

Finance and Audit Scrutiny Panel

Grand Jury Room, Town Hall
27 July 2010 at 6.00pm

The Finance and Audit Scrutiny Panel deals with the review of service areas and associated budgets, and monitors the financial performance of the Council. The panel scrutinises the Council's audit arrangements and risk management arrangements, including the annual audit letter and audit plans, and Portfolio Holder 'Service' decisions reviewed under the Call in procedure.

Information for Members of the Public

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Terms of Reference

Finance and Audit Scrutiny Panel

- To review all existing service plans and associated budget provisions against options for alternative levels of service provision and the corporate policies of the Council, and make recommendations to the Cabinet
- To have an overview of the Council's internal and external audit arrangements and risk management arrangements, in particular with regard to the annual audit plan, the audit work programme and progress reports, and to make recommendations to the Cabinet
- To monitor the financial performance of the Council, and to make recommendations to the Cabinet in relation to financial outturns, revenue and capital expenditure monitors
- To scrutinise the Audit Commission's annual audit letter
- To scrutinise executive 'service' decisions made by Portfolio Holders and officers taking key decisions which have been made but not implemented referred to the Panel through the call-in procedure

The panel may a) confirm the decision, which may then be implemented immediately, b) refer the decision back to the decision taker for further consideration setting out in writing the nature of its concerns, or c) refer the matter to full Council in the event that the Panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.

**COLCHESTER BOROUGH COUNCIL
FINANCE AND AUDIT SCRUTINY PANEL
27 July 2010 at 6:00pm**

Members

Chairman : Councillor Dennis Willetts.
Deputy Chairman : Councillor Christopher Arnold.
Councillors Jon Manning, Kim Naish, Gerard Oxford,
Nick Cope, Scott Greenhill, Sue Lissimore, Colin Mudie and
Colin Sykes.

Substitute Members : All members of the Council who are not Cabinet members or members of this Panel.

Agenda - Part A

(open to the public including the media)

Members of the public may wish to note that Agenda items 1 to 5 are normally brief and items 6 to 9 are standard items for which there may be no business to consider.

Pages

1. Welcome and Announcements

(a) The Chairman to welcome members of the public and Councillors and to remind all speakers of the requirement for microphones to be used at all times.

(b) At the Chairman's discretion, to announce information on:

- action in the event of an emergency;
- mobile phones switched off or to silent;
- location of toilets;
- introduction of members of the meeting.

2. Substitutions

Members may arrange for a substitute councillor to attend a meeting on their behalf, subject to prior notice being given. The attendance of substitute councillors must be recorded.

3. Urgent Items

To announce any items not on the agenda which the Chairman has agreed to consider because they are urgent and to give reasons for the urgency.

4. Declarations of Interest

The Chairman to invite Councillors to declare individually any personal interests they may have in the items on the agenda.

If the personal interest arises because of a Councillor's membership of or position of control or management on:

- any body to which the Councillor has been appointed or nominated by the Council; or
- another public body

then the interest need only be declared if the Councillor intends to speak on that item.

If a Councillor declares a personal interest they must also consider whether they have a prejudicial interest. If they have a prejudicial interest they must leave the room for that item.

If a Councillor wishes to make representations on an item on which they have a prejudicial interest they may do so if members of the public are allowed to make representations. In such circumstances a Councillor must leave the room immediately once they have finished speaking.

An interest is considered to be prejudicial if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice the Councillor's judgement of the public interest.

Councillors should consult paragraph 7 of the Meetings General Procedure Rules for further guidance.

5. Minutes

1 - 4

To confirm as a correct record the minutes of the meeting held on 29 June 2010.

6. Have Your Say!

(a) The Chairman to invite members of the public to indicate if they wish to speak or present a petition at this meeting – either on an item on the agenda or on a general matter not on this agenda. You should indicate your wish to speak at this point if your name has not been noted by Council staff.

(b) The Chairman to invite contributions from members of the public who wish to Have Your Say! on a general matter not on this agenda.

7. Items requested by members of the Panel and other Members

(a) To evaluate requests by members of the Panel for an item relevant to the Panel's functions to be considered.

(b) To evaluate requests by other members of the Council for an item relevant to the Panel's functions to be considered.

Members of the panel may use agenda item 'a' (all other members will use agenda item 'b') as the appropriate route for referring a 'local government matter' in the context of the Councillor Call for Action to the panel. Please refer to the panel's terms of reference for further procedural arrangements.

8. Referred items under the Call in Procedure

To consider any Portfolio Holder decisions, taken under the Call in Procedure.

