

SOUTH RIBBLE BOROUGH COUNCIL**COUNCIL MEETING 22 JULY 2015****REPORT OF THE GOVERNANCE COMMITTEE MEETING HELD ON 24 JUNE 2015***Budget Outturn Report 2014/15*

- Received a report of the outturn position in relation to both the Revenue and Capital expenditure
- Discussed the level of reserves and noted that, despite a higher than budgeted contribution to reserves of £0.516m, the overall level of reserves reduced by £1.964m during the year
- Acknowledged that the current forecast budget gap within the Medium Term Financial Strategy was 'challenging'

Draft Core Financial Statements for Year Ending 31 March 2015

- Received a report highlighting the salient points in the draft core statements and looked forward to considering the full Statement of Accounts in detail at a session over the summer

Draft Annual Governance Statement

- Received a report outlining the Council's governance arrangements, including actions taken to build and strengthen arrangements in 2014/15 and newly identified actions to be implemented in 2015/16
- Noted that the fact that Annual Governance Statement was signed each year by the Leader and the Chief Executive on behalf of members and senior officers was a reflection of the importance of the Council's governance and internal control arrangements

Treasury Management Annual Report

- Pleased that the Council was continuing to comply with its Prudential and Treasury Indicators and that the return on investments [0.50%] had exceeded the LIBID benchmark [0.35%]
- Understood that the net revenue stream had reduced due to the Business Rates Retention Scheme
- Recognised the need for a review of counterparties later this year to consider future investment strategy

Internal Audit Annual Report 2014/15

- Received a report summarising the work & appraising the performance of the Internal Audit Service and providing an audit opinion on the adequacy and effectiveness of the Council's framework of governance, risk and management control
- Acknowledge that robust controls remain in place and that all internal KPIs had been achieved
- Disappointed with a 63% outturn against what we considered was an already low target of 75% for 'percentage of agreed management actions implemented on time' whilst acknowledging that actual implementation and timing were not within Internal Audit's control

- Assured that the Internal Audit team closely monitored the implementation of audit recommendations and agreed management actions and sought an explanation of any delays before agreeing a revised date for implementation

Compliance with International Auditing Standards

- Received a report confirming that Internal Audit was satisfied with the Council's arrangements for preventing & detecting fraud and ensuring compliance with law and regulations
- Enabled me as committee chairman and the Chief Executive to sign the assurance letters requested by Grant Thornton

Year End Risk Monitoring Report 2014/15 Outturn & Revised Corporate Risk Register (CRR) 2015/16

- Received a report on progress made to address the key risks and opportunities in the Corporate Risk Register during 2014/15 and a revised CRR for 2015/16 which took account of the risks that had now been mitigated and included any new or emerging risks and opportunities now impacting on the Council
- Noted the inclusion of a new risk relating to the Future of the Waste Collection Cost Sharing Agreement with LCC
- Welcomed the inclusion in the 2015/16 CRR of risk rating columns for both 2014/15 and 2015/16 enabling us to see the direction of travel (generally very favourable)
- Learned that 'horizon scanning' captured issues (such as combined authorities) which were not necessarily included in the CRR and expressed some surprise at some of the individual risk ratings (such as managing the efficiency agenda) but reassured that the CRR was a live document which could be reviewed & expanded as and when considered appropriate

Forward Plan

- Noted the heavy agenda for the September meeting and agreed to add the item relating to the capital programme for parks and open spaces 2014/15 to the 25 November meeting