29	0.04	0.15	0.17

Prudential Indicator 13 - Adoption of the CIPFA Treasury Management Code:

41. This indicator demonstrates that the Council has adopted the principles of best practice.

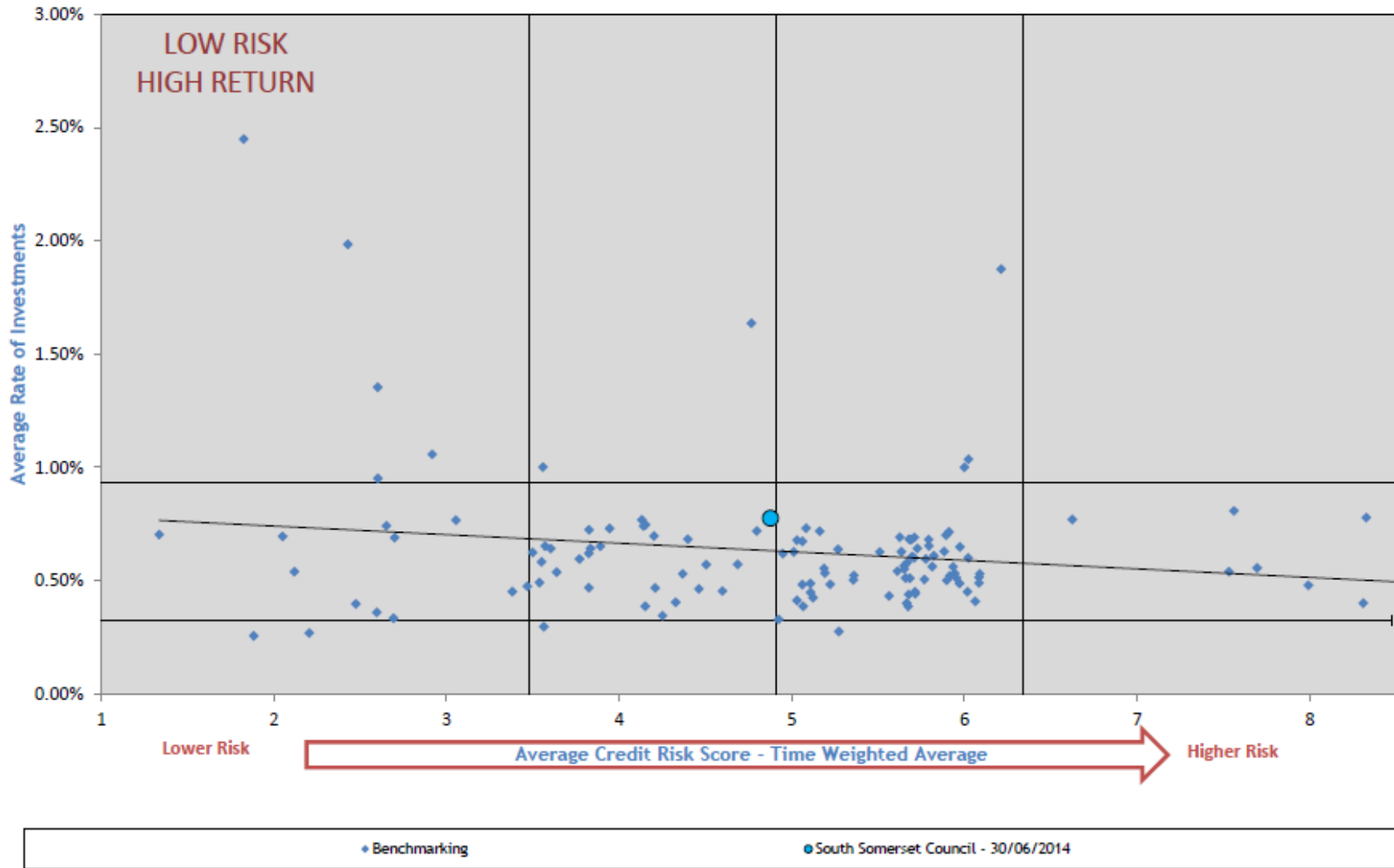
Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 18 th April 2002.

Conclusion

42. The council is currently within all of the Prudential Indicators and is not forecast to exceed them.

Background Papers: Prudential Indicators Working Paper, Treasury Management Strategy Statement 2014/15, Quarter 1 2014/15 Capital Programme.

Average Rate vs Credit Risk (time-weighted)



Agenda Item 8

Register of Staff Interests – Annual Report

Leader & Deputy Leader: Ric Pallister & Tim Carroll
Strategic Director: Mark Williams, Chief Executive Officer
Assistant Director: Ian Clarke, Legal and Corporate Services
Lead Officer: Ian Clarke, Legal and Corporate Services
Contact Details: ian.clarke@southsomerset.gov.uk or (01935) 462184

Purpose of the Report

This is the second annual report to the Audit Committee to advise members of the outcome of the review by the Monitoring Officer of the returns submitted to him by managers detailing any “interests” disclosed by staff working for them. It is important that the council has procedures to guide staff on the need to register and have approval for any interests they have that may impact upon their duties as an employee.

