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TRAFFORD COUNCIL

AGENDA PAPERS FOR ACCOUNTS AND AUDIT COMMITTEE

Date: Tuesday, 11 February 2014

Time: 6.30 p.m.

Place: Committee Rooms 2 and 3, Trafford Town Hall,
Talbot Road, Stretford, M32 0YT

A G E N D A	PART I	Pages
1.	ATTENDANCES To note attendances, including Officers and any apologies for absence.	
2.	MINUTES To receive and if so determined, to approve as a correct record the Minutes of the meeting held on 20 November 2013.	1 - 4
3.	ANNUAL GOVERNANCE STATEMENT 2012/13 - UPDATE ON SIGNIFICANT GOVERNANCE ISSUE: PUBLIC HEALTH To receive a report of the Director of Public Health, NHS Trafford.	5 - 10
4.	INSURANCE PERFORMANCE UPDATE REPORT 2013/14 To consider a joint report of the Executive Member for Finance and the Director of Finance.	To Follow
5.	TREASURY MANAGEMENT STRATEGY 2014/15 - 2016/17 To consider a joint report of the Executive Member for Finance and the Director of Finance.	To Follow
6.	ANNUAL GOVERNANCE STATEMENT 2013/14 - APPROACH / TIMETABLE To consider a report of the Head of Audit and Assurance.	11 - 18

7. **CERTIFICATION REPORT 2012/13 FOR TRAFFORD COUNCIL**
To receive a report from the Council's External Auditor. 19 - 30
8. **AUDIT COMMITTEE UPDATE**
To receive a report from the Council's External Auditor. 31 - 42
9. **REVENUE BUDGET MONITORING 2013/14 - PERIOD 8 (APRIL TO NOVEMBER 2013)**
To consider a report of the Executive Member for Finance and Director of Finance. 43 - 78
10. **AUDIT AND ASSURANCE REPORT FOR THE PERIOD OCTOBER TO DECEMBER 2013**
To note a report of the Audit and Assurance Manager. 79 - 90
11. **ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2013/14**
To consider a report of the Audit and Assurance Manager. 91 - 94
12. **URGENT BUSINESS (IF ANY)**
Any other item or items which by reason of special circumstances (to be specified) the Chairman of the meeting is of the opinion should be considered at this meeting as a matter of urgency.
13. **EXCLUSION RESOLUTION (REMAINING ITEMS)**
Motion (Which may be amended as Members think fit):

That the public be excluded from this meeting during consideration of the remaining items on the agenda, because of the likelihood of disclosure of "exempt information" which falls within one or more descriptive category or categories of the Local Government Act 1972, Schedule 12A (as amended) and specified on the agenda item or report relating to each such item respectively.
- PART II**
14. **RISK BASED VERIFICATION POLICY: REVENUES AND BENEFITS**
To consider a joint report of the Executive Member for Finance and the Director of Finance. Para. 7 To Follow

Accounts and Audit Committee - Tuesday, 11 February 2014

Membership of the Committee

Councillors M. Whetton (Chairman), Mrs. L. Evans (Vice-Chairman), J. Baugh, C. Boyes, B Brotherton, P. Myers and T. Ross.

Further Information

For help, advice and information about this meeting please contact:

Ian Cockill, Democratic Services Officer

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This agenda was issued on **Monday, 3 February 2014** by the Legal and Democratic Services Section, Trafford Council, Trafford Town Hall, Talbot Road, Stretford M32 0TH

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ACCOUNTS AND AUDIT COMMITTEE

20 NOVEMBER 2013

PRESENT

Councillor M. Whetton (in the Chair).

Councillors Mrs. L. Evans (Vice-Chairman), J. Baugh, C. Boyes, B Brotherton, P. Myers and T. Ross.

In attendance:

Director of Finance (Mr. I. Duncan),

Head of Partnerships and Performance (Ms. J. Stephenson),

Audit and Assurance Manager (Mr. M. Foster),

Records and Information Systems Manager (Ms. P. Titterington),

Transformation Programme Manager (Ms. S. Maynard),

Principal Audit and Assurance Team Leader (Ms. H. Carnson),

Democratic Services Officer (Mr. I. Cockill).

Also in attendance: Mr. M. Waite and Ms. H. Stevenson, Grant Thornton UK LLP.

22. MINUTES

RESOLVED: That the Minutes of the meeting held on 26 September 2013 be approved as a correct record and signed by the Chairman.

23. ANNUAL GOVERNANCE STATEMENT 2012/13 - UPDATE ON SIGNIFICANT GOVERNANCE ISSUE: RECORDS AND INFORMATION MANAGEMENT

The Records and Information Systems Manager submitted a report providing an update on the implementation of an Electronic Document and Records Management solution, one of the significant governance issues identified in the 2012/13 Annual Governance Statement for further development through 2013/14.

Expanding on the report, further clarification was provided to Members of the Committee regarding the original specification for the solution, the programme's budget, the digitalisation of historic and newly arising documentation, including an audit trail of changes and the estimated timescale for delivery of the project.

RESOLVED: That the report and update be noted.

24. ANNUAL GOVERNANCE STATEMENT 2012/13 - UPDATE ON SIGNIFICANT GOVERNANCE ISSUE: LOCALITY PARTNERSHIPS

The Head of Partnerships and Performance submitted a report providing an update on the development of Locality Partnerships, one of the significant governance issues identified in the 2012/13 Annual Governance Statement for further development through 2013/14.

The Committee welcomed the introduction of four Locality Boards to engage the community and advocated more communication with local elected members, including a formal reporting process to the Council. Members also recognised the importance of retaining Community Ambassadors long-term.

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The Council's External Auditor commented that the principals of Locality Partnerships and working in collaboration were encouraging and if successfully incorporated with the Council's objectives, plans and strategies, could ultimately be viewed as good practice.

RESOLVED: That the update and development work to date be noted.

25. TRANSFORMATION PROGRAMME PRESENTATION

The Committee received a presentation from the Transformation Programme Manager outlining the key responsibilities of the Transformation Team and its funding arrangements. Members received details of the team's outputs and outcomes from 2012/13, planned activity for 2013/14 and potential future challenges.

RESOLVED: That the presentation be noted and a further update on the Transformation Programme be submitted to the Committee in due course.

26. UPDATE ON PAYROLL ISSUE RAISED IN THE 2012/13 EXTERNAL AUDIT FINDINGS REPORT

The Director of Human Resources submitted a report providing an update on the Council's response to the External Auditor's recommendation in relation to payroll documentation, contained in the 2012/13 Audit Findings Report.

RESOLVED: That the report be noted.

27. THE ANNUAL AUDIT LETTER FOR TRAFFORD COUNCIL - YEAR ENDED 31 MARCH 2013

The Committee received the Council's Annual Audit Letter for the year ended 31 March 2013, summarising the key findings arising from the work of the External Auditor, Grant Thornton.

Mick Waite, Engagement Lead, Grant Thornton reaffirmed a key message from the letter that whilst the Council has a good, disciplined and structured approach to managing its financial performance, there were still significant challenges ahead which would require further transformation to achieve savings while securing high quality services.

RESOLVED: That the Committee notes the key messages and audit conclusions, including the key areas for Council attention.

28. AUDIT COMMITTEE UPDATE

Members received a report from Grant Thornton UK LLP on the progress at November 2013, in delivering its responsibilities as the Authority's external auditor.

The report also provided a summary of emerging national issues and developments relevant to the Council and included a number of challenge questions in respect of the emerging issues.

RESOLVED: That the Committee notes the report and recognises that the risks associated with Business Rate collection, formerly the responsibility of the government, are now a real issue for the Council.

29. TREASURY MANAGEMENT 2013-14 MID-YEAR PERFORMANCE REPORT

The Executive Member for Finance and the Director of Finance submitted a joint report providing an update on the progress of the treasury management activities undertaken for the first half of 2013/14.

The Committee noted that the Council's current banking services contract, which was due to expire on 31 March 2014, had been extended by a further 12 months and the Director of Finance outlined plans for a joint bank tendering exercise with other Greater Manchester Councils.

RESOLVED: That the Treasury Management activities undertaken in the first half of 2013/14 be noted.

30. REVENUE BUDGET MONITORING 2013/14 - PERIOD 6 (APRIL TO SEPTEMBER 2013)

The Committee received, for information, a joint report of the Executive Member for Finance and Director of Finance detailing the outcomes of the monitoring of the Council's revenue budget for the first six months of the financial year which was presented to the Executive on 18 November 2013.

RESOLVED: That the revenue budget monitoring information for the period April to September 2013, be noted.

31. AUDIT AND ASSURANCE REPORT FOR THE PERIOD JULY TO SEPTEMBER 2013

The Audit and Assurance Manager submitted a report providing a summary of the work of Audit and Assurance during the period July to September 2013 and providing ongoing assurance to the Council on the adequacy of its control environment.

RESOLVED: That the report be noted.

32. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2013/14

The Audit and Assurance Manager submitted a report setting out the updated work plan for the Committee for the 2013/14 Municipal Year and outlining the areas to be considered at each of its meetings. Further to the report, the Committee was advised of an additional matter for the February 2014 meeting, regarding a risk based verification policy for Housing and Council Tax Benefits.

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RESOLVED: That the 2013/14 work programme, with the inclusion of the Benefits Risk Based Verification Policy, be noted.

The meeting commenced at 6.30 p.m. and finished at 8.19 p.m.

Agenda Item 3

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 11 February 2014
Report for: Information
Report of: Director of Public Health

Report Title

Annual Governance Statement 2012/13 – update on significant governance issue : Public Health

Summary

This brief report provides an extract from the 2012/13 Annual Governance Statement outlining one of the significant governance issues identified for further development through 2013/14 i.e. Public Health.

It also includes a brief update on the Public Health governance arrangements, Public Health grant allocation 13/14, review of commissioned services, key updates and the Public Health outcomes framework.

Recommendation

The Accounts and Audit Committee is asked to note the report for information.

Contact person for access to background papers and further information:

Name: Abdul Razzaq
Extension: 1300

Background Papers:

Annual Governance 2012/13 Statement – Significant Governance Issue : Public Health

1. Introduction

Detailed below is an extract from the 2012/13 Annual Governance Statement followed by a brief update on actual progress made to date in respect of one of the significant governance issues referred to in the Statement i.e. the ongoing development of governance arrangements in respect of Public Health following the transfer of responsibility to the Council.

2. Annual Governance Statement 2012/13 Extract

The following detail was included in sections 5.3 and 5.4 of Trafford Council's 2012/13 Annual Governance Statement :

The Council is committed to achieving its objectives through good governance and continuous improvement. Going forward, the Council will continue to transform service delivery arrangements, to ensure the Council effectively delivers its objectives and manages its resources to meet the ongoing financial challenges being faced.

Detailed below are significant governance issues and a summary of the actions planned to address these in 2013/14.

2012/13 Issues and Action Planned 2013/14

4. Public Health

Responsibility for Public Health transferred to Trafford Council on 1 April 2013.

The Council provides a lead on health and wellbeing priorities to improve local health outcomes. Plans focus on commissioning existing, new and innovative public health services, with a range of partners across public sector, private and voluntary sector partnerships. From 1 April 2013, the Council also has responsibility for ensuring areas such as emergency planning, immunisation and screening programmes, infection control, outbreaks and incidents are effectively co-ordinated to preserve and protect the lives of Trafford residents.

Following on from work undertaken in 2012/13 to prepare for the transfer of responsibility to the Council, further action will be taken to ensure effective governance arrangements are in place to support the Council meeting its responsibilities effectively. The Council's Public Health Business Delivery Group has been established which is led by the Director of Public Health. In addition a Public Health Review Programme Board has been convened which will oversee a collaborative review of all key work streams linked to the current Public Health Programme to determine future commissioning intentions and spend. This includes the development of a detailed risk register which will be informed by the review.

3. Updated position (January 2014)

3.1 This report provides an update on the following:

- Public Health governance arrangements;
- Public Health grant allocation 2013/14;
- Review of commissioned services;
- Key developments in Public Health programmes and activity;
- Public Health outcomes framework.

3.2 Public Health Function

The specialist Public Health and health improvement staff are part of the Children, Families and Wellbeing (CFW) directorate within the Council. The staff work across the Council in a matrix approach to deliver the Public Health outcomes framework.

3.3 Public Health Mandated Services

Under the Health and Social Care Act 2012 the Council is responsible for ensuring that the following mandated Public Health services are fulfilled as part of its Public Health function responsibilities from 1st April 2013:

- Sexual health services – ensure open, free at point of access and universal services;
- Health protection – working with Public Health England (PHE) provide assurance on immunisation, screening, emergency planning;
- Clinical Commissioning Group (CCG) core offer – provide healthcare population advice and support through a memorandum of understanding;
- National Child Measurement Programme (NCMP) – ensure that the national programme is effectively implemented locally on an annual basis;
- NHS Health Checks – ensure that local residents are invited to have a health check with their GP or pharmacy and encourage uptake.

In addition the Council is responsible for commissioning services in drugs and alcohol, obesity and weight management and smoking cessation services.

3.4 Public Health Grant Allocation - 2013/14

Each local authority is given a Public Health grant allocation to meet its responsibilities to commission Public Health services for its residents. A two year national announcement was made on the Public Health grant allocations for 2013/14 and 2014/15 with a small uplift in the second year.

In 2013/14 the Trafford Council Public Health grant allocation is £10.1M and £10.4M in 2014/15.

4. Progress to-date

4.1 Public Health Governance Arrangements

The Director of Public Health chairs a monthly council wide membership Public Health Business Delivery Group that reports to the Children, Families and Wellbeing SLT (senior leadership team). Regular monthly briefing meetings on Public Health are held with the elected member lead for Health and Wellbeing Cllr Karen Barclay. The Director of Public Health attends the CCG management team and the CCG Governing Body as per the CCG core offer support from the Local Authority.

An additional Consultant in Public Health post (0.4WTE) has been appointed with a late April 2014 expected start date. Trafford Council is a Public Health training location. The Public Health team have two Speciality Registrars in Public Health (one first year 0.2WTE and one final year 0.4WTE).

The current Infection Control Steering Group is being revised to become the Health Protection Group from April 2014 that will oversee the assurance of the commissioning and outcomes of infection control and healthcare associated infections, screening and immunisation programmes, emergency planning resilience and response. It has been agreed that the Health Protection Group will provide assurance to the Trafford Health and Well Being Board on the health protection assurance responsibilities of the Council. The Health Protection Group will meet on a bi-monthly basis and report to the Health and Well Being Board twice yearly.

A new group is being established to oversee the clinical governance, patient safety and quality aspects of Public Health services commissioning.

4.2 Public Health Grant Allocation 2013/14

The ring fenced public health grant is paid to Local Authorities by Public Health England (PHE) and the Chief Executive of PHE is therefore the Accounting Officer for the totality of this spend, some £2.66 billion nationally, with clear responsibility to demonstrate that the grant has been spent on the purposes intended by Parliament.

PHE has developed its assurance arrangements setting out the various elements of assurance which can be taken from existing arrangements in place across the public health system. There are a number of such forms of assurance, most fundamental of which is the annual year end Statement of Assurance to be received from each upper tier local authority. This Statement will confirm compliance with the grant conditions as set out in Local Authority Circular LAC(DH)(2013)1 on 10 January 2013.

The PHE Chief Executive, as Accounting Officer, requires assurance that local authorities have applied the ring fenced public health grant, provided to them by PHE, in accordance with the grant conditions set out in the 'Ring fenced Public Health Grant Determination 2013/14: No 31/2100' in order to support him in attesting that the expenditure in the PHE accounts has been applied to the purposes intended by Parliament. The assurance framework developed by PHE has been shared with the National Audit Office (which audits PHE's accounts).

A Preliminary Statement of Assurance is to be provided by Trafford Council by 9th May 2014 latest to enable PHE's accounts to be certified and laid before Parliament in June 2014; and all Local Authority Chief Executives (or Director of Finance/Section 151 Officer) have been asked to prepare and sign off the Statements of Assurance on the basis of adequate appropriate evidence that grant conditions have been adhered to. This process of local assurance has been agreed with a finance schedule of the grant to enable the Council Chief Executive to sign off the statement of assurance.