The panel may a) confirm the decision, which may then be implemented immediately, b) confirm the decision back to the decision taker for further consideration setting out in writing the nature of its concerns, or c) refer the matter to full Council in the event that the panel considers the decision to be contrary to the Policy Framework of the Council or contrary to, or not wholly in accordance with the Budget.

9. Decisions taken under special urgency provisions

To consider any Portfolio Holder decisions taken under the special urgency provisions.

10. Freedom of Information Case Management 5 - 6

See report from the Head of Corporate Management.

11. 2009-10 Risk Management Summary 7 - 34

See report from the Head of Resource Management.

12. Annual Report on Treasury Management 35 - 44

See report from the Head of Resource Management.

13. Work Programme 45 - 46

See report from the Scrutiny Officer.

14. Exclusion of the public

In accordance with Section 100A(4) of the Local Government Act 1972 and in accordance with The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended) to exclude the public, including the press, from the meeting so that any items containing exempt information (for example confidential personal, financial or legal advice), in Part B of this agenda (printed on yellow paper) can be decided. (Exempt information is defined in Section 100I and Schedule 12A of the Local Government Act 1972).

FINANCE AND AUDIT SCRUTINY PANEL

29 JUNE 2010

Present :- Councillor Dennis Willetts (Chairman)
Councillors Christopher Arnold, Nick Cope,
Scott Greenhill, Sue Lissimore, Jon Manning,
Colin Mudie, Kim Naish and Colin Sykes

Also in Attendance :- Councillor Paul Smith

3. Minutes

The minutes of the meeting held on 23 March 2010 was confirmed as a correct record.

The minutes of the meeting held on 19 May 2010 was confirmed as a correct record subject to the panel's title being corrected to show Finance and Audit Scrutiny Panel.

4. Year End Internal Audit Assurance Report 2009-10

Ms. Elfreda Walker, Finance Manager and Mr. Alan Woodhead, Deloitte's internal auditors, attended the meeting for this item.

Ms. Walker presented the report on the Year End Internal Audit Assurance report 2009-10, highlighting the summary of audits finalised in the final quarter of 2009-10, as shown in appendix 1 of the report.

In regards to audit 428, Fleet Management and the recommendation not agreed, "that the Council should consider the implementation of a rolling programme of checks to verify eligibility to drive Council vehicles", Mr. Woodhead said a follow-up audit by Deloitte's had found that the additional checks had been implemented. Mr. Warboys, Head of Resource Management explained that all statutory checks are in place and fully evidenced, that the recommendation was going beyond the statutory requirement.

Following some confusion about the overall position in regards to the Fleet Management work and subsequent audits, and further to this meeting, Mr. Woodhead provided the following explanation;

"On an annual basis all licences are checked to ensure that drivers remain eligible to drive council vehicles. This process is in place and was verified as part of the internal audit work and this meets the minimum corporate requirements.

However, in addition to the annual check, local procedures have been developed that also entail checking the licences on a quarterly basis. This additional check helps identify where a driver may have incurred additional penalty points and would therefore help identify at an early stage if drivers become ineligible to drive council vehicles. At the time of the audit the quarterly checks had not been completed for two members of staff due to their annual leave, and had not been followed up on their return.

As the check is in addition to the required annual check, the recommendation of a rolling programme was not agreed, as the licences would be part of the full re-examination of licences which is undertaken in October each year.

The recommendation was given a priority 3 rating, which is the lowest category in terms of importance in the internal auditors rating scale. The definition of a priority 3 recommendation is a minor matter”.

Officers confirmed that the audit 444, Creditors and the recommendation not agreed, “that all staff operating within the Control Team are prevented from being able to access E-Financials”, this was about the separation of duties, and extra controls had now been put in place to do this.

RESOLVED that the panel commented and noted the Council’s performance relating to i) executing the internal audit plan for 2009-10, ii) performance of internal audit by reference to national best practice benchmarks, and iii) status of outstanding recommendations.

5. Year end Financial Monitor 2009-10

Mr. Sean Plummer, Finance Manager, attended the meeting for this item and presented the Financial Monitoring Report - 2009-10, an end of year report on the financial performance of the General Fund services and the Housing Revenue Account.

Mr. Plummer explained that the net underspend of £620,000 on the General Fund as reported at the third quarter stage to the panel in February 2010 had risen to the end of the year primarily due to an improved position in respect of technical or non-service areas. Within services, the overall income situation had seen fluctuations, as experienced by most Local Authorities, with income down in service areas such as sports and leisure and cemetery and crematorium.

