

SOUTH RIBBLE BOROUGH COUNCIL

Governance Committee

Meeting held at 6.00pm on Wednesday, 29th June, 2016 in Wheel Room, Civic Centre, West Paddock, Leyland, PR25 1DH

Present:-

Councillor Ogilvie (in the chair)

Councillors Foster, Mrs Moon, Patten and Mrs K Walton

In Attendance:-

Garry Barclay (Head of Shared Assurance Services), Carol Eddleston (Democratic Services Officer), Susan Guinness (Head of Shared Financial Services), Dawn Highton (Principal Auditor), Lee Hurst (Principal Systems and Financial Accountant) and Steve Nugent (Head of Human Resources)

Councillor Clark in his capacity as portfolio holder for Finance and Resources

Public Attendance:-

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Other Members:-

Councillors Bennett, Michael Green, Martin, P Smith and Wharton

Officers:-

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Minute No.	Description/Resolution
1	Apologies for Absence Apologies for absence were submitted on behalf of Councillor Mrs Snape.
2	Declarations of Interest There were no declarations of interest.
3	Minutes of the Last Meeting, Held on 13 April 2016 The Head of Shared Financial Services confirmed that the External Auditors had inspected all formal reviews of all bank reconciliations as they had agreed to do at the last meeting. [Para 3, minute no 45 of 13 April 2016]. The Head of Shared Financial Services pointed out that a description of 'fair value measurement' had been included in the Draft Core Financial Statements report to aid members' understanding following reference to it by the External Auditors at the last meeting [final para of minute no. 45 of 13 April 2016]. This would also be covered in the

	<p>informal training session on 14th July 2016.</p> <p>RESOLVED (unanimously) that: The minutes of the meeting held on 13 April 2016 be approved as a correct record and signed by the chairman.</p>
4	<p>Internal Audit Findings - Flexi Time System & Overtime</p> <p><i>Flexi Time System</i></p> <p>The Head of Human Resources had been invited to the meeting to respond to the committee's questions on the Internal Audit reviews of the Flexible Working Hours Scheme and of Overtime.</p> <p>The Head of Human Resources explained that he had requested the review of the Flexible Working Hours Scheme as part of the 2015/16 Annual Audit Plan. Three sample areas had been subject to the review, as detailed in the report.</p> <p>To put the report into context the Head of Human Resources provided an overview of the flexi-time system and explained that manual adjustments were made on behalf of individual officers by flexitime controllers following authorisation by an appropriate authorising manager. Manual adjustments were required for a variety of reasons such as annual leave, sickness absence and attendance at off-site meetings / events.</p> <p>Before inviting members of the committee to ask specific questions, the chairman said that he would like to see evidence that the management actions had been implemented and were continuing to be successful and an explanation of what checks were being done to ensure the scheme was being complied with.</p> <p>The Head of Human Resources explained that in the course of the review the Principal Auditor had produced a record of issues relating to a number of individuals. This had been dealt with under the council's disciplinary procedure, with the officers concerned accepting the findings and being warned about their future conduct. As of 28 June they were complying with the scheme rules.</p> <p>The Head of Human Resources had met with the relevant Director and the flexitime controller to stress the need for zero tolerance in relation to the scheme rules and the importance of raising directly with the Director and Human Resources any concerns that they had in relation to requests for adjustments. The scheme rules had been re-issued in December 2015 and March 2016. The Director had met individually with each of the officers concerned to stress the importance of adhering to the scheme and to warn of the consequences of failing to do so in future.</p> <p>Human Resources staff received monthly reports from the flexitime controllers which identified any variances from the rules. HR staff would follow these up with the manager concerned and the system was now working well.</p> <p>The Human Resources work programme for 2016/17 included a project to streamline the system in order to reduce the interventions needed by flexitime controllers, whilst ensuring of course that the procedures and controls were sufficiently robust.</p> <p>The chairman expressed his disappointment that these issues had arisen following a repeat audit. He asked what reasons had been given for individuals failing to comply with the scheme. The Head of HR said he shared this disappointment and explained that one reason was a lack of assertiveness in challenging the late submission of adjustments.</p> <p>In response to a suggestion that the 'systematic disregard' of the scheme rules should have</p>

been treated as gross misconduct, the Head of Human Services pointed out that he was not part of the disciplinary process and it was up to the disciplining officer, having heard the case put forward by each of the officers concerned, to decide how the matter should be dealt with. He had been subsequently assured by the Director that the scheme rules were now being adhered to.