4.3 Review of Public Health Commissioned Services

A thorough review of Public Health commissioned services was led by the Director of Commissioning and Service Development (Adult Social Care) during the period April – September 2014 and a detailed risk register was compiled. The review findings were reported to the Children, Families and Wellbeing (CFW) SLT.

4.4 Key Developments in Public Health programmes

- Regular systematic on going updating of the Trafford JSNA (joint strategic needs assessment).
- Development of the Joint Health and Well Being Strategy and action plan overseen by a Programme Board chaired by the Director of Commissioning and Service Development (Adult Social care).
- The tender for an integrated all age sexual health was awarded to Bridgewater Community NHS Trust and the service commenced on 1st September 2014. The new service provision includes improved children and young people service element.
- Community alcohol and detoxification services have been reviewed by the drugs and alcohol commissioners and are being tendered based on new service specifications.
- Improved performance on NHS Health checks as at Quarter 3 with 5,019 Trafford residents having had a health check.

- Trafford Council has signed the Local Government Declaration on Tobacco and is one of 28 local authorities nationally that have done so.
- Continuation of the National Child Measurement Programme (NCMP) and results are shared with child health commissioners to inform planning of healthy weight pathways and delivery of services.

4.5 Public Health Outcomes Framework

The Public Health Outcomes Framework *Healthy lives, healthy people: Improving outcomes and supporting transparency* sets out a vision for public health, desired outcomes and the indicators that will help us understand how well public health is being improved and protected.

The framework concentrates on two high-level outcomes to be achieved across the public health system, and groups further indicators into four 'domains' that cover the full spectrum of public health. The outcomes reflect a focus not only on how long people live, but on how well they live at all stages of life.

The Public Health Outcomes Framework Data Tool currently presents data for available indicators at England and upper tier local authority levels, collated by Public Health England.

The tool available at <http://www.phoutcomes.info/> allows local authorities to:

- Compare your local authority against other authorities in the region
- Benchmark your local authority against the England average

Trafford performs well on a wide range of Public Health outcome measures and is involved in a Greater Manchester programme of sector led improvement reviews on the following key priorities in Round 2:

- Vaccination coverage - Flu (Age 65+ and vulnerable people);
- Suicide rate;
- Hospital admissions caused by unintentional and deliberate injuries in children;
- Breastfeeding (prevalence, initiation);
- Under 18 conceptions.

Agenda Item 6

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 11 February 2014
Report for: Information / Approval
Report of: Audit and Assurance Manager

Report Title

Annual Governance Statement 2013/14 – Approach / Timetable

Summary

The preparation and publication of an Annual Governance Statement is necessary to meet the statutory requirement set out in Regulation 4 of the Accounts and Audit Regulations 2011. This report sets out the action plan / timetable to ensure compliance with the production of an Annual Governance Statement for 2013/14.

In facilitating the production of the Annual Governance Statement, the Audit and Assurance Service will use the guidance issued by CIPFA/SOLACE in December 2012 as a reference point throughout the process.

The Accounts and Audit Committee have a role in reviewing the robustness of the statement prior to sign off by the Chief Executive and Leader. As has been the practice in previous years, the report proposes delegation of responsibility for this task to a smaller working group of the Committee.

Recommendation

The Accounts and Audit Committee is asked to

- (a) Note the timetable / action plan;
- (b) Agree to delegate responsibility for reviewing the robustness of the Annual Governance Statement to a working group made up of the Chairman, Vice Chairman and opposition spokesperson.

Contact person for access to background papers and further information:

Name: Mark Foster – Audit and Assurance Manager
Extension: 1323

Background Papers:

- Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) – “Delivering Good Governance in Local Government : Framework” (2012).
- CIPFA / SOLACE – “Delivering Good Governance in Local Government : Guidance Note for English Authorities \ 2012 Edition
- CIPFA Finance Advisory Network – The Annual Governance Statement Rough Guide for Practitioners.

1. Introduction

- 1.1 The Accounts and Audit Regulations 2011 set out requirements related to the Council's systems of internal control, and the annual review and reporting of those systems.
- 1.2 The Regulations require Councils to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which include the arrangements for the management of risk.
- 1.3 In addition, the Regulations require the Council to conduct a review at least once in a year of the effectiveness of its systems of internal control. Following the review the Council must approve an **Annual Governance Statement** which then accompanies its Statement of Accounts. This assurance statement is made by the Chief Executive and Leader of the Council.
- 1.4 The Annual Governance Statement (AGS) should be prepared in accordance with "proper practices in relation to internal control". Proper practices relate to guidance set out in the CIPFA/SOLACE publication "Delivering Good Governance in Local Government Framework" and supporting guidance associated with this (referred to in section 2 of this report).
- 1.5 Since the 2011 Regulations came into effect the deadline for completing the AGS is 30 September each year. CIPFA recommends as best practice, however, that a full draft version of the AGS should accompany the statement of accounts by the end of June.
- 1.6 This report sets out the Council's approach and timetable for producing its AGS for 2013/14. **No significant changes to the approach are planned, compared to the previous year.**

2. Governance

- 2.1 Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises the systems, processes and controls, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate lead their communities.

Good governance leads to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users. Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with mechanisms for control and management of risk.

(Source: CIPFA / SOLACE – Delivering Good Governance in Local Government).

2.2 Effective governance arrangements are required to be in place to ensure that:

- the Authority's policies are implemented in practice;
- the Authority's values and ethical standards are met;
- laws and regulations are complied with;
- required processes are adhered to;
- financial statements and other published information are accurate and reliable;
- human, financial and other resources are managed efficiently and effectively, and;
- high-quality services are delivered efficiently and effectively.

The CIPFA/SOLACE framework provides a structure to assist authorities with their approach to governance. Originally published in 2007, it sets the standard for local authority governance in the UK. CIPFA and SOLACE reviewed the Framework in 2012 to ensure that it remains 'fit for purpose' and issued an addendum to it in December 2012 which provides an updated example annual governance statement. An updated guidance note was also produced to assist councils in the process for reviewing governance and subsequent reporting of this through the Annual Governance Statement. In producing the 2013/14 AGS, the guidance will be taken into account throughout the process.

2.3 Authorities are encouraged to test their governance arrangements against the principles contained in the Framework. The Framework adopts six core principles that must be considered when defining good governance:

- Focusing on the purpose of the authority and the outcomes for the community and creating and implementing a vision for the local area.
- Members and officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- Developing the capacity and capability of members and officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability.

2.4 In order to meet the expectations of the Corporate Governance framework, local authorities are expected to do the following:

- Review their existing governance arrangements against the Framework.
- Maintain a local code of governance, including arrangements for ensuring its ongoing application and effectiveness.
- As required in the Accounts and Audit Regulations 2011, prepare an **Annual Governance Statement** in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.

2.5 Trafford Council's Corporate Governance Code (last updated in June 2013) reflects the core principles outlined in the CIPFA Framework and states the arrangements in place to ensure governance arrangements are reviewed annually and reported on through the AGS.

3. The Process to Support the Annual Governance Statement

3.1 The Audit and Assurance Service is responsible for facilitating the production of the AGS. It is important, however, to recognise that it is not a document owned by the audit function – it is the Authority's statement on its governance processes. The proposed timetable reflects input from officers and members to the process.

3.2 The following arrangements are in place to enable the production of the AGS in 2013/14.

a) Annual Review of Corporate Governance (Assurance Gathering process)

The Audit and Assurance Service is responsible for undertaking an annual assessment to evaluate the position against the Council's Corporate Governance Code and assesses progress in implementing previous improvement actions.

This will include an assurance mapping exercise to identify potential sources of assurance available with the aim of:

- Mapping all systems / processes in relation to which assurance is required in accordance with the existing CIPFA framework.
- Identifying existing sources of assurance to confirm that key controls / risks are operating / managed effectively. Sources include:
 - **Management Controls** including legal compliance, performance management, and risk and financial reporting functions operating at corporate and directorate level;

- **Internal assurance** including Internal Audit, other compliance functions and internal review work;
- **External assurance** e.g. External auditor and other inspectorates, partner's compliance functions etc.

The Audit and Assurance Service will facilitate the coordination and reporting of available assurance evidence: both internal and external, (including consideration of the extent that reliance can be placed on the assurance available). This will require support from managers in providing the appropriate information required. Findings and recommendations from this exercise will be reported via the Corporate Management Team and any significant issues reported publicly through the AGS.

In addition, as part of this process, the Council's Corporate Governance Code will be reviewed, and updated if applicable, to ensure it remains appropriate and up to date in accordance with CIPFA guidance.

b) Production and Approval of the Annual Governance Statement

- Input from members and officers to produce and approve the 2013/14 AGS. This includes:
 - Directors and senior managers, with co-ordination from the Audit and Assurance Service to contribute to the content of the Statement.
 - CMT, Directors and senior managers to review the adequacy/robustness of the Statement.
 - Accounts and Audit Committee Sub Group to review the draft Statement and the process supporting it.
 - Sharing of the Statement with the External Auditor.
 - Chief Executive and Leader to agree the draft AGS which is then to be presented to the Accounts and Audit Committee at its June 2014 meeting.
 - Accounts and Audit Committee to approve the final version of the AGS, which is signed by the Chief Executive and Leader, and accompanies the Council's final accounts at the September 2014 meeting.

The planned timetable for the process of producing the AGS is in Appendix A.

The recommended elements of the process based on CIPFA guidance is represented in Appendix B.

4. Benefits of the Process

- 4.1 It should be noted that whilst compliance with legislation is of course of great importance, the information provided by this exercise is invaluable in the management of the Authority. The process provides an assessment of governance arrangements across the Council, and also identifies where strengths and areas for improvement exist in those arrangements. Where applicable, associated action plans should be established where areas for development / improvement are identified.

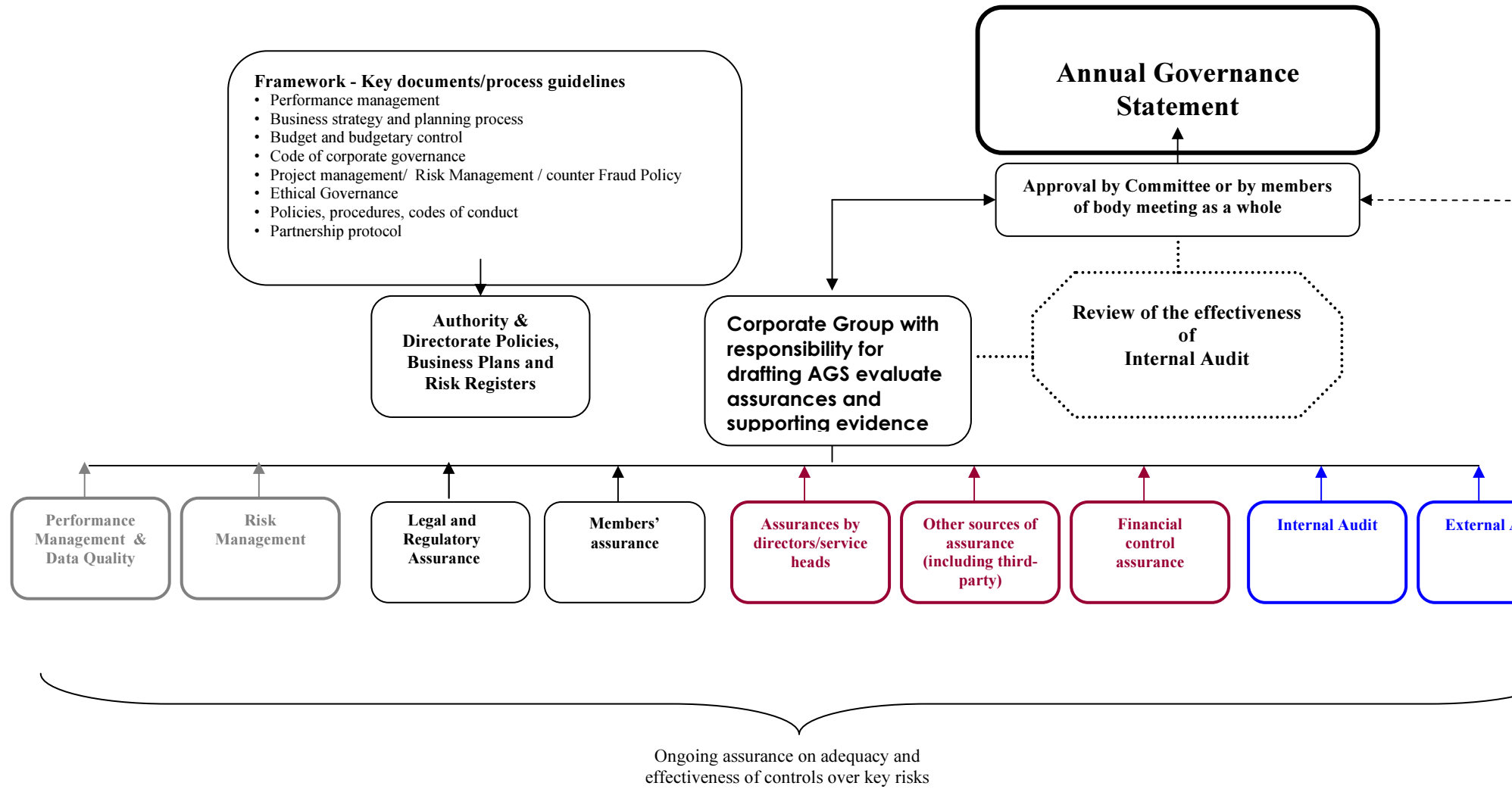
Appendix A

Action Plan to enable the production of the Annual Governance Statement for 2013/14

Actions Required	Timescale
<ul style="list-style-type: none"> CMT / Accounts and Audit Committee to receive report outlining the Authority's approach to the Annual Governance Statement for 2013/14. 	February 2014
<ul style="list-style-type: none"> Obtain assurance on risk management processes / management of strategic risks – final update of Strategic Risk Register for 2013/14 to be agreed by TPR&CMT and reported to the Accounts and Audit Committee. 	March 2014
<ul style="list-style-type: none"> Audit and Assurance review and evaluation of the Authority's actual position in relation to its Corporate Governance Code. 	May 2014
<ul style="list-style-type: none"> Production of the Annual Internal Audit Report and opinion – based on work completed by the Audit and Assurance Service during 2013/14 providing assurance relating to key systems, procedures and controls in place across the Council. 	May 2014
<ul style="list-style-type: none"> Complete collation of evidence to support the production of the draft Statement including both internal and external assurance. 	May 2014
<ul style="list-style-type: none"> Production of a first draft of the Annual Governance Statement for review by / comment from senior officers, members and the External Auditor (co-ordinated by the Audit and Assurance Service in consultation with CMT). 	Draft AGS shared with CMT – early June 2014 & Grant Thornton – mid June 2014
<ul style="list-style-type: none"> Accounts & Audit Committee (through appointed working group) to review robustness of the Annual Governance Statement. 	Mid June 2014
<ul style="list-style-type: none"> The Audit and Assurance Service to co-ordinate production of the draft Annual Governance Statement incorporating the above. 	Mid June 2014
<ul style="list-style-type: none"> Completed Draft Annual Governance Statement for 2013/14 to be agreed by the Chief Executive and Leader and presented to the Accounts and Audit Committee. 	End of June 2014.
<ul style="list-style-type: none"> Final Annual Governance Statement 2013/14, signed by the Chief Executive and Leader, to be submitted to accompany the final accounts and approved by the Accounts and Audit Committee. 	September 2014

ANNUAL GOVERNANCE STATEMENT FRAMEWORK

Appendix B





Certification report 2012/13 for Trafford Council

Year ended 31 March 2013
3 February 2014

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Section 1: Executive summary

01. Executive summary

02. Results of our certification work

Executive summary

Introduction

We are required to certify certain of the claims and returns submitted by Trafford Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

We have certified three claims and returns for the financial year 2012/13 relating to expenditure of £235 million.

This report summarises our overall assessment of the Council's management arrangements in respect of the certification process and draws attention to significant matters in relation to individual claims.

Approach and context to certification

Arrangements for certification are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return.

Key messages

A summary of all claims and returns subject to certification is provided at Appendix A. The key messages from our certification work are summarised in the table below and set out in detail in the next section of the report.