Mr. Plummer gave an explanation on the positive variances to non-service income areas such as Housing and Planning Delivery Grant and VAT refund and the reasons for the shortfall in anticipated savings areas such as salary

budgets, procurement and income generated from advertisements.

In response to Councillor Cope, Mr. Plummer said he believed the overall energy savings were in the region of £300,000 across all services. The report did not give a detailed breakdown of this figure but appendix C of the report did comment on the reasons for individual service area variances, highlighting energy, where applicable.

In response to Councillor Arnold, Mr. Plummer said whilst there was a net underspend on service area budgets of £850,000 attempts are made to make the budget forecasts as accurate as possible. That said there had been many factors causing the high variance and the positive news was the Council achieved more than was expected. The Budget is a set of assumptions at a point in time and officers do try to take account of all factors and learn for future budgeting.

Councillor Smith, Portfolio Holder for Resources and Diversity praised officers for good budget management, work to reduce expenditure and increase income.

RESOLVED that the panel noted the financial performance of the General Fund Services and the Housing Revenue Account for the year 2009-10.

6. 2009-10 Capital Pre-audit Outturn

Mr. Steve Heath, Finance Manager presented the 2009-10 Capital Pre-audit Outturn report. Mr. Heath explained that the forecast spending for 2009-10 was £15.4 million, with 83% of this money spent and the differentials moved into the capital forecast for 2010-11.

In response to Councillor Manning, Mr. Heath said whilst the unfunded element of the Capital programme for 2010-11 was lower than it previously had been (£996,000), there will be additional items that will be added and that will require funding consideration.

Mr. Heath said he would give an explanation to the panel members on the capital works scheme for Bergholt Road flooding properties and golf course.

Following discussions between Councillor Arnold and Councillor Smith, Portfolio Holder for Resources and Diversity concerning the Northern Approach Road, it was agreed the completion of this scheme would rest with the Transport Authority and would include funding raised through S106 agreements from development of the Cuckoo Farm South Scheme. Councillor Smith said there was no intention by Colchester to provide any additional

capital money. The Chairman said it would be useful for members to have a detailed update on this scheme at the time of the Park and Ride Scheme review.

RESOLVED that the panel noted the level of capital spending during 2009-10 and forecasts for future years.

7. Work Programme

An outstanding item from 2009-10, the review of the financial aspects of a new park and ride scheme in North Colchester was considered by the panel. Councillor Arnold said the income from a successful park and ride scheme would be offset by the loss of parking revenue within the town centre. Set against this, there was not a profitable park and rise scheme in the country. A review was needed that would illustrate the relationship between income and expenditure and the overall financial impact. It was hoped that the modelling required for a new scheme had now started or been completed, and this review would be the final module of work.

Councillor Manning said this review would be the ideal time to consider a briefing note on the work of the Northern Approach Road.

The Budget Strategy 2011-12 is scheduled for review by the panel at the meeting on 25 January 2011, the day before the Cabinet decision. Mr. Warboys, Head of Resource Management suggested the panel could have their meeting, or hold an additional meeting one week prior to the schedule (18 January 2011) thereby allowing a less hurried approach, albeit that the inevitable last minute changes to the Budget paper would not be reflected in an earlier report.

Councillor Lissimore said whatever was decided on dates, could every effort be made to ensure the publication and dispatch of agendas is completed within the statutory deadlines thereby allowing members sufficient time to consider.

RESOLVED that the panel:

- i) Noted the work programme for 2010-11.
- ii) Agreed to the review of the financial aspects of a new park and ride scheme in North Colchester, to be undertaken as soon as possible, and to include a briefing note providing a detailed update on the progress of the Northern Approach Road.
- iii) Agreed to retain the meeting of the 25 January 2011 for the review of the 2011/12 Budget Strategy.



Finance and Audit Scrutiny Panel

Item
10

27 July 2010

Report of Head of Corporate Management **Author** Phil Pettit ☎ 282372
Title Freedom of Information Case Management
Wards affected All

The Panel is invited to review the Council's performance in the management of Freedom of Information Requests

1. Action required

- 1.1 The panel is asked to consider the authority's performance against requests for Information under the Freedom of Information Act 2001

2. Reason for scrutiny

- 2.1 The panel considered the council's management of Freedom of Information requests for the first time in March 2009. This report is an update showing the current trend and position of requests, covering the period 1 January 2009 to 9 July 2010.