Councillor Foster expressed concern about the scope for fraudulent activity and misuse of public money afforded by the manual adjustment process and wondered if any of the disciplinary processes were undertaken by the manager who should be monitoring or who had approved the manual adjustments in the first place. Accepting the day to day, typical adjustments, he enquired whether the Head of Human Resources could access a report which would identify the scale of the issue and how many officers did not comply with the scheme.

The chairman wondered what the level of compliance was with the 65% of officers who had not been subject to a re-audit. He agreed with Councillor Foster that the committee should be furnished with information on the scale of manual adjustments and an independent view of whether the management actions were being implemented. Councillor Patten asked for the committee to be provided with written confirmation of what had been implemented in relation to the management actions.

The Head of Shared Assurance Services said that Internal Audit was planning to follow up the issues on a wider footprint in this year's Service Assurance Statement and Annual Governance Statement process towards the end of the current financial year.

Councillor Mrs Moon said she could not satisfy herself as to whether appropriate measures had been put in place and did not have a feel for whether the consequences of any disciplinary proceedings were adequate. She wondered whether there had been any wilful attempt to gain by the officers concerned or whether these were accidental, what grades of officer were involved, what offence had been committed and the sanctions applied (by grade and offence) and whether the same flexitime controllers were still responsible for making the manual adjustments.

The Head of Human Resources repeated that he was disappointed, and surprised, by the findings of the audit. He would remind the Core Managers group at their meeting the following day of their responsibilities in relation to monitoring and authorising manual adjustments and of how important it was for all officers to comply with the scheme.

In response to a question from Councillor Patten about 'alternative options', the Head of Human Resources confirmed that this project had not yet started but various options would be looked into, including the possibility of a multi-purpose swipe card. Chorley, for example, had a system whereby officers clocked in and out at their workstation.

From the audience, Councillor Wharton enquired about the competence of flexitime controllers, why the flexitime controller concerned had not reported their concerns under the whistleblowing policy, what the difference was between 'theft and stealing time' and why they were treated differently and whether the two individuals were in the same team / directorate. The Head of Human Resources confirmed that flexitime controllers and all staff were periodically reminded about the requirements of the flexi scheme. The two officers concerned worked within the same directorate and he reiterated that it was down to the disciplining officer to decide on what disciplinary action to take, based on any mitigating factors presented by the officers concerned. He did not consider that this was a matter for whistleblowing but rather for responsible reporting.

From the audience, Councillor Bennett expressed surprise that the Head of Human Resources had not questioned why the disciplinary action had gone how it had. The Head of Human Resources repeated that he had been extremely concerned about the lack of

compliance with the policy but had not drilled down into the individual reasons with the Director.

The chairman concluded that the committee would not be happy until it had received details of the history and scale of manual adjustments, what offences had occurred, what sanctions had been imposed and an independent review confirming that the management actions had been satisfactorily implemented.

RESOLVED (unanimously) that:

1. A report be provided to the committee outlining the scale of manual adjustments, the offences committed, the grade of those who had committed an offence and sanctions subsequently imposed (per grade and offence), and
2. Internal Audit undertake a review in the next Service Assurance Statement process to ascertain whether all the control/compliance issues have been resolved.

Review of Overtime

The Head of Human Resources informed the committee that In 2013 the authority had renewed its Payroll contract for a three year period and, as part of that contract, we were required to move to an electronic, self-serve system on a 12 month phased basis. Guidance notes were produced for managers and officers to assist in the transition to the new system.