Aspect of certification arrangements	Key Messages	RAG rating
Submission & certification	All three claims were submitted to us on time and were certified by us within the required deadlines.	●
Accuracy of claim forms submitted to the auditor (including amendments & qualifications)	Overall the Council is performing well. No amendments were required to the claims. Qualification letters were required for the Teachers' Pension Return and the Housing and Council Tax Benefit Scheme. These letters are considered further in section two of this report.	●
Supporting working papers	The supporting working papers were sufficient to enable certification within the deadlines.	●

The way forward

We have made a two recommendations to address the findings arising from our certification work at Appendix B.

Acknowledgements

We would like to take this opportunity to thank the Council officers for their assistance and co-operation during the course of the certification process.

Grant Thornton UK LLP
January 2014

Section 2: Results of our certification work





- 01. Executive summary
- 02. Results of our certification work

Results of our certification work

Key messages

We have certified three claims and returns for the financial year 2012/13 relating to expenditure of £235 million.

The Council's performance in preparing claims and returns is summarised below:

Performance measure	Target	Achievement in 2012/13		Achievement in 2011/12		Direction of travel
		No.	%	No.	%	
Claims submitted on time	100%	3	100	3	100	
Claims certified on time	100%	3	100	2	67	
Claims certified with amendment	0%	0	0	1	33	
Claims certified with qualification	0%	2	67	1	33	

This analysis of performance shows that:

- all claims were certified before audit deadlines
- no amendments were required to the claims
- two claims were certified with Qualification letters

Details of the certification of all claims and returns are included at Appendix A.

Audit findings

Our work has identified issues in relation to the Teachers' Pension Return and the Housing and Council Tax Benefit Scheme.

We issued a qualification letter to Teachers' Pensions reporting that we had selected a sample of ten teachers and found that contributory salary for one teacher had been included in the wrong contributions tier. This resulted in a minor overstatement of employee contributions for this teacher.

We issued a qualification letter to the DWP reporting on a number of issues. These related mainly to the misclassification of overpayments. Similar findings have been included in qualification letters for the last few years and are fairly common reporting issues for this type of claim.

Recommendations for improvement are included in the action plan at Appendix B

Certification fees

The Audit Commission set an indicative scale fee for grant claim certification based on 2010/11 certification fees for each audited body. The fee billed for the Council for 2012/13 is £20,052. This is set out in more detail in Appendix C.

Appendices

Appendix A: Details of claims and returns certified for 2012/13

Claim or return	Value (£)	Amended?	Amendment (£)	Qualified?	Comment
Housing and Council Tax Benefit Scheme	78,874,024	No	0	Yes	We issued a qualification letter to the DWP reporting on a number of issues. These related mainly to the misclassification of overpayments.
National Non-Domestic Rates Return	145,417,212	No	0	No	
Teachers' Pension Return	11,003,702	No	0	Yes	We issued a qualification letter to Teachers' Pensions reporting that we had selected a sample of ten teachers and found that contributory salary for one teacher had been included in the wrong contributions tier.

Appendix B: Action plan

Priority

High - Significant effect on arrangements

Medium – Some effect on arrangements

Low - Best practice

Rec No.	Claim	Recommendation	Priority	Management response	Implementation date & responsibility
1	Teachers' Pension Return	The Council should review procedures to ensure that all teachers are included in the correct tier for 2013/14.	Medium	<p>The findings relate to a complicated situation of a Teacher on maternity leave whose actual pay in year reduced such that they should have been categorised on a different pension contribution tier. This resulted in the Council making a small additional pension contribution.</p> <p>Due to the unique set of circumstances involved in this case it is anticipated that a reoccurrence of this particular scenario would be unlikely, however, a new check has been implemented to identify if this or something similar occurs again so that immediate corrective action can be taken.</p>	Head of Shared Service Centre. Implemented.
2	Housing and Council Tax Benefit Scheme	The Council should examine its procedures for classifying overpayments for subsidy purposes to ensure these minimise the risk of errors.	Medium	The Council is currently undergoing a review of its procedures in relation to the classification of overpayments for subsidy purposes. The Benefits Service has already recently introduced a more in depth quality control process for all staff to ensure that a sample of work is monitored. Any errors identified are recorded and used to request amendments to procedural guidance and, where appropriate, form future training programmes.	Head of Revenues & Benefits Implemented and further ongoing work.

Appendix C: Fees

Claim or return	2011/12 fee (£) *	2012/13 indicative fee (£)	2012/13 actual fee (£)	Variance year on year (£)	Explanation for significant variances
Housing benefits subsidy claim	25,169	17,420	17,420	(7,749)	Fee for 2012/13 pre-set by Audit Commission.
National non-domestic rates return	2,106	2,580	1,132	(974)	Fee for 2012/13 pre-set by Audit Commission (less reduction for less work required) .
Teachers' Pension Return	3,508	1,500	1,500	(2,008)	Fee for 2012/13 pre-set by Audit Commission
Total	30,783	21,500	20,052	(10,731)	

* 2011/12 fee less 40% fee reduction applicable for 2012/13 onwards. This is shown in this way to make it comparable to the 2012/13 fee.



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Audit Committee Update for Trafford Council

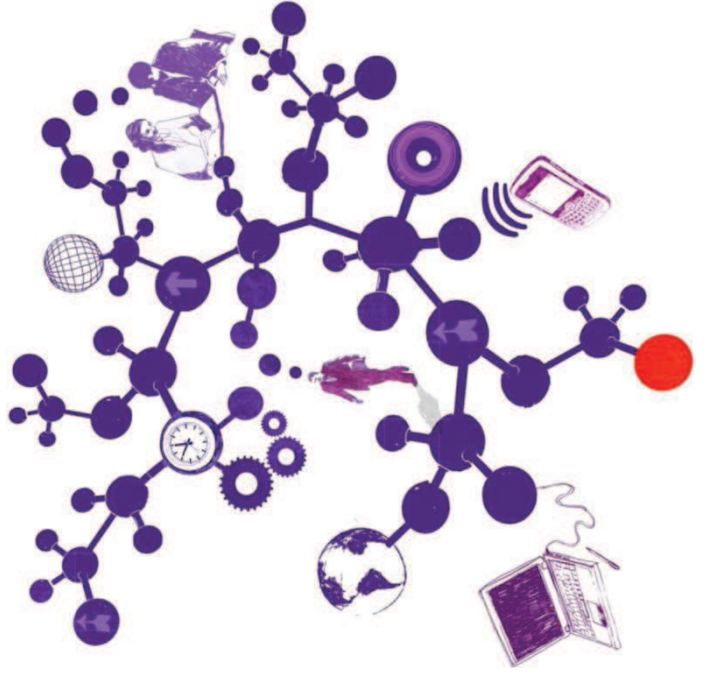
Year ended 31 March 2014
11 February 2014

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a Local Authority
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.

Members of the Accounts and Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications – 'Local Government Governance Review 2013', 'Towards a tipping point?', 'The migration of public services', 'The developing internal audit agenda', 'Preparing for the future', 'Surviving the storm: how resilient are local authorities?'

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Audit Manager.

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Progress at February 2014

Work	Planned date	Complete?	Comments
<p>2012-13 Grant claims report Our review of the Council's 2012-13 grant claims was completed during the period June to December 2013. We are required to issue and agree a report on this work by 28 February 2014.</p>	June - December 2013	Yes	We completed our certification work for 2012-13 claims and returns in November. Our annual report on the certification of claims and returns is included on the February Accounts and Audit Committee agenda.
<p>2013-14 Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2013-14 financial statements.</p>	March 2014	On track	Our planning for the 2013-14 audit has commenced. At this stage we plan to issue the detailed Audit Plan in March 2014.
<p>Interim accounts audit Our interim fieldwork visit includes:</p> <ul style="list-style-type: none"> • updating our review of the Council's control environment • updating our understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • initial Value for Money planning. 	January to April 2014	On track	We have commenced our planning for 2013-14 and expect to complete our interim accounts audit by the end of April 2014.

Progress at February 2014

Work	Planned date	Complete?	Comments
<p>2013-14 final accounts audit</p> <p>Including:</p> <ul style="list-style-type: none"> • audit of the 2013-14 financial statements • proposed opinion on the Council 's accounts and Whole of Government Accounts return • proposed Value for Money conclusion. 	July to September 2014	Not started	<p>We will again be holding annual accounts closedown workshops, jointly with CIPFA Finance Advisory Network. Workshops are being held on various dates during February and March 2014, and invitations have been sent to officers.</p> <p>We will prepare an Audit Findings Report and present this to the Audit and Accounts Committee prior to issuing our audit report</p>
<p>Value for Money (VfM) conclusion 2013-14</p> <p>We will give our statutory VFM conclusion on the arrangements to secure economy, efficiency and effectiveness based on two criteria, specified by the Audit Commission, related to the Council's arrangements for:</p> <ul style="list-style-type: none"> • securing financial resilience – focusing on whether the Council is managing its financial risks to secure a stable financial position for the foreseeable future • challenging how it secures economy, efficiency and effectiveness – focusing on whether the Council is prioritising its resources within tighter budgets and improving productivity and efficiency. 	September 2014	On track	<p>We will update our risk assessment and set out a planned programme of VFM work to inform our 2013-14 conclusion.</p> <p>We will report our detailed findings within our Audit Findings Report in September 2014.</p>

Progress at February 2014

Work	Planned date	Complete?	Comments
<p>Annual Audit Letter We are required by October 2014 to summarise our work performed at the Council, including:</p> <ul style="list-style-type: none"> • accounts audit • VFM audit work • grant claim certification. 	October 2014	Not started	
<p>2013-14 Grant claims report Our review of the Council's 2013-14 grant claims will take place during the period June to December 2014</p>	June to December 2014	Not started	

Emerging issues and developments

Grant Thornton

Financial Resilience

Our third national report on the financial health of local government “[2016 Tipping Point? Challenging the Current](#)” was published on 5 December 2013. It concludes that Overall, local authorities are delivering against their financial plans. However, the challenges are increasing; some improvements in the last survey have reversed this year; and a small number of authorities now have insufficient arrangements to ensure financial resilience. Authorities will need to work hard in all these key areas to stay in robust financial health. Our report, based on a review of 40% of the sector, assesses whether English local authorities have the arrangements in place to ensure their sustainable financial future.

The third in an annual series, ‘2016 tipping point? Challenging the current’, supported by wider dialogue with the sector, validates as possible or probable the concept of a series of potential ‘tipping point scenarios’ identified in last years’ report. Moreover, 79% of local authorities anticipate some form of tipping point in 2015/16 or 2016/17.

Our report also suggests some of the key priorities for local authorities in responding to the challenge of remaining financial sustainable. This includes a relentless focus on generating additional sources of revenue income, such as: investments in the commercial property portfolio; increased commercialisation of services and local authority trading; and regeneration and inward investment to boost local economic activity. In addition, councils will need to continue to improve efficiency through shared services, strategic partnerships and wider re-organisation.

Challenge question

- Have you considered the robustness of your arrangements to ensure a sustainable financial future in light of the findings of the report?

Emerging issues and developments

Audit Commission

Tough Times

The Audit Commission's latest research, Tough Times 2013: Councils' Responses to Financial Challenges From 2010/11 to 2013/14, shows that England's councils have demonstrated a high degree of financial resilience over the last three years, despite a 20 per cent reduction in funding from government and a number of other financial challenges. But, the Commission says, with uncertainty ahead, councils must carry on adapting in order to fulfil their statutory duties and meet the needs of local people.

<http://www.audit-commission.gov.uk/wp-content/uploads/2013/11/Tough-Times-2013-Councils-Responses-to-Financial-Challenges-w1.pdf>

Challenge

- Have you considered the findings and conclusions of the report and their relevance to your authority?

Emerging issues and developments

Audit Commission

Auditing the Accounts 2012/13

The Audit Commission's '[Auditing the Accounts 2012/13: Local government bodies](#)' report summarises the results of auditors' work for 2012/13 at principal local government bodies and small bodies. The report covers the timeliness and quality of financial reporting and summarises:

- auditors' work on the 2012/13 financial statements;
- auditors' work on the Whole of Government Accounts returns;
- auditors' local value for money work;
- public interest reports and statutory recommendations issued by auditors since December 2012; and
- the key financial reporting and financial management challenges facing bodies for 2013/14.

The Commission reports that auditors were able to issue the audit opinion by 30 September 2012 at 99 per cent of councils, all fire and rescue authorities, 97 per cent of police bodies, 98 per cent of other local government bodies and 98 per cent of both parish councils and internal drainage boards. This is consistent with last year for most groups, but an improvement for councils and small bodies compared to 2011/12.

Thirteen principal local government bodies received an unqualified audit opinion by 31 July 2012 and published their audited accounts promptly. At the date of preparing the report, one principal local government body had received a qualified audit opinion on the 2012/13 accounts. The overwhelming majority of small bodies (92 per cent of parish councils and 91 per cent of internal drainage boards) received an unqualified opinion on their 2012/13 annual return by 30 September.

Challenge question

- Have you reviewed the report and considered the Council's performance in comparison with other authorities?

Emerging issues and developments

General

Draft local government finance settlement

The Department for Communities and Local Government has published the [proposed Local Government Finance Settlement for 2014/15](#). Excluding the Greater London Authority, the spending power for local authorities in England will fall by 2.9 per cent in 2014/15 compared to 2013/14. As in previous years, councils will have their funding reduction capped at 6.9 per cent. Indicative funding levels for the 2015/16 settlement have also been provided to assist local authorities with their medium-term financial planning. The settlement is subject to consultation until 15 January 2014, and will be finalised in February 2014

Challenge question

- Have you considered the implications of the proposed settlement on your medium term financial strategy?

CIPFA publications

CIPFA have recently published the following documents which are relevant to local government bodies:

- Open Book Accounting: How to Deliver and Demonstrate Value for Money in the Public Sector (2013 Edition)
- Audit Committees: Practical Guidance for Local Authorities and Police (2013 Edition)
- Code of Practice on Transport Infrastructure Assets (2013 Edition)
- Service Reporting Code of Practice for Local Authorities 2014/15
- Financial Statements: A Good Practice Guide for Local Authorities
- Housing Finance under Self-financing

Challenge question

- Have you obtained and reviewed the publications?



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TRAFFORD COUNCIL

Report to: Executive

Date: 27 January 2014

Report for: Information

Report of: The Executive Member for Finance and the Director of Finance

Report Title:

Revenue Budget Monitoring 2013/14 – Period 8 (April to November 2013).

Summary:

The approved revenue budget for the year is £159.003m. The forecast for the end of the year, as projected following eight months of activity, is £156.811m being a net underspend of £(2.2)m, (1.4)% of the budget. This is a favourable movement of £(0.1)m on the previous month.

In addition, the Learning Disability Recovery plan is forecasted to achieve £(0.5)m of in-year cash savings. The main areas of budget variance are summarised as:

Activity	Forecast £m	Movement £m
Vacancy management & control	(1.1)	-
Social Services demand led budgets	1.3	0.0
Projects/savings rescheduling	0.3	-
Running costs	0.2	(0.0)
New Grant	(0.2)	-
Income	(0.9)	(0.1)
Service Outturn	(0.4)	(0.1)
Additional Airport dividend	(1.3)	-
Other Council-wide budgets	(0.5)	-
Forecasted outturn	(2.2)	(0.1)
Learning Disability Pool	(0.5)	0.1

Reserves

The forecast level of General Reserve at year end is £(10.5)m. Deducting future planned commitments the long term balance is £(8.4)m, or £(2.4)m above the minimum level of £(6.0)m.

The net service carry forward reserves at the beginning of the year were £(3.6)m. With a planned use to support savings and change projects of £2.1m, plus a net underspend of £(0.3)m, the projected carry forward is £(1.8)m. The Learning Disability Pool reserve had an adverse brought forward balance of £1.5m, which will be reduced by the recovery plan in-year to £1.0m, with a view to full recovery by the end of next year.

Council Tax

There is an in-year forecasted Council Tax surplus, of £(0.872)m, a minor movement of £(0.003)m since last period.

Recommendation(s)

It is recommended that:

- a) the latest forecast and planned actions be noted and agreed.