3. Background information

- 3.1 The Freedom of Information Act came into effect from 1 January 2005, and placed a legal duty on all public bodies to confirm or deny the existence of information and release information upon written request. Public bodies have a responsibility to release any requested information within 20 working days, in any reasonable format requested.
- 3.2 The council does have the right, under certain circumstances, to refuse the release of information, for example where the release would contravene rights under data protection, security, and commercial sensitivity amongst others.
- 3.3 The number of requests continues to rise significantly, with a 43.8% increase in 2009 over 2008. Requests continue to become more sophisticated, especially from specialist FOI journalists. During the period covered by this report 40 requests were made by the 3 most frequent journalistic requestors. Even simple requests can take up to 2.5 days of officer time to answer without the authority being entitled to apply any charge to fulfil the request.

4. Performance and Caseloads

- 4.1 For the period 1 January 2009 to 9 July 2010, the council has received 583 requests under the Freedom of Information Act and Environmental Information Regulations.

	01/01/09 31/12/09	01/01/10 09/07/10	Total
No of Requests received	348	235	583
Information released	284	180	464
Number exempted	10	6	16
Other (not held, transferred, or case withdrawn)	54	36	90
Completed within 20 days	94%	97%	95%

- 4.2 Only just over 42% (down from (50%)) of all requests have been made by members of the public, with requests from Businesses, Journalists and MPs making up a significant proportion of the balance.

Requestor	% of requests
Public	42.1
Businesses	21.9
Journalists	21.9
MPs and political researchers	3.9
Charities	1.5
Public bodies	0.9
Others (Students, lobby groups, unions, solicitors, councillors)	7.8

- 4.3 The 9 most popular subjects where information is requested are:

	Subject	% of all requests
1	Human Resources	8.1
2	Business Information	5.0
3	Financial Spend and Budgets	4.6
4	Planning	4.3
5	Contracts and Contractors	3.8
6	Parking	3.3
7	Waste Management	3.1
8	Financial Management	2.6
9	Information Management	2.6
	Other issues	62.6

- 4.4 The council has applied exemptions on 16 Occasions for the period 1 January 2009 to 9 July 2010 for the following reasons

Exemption	% of all exempt cases
Personal Information (section 40)	18.75
Environmental Information (section 39)	6.25
Provided in Confidence (section 41)	31.25
Accessible by other means (section 21)	43.75

- 4.5 The Council has had its decision to withhold information under the Act, challenged to the Information Commissioner (ICO) once in the period since 1 January 2009, and this case is still awaiting decision by the ICO. In addition during this period, the ICO has decided against the authority on one case previously outstanding.

5. Strategic Plan references

- 5.1 Meeting the 20 day response target supports the Council's objective to listen and respond.

6. Other Standard References

- 6.1 Having considered equality, diversity and human rights, health and safety and community safety implications, there are none which are significant to the matters in this report.



Finance & Audit Scrutiny Panel

Item
11

27 July 2010

Report of

Head of Resource Management

Author

Hayley McGrath
508902

Title

2009/10 Year End Review of Risk Management

Wards
affected

Not applicable

This report reviews the Risk Management work undertaken for the period 1 April 2009 to 31 March 2010.

1. Actions Required

- 1.1 Consider and note the risk management work undertaken during 2009/10.
- 1.2 Consider and comment on the current strategic risk register.
- 1.3 Consider and comment on the proposed risk management strategy for 2010/11.
- 1.4 Endorse the submission of this report to Cabinet.

2. Reason for Scrutiny

- 2.1 The Risk Management Strategy, which forms part of the policy framework, identifies the Finance and Audit Scrutiny panel as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to cabinet as necessary.
- 2.2 Quarterly progress reports, detailing work undertaken and current issues, are provided to assist with this responsibility.

3. Key Messages

- The economy and cuts in public spending have had a significant impact on the key risks during the year. The highest risk on the year end strategic register relates to the potential impact of future central government decisions to reduce public funding, including that of the Council's partners.
- As well as having a direct effect on resources, cuts in public spending may also influence non-financial risk areas. Management will need to be aware of consequences, for example, on staff moral and ensure mitigation where possible.
- The 2008/09 Audit and Inspection Letter, issued by the Audit Commission in December 2009, stated that "There is an effective internal risk management system embedded within the organisation". Which was endorsed by the 2008/09 Use of Resources level 3 score for the key line of enquiry for risk management.