The Head of Human Resources had asked for this audit to be carried out in 2015/16 and the review had found that criteria for authorising overtime payments were not always being met, with only 65% of claims being processed correctly. A number of management actions had been agreed and the Head of Human Resources had met with each of the Core Managers concerned to discuss what might have gone awry. Since the audit had taken place every single overtime claim was checked by Human Resources and cross-checked against the individual's entry on the flexi system.

Previous work by the Internal Audit service had identified that the Oracle Self-Serve system lacked validation controls and the Head of Human Resources said that this required the use of free text boxes in which staff were expected to input start and finish times.

Councillor Foster enquired why no disciplinary action had been taken, whether the authorising officer was in fact as accountable as the person who submitted an overtime claim and whether the authority had recovered the money and time. The Head of Human Resources confirmed that some of the errors identified in claims were not deliberate, wanton disregard. Human Resources had worked closely with Core Managers to look at these errors and the authority now had better controls in place than previously, in as far as every claim was now checked and cross-checked against the flexi time record.

Observing that a review in which two thirds of overtime claims could be identified as having been processed correctly had been awarded an Amber 5 adequate rating, Councillor Patten suggested that a Red limited rating might have been more appropriate.

The Principal Auditor considered that the amber rating was appropriate as a large number of claims were being processed appropriately. She confirmed that, in a more recent audit of Payroll, there was evidence of additional checks and balances in place as described by the Head of Human Resources.

In response to a question from Councillor Mrs Moon, the Head of Human Resources agreed to look into the amount of monies paid out incorrectly and what had been recovered so far.

In response to a number of questions from Councillor Wharton, the Head of Human Resources said that the incorrect processing of overtime claims was essentially down to staff getting used to a new system. Human Resources had worked with Core Managers to remind them of the need to reject and return any claims which they believed to be

	<p>incomplete or incorrect. In turn, Human Resources would reject and return any claims which they considered to be incomplete or incorrect. The incorrect claims identified came from a number of different directorates. Mileage claims were not being looked at as part of the 2016/17 Internal Audit Plan.</p> <p>The chairman suggested that the committee was unlikely to have confidence in the adherence to the policy until a further audit had taken place. He enquired whether there were any plans to change the system to make it work. The Head of Human Resources explained that our hands were tied partly by our supplier but we worked with them as far as possible to find some middle ground. We had recently entered into a new three year contract with this supplier but would look at what systems were on the market when the current contract was up for renewal. Councillor Bennett wondered why the contract had been extended if the issues identified in the audit were due to the system.</p> <p>The Head of Shared Assurance Services confirmed that only a small number of officers had been identified as 'regularly or systematically disregard[ing] the guidance'. The Head of Human Resources confirmed that none of the Core Managers concerned had undergone disciplinary procedures.</p> <p>RESOLVED (unanimously) that:</p> <ol style="list-style-type: none"> 1. Internal Audit undertake a review in the next Service Assurance Statement process to ascertain whether all the control/compliance issues have been resolved; 2. overtime claims over the last 12 months be reviewed by Human Resources; 3. a cross-check of overtime claims against flexi-time system be undertaken by Human resources; 4. information be provided on the amount of money over/underpaid and the amount subsequently recovered by Human Resources, and 5. an explanation be provided by Human Resources of why no disciplinary action was taken against managers.
5	<p>Internal Audit Annual Report 2015/16</p> <p>The Principal Auditor presented the report which summarised the work undertaken by the Internal Audit Service in the previous financial year; gave an Audit opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control, and gave an appraisal of the Internal Audit Service's performance.</p> <p>The chairman thanked and congratulated the Internal Audit Service on highlighting the red reports to committee.</p> <p>In response to a question from the vice-chairman, Councillor Patten, the Principal Auditor confirmed that there had been a surplus of 20 days spent on audits identified in advance in the Audit Plan and a variation between planned and actual time spent on contingency [i.e. not as part of planned audits] which had resulted in a net deficit of 16 days.</p> <p>Councillor Foster observed that although it was indicated on page 8 of the report that the agreed management actions had 'all been implemented in full' with the exception of agreed improvements to streamline the flexitime system.</p> <p>In response to a question about timescales for re-audit of red rating areas, the Head of Shared Assurance Services and the Principal Auditor confirmed that agreed management actions were followed up three times per year but Licensing would be subject to a re-audit in the second half of the year to allow the revised processes to bed in.</p> <p>The Head of Shared Assurance Services confirmed that the 'Fraud Awareness for Local Government – Doing the Right Thing' e-learning package had been rolled out to all staff for whom it was considered mandatory in their role but other staff were able to undergo it on a</p>