Contact person for access to background papers and further information:

Head of Financial Management Extension: 4302

Background Papers: None

Relationship to Policy Framework/Corporate Priorities	Value for Money
Financial	Revenue expenditure to be been contained within available resources in 2013/14.
Legal Implications:	None arising out of this report
Equality/Diversity Implications	None arising out of this report
Sustainability Implications	None arising out of this report
Staffing/E-Government/Asset Management Implications	Not applicable
Risk Management Implications	Not applicable
Health and Safety Implications	Not applicable

Director of Finance:.....ID...

Director of Legal & Democratic Services:.....MJ...

Signature: [Appended in hard copy.]

Budget Monitoring - Financial Results

- The approved budget is £159.003m. Based on the budget monitoring for the first 8 months of the year, the overall forecast for the year is £156.811m, being an underspend of £(2.192)m, (1.4)%. Included within this total is a net service underspend of £(0.343)m or (0.3)% of the relevant budget, and underspends in Council-Wide budgets of £(1.849)m or (7.8)% of the relevant budget.
- The Learning Disability (LD) Pool recovery plan is forecasted to achieve £(0.515)m or (2.6)% of cash savings to offset the brought forward adverse balance on the fund of £1.472m. The details of service variances can be found in Annexes 1 to 4, and for Council-Wide, Annex 5:

Table 1: Budget Monitoring results by Directorate	Year end Forecast (£000's)	Percentage %	Period Movement £(000's)	Annex
Children, Families & Wellbeing	(12)	0.0%	(28)	1
Environment, Transport & Operations	93	0.3%	(6)	2
Economic Growth & Prosperity	-	0.0%	-	3
Transformation & Resources	(424)	(2.1)%	(20)	4
Total Service Variances	(343)	(0.3)%	(54)	
Council-wide budgets	(1,849)	(7.8)%	(20)	5
Estimated outturn variance (period 8)	(2,192)	(1.4)%	(74)	
Learning Disability Pool	(515)	(2.6)%	60	1
Total Forecasted outturn	(2,707)	(1.7)%	(14)	

Table 2: Budget Monitoring results by Executive Portfolio Holder	Year end Forecast (£000's)	Percentage %	Period Movement £(000's)
Supporting Children & Families	(171)	(0.7)%	(108)
Education	180	2.6%	60
Adult Social Services	(21)	(0.1)%	20
Community Health & Wellbeing	-	0.0%	-
Highways & Environment	93	0.3%	(6)
Safe and Strong Communities	25	1.2%	(15)
Economic Growth & Prosperity	-	0.0%	-
Transformation & Resources	(261)	(1.8)%	(15)
Finance	(2,037)	(7.4)%	(10)
Estimated outturn variance (period 8)	(2,192)	(1.4)%	(74)
Adult Social Services (LD Pool)	(515)	(2.6)%	60
Total Forecasted outturn	(2,707)	(1.7)%	(14)

Key Month on Month Variations

- The key variances contributing to the period movement of a favourable £(0.014)m are:
 - £(0.100)m due to a net decrease of 8 service users across residential, homecare and direct payments within Older People Service;

- an increase in Home to School transport costs of £0.139m in Education & Early Years' Service;
- £(0.104)m relating to lower contract costs within commissioned Early Intervention and Complex & Additional Needs service;
- £0.095m relating to a reduction in the savings expected within the Equipment & Adaptations budget than previously reported;
- £(0.143)m additional SLA income from Schools and Academies within Education & Early Years, £(0.096)m and HR Shared service, £(0.047)m
- £0.060m relating to a lower in year underspend expected in the Learning Disability Pooled fund;
- Other minor net movements across all other services, £0.039m.

MTFP Savings and increased income

4. The Budget included for £(18.5)m of savings and increased income. The table below summarises the current forecasts against this savings target:

Table 3: Savings 2013/14	Budget target (£000's)	End of Year Forecast (£000's)	Variance (£000's)
Transformation savings	(8,131)	(8,132)	(1)
Other savings	(10,389)	(10,389)	
Total	(18,520)	(18,521)	(1)

5. There has been slippage on savings in Groundforce £0.120m pending a review of working conditions and Enforcement £0.314m due to additional staff consultation. These will be mitigated in full from management action taken across the Directorate or use of accumulated balances if required.

Council Tax

6. In-year Council Tax collection to the end of November was 77.56% of total tax due, which is slightly down on last year's figure of 78.04%. As well as a number of changes to the welfare system, including the introduction of the Council Tax Support Scheme, the law changed to allow residents to take up a 12 month payment plan option rather than the previous 10 month. Around 2% of residents have moved from a 10 month to 12 month payment plan, which will have impacted on collection rates.
7. Overall, the current end of year total revenue forecast is for an additional £(872)k of Council Tax above budgeted levels, which is a minor monthly movement of £(3)k. The variances are detailed in the table below.

Table 4: Council Tax forecast and surplus estimate for 2013/14	Overall (with all precepts)		Trafford element only	
	£(000's)	£(000's)	£(000's)	£(000's)
Surplus brought forward		(6)		(5)
Changes in Band D equivalents	(454)		(383)	
Empty Homes Premium	(160)		(135)	
Council Tax Support awards	(750)		(631)	
Backdated valuations & discounts	329	(1,035)	277	(872)
Surplus carry forward		(1,041)		(877)

Business Rates

8. As previously reported, the Valuation Office Agency provided a quarterly update on the level of appeals as at 30 September 2013, showing that the amount outstanding had reduced from £156m to £150m. It is expected that the cost of settled appeals in the future will be significant and this is compounded with the level of backdated payments. Government guidance is awaited on the accounting treatment of appeals and potentially the Council could be in a position of triggering the 'safety net' this year which would cost £2.4m. As highlighted in the previous monitor, the situation is still under evaluation and will form part of the considerations for the 2014/15 budget.

Reserves

9. The General Reserve balance brought forward was £(10.6)m, against which there are planned commitments up to the end of 2014/15 of £4.0m. This includes an adjustment to the contribution to the AGMA-wide Work Programme Plus initiative from an estimated £121k, previously agreed at Executive 18 November 2013, to £103k as a result of more up to date information.
10. The addition of the Council-Wide underspend of £(1.8)m provides for a projected 31 March 2015 balance of £(8.4)m, being £(2.4)m above the agreed minimum level of £(6.0)m. The utilisation of reserves is a consideration of the 2014/15 budget and medium term financial planning process.

Table 5: General Reserve Movements	(£000's)
Balance 31 March 2013 (subject to audit confirmation)	(10,643)
Commitments in 2013/14:	
- Planned use for 2013/14 Budget	906
- One-off projects from 2012/13 brought forward	98
- Planned use for one-off projects 2013/14	1,019
- Council-wide budgets underspend	(1,849)
Balance 31 March 2014	(10,469)
- Planned use for 2014/15 Budget	2,094
Projected balance after known commitments	(8,375)

11. Service balances brought forward from 2012/13 were a net £(3.6)m. After planned use to support one-off projects and adjusting for the estimated outturn, there is a projected net surplus of £(1.763)m to be carried forward to 2014/15 (Table 6). There is also an outstanding balance on the Learning Disability Pool of £0.957m, however, there is a recovery plan to bring the pool back into balance by the end of 2014/15 (see Annex 1).
12. The use of Service reserve balances during the year is detailed in Annexes 1 to 4 of the report. However the main highlights include :
- invest to save projects in CFW of £0.803m;
 - £0.126m committed on re-phased projects per the 2012/13 outturn report in EGP with the remaining balance £0.186m earmarked to supplement 2013/14 project work, plus provide one-off mitigation if income levels continue to be adversely affected by the economic climate;
 - Transformation Support within T&R of £0.177m and £0.185m set aside for Land Charges Claims.

	B/f April 2013 (£000's)	Forecast Movement in-year (£000's)	Forecast Balance (£000's)
Table 6: Service balances			
Children, Families & Wellbeing	(1,427)	837	(590)
Environment, Transport & Operations	(439)	330	(109)
Economic Growth & Prosperity	(312)	312	0
Transformation & Resources	(1,389)	325	(1,064)
Total All Services (Surplus)/Deficit	(3,567)	1,804	(1,763)
Learning Disability Pool	1,472	(515)	957
Total (Surplus)/Deficit	(2,095)	1,289	(806)

Recommendations

13. It is recommended that the latest forecast and planned actions be noted and agreed.

TRAFFORD MBC

Report to: CFW Directorate Management Team
 Date: 19 December 2013
 Report for: Discussion
 Report author: CFW Finance Managers

Report Title

**Revenue Budget Monitoring 2013/14 – Period 8
 (April 2013 to November 2013 inclusive)**

1 Outturn Forecast

1.1 The approved revenue budget for the year is £82.571m. The projected outturn is £82.044m which is £(0.527)m under the approved budget (0.64%), a £0.032m adverse movement from the October forecast.

1.2 The £32k net adverse movement in the month is a result of:

- £14k adverse movement in staff costs across the Directorate.
- £138k adverse movement in home to school transport costs, due to the new academic year's contract prices and number of scheduled runs not reducing in line with expectations.
- £(86)k favourable movement in staff costs for the Adoption Reform Grant due to delay in staff employed for fixed term twelve month posts. This funding will be required in 2014/15 from the CFW reserves.
- £122k adverse movement in care package and commissioned services costs, consisting of a £95k adverse movement in the Physical Disabilities community equipment budget and an adverse £27k movement in care package costs.
- £(156)k favourable movement in other income £(96)k and running costs £(60)k across the Directorate.

2 Explanation of Variances

2.1 The forecast outturn variances are summarised below by Portfolio, with more detail at Appendix 1.

Supporting Children & Families and Education Portfolios - £(48)k favourable movement.

- Despite a number of actions to reduce demand and the cost of placements, there has been an increase in client numbers generating a net overspend of £504k in external placement costs and £325k of internal costs (staffing £72k, adoption fees £77k and other running costs £90k). This has been mitigated in year by the use of a one-off Intensive Fostering Grant of £(198)k and other income of £(10)k.

- There is an anticipated surplus of adoption income of £(423)k. This is being generated through the approval of 35 adopters and their use by other Local Authorities for which we can charge £(27)k per placement. However, the activity supporting the identification of suitable families is supported by grant that cannot be guaranteed in the long term.
- Commissioning service projected underspend of £(140)k from staff savings and other variances.
- Education and Early Years' service predicted overspend of £180k: Home to School transport pressure of £516k, vacant staff posts totalling £(137)k, additional income of £(226)k and other variances £27k, and
- Children's Centres projected underspend of £(126)k, relating to staffing.

Adult Social Care Portfolio - £20k adverse movement

- A decrease of £(100)k in Older People residential placements (8).
- An increase of £95k in the Physical Disabilities Integrated Community Equipment service arising from an increase in minor adaptations
- Net increase in placement costs of £22k from an increase of 1 Mental Health residential placement
- Other minor favourable variances of £3k in Support and Other Services.

Learning Disabilities (LD) Pooled Budget - £60k adverse movement

- An increase in placement costs of £60k.

2.2 The budget depends on the successful implementation and delivery of two key savings plans to reduce demand; Telecare £(400)k and Reablement £(500)k. Whilst the plans have been implemented the effectiveness of the plans on the reduction in demand is currently being analysed and assessed.

3 Learning Disabilities Pooled Fund

3.1 At the beginning of the year the LD Pool had a carry forward adverse balance of £1,472k, and a recovery plan to deliver cash savings against budget over two financial years to address this. The 2013/14 target is for an outturn balance of £900k. The projected outturn is £957k.

3.2 The Deputy Corporate Director has re-phased the recovery plan, and included additional initiatives. As a result of the movement in period 8 additional work is being undertaken to recover the position:

- A review of all existing and projected placements
- Expansion of telecare and reablement into Learning Disabilities services
- Additional services identified for retendering
- High cost and out of borough placements review
- Accommodation development to reduce cost of provision

3.3 The updated plan is shared with the Trafford Clinical Commissioning Group (CCG), which replaced the previous Primary Care Trust delivery partner. The Council and the CCG will target the outstanding balance to bring the LD Pool into balance by 31 March 2015.

4 Service carry-forward reserves

- 4.1 At the beginning of April 2013 the Children, Families and Wellbeing Directorate had accumulated balances of £(1,427)k carried forward from previous financial years.
- 4.2 The remaining carry-forward balances at the end of the year after taking into account the outturn position are:

Table 1: Utilisation of Carry forward Reserve 2013/14 –	(£000's)
Balance brought forward 1 April 2013	(1,427)
Specific expenditure assigned against the reserve re: invest to save	803
Specific expenditure committed from 2012/13	46
P8 Forecast Outturn	(12)
Balance carried forward at 31 March 2014	(590)
Specific Expenditure committed 2014-15 re Adoption Reform Grant	86

Table 2: Utilisation of Carry forward Reserve 2013/14 – Learning Disabilities Pooled Fund	(£000's)
Balance brought forward 1 April 2013	1,472
P8 Forecast outturn cash movement	(515)
Balance carried forward at 31 March 2014	957

- 4.3 Any use of the reserves will be managed to ensure that it has a positive impact on the following year's budget e.g. invest to save initiatives.

5 Management Action

- 5.1 Key to the delivery of the budget is management of demand, placement costs and delivery of the Learning Disabilities Pooled Fund Recovery Plan. The Directorate will focus on
- Monitoring the impact of the changes in activity and discharges from services seen in period 8. Putting in place action to mitigate the budget pressure.
 - Delivery of the Learning Disability Pooled Fund Recovery Plan in partnership with Trafford Clinical Commissioning Group.
 - Monitoring of the impact on demand of the Telecare and Reablement budget savings.
 - Continuous review of all placements to ensure the most effective provision is made.
 - A number of actions are being taken in relation to the Home to School Transport budget pressure. These include a service review, tender process and options appraisal for transport to out of borough placements.
 - The Adoption Grant (£529k) in 2013-14 is currently supporting strategies to increase the number of approved adoptive families and increasing the support network to those families. If the grant reduces/ends, the income generated from the provision of additional adoptive placements will be sufficient to support an appropriate level of service.

Period 8 Projected Outturn revenue expenditure and income variances

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P8 Outturn (£000's)	P8 Outturn variance (£000's)	P7 Outturn variance (£000's)	P7 – P8 movement (£000's)	Ref
Education Portfolio						
Dedicated Schools Grant	0	0	0	0	0	CFW1
Transfer to Dedicated Schools Grant Reserve	0	0	0	0	0	CFW1
Education Early Years' Service	6,869	7,049	180	120	60	CFW5
Sub-total	6,869	7,049	180	120	60	
Supporting Children & Families Portfolio						
Children's Social Services	15,232	15,438	206	264	(58)	CFW2
Children with Complex & Additional Needs	2,023	1,929	(94)	(119)	25	CFW2
Commissioning	1,712	1,572	(140)	(81)	(59)	CFW3
Multi Agency Referral & Assessment Service (MARAS)	1,471	1,504	33	1	32	CFW6
Youth Offending Service	527	477	(50)	0	(50)	CFW7
Children's Centres	2,213	2,087	(126)	(128)	2	CFW4
Youth Service	1,430	1,430	0	0	0	
Sub-total	24,608	24,437	(171)	(63)	(108)	
Adult Social Services Portfolio						
Older People	20,250	20,051	(199)	(99)	(100)	CFW8
Physical Disabilities	4,194	4,114	(80)	(81)	1	CFW9
Equipment & Adaptations	801	772	(29)	(124)	95	CFW10
Mental Health	3,416	3,710	294	257	37	CFW11
Other Adult Services	746	732	(14)	(12)	(2)	CFW12
Strategic & Support Services	896	910	14	21	(7)	CFW13

Adaptations	(52)	(52)	0	0	0	
Housing Services	1,247	1,271	24	21	3	CFW14
Community Services	251	255	4	4	0	CFW15
Equalities & Diversity	184	149	(35)	(28)	(7)	CFW16
Sub-total	31,933	31,912	(21)	(41)	20	
Community Health & Wellbeing Portfolio						
Public Health	(862)	(862)	0	0	0	
Sub-total	(862)	(862)	0	0	0	
Total	62,548	62,536	(12)	16	(28)	
Learning Disabilities Pooled Fund	20,023	19,508	(515)	(575)	60	CFW17
Total	82,571	82,044	(527)	(559)	32	

Business Reason / Area (Subjective analysis)	P8 Outturn (£000's)	P7 Outturn (£000's)	P7-P8 movement (£000's)	Ref
DSG Reserve				
DSG Reserve B/Fwd.	(2,453)	(2,453)	0	
Spend on DSG Reserve	1,103	1,853	(750)	CFW1
DSG projected underspend	(1,350)	(600)	(750)	
Transfer to DSG Reserve	1,350	600	750	
Children, Families & Wellbeing				
Management of staff vacancies	(553)	(481)	(72)	CFW3,4,5,6,7,8, 10,11,15,16
External care packages and commissioned services	241	119	122	CFW2,8,9,10,14, 16
Delay in closure of establishments	97	97	0	CFW7
Transport costs	515	377	138	CFW5
Other running costs	22	82	(60)	CFW3,5,12,13
Grant income	(198)	(198)	0	CFW2
Adoption income	(423)	(423)	0	CFW2
Other income	(228)	(132)	(96)	CFW3
Sub-total	(527)	(559)	32	
Total	(527)	(559)	32	

NOTES ON VARIANCES AND PERIOD MOVEMENTS

Supporting Families & Children Portfolio, Education Portfolio

CFW1 – DSG Reserve b/fwd.