Recommendation:

That members note the annual report.

Introduction

Members will no doubt recall that the South West Audit Partnership (SWAP) undertook an audit of the adequacy of controls and procedures in place for Register of Interests for Staff across the Council as part of general audit plan work. Although the audit review did acknowledge that the Council complied with the statutory requirements and that there was a robust procedure in place for dealing with any complaints certain improvements were recommended to the process. It was agreed that individual service managers would be responsible for capturing this data at a service level due to there being no resource centrally to manage the process. However in order to ensure consistency it was agreed that service managers should report annually to the Monitoring Officer detailing interests that had been disclosed and where any consents had been given. A very similar report was considered by this Committee in June 2013 and this is the second annual report on this matter.

Outcome

In brief, all employees are required to disclose, and managers are required to record any interest that falls in to the broad categories set out below. In addition to the obligation to disclose there is also the requirement that consent may need to be given by the manager to certain activities and the Monitoring Officer would also be aware of this and be able to assess whether such consent should have been given in the first place and where any conditions applied are appropriate or sufficient to protect the Council’s interests.

The categories are:-

- Any contract with the council for the supply of goods, services etc. (excluding their contract of employment with the Council).
- Any licence or tenancy agreement with the Council.
- Any connection with contractors carrying out work for the Council.
- Any other paid employment or business interests.
- Belonging to other bodies to which they have been appointed or elected e.g. school governors, member of another council etc.

- Belonging to any secret societies i.e. bodies not open to the public and where an oath of allegiance or similar is required. The usual type of body in this category would be the freemasons.

The returns provided for this year are broadly the same as for the previous year. There are no disclosures that reveal that any SSDC employees belong to any secret society but there are disclosures that cover every other category. There are a wide range of interests disclosed relating to other bodies but all generally fall into 3 categories (i) governors of local schools, (ii) town, parish and district councilors, and (iii) trustees of local charities e.g. village hall committees. A number of other disclosures were made about local volunteering work for play groups, Scouts, hospices etc.

A number of disclosures were made about other paid employment. These sometimes are where staff work part-time for SSDC but in other cases this is additional consultancy work for other bodies. The key control on this other work is to ensure that it does not put an employee into a position where there is a potential conflict of interest with the work they are paid to do for SSDC. Permission has to be given for this other work to be undertaken. Such permission is subject to conditions that significantly reduce or remove the potential for conflict e.g. work can only be undertaken outside SSDC's administrative boundaries. The important thing with "interests" is their disclosure so that any potential conflict of interests can be managed. However managers also need to ensure that they don't create any issues by not imposing suitable conditions on any consent. The conditions disclosed to the Monitoring Officer where such consent has been given seem entirely appropriate and consist mainly of a geographical exclusion zone i.e. the work cannot be undertaken within SSDC's administrative area.

Although raising awareness of the requirements is important so staff are under no illusion as to the process that needs to be followed, ultimately one is still dependent on them being transparent and disclosing all relevant interests. It is however reassuring that since the last report, there have been no reported breaches or concerns raised in relation to this issue. It is also worth noting that the Monitoring Officer has been approached for advice by employees before they have embarked on any undertaking which suggests that the awareness level amongst staff remains adequate.

It is intended that over the next 6 months a more formal review and revision of the process will be carried out. It will be interesting to see whether this results in many more interests being disclosed. It should also be remembered that the corporate induction programme does now include specific coverage of the staff code of conduct and is also on the manager's checklist of matters to be brought to the attention of new members of staff. The combination of all these approaches should ensure that employees are fully aware of their obligations and that non-compliance could result in disciplinary action being taken against them.

The Monitoring Officer remains content that all relevant managers are sending him their year-end records for checking and that consents contain the appropriate conditions and exclusions. Improvements can still be made to the process but members can take some comfort from the fact that the Monitoring Officer is satisfied that there are no significant issues that need to be addressed.

Financial Implications

Any that there are can be met from existing resources.

Legal Implications

There are no specific legal implications resulting from the subject matter of this report as the statutory requirements contained in the Local Government Act 2000 are already being complied with.

Carbon Emissions & Adapting to Climate Change Implications (NI188)

There are no specific environmental implications arising from the subject matter of this report.

Equalities and Diversity Impact

There are no specific equality or diversity implications arising from the subject matter of this report as all staff are subject to the requirements set out in the code of conduct.

Background Papers:

Internal Audit Report 11th February 2011

Agenda Item 9

Risk Appetite Setting

*Assistant Director
Lead Officer
Contact Details*

*Donna Parham – Finance and Corporate Services
Gary Russ- Procurement and Risk Manager
gary.russ@southsomerset.gov.uk or 01935 462076*

This is a copy of a report that has been considered by SSDC's Management Board regarding Risk Appetite sets for Risk Management. The Procurement and Risk Manager will attend Audit Committee to provide a verbal update.

Purpose: To establish if SSDC's current management board feel the risk appetite bar is set correctly in relation to the amount or impact of the risk it's prepared to accept.