	<p>voluntary basis.</p> <p>RESOLVED: (unanimously that): The report be noted.</p>
6	<p>Compliance with International Auditing Standards</p> <p>The Head of Shared Assurance Services presented the report which aimed to enable the Governance Committee as 'those charged with governance' and the Chief Executive on behalf of 'management' to provide a range of assurances being sought by the External Auditors. He confirmed that the report and the proposed responses to the External Auditors were very similar to those of previous years.</p> <p>The chairman said that he was not prepared to sign off the letter in his name on the basis of the draft responses provided. He was concerned that there was no reference to the Licensing issues and some of the responses to the questions did not make sense or were actually incorrect. He asked the Head of Shared Assurance Services to clarify with the External Auditors what the implications were for not signing the letter by their requested deadline [31 May 2016], but indicated that he would not sign the letter before the Chief Executive returned from leave and the letter and responses had been reconsidered in the light of the Licensing issues. He agreed to provide the Head of Shared Assurance Services with specific details of which aspects of the letter and responses he would like to be revisited.</p> <p>Members of the committee confirmed that they would be happy for the chairman to sign the letter outside of the meeting once he was satisfied with the content of the letter and the responses to the questions. The chairman said that once the letter and responses had been revised to his satisfaction it would be circulated to the committee for comment prior to his signing it off.</p> <p>RESOLVED: (unanimously) that:</p> <ol style="list-style-type: none"> 1. The Head of Shared Assurance Services seek clarification from the External Auditors of any impact of the delay in signing and submitting the assurance letters requested by Grant Thornton; 2. the chairman agree with the Head of Shared Assurance Services the required changes to the letter and the responses; 3. the revised letter and responses be circulated to the committee for comment, and 4. once approved and signed by the chairman, the letter be submitted to the External Auditors.
7	<p>Year End Risk Monitoring Report 2015/16 and Corporate Risk Register 2016/17</p> <p>The Head of Shared Assurance Services presented the report which aimed to inform members of the actions taken by management to address the key risks and opportunities in the Corporate Risk Register (CRR) during 2015/16, present a revised CRR for 2016/17 which took account of the risks which had now been mitigated plus any new or emerging risks and opportunities now impacting on the Council and demonstrated that the Council was continuing to manage its strategic risks effectively.</p> <p>The committee observed that the Corporate Plan Actions 2016/17 relating to Worden Park and My Neighbourhood Action Plans had been erroneously included against the Risks & Opportunities relating to 3 Deliver a cohesive Housing Strategy.</p> <p>Councillor Mrs Moon was pleased to see that the risk rating relating to the Efficiency Agenda had been increased to red, given that responsibility for this had been added to the already challenging portfolio of Finance and Resources and that the previous Business Transformation agenda of £500k was no more.</p>