- The DSG reserve brought forward balance is £(2.453)m. There are likely to be commitments against this in 2013/14 of £1.103m. This leaves an underspend of £(1.350)m. This underspend will be carried forward to 2014/15. Further variances will come to light once the full impact of the new academic year is known. (e.g. increased pupil numbers).
- The Funding Forum was made aware of this reserve at the July 2013 meeting and proposals will be forwarded at a future meeting on how to utilise this. It is very likely that some of it will be distributed to schools on a one off basis. Further details can be sought by accessing the July 2013 Funding Forum report.

Non DSG Variances £9k adverse

CFW2 – Children’s Social Care £112k adverse (Includes Children with Complex & Additional Needs)

- Despite a number of actions to reduce demand and the cost of placements, there has been an unexpected increase in client numbers generating a net overspend of £504k in external placement costs, an overspend of £72k in staffing, adoption agency placement fees of £77k and other costs of £90k. This is despite a significantly reduced unit cost per week over the last three years due to the placement strategy implemented. The increased demographics are in line with national trends and increased child population overall in Trafford. The increase has been mitigated in year by the use of a one-off Intensive Fostering Grant of £(198)k and other income of £(10)k.
- Fortunately this overspend is largely off-set for 2013-14 by an anticipated surplus in adoption income of £(423)k. This is being generated through the approval of 35 adopters and their use by other Local Authorities for which we can charge £(27)k per placement. This level of grant and income cannot be guaranteed in future.

CFW3 – Commissioning £(140)k favourable

- The favourable variance is due to staff posts being held vacant £(47)k, an underspend on contracts within commissioned Early Intervention and Complex & Additional Needs services totalling £(104)k, and other variances totalling £11k.

CFW4 – Children’s Centres £(126)k favourable

- The favourable variance within this area is due to a slippage in staffing totalling £(126)k.

CFW5 – Education & Early Years £180k adverse

- The projected overspend of £180k within the Education and Early Years’ service is due to the impact of demographic pressures on contract and escort costs for SEN Transport of £516k, overall staff savings across the service of

£(137)k, additional income received from schools and academies of £(226)k and other variances totalling £27k.

CFW6 – MARAS £33k adverse

- The estimated overspend within MARAS relates to additional staffing costs incurred in the year totalling £33k.

CFW7 – Youth Offending Service £(50)k favourable

- The saving within Youth Offending Service comes from an anticipated underspend in remand placement costs.

Adult Social Care Portfolio £(21)k favourable

CFW8 – Older People £(199)k favourable

- **Care Management/Assessment £(351)k favourable**
Due to managed vacancies within the Social Work, Assessment, Reablement and Screening teams.
- **Residential and Nursing Care/Home Care/Day Care/Direct Payments - £55k adverse**
In previous periods demand had been within expected levels, period 8 has seen a net decrease of 8 service users across residential, homecare and direct payments services reducing costs by £(100)k. The main reason for the net decrease is that there have been more people leaving services.
- **Katherine Lowe House and The Princess Centre - £97k adverse**
Delays in the closure of Katherine Lowe House (£82k) and the Princess Centre (£15k) resulting in additional costs being incurred.

CFW9 – Physical Disabilities £(80)k favourable

- **Care Management/Assessment £(81)k favourable**
Due to managed vacancies within the Social Work teams.
- **Residential and Nursing Care/Home Care/Direct Payments - £1k adverse**
One additional residential placement costing £45k more than budgeted, 1 additional homecare placement; £12k and 1 existing placement were package costs have increased; £17k. Recovery of Direct Payment allocations is greater than budgeted £(73)k.

CFW10 – Equipment & Adaptations - £(29)k favourable

- **External Minor Adaptations - £(29)k favourable**
The volume of repair call out is projected to be slightly lower than estimated in the budget.

CFW11 – Mental Health - £294k adverse

- **Care Management and Assessment £(52)k favourable**
Due to managed vacancies within the Community Mental Health Team.
- **Residential and Nursing Care/Home Care/Direct Payments/Supported Living £346k adverse**
There are 9 residential service users with significantly higher than budgeted costs and one homecare user higher than budgeted.

CFW12 - Other Adult Services £(14)k favourable

- **Emergency Duty Team £86k adverse**
Due to projected staff costs due to current workload.
- **Transport Services - £(100)k favourable**
Rationalisation of trips following merger of Princess Centre and Pathways.

CFW13 - Strategic & Support Services - £14k adverse

- **Finance Team £14k adverse**
Due to higher than expected client services costs.

CFW14 - Housing Services - £24k adverse

- **Supporting People £24k adverse**
Underachievement in income contribution.

CFW15 - Community Services - £4k adverse

- **Community Services £4k adverse**
Underachievement in income contribution.

CFW16 – Equalities & Diversity - £(35)k favourable

- **Equalities & Diversity £(35)k favourable**
Due to managed vacancies in the Team £(24)k and a projected underspend in the events budget £(11)k.

Learning Disabilities Pooled Fund

CFW17 – Learning Disabilities - £(515)k favourable – Pooled Fund Arrangement

- **Residential and Nursing Care/Home Care/Direct Payments £(548)k favourable**
The impact of the recovery plan on projected demand.
- **Daycare £(8)k favourable**
The new method of service provision at the Meadowside Centre has delivered a saving higher than estimated.
- **Care Management/Assessment £41k adverse**
Agency cover for long term sick and additional resource to deliver recovery plan.

TRAFFORD MBC

Report to: ETO Directorate Management Team
 Date: 18 December 2013
 Report for: Discussion
 Report author: ETO/EGP Finance Manager

Report Title

Revenue Budget Monitoring 2013/14 – Period 8 (April to November 2013)

1. Forecast Outturn

- 1.1 The approved revenue budget for the year is £29.193m. The forecast outturn before management action is £29.286m, which is £0.093m over the approved budget (0.3%). This is a minor favourable movement of £(0.006)m since last month.
- 1.2 Action to manage budget pressures will continue throughout the remainder of the year (see paragraph 2.2) and a nil variance is expected as a result. The financial forecasts will be revised once the results of this action are considered realisable.
- 1.3 The Directorate has also brought forward balances of £(0.439)m from previous years (paragraph 3). This includes £(0.202)m earmarked specifically to mitigate one-off budget pressures this year, such as from the Enforcement review. The aim is to deliver a balanced budget without use of these reserves but, based on the forecast overspend above, £0.093m has been earmarked as a commitment at this point.
- 1.4 The forecast outturn for the Directorate can be subject to external factors, such as the effects of weather, and income streams affected by economic conditions. Any remaining balances from previous years not currently committed are being held to mitigate such pressures for the remainder of the year.

2. Summary of Variances

- 2.1 The overall net variance reflects a number of individual under and overspends across the diverse areas of the Directorate, summarised as follows:
- Re-profiling of savings from the review of Enforcement due to additional staff consultations £0.314m;
 - Re-profiling of Groundforce staff savings pending the on-going review of working conditions (e.g. overtime) £0.116m;
 - Public Protection licencing income – continuing adverse effect of economic climate £0.070m;
 - Traffic Management costs for major events – additional costs £0.054m;
 - Street Lighting – prices in the new energy contract are higher than anticipated at the start of the year £0.035m;
 - Additional costs from the extension of the Parking enforcement contract prior to full re-tendering exercise during the year £0.035m;

- Head of Operations post part year vacancy (revenue element) £(0.030)m;
- The full closure of Oakfield Road car park has taken longer than predicted when setting the budget and income is £(0.153)m higher than expected for the full year;
- Other Parking income higher than expected £(0.049)m;
- Income in Bereavement Services has continued to be higher than expectations £(0.112)m;
- School crossing patrols underspend from on-going net vacancies £(0.055)m;
- Rebate expected from transport leasing contractor £(0.050)m;
- Waste Management – total underspend of £(0.050)m from the waste collection contract, refurbishing of existing dustbin stock, and other running costs;
- Other net underspend £(0.032)m.

2.2 The management action plan being implemented includes numerous steps to ensure that essential services are delivered within budget throughout the year. These will be monitored throughout the year and reflected in the forecast outturn for the service areas accordingly:

- Only necessary spending on supplies and services to be approved;
- Reduced use and greater control of overtime and travel expenses;
- Monitoring and evaluation of existing and potential new income streams;
- Analysis of rechargeable work for both revenue and capital schemes;
- Additional improvements to efficiency through service redesign and better procurement;
- Potential to accelerate future savings proposals.

3. Reserves

3.1 At the end of 2012/13 the Directorate had a surplus on accumulated balances of £(0.439)m, which was carried forward to 2013/14. This was a result of the successful management of budget pressures in 2012/13, plus generated surpluses to assist in mitigating future pressures (if required) while sustainable solutions are implemented.

3.2 The planned use of these balances is shown below. The current balance of £(0.109)m is being held to cover potential budget pressures from external factors, such as from adverse weather or reductions in income. Any balance remaining at year end will be carried forward to support services in 2014/15 accordingly.

Utilisation of Carry forward Reserve 2013/14	(£000's)
Surplus balance brought forward at 1 April 2013	(439)
Traded service investment projects c/f	132
Car Parking – contract cost/income	105
Period 8 forecast outturn (adverse)	93
Balance after known commitments	(109)

4. Savings

- 4.1 The approved Directorate budget includes savings of £(3.011)m, (9.3)% as follows:

	Budget (£000's)	Outturn (£000's)	Variance (£000's)
Increased and new income	(307)	(307)	0
Efficiencies and others	(605)	(575)	30
Policy Choice	(2,099)	(1,695)	404
Mitigating action across ETO	0	(434)	(434)
Total ETO	(3,011)	(3,011)	0

- 4.2 The shortfall of £0.434m relates to re-profiling of savings in Enforcement and Groundforce above. These are to be mitigated in full from management action and other favourable variances across the Directorate, or by the use of accumulated balances if required.

5. Recommendations

- 5.1 It is recommended that the forecast outturn be noted.

Period 8 Forecast Outturn revenue expenditure and income variances.

The following tables detail the main variances from the revenue budget to the forecast outturn, and the movements since the last monitoring report in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P8 Forecast Outturn (£000's)	P8 Outturn Variance (£000's)	P7 Outturn Variance (£000's)	P7 – P8 Movement (£000's)	Ref
Highways & Environment Portfolio						
Highway and Network Management, incl. Traffic & Transportation	5,130	5,180	50	55	(5)	ETO1
School Crossing Patrols	512	457	(55)	(55)	0	ETO2
Parking Services	(150)	(320)	(170)	(170)	0	ETO3
Groundforce	4,593	4,705	112	109	3	ETO4
Bereavement Services	(998)	(1,089)	(91)	(91)	0	ETO5
Sustainability & Greenspace	410	349	(61)	(63)	2	ETO6
Waste Management (incl. WDA levy)	18,661	18,611	(50)	(50)	0	ETO7
Public Protection	806	860	54	50	4	ETO8
Environmental Enforcement	30	344	314	314	0	ETO9
Directorate Strategy & Business Support	471	461	(10)	0	(10)	
Sub-total	29,465	29,558	93	99	(6)	
Operational Services for Education	(272)	(272)	0	0	0	
Total Forecast Outturn Period 8	29,193	29,286	93	99	(6)	

ETO Business Reason / Area (Subjective analysis)	P8 Outturn Variance (£000's)	P7 Outturn Variance (£000's)	P7 – P8 Movement (£000's)	Ref
Highways and Network Management				
Traffic Management costs - events	54	54	0	
Fee income shortfall	5	8	(3)	
Transport rebates	(25)	(25)	0	
Staffing vacancies	(30)	(30)	0	
Energy – Street Lighting	35	35	0	
Other running costs	11	13	(2)	
Sub-total	50	55	(5)	ETO1
School Crossing Patrols - vacancies	(55)	(55)	0	ETO2
Parking Services				
Additional income – Oakfield Road	(153)	(153)	0	
Additional income - others	(49)	(49)	0	
Contract extension one-off costs	35	35	0	
Staffing and running costs	(3)	(3)	0	
Sub-total	(170)	(170)	0	ETO3
Groundforce				
Re-profiling of staff/equipment savings	116	116	0	
Overtime/other additional running costs	21	18	3	
Transport rebates	(25)	(25)	0	
Sub-total	112	109	3	ETO4
Bereavement Services				
Essential maintenance costs	21	21	0	
Income above budget	(112)	(112)	0	
Sub-total	(91)	(91)	0	ETO5
Sustainability & Greenspace				
Vacancy, supplies & services	(61)	(63)	2	ETO6
Waste Management				
Refurbishment and reduced demand for bin replacement	(10)	(10)	0	
Contract costs	(30)	(30)	0	
Running costs	(10)	(10)	0	
Sub-total	(50)	(50)	0	ETO7

ETO Business Reason / Area (Subjective analysis)	P8 Outturn Variance (£000's)	P7 Outturn Variance (£000's)	P7 – P8 Movement (£000's)	Ref
Public Protection				
Income shortfall including licencing	70	70	0	
Mitigating action – hold on filling vacancies	(16)	(20)	4	
Sub-total	54	50	4	ETO8
Environmental Enforcement				
Re-profiling of staff/equipment saving	314	314	0	ETO9
Director & ETO Business Support				
Staffing and Running costs	(10)	0	(10)	
Total Forecast Outturn Period 8	93	99	(6)	

ADDITIONAL NOTES ON FORECAST OUTTURN VARIANCES

ETO 1 – Highways & Network Management - £0.050m (adverse)

Traffic management costs associated with major events are estimated at £0.054m above budget for the year. These costs have arisen due to clarification on the statutory responsibilities, and are being addressed in the Medium Term Financial Plan. A number of options are also being evaluated up to reduce this pressure.

The overall adverse variance also includes expected receipt of rebates from the vehicle leasing contractor £(0.025)m.

There is an underspend on staffing arising from a vacant managerial post £(0.030)m.

Street Lighting energy costs are projected to be £0.035m higher than budgeted as a result of recent increases in the annual energy supplier contract.

Forecast running costs are £0.011m above budget, largely due to the re-phasing of work regarding changes to security arrangements at Carrington depot.

ETO 2 – School Crossing Patrols – £(0.055)m (favourable)

There is a forecast underspend on staffing of £(0.055)m due to the on-going difficulties in the filling of vacancies, which has continued from 2012/13. Leavers and new starters have broadly matched each other in recent months, which has meant the net staffing level has not increased as intended.

ETO 3 – Parking Services – £(0.170)m (favourable)

The approved budget included assumptions regarding the partial, then full closure of Oakfield Road car park during the year as part of the regeneration of Altrincham Town Centre. The re-phasing of the town centre project has resulted in forecast income being £(0.153)m above budget.

Other car parking income continues to be above expectations by £(0.049)m, following on from 2012/13.

The contract for Parking enforcement has been extended for a further 12 months while a full tender exercise is undertaken. The extension has increased costs by £0.035m from the previous contract period which has now expired. The new contract will be awarded from April 2014.