Recommendation: That Audit Committee members note and comment on the report

Background: Risk management is still a new concept and management tool within the public sector, although much progress has been made in recent years in not only raising the profile of risk management but encouraging the public sector to actively engage in managing risk. The concept of actively managing risk is an issue for most public sector organisations who have in the past had very adverse risk cultures, that is to say the very culture of public services has been to push risk as far away or back up the supply chain as possible.

However SSDC has done much to raise the profile of risk and encouraged its officers to actively look for and manage risk. However risk comes in many forms and with various impacts and probabilities. Due to this variation in impact or probability it's vital that the management of risk is profiled to fit what the organisation is prepared to accept as a "Risk Appetite".

Before discussing risk appetite it's important to understand that risk in terms of its profile has two dimensions that we need to consider, they are :-

Risk Impact: This is the measure of how much negative impact this could have on the organisation, it can be financial, or reputational etc. Typically in our risk management system we rank this impact from:-

- Critical
- High
- Medium
- Low
- Very Low

These are risk management standard terms used to define the impact or a risk on a service or organisation.

The second measure or dimension that we need to have regard to will be probability, in broad terms this is the measure of how likely in time, or frequency if you wish, a given risk is going to happen.

- Remote
- Unlikely
- Possible
- Probable
- Highly Probable

Simply put, risk management is nothing more than doing the following in regards to the risk dimensions shown above. "The culture, processes and structures, that are directed towards effective management of potential opportunities and threats to the organisation achieving its objectives".

It is the process of identifying risks, evaluating their potential consequences and determining and implementing the most effective way of controlling and monitoring them, after taking account of mitigating controls in place.

What we do not want is this!!!!



It is often said that no organisation can make advances without taking a risk. The same is true for all organisations: no organisation, whether in the private, public or third sector can achieve its objectives without taking risk. The only question is how much risk do they need to take? And yet taking risks without consciously managing those risks can lead to the downfall of the organisation strategy or the organisation it's very self (the recent Banking Crisis in the UK being a prime example).

Designing a risk appetite

1. Has the board and management team reviewed the capabilities of the organisation to manage the risks that it faces?
2. What are the main features of the organisation's risk culture in terms of tone at the top? Governance? Competency? Decision making?
3. Does an understanding of risk permeate the organisation and its culture?
4. Is management incentivised for good risk management?
5. How much does the organisation spend on risk management each year? How much does it need to spend?
6. How mature is risk management in the organisation? Is the view consistent at differing levels of the organisation? Is the answer to these questions based on evidence or speculation?

In viewing the chart above to ascertain how we have set the current risk appetite officers should keep in mind the categories as previously stated. That is to say the risk appetite line is drawn in regard to the presenting risk Impact and likelihood.

Recommendation to Management Board:

So its impact would need to be Major and or Catastrophic in nature and range from Unlikely to highly probable. I would suggest as a consideration that we have set the line too broad in terms of Likelihood and it should be reset to Possible.

Impact					
Catastrophic	0	0	0	2	0
Major	0	0	0	1	0
Moderate	0	0	13	1	0
Minor	0	0	2	0	0
Insignificant	0	0	0	0	0
Inherent Risk	Remote	Unlikely	Possible	Probable	Highly Probable Likelihood

Current Risk Appetite Line Indicated by solid black Line



Agenda Item 10

AUDIT COMMITTEE - FORWARD PLAN 2014/15

Committee Date	Responsible Officer
September 2014 <ul style="list-style-type: none"> • Mid-year review of Treasury Strategy – Needs to go on to Full Council • Approve Annual Statement of Accounts • Approve Summary of Accounts • External Audit Annual Governance Report • External Audit - Value for Money (VFM) conclusion to include an update of the Council's financial resilience and a comparison of how well similar councils are doing • Annual Governance Statement Action Plan • Financial Procedure Rules 2013/14 	Karen Gubbins Amanda Card Amanda Card Donna Parham Donna Parham Donna Parham Donna Parham
October 2014 <ul style="list-style-type: none"> • Annual Audit Letter • Update on Debt Management • Treasury Management Practices • Internal Audit – 1st & 2nd quarter and half year update • Review of exemptions given through Procurement Procedure rules 2013/14 	Donna Parham Karen Gubbins Karen Gubbins Andrew Ellins Gary Russ
November 2014 <ul style="list-style-type: none"> • Treasury Management – Second quarter monitoring report • Annual Governance Statement Action Plan • Risk Management Update 	Karen Gubbins Donna Parham Gary Russ
December 2014 TBC	
January 2015 <ul style="list-style-type: none"> • Annual Fraud Programme 	Tom Chown/Lynda Creek
February 2015 <ul style="list-style-type: none"> • Treasury Management Strategy and Prudential Indicators for 2014/15 – Needs to go to Full Council in March • Annual Governance Statement Action Plan • Treasury Management – Third quarter monitoring report • Internal Audit – third quarter update • Internal Audit Plan – approve 14/15 plan • Internal Audit - Charter • External Audit – Audit Plan • External Audit – Certification of Housing Benefit Subsidy Claim 	Karen Gubbins Donna Parham Karen Gubbins Andrew Ellins Andrew Ellins Andrew Ellins Donna Parham Donna Parham

Pending – Update on Community Infrastructure Levy