	<p>The committee suggested that in the current climate it was more appropriate for the CRR to expand rather than contract and considered that the impact of the EU referendum and uncertainty over Business Rates Retention warranted inclusion in the register.</p> <p>RESOLVED (unanimously) that:</p> <ol style="list-style-type: none"> 1. The progress made to manage the Council's key strategic risks during 2015/16 be noted; 2. the revised Corporate Risk Register for 2016/17 as presented be noted, but 3. the Head of Shared Assurance Services be requested to expand the register to include the Risks and Opportunities presented by the EU referendum and the Business Rates Retention Scheme.
8	<p>Draft Annual Governance Statement</p> <p>The Head of Shared Assurance Services presented the Draft Annual Governance Statement which explained the authority's governance arrangements, the review of the governance framework against the Local Code of Governance and future plans to improve and strengthen the governance environment. An update on how these plans were being taken forward would be brought to the 1 February 2017 meeting.</p> <p>The Head of Shared Assurance Services confirmed that the newly identified actions highlighted on page 10 had been determined following a wide ranging review which included Service Assurance Statements signed by each Director/Head of Service, the challenge questions posed by the External Auditors in the course of the year, CIPFA /SOLACE guidance and the roles and duties of the Chief Financial Officer and the Head of Internal Audit.</p> <p>The chairman expressed surprise at the lack of mention of the licensing issues that had been identified in 2015/16 and the actions already taken to improve our arrangements in this area.</p> <p>Councillor Foster said that he did not consider it appropriate for the committee to approve a draft statement which was intended to provide assurance on the standards of corporate governance 'spanning all the Council's priorities and covering all activities' given current outstanding corporate governance issues. He accepted that the Leader was unwell and unable to attend tonight's meeting but he felt strongly that the Chief Executive and the Monitoring officer should have been in attendance to present the report. As it stood currently, the draft was 'too corporate' and did not refer to identified issues of concern within the authority nor to actions being undertaken to address these concerns.</p> <p>The chairman said he did not disagree with Councillor Foster and enquired about the impact of a decision by this committee not to approve the draft at tonight's meeting. The Head of Shared Assurance Services said that the committee needed to be satisfied with the contents by the time the audited Statement of Accounts were brought to committee on 21 September. With this in mind, the chairman asked for the draft statement to be revisited in the light of ongoing issues and actions being implemented and for an amended draft to be circulated to members of the committee for comment well in advance of the September meeting.</p> <p>RESOLVED (unanimously) that:</p> <ol style="list-style-type: none"> 1. The draft statement to be revisited in the light of ongoing issues and actions being implemented and for an amended draft to be circulated to members of the committee for comment well in advance of the September meeting.

9	<p>SRBC Statement of Accounts 2015/16 a) Budget Out-turn Report for 2015/16</p> <p>The Head of Shared Financial Services presented the report and outlined the budget out-turn position in relation to both Revenue and Capital expenditure, an overview on the current status of Business Rates Retention, the year-end position on reserves, the Medium Term Financial Strategy, the Budgetary Efficiency Targets and the Building Control account and the actual year end out-turn position, when compared to the Council's budget, gave a surplus to be transferred to the general reserve of £0.101m. Councillor Mrs Moon commended the Shared Financial Services team and portfolio holders on the positive budget out-turn and the Governance Committee for the budget monitoring it had undertaken. She also welcomed the higher return on investment and commented on what could be achieved by thinking a little bit 'differently'. At this point Councillor Foster observed that investment property income was lower than budgeted.</p> <p>The Head of Shared Financial Services referred members to page 6 where there was a detailed explanation of the challenges presented by the Business Rates Retention Scheme and the potential liability for the authority due to successful Business Rate appeals which were dealt with by Valuation Office Agency. In light of the pending potential liability, we had increased the provision for appeals within the Collection Fund. The Head of Shared Financial Services acknowledged that the Business Rates Retention arrangements were extremely complex and agreed to hold a training session for Governance Committee members to help aid members' understanding.</p> <p>The chairman welcomed the budget surplus but acknowledged that the future was 'more than challenging'. He questioned whether, in view of yet another significant re-phasing of capital projects, the re-programmed expenditure would realistically be spent. Councillor Clark confirmed that he shared the same concerns and said this needed to be looked into. The Head of Shared Financial Services accepted that the committee had continuing concerns in this regard but confirmed that budget holders had proposed this Capital Programme for 2016/17 and it was her role to report its performance to committee.</p> <p>From the audience the Director for Environmental Health & Assets explained that the underspend on vehicles & plant replacements programmed for 2015/16 was partly due to careful vehicle management and maintenance which sometimes made it possible to extend the usable life of a vehicle significantly beyond that originally anticipated. The chairman reminded members that it was within the committee's gift to ask Cabinet members to attend to explain the reasons for rephrasing of projects within their portfolio, as demonstrated in 2015/16 when Councillor Mullineaux had attended to respond in relation to projects in the Neighbourhoods & Street Scene portfolio.</p> <p>Following a specific query on the underspend of Disable Facilities Grants (DFGs), from the audience, the Director for Development, Enterprise & Communities confirmed that although there was currently an underspend on DFGs, all the monies were allocated and work was progressing quickly. She confirmed that the underspend was not due to staffing resources.</p> <p>Members of the committee sought clarification from the Head of Shared Financial Services on the costs incurred in respect of the Licensing function and on the delegated decision number for the Human Resources spend for the disciplinary element as well as the process followed when such a document was marked as 'not for publication.' In response to a query from Cllr Moon it was confirmed that to date £23,761.73 had been spent on the investigation, against a budget created via a delegated decision of £25,000. Support to Human Resources in relation to the disciplinary element was currently £23,568.93. Councillor Clark informed the committee that he had already asked the question with regard to establishing what the formal process was for Delegated Decisions marked up as confidential and he was awaiting a reply. He would be happy to share this information once</p>
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he had received it.