ETO 4 – Groundforce - £0.112m (adverse)

Savings associated with staffing, supplies, vehicles and equipment have been re-profiled, and there is forecast overspend of £0.116m this year. A review is on-going regarding revised terms and conditions, overtime and procurement accordingly. The review is informing the action plan to bring future spend in line with budget, plus balances have been carried forward from 2012/13 to be utilised as one-off mitigation, if required.

Other supplies, services and overtime costs are forecast to be £0.021m above budget. An element of this relates to one-off reactive service requests, which are often out of normal working hours. The review of the service above will also look to address these issues.

Receipt of rebates from the vehicle leasing contractor is expected to be £(0.025)m for the year.

ETO 5 – Bereavement Services £(0.091)m (favourable)

Net income levels for the year are expected to exceed the budget by £(0.112)m, and follows the levels from the last financial year. Forecast running costs are above budget by £0.021m and relates to essential works.

ETO 6 – Sustainability and Greenspace £(0.061)m (favourable)

Management action to control running costs, plus staff vacancies, gives rise to a predicted underspend of £(0.061)m.

ETO 7 – Waste Management £(0.050)m (favourable)

An underspend of £(0.010)m is expected relating to a reduction in the forecast purchase cost of replacement bins. This correlates to an increase in the refurbishing of existing bin stock and also a reduction in demand generally.

There is an underspend of £(0.010)m based on estimates of the waste collection contract costs for the year. In addition, there is a further £(0.020)m saving in the contract cost due to successful negotiations with the supplier regarding the annual inflationary increase which applies from October each year.

Other running costs are £(0.010)m less than budget.

ETO 8 – Public Protection £0.054m (adverse)

There is a predicted shortfall in income of £0.070m across the service. This relates in particular to licencing, which is due to lower levels of applications received. This is to a large extent related to the economic climate and has continued from the last financial year. This will also be assessed as part of the Medium Term Financial Plan.

The shortfall is expected to be partly mitigated through a variety of management actions to control costs throughout the year, including delays in filling vacant posts £(0.016)m. The management action plan includes for possible further restrictions on staffing vacancies.

ETO 9 – Environmental Enforcement £0.314m (adverse)

The savings associated with the review of Enforcement have been re-profiled following additional staff consultations. This has resulted in a forecast adverse variance of £0.314m for the year. This takes account of the additional time being taken to review and consult on the proposals, and incorporate feedback.

The management action plan for ETO is looking to address the adverse variance in-year from within the Directorate budget. The variance was identified very early in this financial year and the Directorate was also able to identify and earmark balances from the 2012/13 accounts to mitigate this variance, if required (paragraph 3).

TRAFFORD MBC

Report to: EGP Directorate Management Team
 Date: 19 December 2013
 Report for: Discussion
 Report author: EGP/ETO Finance Manager

Report Title

<p>Revenue Budget Monitoring 2013/14 – Period 8 (April to November 2013)</p>

1. Forecast Outturn

- 1.1 The approved revenue budget for the year is £3.310m. The forecast outturn is for a nil variance against budget. There are some offsetting under and overspends since reported last month. This includes £(0.073)m in backdated rent income relating to Shrewsbury Street, offset by additional pressures in other property rental income and costs £0.038m, a further shortfall in Green Deal income £0.010m, and increased Facilities Management staffing costs £0.025m.
- 1.2 The Directorate has balances of £(0.312)m brought forward from previous years which are largely related to re-phased project costs, but are also available to mitigate any future adverse variances, should they arise.

2. Explanation of Variances

- 2.1 The forecast outturn variances are summarised below, with more detail at Appendix 1:
- Shortfall in property rent income of £0.141m due to the on-going adverse effect of the economy, primarily on town centre rents (e.g. Stamford Centre). This is £0.038m higher than previously reported and relates to a number of properties;
 - Backdated rental income of £(0.073)m has been confirmed this month relating to Shrewsbury Street;
 - Rental income from airport land is £(0.019)m higher than budgeted, and is based on the notification received from Manchester City Council in March 2013;
 - Confirmation of the final 2012/13 rental income from Stretford Arndale by the agents of the owners was received in September, and was £(0.111)m higher than had been anticipated;
 - Facilities management staffing is £0.070m above budget due to the later than planned disposal of a number of properties. This is £0.025m higher than last month based on latest timescales, and also includes the cost of interim support to help deliver the Council's overall land sales programme;

- There is a forecast staffing underspend across EGP relating to the on-going restructure and appointments to vacancies £(0.062)m;
- Planning Application fees income predicted shortfall is £0.012m, a favourable movement of £(0.025)m this month. Building control income is forecast to be higher than planned by £(0.025)m, which is an adverse movement of £0.025m;
- Fee income from housing improvement capital schemes is a net £0.046m less than budget due to a reduced volume of property sales;
- Shortfall in income of £0.031m due to re-phasing of the implementation of Green Deal, an increase of £0.010m based on latest estimates;
- Net underspend on other running costs £(0.010)m.

3. Reserves

- 3.1 At the end of the last financial year the Directorate had £(0.312)m of balances brought forward from previous years, of which £0.126m is committed on re-phased projects per the 2012/13 outturn report.
- 3.2 The remaining balance is earmarked to supplement 2013/14 project work, plus provide one-off mitigation should income levels continue to be adversely affected by the economic climate, or for other budget pressures during the year.

Utilisation of Carry forward Reserve 2013/14	(£000's)
Surplus balance brought forward at 1 April 2013	(312)
Re-phasing of projects from 2012/13	126
Forecast outturn P8	0
Committed on 2013/14 projects plus mitigation for potential future budget pressures	186
Balance after forecast outturn/commitments	0

4. Savings

- 4.1 The approved Directorate budget includes savings of £(0.696)m, (17.4)% as follows:

	Budget (£000's)	Outturn (£000's)	Variance (£000's)
Increased and new income	(122)	(122)	0
Efficiencies and others	(351)	(351)	0
Policy Choice	(223)	(168)	55
Total EGP	(696)	(641)	55

- 4.2 The shortfall of £0.055m relates to savings in Facilities Management staffing which have needed to be re-profiled due to the disposal of certain buildings taking longer than had been planned. This will be mitigated by management action taken across the Directorate, or by the use of accumulated balances if required.

5. Recommendations

- 5.1 It is recommended that:
- The forecast outturn for 2013/14 be noted.

Period 8 Forecast Outturn revenue expenditure and income variances

The following tables detail the main variances from the revenue budget to the forecast outturn, and the movements since the last monitoring report in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Budget	P8 Forecast Outturn	P8 Outturn Variance	P7 Outturn Variance	P8 – P7 Variance	Ref
	(£000’s)	(£000’s)	(£000’s)	(£000’s)	(£000’s)	
Economic Growth & Prosperity Portfolio						
Asset Management	1,118	1,125	7	17	(10)	EGP1
Planning & Building Control	174	129	(45)	(45)	0	EGP2
Strategic Planning & Development	525	519	(6)	(6)	0	
Economic Growth	723	702	(21)	(21)	0	
Housing Strategy	522	587	65	55	10	EGP3
Directorate Strategy & Business Support	248	248	0	0	0	
Total Forecast Outturn Period 8	3,310	3,310	0	0	0	

EGP Business Reason / Area (Subjective analysis)	P8 Outturn Variance (£000's)	P7 Outturn Variance (£000's)	P7 – P8 Movement (£000's)	Ref
Asset Management				
Investment Property Rental Income:				
- Stamford Centre - shortfall	34	34	0	
- Other properties - shortfall	69	45	24	
- Airport - surplus	(19)	(19)	0	
- Stretford Arndale 12/13 final rent	(111)	(111)	0	
- Shrewsbury St. backdated rent	(73)	0	(73)	
Community buildings – income/running costs	38	24	14	
Facilities Management - staffing	70	45	25	
Asset Management – staffing vacancies	(12)	(12)	0	
Other minor running cost variances	11	11	0	
Sub-total	7	17	(10)	EGP1
Planning & Building Control				
Planning applications income shortfall	12	37	(25)	
Building Control income surplus	(25)	(50)	25	
Staffing vacancies	(32)	(32)	0	
Sub-total	(45)	(45)	0	EGP2
Strategic Planning & Development				
Staffing/running costs savings	(6)	(6)	0	
Sub-total	(6)	(6)	0	
Economic Growth				
Staffing/running costs savings	(21)	(21)	0	
Sub-total	(21)	(21)	0	
Housing Strategy				
Housing improvements capital fee income shortfall	46	46	0	
Green Deal income re-phased implementation	31	21	10	
Running cost savings	(12)	(12)	0	
Sub-total	65	55	10	EGP3
Total Forecast Outturn Period 8	0	0	0	

NOTES ON OUTTURN VARIANCES

EGP1 – Asset Management - £0.007m (adverse)

The effect of the economy is continuing to adversely affect rents across the property portfolio, including Stamford Centre £0.034m, and Community Buildings £0.038m. Other investment property is expected to have a shortfall of £0.069m. Airport rent is expected to be £(0.019)m above budget following notification in March from Manchester City Council of new rent levels for the next five years.

For Stretford Arndale, the Agents for the owners have managed to continue to make a number of short term lettings to ensure the number of vacant units is minimised and this has held up gross rental income. This is despite rent reductions on the bigger units of around 40% upon lease renewals. The year-end rental payment notified during September is hence £(0.111)m higher than expected.

Backdated rental income has also been confirmed since the last report relating to Shrewsbury Street £(0.073)m.

Facilities Management staffing is expected to be £0.070m above budget. The associated saving has needed to be re-profiled as the planned disposal of buildings is taking longer than expected. Interim staffing costs of £0.015m are also included to provide support to the Council's overall land sales programme, for which future capital expenditure plans have a level of reliance on.

EGP2 – Planning and Building Control – £(0.045)m (favourable)

Income from planning fees is forecast to be £0.012m less than budget, which is due to external economic conditions. This is a favourable movement of £(0.025)m from last month.

Building control income is forecast to be above budget by £(0.025)m, which is an adverse movement of £0.025m. The forecast outturn includes some capital related income plus the service has been successful in competing with other external providers.

Planning and building control fees are continuing to be monitored on a weekly basis.

An underspend from staffing vacancies is predicted to be £(0.032)m. The filling of vacant posts will be addressed by the on-going restructure of EGP.

EGP3 – Housing Strategy – £0.065m (adverse)

This includes an adverse variance of £0.046m relating to Housing Improvement fee income. The cost of housing improvement work is recouped when properties are sold in the future, and the sale proceeds are reinvested in new works to top up the existing capital programme. Where new improvement works are carried out, this generates fee income for the service to recover the Council's management and administration costs. There has been a reduction in the number of property sales due to the adverse economic climate and this has reduced the availability of capital funds for new works. Fee income has, hence, reduced compared to that expected in the revenue budget. This will be taken forward in the Medium Term Financial Plan.

There is a projected shortfall in income of £0.031m due to re-phasing of the implementation of Green Deal, which is £0.010m higher than last reported. Savings from staff vacancies are £(0.012)m, with vacancies being addressed through the restructure of EGP.

TRAFFORD MBC

Report to: Transformation & Resources Directorate Management Team
Date: 19 December 2013
Report for: Discussion
Report author: T&R Finance Manager

**Revenue Budget Monitoring 2013/14 – Period 8
(April 2013 – November 2013 inclusive)**

1 Outturn

1.1 The current approved revenue budget for the year is £20.327m. The forecast outturn of £19.903m is £(0.424)m below the approved budget. This is a £(0.020)m favourable movement since last month.

1.2 The £(20)k favourable movement in the month is a result of:

£12k adverse variance on staffing costs due to staff turnover being less than previously forecast.

£29k adverse variances on various running costs across the Directorate.

£(47)K favourable variance on SLA income in Human Resources with increased take-up of services.

£(27)k favourable movement in Waterside Arts Centre ticket sales.

£13k adverse collective variance on other income streams.

2 Reserves

2.1 The Directorate has accumulated balances of £(1.389)m brought forward from 2012/13. Over the year the surplus balance will be used to ensure that the Directorate can meet and sustain the challenges of the future, including support for the Transformation Programme. The table overleaf summarises the projected movement during 2013/14:

Table 1: Utilisation of Carry Forward Reserve 2013/14	£000's
Balance b/f 1 April 2013	(1,389)
Planned use in 2013/14	
Land Charges Claims	185
Transformation Support	177
CCTV/ Control room marketing and set up costs	55
Library improvements	52
LGG Support	51
SWITch Support	51
Waterside Arts Centre – Marketing and Venue Improvements	50
EDRMS	40
ICT textlink and contracts	34
Altrincham Forward	20
Investment in New Operating Model	13
Trafford Today	12
Legal Case Management System	7
Finance IT improvements	2
2013/14 Outturn	(424)
Remaining Balance at 31 March 2014	(1,064)

- 2.2 In 2013/14 and future years the surplus balance will be used to ensure that the directorate can meet and sustain the challenges of the future, particularly ensuring support for the Transformation Programme.

3 Welfare Reform

- 3.1 In the eight months of operation, Trafford Assist has made awards to 1,521 different individuals with a total value of £103,071. The total value of awards are shown in the table below:

Item	Awards	Value
Furniture	364	£79,405
Paypoint (cash)	789	£11,598
Food	1,156	£12,068
Total	2,309	£103,071

- 3.2 The Trafford Assist scheme is within budget after the first eight months in operation. There are no plans to adjust the qualifying criteria at this stage, as demand on the scheme may increase when other Welfare Benefit changes are introduced and during the winter. The scheme continues to receive favourable comments from customers, DWP and other Partners particularly about positive intervention and signposting.
- 3.3 In addition to the above, 835 awards, out of 1,180 requests, for Discretionary Housing Payment have been made amounting to £243,150. This is in line with budgeted expectations.

Period 8 Forecasted Outturn revenue expenditure and income variances

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report, in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P8 Forecast Outturn (£000's)	P8 Outturn variance (£000's)	P7 Outturn variance (£000's)	P7 to P8 Movement (£000's)	Note ref
Transformation and Resources Portfolio						
Legal & Democratic	1,935	2,050	115	109	6	T&R2,4,6
Communications & Customer Services	6,865	6,729	(136)	(145)	9	T&R1,4,6
Partnerships & Performance	2,712	2,496	(216)	(218)	2	T&R3
Strategic Human Resources	2,332	2,317	(15)	17	(32)	T&R4
Corporate Leadership and Support	367	358	(9)	(9)	(0)	
sub-total	14,211	13,950	(261)	(246)	(15)	
Finance Portfolio						
Finance Services	3,944	3,756	(188)	(198)	10	T&R1,5
sub-total	3,944	3,756	(188)	(198)	10	
Safe and Strong Communities						
Culture & Sport	2,172	2,197	25	40	(15)	T&R4,6
sub-total	2,172	2,197	25	40	(15)	
Total	20,327	19,903	(424)	(404)	(20)	

Business Reason / Area (Subjective analysis)	P8 Outturn variance (£000's)	P7 Outturn variance (£000's)	P7 to P8 movement (£000's)	Note ref
Management of Vacancies	(418)	(430)	12	T&R1
Court Costs and Legal fees	154	142	12	T&R2
Running costs relating to Public Health	(209)	(209)	0	T&R3
Running Costs	171	154	17	T&R4
Proceeds of Crime Income	35	35	0	T&R5
Income	(157)	(96)	(61)	T&R6
Total	(424)	(404)	(20)	

NOTES ON PROJECTED VARIANCES

T&R1

There are a number of posts which were held vacant whilst staffing structures were being reviewed, particularly in ICT (£212k) and Revenues & Benefits (£212k).

T&R2

Legal expenses are forecast to be £154k adverse to budget due to a continuing increase in childcare cases and a number of new development projects.

T&R3

Savings from support services that the council can provide within its existing resources for Public Health functions are £(209)k. This budget is included within Partnerships & Performance but related to back office services across T&R. This sustainable saving has been included within the T&R MTFP for 2014/15.

T&R4

Running costs are being tightly controlled to remain within budget. However, the initiative to reduce sickness levels has impacted on utilisation of Occupational Health services causing an increased forecast adverse variance of £46k within HR. Other significant unbudgeted spend includes by election costs (£20k), additional SWITCh costs (£37k) and grant funded expenditure in the Waterside Arts Centre.