The Head of Shared Financial Services confirmed that the Borough Investment Account was in place and could be utilised with immediate effect in accordance with the formal decision making process. It was confirmed that an approved strategy would be advantageous and could potentially speed up the process by establishing pre-determined approval criteria but its potential restrictions and limitations were also brought to the attention of members. A proposed strategy was currently being drafted and it was anticipated that this would be brought to the committee's meeting on 21 September for consideration. In response to a query the Head of Shared Financial Services confirmed that investments could be progressed if necessary as the decision making process was in place as followed for the purchase of units on Momentum Business Park. It was also noted that as the conclusions of the Asset Review were due to be received shortly it was sensible to consider at the next meeting how the outcome would influence the draft strategy for the operation of the Borough Investment Account.

RESOLVED (unanimously) that:

1. The report and appendices be noted;
2. the committee thank the Head of Shared Financial Services for amending the format and wording of the report in line with its requests;
3. the budget variances for 2015/16 listed at Appendix A be noted;
4. the budget items listed at Appendix B be carried forward to 2015/16;
5. the financing of the capital programme for 2015/16 and the carry forward of capital rephrasing into 2016/17 as outlined in the report be approved;
6. the retention of reserves at Appendix D together with the proposed contributions to and withdrawals from these reserves as detailed within the Core Financial Statements and within the report be noted;
7. the committee welcomed the offer of a training session to aid its understanding of the Business Rates Retention Scheme, and
8. the committee look forward to receiving clarification on the delegated decision number for the Human Resources spend on the disciplinary along with the delegated decision process followed for delegated decisions marked as 'not for publication'.

b) Core Financial Statements for Year Ending 31 March 2016

The Principal Systems and Financial Accountant presented the report which set out the statutory requirements for signature, audit, inspection and publication of the accounts, the draft Core Financial Statements themselves and brought members' attention to any significant changes from the previous year.

The Principal Systems and Financial Accountant confirmed that the complete Statement of Accounts would be made available to members for scrutiny prior to the External Auditors' inspection and a Learning Hour had been arranged on 14 July. In order for Shared Financial Services officers to make the session as helpful as possible for members, he asked them to forward suggestions of specific areas on which they would like clarification / more in depth discussion to him and/or the Head of Shared Financial Services in advance. Councillor Foster said that it would be helpful to have a more indepth explanation of the Movement in Reserves Statement. The Head of Shared Financial Services said that the session would include what plans the service was putting in place to ensure it met the earlier statutory deadline. This year's trial run had shown that these would be achievable with a few changes to current systems.

The Principal Systems and Financial Accountant and the Head of Shared Financial Services responded to questions and observations from the committee.

The increase in net expenditure on services as reported in the table on page 6, was largely due to downward revaluation of a number of the authority's assets which must be charged

	<p>as an expense to services. This was an accounting entry, along with the depreciation charges for the year, which was later reversed out of the General Fund balance as these accounting entries could not be charged to the General Fund for the purposes of taxation and funding and was instead replaced with the MRP (Minimum Revenue Provision) charge.</p> <p>The next revaluation of the Pension Fund was due this year and the Head of Shared Services would be attending a number of sessions with the actuary about this. One of her priorities was to gain an understanding of whether we would ever make up the deficit; if so, early repayment of the recovery contribution would allow further savings to be made.</p> <p>The reduction in the pension fund liability this year was explained by the Actuary as being as a result of an increase in the discount rate used to discount future liabilities back to present day values. There was also a small reduction in the Consumer Prices Index inflation assumptions used, so reducing future cost estimates.</p> <p>Any surplus or deficit on the Collection Fund was real cash, shared between all the preceptors. It was explained that the amounts paid out from the collection fund were based on estimates and therefore if actual collection in year was greater or less than originally estimated a corresponding surplus or deficit occurred at year end.</p> <p>RESOLVED (unanimously) that:</p> <ol style="list-style-type: none"> 1) The report be noted, and 2) members forward requests for specific areas for inclusion in the Statement of Accounts learning hour on 14 July to the Head of Shared Financial Services and/or the Principal Systems and Financial Accountant in advance.
10	<p>Treasury Management Annual Report 2015/16</p> <p>The Head of Shared Financial Services presented the report which confirmed that the authority had complied with all its Prudential and Treasury Indicators and that the return on investments (0.55%) had exceeded the 7-day LIBID benchmark (0.36%). The report also confirmed that, to date, around 98% of the investment with Icelandic Bank Heritable had now been recovered. The positive performance on investment income and additional rate of return achieved as a result of expanding the Counterparty List was noted.</p> <p>The Head of Shared Financial Services confirmed that the impact of the result of the EU referendum was already being felt, with borrowing rates reduced. We received daily monitoring reports from our treasury advisors, Capita, and advice from CIPFA was that local authority financial professionals should avoid any 'knee jerk' reactions in the immediate aftermath of the referendum. In response to a question she confirmed that any notification received would be acted upon if required with regard to change to a Counterparty resulting in it falling below the criteria set in our approved Treasury Strategy.</p> <p>RESOLVED: (unanimously) that: The report be noted and the committee welcome the fact that the authority's return on investments once again exceeded the 7-day LIBID benchmark.</p>
11	<p>Strategic Assessment of Reserves</p> <p>The Head of Shared Financial Services presented the report which had been commissioned from LG Futures so that the authority could gain an independent, strategic assessment of its current and future planned level of reserves. She highlighted some of the salient points from the findings, including complimentary comments about the accuracy of our budgeting and areas where further work needed to be done, including clarification of the purpose of the balance on the ICT reserve.</p> <p>The committee welcomed the fact that the report had been commissioned and its findings.</p>

	<p>The committee agreed to a suggestion from the Head of Shared Services that the training sessions on Business Rates Retention could be expanded to include a more detailed overview of the findings of the Strategic Assessment of Reserves.</p>
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	<p>RESOLVED (unanimously):</p>
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| | <ol style="list-style-type: none"> 1) That the committee applaud the commissioning of the assessment and welcome the findings, and 2) the committee appreciate the opportunity to explore the findings more fully within the BRR training session with the Head of Shared Financial Services. |
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The meeting ended at 9.04pm.

..... Chairman