T&R5

The number of new Proceeds of Crime cases and timing of receipts of existing cases has been reviewed. There is a forecast shortfall in income of £35k.

T&R6

There is forecast to be a favourable variance on income of £(157)k, particularly on Legal income, including Registrars, Waterside Arts Centre grants and HR SLA income. The shortfall in ticket sales in the Waterside Arts Centre has reduced in the month.

TRAFFORD MBC

Report to: Director of Finance
 Date: 19 December 2013
 Report for: Information
 Report author: Head of Financial Management

Report Title

Revenue Budget Monitoring 2013/14 – Period 8 Outturn - Council-Wide Budgets (April 2013 to November 2013 inclusive)

1 Outturn Forecast

1.1 The current approved revenue budget for the year is £23.602m. The outturn forecast is £21.753m, which is £(1.849)m under budget, and a favourable movement of £(0.020)m since last month.

1.2 Appendix 1 details the variances from the approved budget and the period movement from the previous forecast by both function and activity, which in summary are:

Treasury Management - £(1.321)m relating to Manchester Airport Group dividend received above budget;

Members expenses - £(0.030)m, relating to the voluntary 1.9% reduction in allowances and savings in telephony and other running costs;

One-off NNDR refunds from backdated Exemptions and Rateable Value reductions on Trafford buildings £(0.070)m;

Housing and Council Tax Benefits overpayment recovery net variance of £(0.189)m;

Some of the savings from the proposed changes to staff terms and conditions will not be achieved in full this year, £0.144m;

Non ring-fenced grants - £(0.389)m relating to several grants that were not included in the 2013/14 budget;

There were a number of other minor variances across Council Wide budgets in the sum of £0.006m for the year.

2 Service carry-forward reserve and Recommendations

2.1 The underspend within Council-wide budgets is transferred to the General Reserve, as detailed in the summary report.

Period 8 Forecasted Outturn revenue expenditure and income variances

The following tables detail the main variances from the revenue budget to the forecasted outturn, and the movements since the last monitoring report, in both Management Accounts (“Budget Book”) format and by cause or area of impact of the variance.

Budget Book Format (Objective analysis)	Full Year Budget (£000's)	P8 Forecast Outturn (£000's)	P8 Outturn variance (£000's)	P7 Outturn variance (£000's)	P7 to P8 movement (£000's)	Ref
Finance Portfolio						
Precepts, Levies & Subscriptions	17,852	17,856	4	4		
Provisions (bad debts & pensions)	1,742	1,886	144	144		C-W4
Treasury Management	8,366	7,050	(1,316)	(1,316)		C-W1
Insurance	659	659				
Members Expenses	944	914	(30)	(30)		C-W2
Grants	(6,283)	(6,680)	(397)	(397)		C-W5
Other Centrally held budgets	322	68	(254)	(234)	(20)	C-W3
Total	23,602	21,753	(1,849)	(1,829)	(20)	

Business Reason / Area (Subjective analysis)	P8 Outturn variance (£000's)	P7 Outturn variance (£000's)	P7 to P8 movement (£000's)	Ref
Treasury Management:				
- Investment Income	(1,305)	(1,305)		C-W1
- Debt Management cost savings	(11)	(11)		C-W1
Members expenses	(30)	(30)		C-W2
Grants	(397)	(397)		C-W5
Other Centrally held budgets	(254)	(234)	(20)	C-W3
Staff terms and conditions	144	144		C-W4
Precepts, Levies & Subscriptions	4	4		
Total	(1,849)	(1,829)	(20)	

NOTES ON PROJECTED VARIANCES

C-W1 – Treasury Management - £(1.316)m (favourable)

The Council has now received a total dividend from Manchester Airport Group of £(2.321)m, which is £(1.321)m in excess of the budgeted figure. This includes a one-off allocation of £(0.969)m relating to the higher than expected levels of cash balances held in Stansted Airport at the time of acquisition. The base budget for 2014/15 will be amended to reflect the dividend expected from Trafford's new share allocation in the expanded group.

The adverse movement in the month of £0.015m relates to rephasing of the Land Sales programme resulting in lower cash balances and therefore reduced investment interest.

Other minor variances of £(0.010)m.

C-W2 – Members Allowances - £(0.030)m (favourable)

All 63 Trafford Members agreed to take a voluntary 1.9% reduction in the value of their allowances. This will generate a saving of £(0.016)m. Other minor savings from telephony and running costs are also expected of £(0.014)m.

C-W3 – Other Centrally held budgets - £(0.254)m (favourable), £(0.020)m (favourable) movement

NNDR Refunds - £(0.070)m (favourable)

A number of backdated Exemptions and Rateable Value reductions to Trafford buildings has generated one-off income of £(0.070)m.

Housing & Council Tax Benefits - £(0.189)m (favourable), £(0.025)m (favourable) movement

There is a net forecast variance of £(189)k within the Housing Benefit and Council Tax Benefit budgets, a favourable movement of £(0.025)m since last month; this consists of a pressure of £0.037m within the Housing Benefit budget, largely as a result of overpayments associated with reported benefit fraud cases, offset by a recovery of overpaid Council Tax Benefit from previous financial years of £(0.226)m.

Whilst the pressure associated with the Housing Benefit budget affects the current financial year, the pattern is dependent on the rate at which reported fraud cases become known to the Council and the success of recovery. It is difficult to predict if this level of activity will continue in to the future, however this may require the budget to be realigned if the pattern persists. In addition, whilst the credit from the recovery of overpaid Council Tax Benefit has been used to alleviate the in-year pressure, it too is difficult to predict and will eventually taper off as the Council Tax Benefit scheme was replaced on 1 April 2013 with the new Council Tax Support Scheme.

Other minor variances in the month of £0.005m.

C-W4 – Provisions - £0.144m (adverse)

A budget saving of £(0.180)m was set aside for the part-year effect of proposed changes to staff terms and conditions. Some of these savings will not now be achieved in full this year.

C-W5 – Grants - £(0.397)m (favourable)

Final notifications have now been received for the following non ring-fenced grants which are held within Council-wide. Cash has already been received or is being received in stages during the year from the appropriate Government department:

- Education Services Support - £(0.191)m. However, this amount will reduce depending on the final number of Schools becoming Academy in the year.
- Council Tax New Burdens - £(0.114)m.
- New Burdens Zero Based Review Adult Social Care - £(0.059)m. An assessment is currently being made of how much will be required to reconfigure the Social Care ICT system in order to meet the new statutory management information requirements. This figure may therefore reduce.
- Local Flood - £(0.025)m.
- Council Tax freeze - £(0.008)m.

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 11 February 2014
Report for: Information
Report of: Audit and Assurance Manager

Report Title

Audit and Assurance Report for the Period October to December 2013.

Summary

The purpose of the report is:

- **To provide a summary of the work of Audit and Assurance during the period October to December 2013.**
- **To provide ongoing assurance to the Council on the adequacy of its control environment.**

Recommendation

The Accounts and Audit Committee is asked to note the report.

Contact person for access to background papers and further information:

Name: Mark Foster – Audit and Assurance Manager
Extension: 1323

Background Papers: None



TRAFFORD
COUNCIL

Audit and Assurance Service Report October to December 2013

Date: 11 February 2014

1. Purpose of Report

This report summarises the work of the Audit and Assurance Service between October and December 2013. At the end of the year, these quarterly reports will be brought together in the Annual Internal Audit Report which will give the Audit and Assurance Service's opinion on the overall effectiveness of the Council's control environment during 2013/14.

2. Planned Assurance Work

Key elements of the 2013/14 Work Plan include:

- Fundamental Financial Systems reviews.
- Annual corporate governance review and completion of the Annual Governance Statement for 2012/13.
- Audits of council partnership arrangements.
- Continued review of risk management arrangements and provision of guidance.
- Review of Corporate Procurement Arrangements and value for money arrangements.
- ICT audit reviews.
- Anti-fraud and corruption work.
- Ongoing advice to services and input / advice in respect of key projects across the Council, including supporting the council's transformation agenda.
- School audits and other establishment audit reviews.
- Audit reviews of other areas of business risk.

3. Main areas of focus – Q3 2013/14

Work in this quarter covered a number of the main themes listed above including :

- Completion of a significant number of final audit reports, incorporating management responses to audit recommendations made earlier in 2013. These included reports in respect of:
 - Financial systems reviews,
 - Section 106 Planning Agreements review
 - ICT related reviews (Information Governance, ICT Data Centre, Wireless Network Access, Integrated Children's System / Electronic Common Assessment Framework)
 - Corporate Health and Safety,
 - School audit reports
- Completion of a number of draft audit reports, including remaining fundamental financial systems audits, review of procedures for managing client finances and procedures in respect of school census returns.

Points of information to support the report:

Audit Opinion Levels (RAG reporting) :

Opinion – General Audits

High – Very Good

Medium / High – Good

Medium – Adequate

Low / Medium - Marginal

Low – Unsatisfactory

Green

Green

Green

Amber

Red

An opinion is stated in each audit report to assess the standard of the control environment.

Report Status:

Draft reports:

These are issued to managers prior to the final report to provide comments and a response to audit recommendations.

Final reports:

These incorporate management comments and responses to audit recommendations, including planned improvement actions.

Breadth of coverage of review (Levels 1 to 4)

Provides an indication as to the nature / breadth of coverage of the review in terms of which aspects of the organisation's governance and control environment it relates to. Levels are as follows:

- **Level 4 : Key strategic risk or significant corporate / authority wide issue** - Area under review directly relates to a strategic risk or a significant corporate / authority wide issue or area of activity.
- **Level 3 : Directorate wide** - Area under review has a significant impact within a given Directorate.
- **Level 2 : Service wide** - Area under review relates to a particular service provided or service area which comprises for example a number of functions or establishments.
- **Level 1 : Establishment / function specific** - Area under review relates to a single area such as an establishment.

Level of Risk Associated with Opinion Level and Breadth of Coverage

This provides an estimate of the level of risk given the audit opinion provided and breadth of coverage of the review.

High Risk (H) – Red Opinion / Level 3 or 4

Medium Risk (M) – Red Opinion / Level 1 or 2 , or
Amber Opinion / Level 2, 3 or 4.

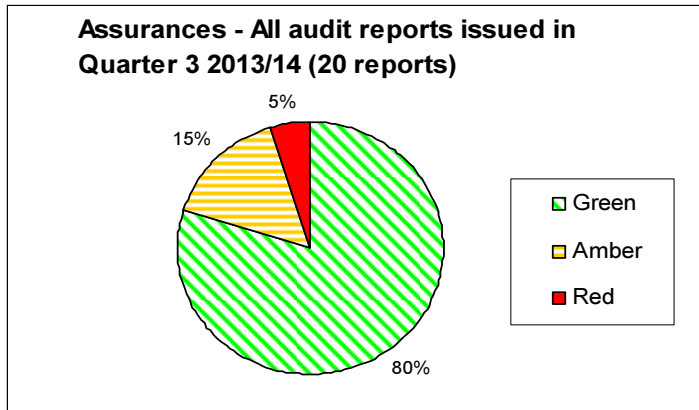
Low Risk (L) – Green Opinion or Amber Opinion / Level 1.

Summary of Assurances for 3rd Quarter 2013/14

Q3 – 2013/14

16 final reports and 4 draft reports

Chart 1 – Analysis of Assurance by Opinion Levels (Quarter 3)



Year to Date (up until 31 December 2013)

37 final reports and 4 draft reports

Chart 2 - Analysis of Assurance by Opinion Levels (Year to Date)

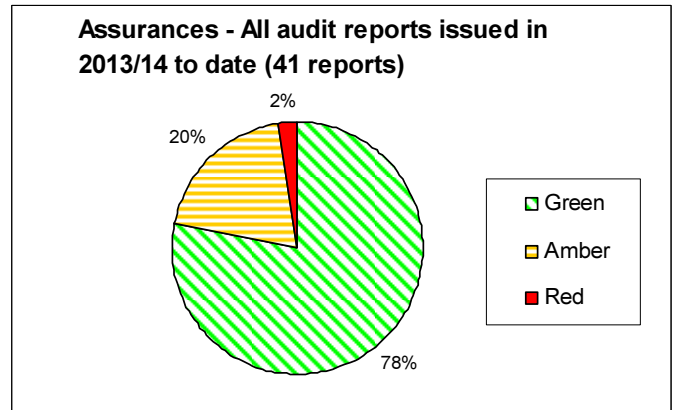


Chart 1 shows that good or at least adequate levels of control were in place for 80% of areas reviewed, with 78% at least adequate for the year to date, as shown in Chart 2.

4. Overall Conclusions

A total of 20 audit reports were issued in the quarter, 16 final reports and four draft reports. For 16 of the 20 reports issued, at least an adequate (Medium or above) opinion was given.

Of the 16 final reports, this included 7 financial system reviews where opinions of High (5 reviews) and Medium/High (2 reviews) were given.

A less than adequate opinion was given for the following final reports issued (all of which will be subject to follow up review in 2014/15):

- Section 106 Planning Agreements review (Low Opinion)
- Information Governance (including Public Sector Network and NHS N3 Network Connectivity) (Low/Medium Opinion)
- Integrated Children's System / Electronic Common Assessment Framework – IT review (Low/Medium Opinion initially given although revised to Medium following a follow up review)
- Springfield Primary School (Low/Medium Opinion).

For the other reviews completed to final report stage, these were in respect of :

- Two other school audits (both Medium/High opinions)
- ICT reviews in relation to the ICT Data Centre (Medium opinion) and Wireless network access (High).
- Corporate Health and Safety (Medium/High).

As reported in Section 7, 94% of recommendations made in the period have been accepted with 97% in the year to date.

(A listing of all audit report opinions issued including key findings is shown in Section 5).

5. Summary of Audit & Assurance Opinions Issued – Q3: 2013/14

REPORT NAME (DIRECTORATE) / (PORTFOLIO) by Coverage Level (1-4)	-OPINION -R/A/G -Date Issued	COMMENTS
FINAL REPORTS		
Level 4 Reports :		
Section 106 Planning Agreements (T&R&EGP) / (Finance, T&R, Economic Growth and Prosperity)	Low (RED) (1/10/13)	Findings indicated a number of areas for improvement, particularly in relation to monitoring of income from Section 106 agreements. The lack of dedicated officer resource in this area significantly contributed to the low level of assurance. Since the review was initially undertaken, a dedicated officer has been appointed to the post of S106 and CIL Officer who has liaised with Audit to co-ordinate an agreed action plan, all recommendations having been accepted. A follow up audit review will be undertaken in 2014/15.
Debt Recovery (T&R) / (Finance)	Medium/High (GREEN) (9/10/13)	Overall, a good standard of control was found to be in place. A recommendation was agreed to improve reporting arrangements across services with regular reports to be generated from the Debt Recovery system to be followed up by Finance Managers with each Corporate Directorate.
Accounts Receivable (T&R) / (Finance)	High (GREEN) (9/10/13)	Overall, a very good standard of control was found to be in place. All previous recommendations had been fully implemented.
Budgetary Control (T&R) / (Finance)	High (GREEN) (10/10/13)	Effective standards of control continue to be in place and the High opinion level has been maintained.
Housing and Council Tax Benefits (T&R) / (Finance)	High (GREEN) (25/10/13)	Effective standards of control continue to be in place and the High opinion level has been maintained.
Information Governance (including Public Sector Network and NHS N3 Network Connectivity) (T&R) / (Transformation and Resources)	Low / Medium (AMBER) 5/11/13	The main element of the review was completed by Salford Audit Services on behalf of Trafford Audit and Assurance Service. It is acknowledged that the Council is currently reviewing and improving its information governance structure and processes with the recently established Information Security Governance Board. The Low/Medium opinion reflected the position in respect of ongoing work needed to meet national requirements relating to Public Sector Network Access and also for accessing the NHS N3 Network. An Action Plan was agreed and will be subject to audit follow up.
ICT Data Centre (T&R) / (Transformation and Resources)	Medium (GREEN) (11/11/13)	The review was completed by Salford Audit Services on behalf of Trafford Audit and Assurance Service. The associated draft report provided an “Amber” opinion as it included reference to a number of queries to be clarified in response to draft recommendations made. Since the draft report was issued, outstanding queries have been resolved resulting in a Medium Level of Assurance now given. Recommendations agreed to be implemented include formalising a policy/procedural document setting out responsibilities, security procedures etc. in relation to the data centre.
Purchase to Pay (T&R) / (Finance)	Medium/High (GREEN) (20/11/13)	Key controls surrounding the Purchase to Pay process have retained high levels of control in the majority of areas reviewed. There are, however, currently a number of issues being addressed on an authority-wide basis to ensure that the EBP System is used effectively by Services to ensure transactions are processed promptly and in accordance with financial procedure rules.
Wireless Network Access (T&R) / (Transformation and Resources)	High (GREEN) (22/11/13)	The objective of the audit was to ascertain the effectiveness of the controls in place over the corporate wireless IT networks within the Trafford Town Hall and Sale Waterside buildings, as well as to determine whether non-corporate wireless access points were accessible to staff. It was reported that the wireless network is adequately secured against unauthorised access.
Corporate Health and Safety (T&R) / (Transformation and Resources)	Medium/High (GREEN) (28/11/13)	Overall, adequate standards of control were found to be in place. A small number of agreed recommendations focussed on updating / reviewing certain policies and guidance documents in place.
Council Tax 2012/13 (T&R) / (Finance)	High (GREEN) (10/12/13)	Effective standards of control continue to be in place and the High opinion level has been maintained.

Income Control 2012/13 (T&R) / (Finance)	High (GREEN) (18/12/13)	Effective standards of control continue to be in place and the High opinion level has been maintained. The report notes that specific recommendations in respect of income control for individual services/establishments have been made, where applicable, as part of other audit reviews.
<u>Level 3 Reports:</u>		
Integrated Children's System (ICS) / Electronic Common Assessment Framework (e-CAF). (CFW) / (Supporting Children and Families)	Low / Medium (AMBER) (18/10/13) Medium (GREEN) (10/12/13) after initial follow up review completed.	This review focused on ICT related controls in respect of the electronic children's care and case recording systems, ICS and e-CAF. Areas for control improvements highlighted related to the potential for unauthorised access to the systems and the need to ensure the systems contain up to date details. Since the audit, a review of access rights has been undertaken and inactive accounts removed. Access to the e-CAF system has been reviewed and further restricted and data cleansing of both systems is ongoing. Policies are being developed to ensure staff are aware of their responsibilities when accessing both systems and management checks have been introduced. A brief follow up audit review was completed in December 2013 and based on the progress made (7 out of 10 recommendations completely or substantially implemented with the remaining ongoing), a revised opinion of Medium was given. A detailed follow up review will be included in the 2014/15 Internal Audit Plan.
<u>Level 1 Reports :</u>		
Springfield Primary School (CFW) / (Education)	Low/Medium (AMBER) (4/11/13)	The audit found areas of good practice, but there is a need to improve controls for a number of business risks. Recommendations were made relating to improving divisions of duties, audit trails and independent checks across a number of areas including purchasing and income collection. A follow up audit review will be included in the 2014/15 Internal Audit Plan.
Sale High School (CFW) / (Education)	Medium/High (GREEN) (27/11/13)	Controls are adequate and effective to address most business risks reviewed by the audit. Recommendations included the need to review and update a number of existing policies and procedures, including the Finance Manual.
All Saints Catholic Primary School (CFW) / (Education)	Medium/High (GREEN) (17/12/13)	Controls are adequate and effective to address most business risks reviewed by the audit. A small number of recommendations were made to improve existing controls in relation to record-keeping.
<u>DRAFT REPORTS</u>		
<u>Level 4 Reports:</u>		
Payroll 2012/13 (T&R) / (Finance & Transformation and Resources)	Medium/High (GREEN) (5/12/13)	Overall, a good standard of control was found to be in place with a small number of recommendations made. The Audit opinion will be confirmed in the final report which will incorporate the management response to the draft report. (It is noted that separate external audit findings have previously been reported which included reference to a recommendation regarding the accessing of payroll information which the Accounts and Audit Committee subsequently received a progress update on).
General Ledger IT (T&R) / (Transformation and Resources)	Medium/High (GREEN) 14/11/13	Overall, a good standard of control was found to be in place. Further details to be reported once the management response has been incorporated in the final report.
<u>Level 3 Reports :</u>		
Client finances (CFW) / (Adult Social Services)	Medium (GREEN) (12/12/13)	A review of the management / administration of client finances was undertaken i.e. management of finances for vulnerable clients where the Council has been made an Appointee or Deputy to manage the funds. The audit opinion will be confirmed following issue of the final report incorporating the management response.
<u>Level 2 Reports:</u>		
School Census Procedures (CFW) / (Education)	Medium/High (GREEN) (14/11/13)	Overall, adequate standards of control were found to be in place. However, recommendations have been made to ensure that assurance is formally sought from a number of services to review the accuracy of data prior to it being submitted to the Department for Education.

6. Other Assurance Work

There is a significant amount of work undertaken by the Service that does not result in an audit opinion being given. Work in this quarter included:

- Conducting work in relation to a number of investigations, a summary of which will be provided to the Accounts and Audit Committee at its March 2013 meeting.
- Co-ordinating the update of the Council's Strategic Risk Register, providing an update report to the Transformation, Performance and Resources Group in December 2013.

7. Impact of Audit Work – Improvements to the Control Environment

Key indicators of the impact of Audit and Assurance are: (a) Acceptance of Recommendations (b) Implementation of them.

Acceptance of Recommendations

- From the 16 final reports issued during the quarter, **94% of all recommendations made** (94 out of 99) **have been accepted**.
- In the year to date, **97% of all recommendations made** (305 out of 316) **have been accepted** (Service annual target is 95%).

Implementation of audit recommendations

Final audit reports are followed up to assess progress in implementing improvement actions identified through audit recommendations. Recommendations made by the Audit and Assurance Service are followed up by a number of means. These include:

- Through reviews undertaken on an annual or cyclical basis e.g. fundamental systems reviews, assessing progress in terms of ongoing improvements in controls.
- Internal audit follow up reviews which specifically review progress made in implementing all recommendations in previous audit reviews.
- Requesting assurance from managers as to progress made by the completion of self assessments.

In terms of the **fundamental financial systems reviews**, opinions of High or Medium/High were given in respect of all the reports issued in the period.

At the request of the service area, a follow up review was completed in the quarter of the Integrated Children's System / Electronic Common Assessment Framework (CFW) review as covered in section 5.

Finally, a follow up through self assessment was completed in relation to a contract monitoring audit review, originally completed in 2012/13. This related to Sale Waterside Facilities Management. Of the 12 recommendations made, eight had been implemented and four in progress or ongoing.

In respect of the year to date, where specific follow up reviews have taken place through audits or self assessments (eight reviews in total), out of 102 recommendations followed up, **76% of recommendations have been implemented, 21% are in progress and 3% yet to be implemented.**

8. Performance against Audit & Assurance Annual Work Plan

Appendix A shows an analysis of time spent to date against planned time for the 2013/14 Operational Internal Audit Plan

As at the end of quarter three, 1024 audit days were spent to date (against profiled, planned allocated days of 924 days).

There are some variations to note between planned and actual time taken against particular categories of work. In terms of financial systems review work, as at the end of December 2013, this is greater than planned. This is explained by the actual time spent being less than planned in the previous year as reported in the 2012/13 Annual Internal Audit Report. Review work originally planned to commence in March was delayed until the current year.

Time spent in respect of Anti-Fraud and Corruption work is also greater than planned. This is accounted for by higher than expected time on investigation activity between June and September 2013, the relevant pieces of work having now concluded and reported as appropriate.

The above variances and those in other categories of the Audit Plan, subject to resource availability, will be met by contingency time allocated in the Plan. For areas where lower than anticipated time has been spent in the period, it is expected that increased time will be spent in the final quarter.

In terms of audit resources, one of the Principal Audit and Assurance Officers left the Council in December 2013. In the short-term, arrangements have been made to ensure any priority work areas under the responsibility of that officer have been covered, with longer term arrangements to be agreed. Based on current resources, it is expected that all planned key areas of work will be completed or in progress with the exception of any reviews that are agreed to be delayed at the request of Services. This is being kept under review and CMT / Accounts and Audit Committee will be advised in the 2013/14 Annual Internal Audit Report of any areas not completed / work carried forward in to 2014/15. Liaison meetings are to be held in quarter 4 with relevant Corporate Directors to discuss progress against the Plan and planned work for 2014/15.

Client satisfaction surveys (April to December 2013)

Client Surveys: A client questionnaire is sent out with each audit report canvassing managers' views on the conduct of the audit review and its impact. A summary of feedback received is shown below.

QUESTION	V.GOOD	GOOD	SATISFACTORY	ADEQUATE	POOR	% v.good - good
1. Consultation on audit process and audit coverage prior to commencement of the audit	7	2				100%
2. Feedback of findings and liaison during the audit	6	2			1	89%
3. Professionalism of auditors	8				1	89%
4. Helpfulness of auditors	8				1	89%
5. Timeliness of the review and the draft report	5	2		1		88%
6. Clarity of the report	6	2		1		89%
7. Accuracy of the report	6	2			1	89%
8. Practicality of the recommendations made	4	4			1	89%
9. Usefulness of the audit as an aid to management	8					100%
Total	58	14		2	5	91%

(Note: the results are based on responses from 9 client surveys received in the period. It should be noted that respondents have not all responded to each question). It should also be noted that any responses of "poor" or "adequate" all relate to one client survey, the details of which have been followed up with the relevant service).

9. Planned / Ongoing Work for Quarter 4, 2013/14

Progress will continue to be made in completing each category of work in the audit plan. Areas of focus will include :

- Commencement / progression of a number of audit reviews and issue of a number of draft reports in respect of ongoing audit reviews including those relating to Staff car parking; Schools ICT review, Gorse Hill Studios (Youth Service), Local Welfare Assistance Scheme (Trafford Assist).
- Ongoing review of data matches as part of the National Fraud Initiative with the aim of reporting on outcomes in an update to the Accounts and Audit Committee in March 2014.
- Agreeing the approach / timetable for completing the 2013/14 Annual Governance Statement.
- Meetings with Corporate Directors and other managers to discuss progress in respect of planned work for 2013/14 and agree areas for inclusion in the 2014/15 Internal Audit Plan. (The 2013/14 Annual Internal Audit Report will include a listing of work completed in quarter 4 together with details of any 2013/14 planned review work carried forward in to 2014/15).

APPENDIX A

2013/14 Operational Plan: Planned against Actual Work (as at 31 December 2013)

<u>Category</u>	<u>Details</u>	<u>Planned Days 2013/14</u>	<u>Planned Days (up to 31/12/13)</u>	<u>Actual Days (as at 31/12/13)</u>
Fundamental Systems	Completion of fundamental systems reviews including annual reviews relating to 2012/13. Planning and commencement of 2013/14 fundamental systems reviews.	200	150	205
Governance	Corporate Governance Reviews. Collation of supporting evidence and production of the 2012/13 Annual Governance Statement Audit reviews of governance arrangements for the Council's significant partnerships.	100	70	50
Corporate Risk Management	Progression of actions to support the Council's Risk Management Strategy including review of risk management processes and awareness raising and provision of guidance to services and partnerships.	40	30	15
Anti-Fraud and Corruption	Work supporting the Anti- Fraud and Corruption Strategy, including raising awareness of supporting guidance to promote measures to prevent, deter or detect instances of fraud and corruption. Continued work in supporting the National Fraud Initiative. Investigation of referred cases, including if applicable those highlighted through the National Fraud Initiative.	180	130	187
Procurement / Value for money	Review of procurement / contract management arrangements across the council including systems in place and associated arrangements to secure value for money.	100	60	25
ICT Audit	Reviews to be completed in line with the ICT audit plan. Investigation of misuse of ICT and awareness raising regarding appropriate use of ICT.	100	65	98
Schools	School Audit reviews Support the Council in raising awareness with schools of the DfE Schools Financial Value Standard (SFVS).	190	125	111
Establishments	Reviewing governance and control arrangements across a range of establishments.	80	50	28
Assurance – Other Key Business Risks	Selected on the basis of risk from a number of sources including senior managers' recommendations, risk registers and internal audit risk assessments. Reviews will include authority wide issues and areas relating to individual service areas.	150	110	152
Service Advice / Projects	General advice across all services. Support and advice to the organisation in carrying out key projects ensuring new systems, functions and procedures provide for adequate controls and good governance	110	82	131

	arrangements.			
Financial Appraisals	Financial Assessments of contractors and potential providers	70	52	22
TOTAL		1320 *	924	1024

*Note: There are 1450 planned available days in total but 130 days relate to contingency.

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TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 11 February 2014
Report for: Information
Report of: Audit and Assurance Manager

Report Title

Accounts and Audit Committee – Work Programme – 2013/14

Summary

This report sets out the updated work plan for the Committee for the 2013/14 municipal year.

It outlines areas to be considered by the Committee at each of its meetings, over the period of the year. The work programme helps to ensure that the Committee meets its responsibilities under its terms of reference and maintains focus on key issues and priorities as defined by the Committee.

The work programme is flexible and can have items added or rescheduled if this ensures that the Committee best meets its responsibilities.

Recommendation

The Accounts and Audit Committee is asked to note the 2013/14 work programme.

Contact person for access to background papers and further information:

Name: Mark Foster – Audit and Assurance Manager
Extension: 1323

Background Papers: None

Committee Meeting Dates	Areas of Responsibility of the Committee					
	Internal Audit	External Audit	Risk Management	Annual Governance Statement / Corporate Governance	Anti- Fraud & Corruption Arrangements	Accounts
27 June 2013	Agree Committee's Work Programme for 2013/14 (including consideration of training and development) Training & Development – Draft accounts (provided outside committee)					
	- 2012/13 Annual Internal Audit Report	- Audit Progress Report		- Review 2012/13 draft Annual Governance Statement - Accounts and Audit Committee 2012/13 Annual Report to Council		- Review 2012/13 draft accounts - Treasury Management Annual Performance 2012/13 - Insurance Performance Report 2012/13.
26 September 2013						
	- Q1 Internal Audit Monitoring Report	- Audit Findings Report - Financial Resilience Report	- Strategic Risk Register Monitoring Report	- 2012/13 Annual Governance Statement (final version)	- Benefit Fraud Investigation 2012/13 Annual Report	- Approval of Annual Statement of Accounts 2012/13 - Revenue Budget Monitoring Report.
20 November 2013	Training and Development – Presentation on the Transformation Programme					
	- Q2 Internal Audit monitoring report	- Annual Audit Letter - Audit Update	(Risk Management Update within Q2 Internal Audit monitoring report).	- Consider improvement actions taken in 2013/14 in respect of 2012/13 governance issues : (a) Locality Partnerships (b) EDRMS.		- Treasury Management : mid year review - Update on 2012/13 External Audit Findings Report Recommendation (Re payroll documentation) - Revenue Budget Monitoring Report.

Committee Meeting Dates	Areas of Responsibility of the Committee					
	Internal Audit	External Audit	Risk Management	Annual Governance Statement / Corporate Governance	Anti- Fraud & Corruption Arrangements	Accounts
11 February 2014	- Q3 Internal Audit monitoring report	- Audit Update - Grant Claims report		- Report on arrangements for 2013/14 Annual Governance Statement - Consider improvement actions taken in 2013/14 in respect of 2012/13 governance issues. (Public Health)	- Risk-Based Verification Policy (Part 2 Item)	- Treasury Management Strategy - Insurance update - Revenue Budget Monitoring Report
25 March 2014	- 2014/15 Internal Audit Plan - Public Sector Internal Audit Standards Update : Internal Audit Charter and Strategy	- Audit Opinion Plan - Audit Update	- Strategic Risk Register Monitoring Report	- Consider improvement actions taken in 2013/14 in respect of 2012/13 governance issues. <ul style="list-style-type: none"> • Public Service Reform • Terms and Conditions 	- Anti Fraud & Corruption / National Fraud Initiative update	- Reserves Update - Revenue Budget Monitoring Report.

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