4. Supporting Information

- 4.1 The aim of the Council is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.
- 4.2 In broad terms risks are split into three categories:
 - Strategic – those risks relating to the long term goals of the Council
 - Operational – risks related to the day-to-day operation of each individual service
 - Project – consideration of the risks relating to specific initiatives

- 4.3 Strategic risks are essentially those that threaten the long term goals of the Council and therefore are mainly based around meeting the objectives of the Strategic Plan. They may also represent developing issues that have the potential to fundamentally effect service provision, such as proposals to dramatically change the corporate assessment process. Strategic risks are owned by members of the Senior Management Team.
- 4.4 Operational risks are those that threaten the routine service delivery of the Council. Each service area has their own operational risk register that details the risks associated with providing the service. These registers are reported, in summary format, to the Senior Management Team and committee on an annual basis. High risks and the success in controlling them are reported to Senior Management Team on a quarterly basis, as these assist in the formulation of the strategic risk register.
- 4.5 Project risks are those that relate solely to the successful delivery of that specific project. They tend to be quantifiable issues, such as resource or time related, and constantly change and develop over the course of the project as each stage is completed. The lead on the project is responsible for ensuring that there is an appropriate risk register and high level issues are reported to the senior management team.

5. Summary of 2009/10

- 5.1 The primary focus for 2009/10 was to ensure that the operational risk registers were reviewed and had a more defined link to the strategic risk register. Work has been undertaken with many of the service management teams, to provide additional risk awareness training and to ensure that the registers reflect the key risks. The top risks for each service are now included, for information, as part of the strategic risk register.
- 5.2 There were no fundamental changes to the risk management function, or the processes used to identify and control risk, during 2009/10.
- 5.3 The internal audit of the risk management function, carried out in February 2010, gave a substantial assurance and produced four level 2 recommendations, all of which related to the way that information was shown on the registers. These were implemented before the end of the year.
- 5.4 The Audit Commission qualified the 2008/09 accounts for the Joint Museums Service due to a lack of a dedicated risk management strategy and specific risk register. Therefore work has been undertaken with the service during the year to ensure that they have an embedded risk management process. This has also been undertaken for the Parking Partnership.
- 5.5 The project risk management process was reviewed during the year and a more structured approach to risk identification and recording was adopted by the regeneration team.
- 5.6 The strategic risk register has been refined so that it now includes details of any previous scores for the risks and details of how the scores are made up.

6. Strategic Risk Register

- 6.1 During 2009/10 the strategic risk register was reviewed every quarter and reported to this committee. During May 2010 PMB carried out a fundamental review of the strategic risks and have approved the quarter 1 register for 2010/11, attached at appendix 1. These risks have been mapped onto a risk chart as shown at appendix 2.
- 6.2 The fundamental review revised several of the risks with many of the wordings and scores being updated to reflect the economic issues. Due to the changes to the risks

previous scores have not been included on the register in all cases. The review has decreased the number of risks but it can be seen from the risk chart that the scores have increased. The previous risk chart, from the end of 2009/10, has also been included at appendix 2 so that it can be seen how the spread of risk has changed.

7. Risk Management Strategy for 2010/11

- 7.1 The Council's approach to managing risk was fundamentally reviewed in 2006/07 and a revised strategy was produced. A requirement within the strategy, and also of the annual audit assessment, is an annual review of the strategy to ensure that it is still appropriate to the Council's needs.
- 7.2 Therefore a review has been undertaken and the strategy has been updated for 2010/11. The revised strategy is attached at appendix 3. There are no fundamental changes proposed to the risk process with amendments only to the areas of external review comments and work plans.

8. Proposals

- 8.1 To note and comment upon the Councils progress and performance in managing risk during 2009/1009, the updated strategic risk register and the revised risk management strategy and endorse the submission of this report to Cabinet.

9. Strategic Plan Implications

- 9.1 The strategic risk register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore the risk process supports the achievement of the strategic objectives.

10. Risk Management Implications

- 10.1 The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

11. Other Standard References

- 11.1 There are no direct Publicity, Financial, Consultation, Human Rights, Community Safety or Health and Safety implications as a result of this report.

**Colchester Borough Council – Corporate Strategic Risk Register
Quarter 1 2010/11 - June 2010**

Specific Risks		1. AMBITION						ACTION PLAN – AMBITION		
		SCORE						Action	Owner	Timing
		Current	Previous							
P	I	O	P	I	O					
1a	In a period of public sector resource reductions the ability to have ambition and to deliver on that ambition.	3	2	6			Major changes needed to the town of Colchester would not be delivered thus affecting the quality of life of its residents and businesses.	Constantly challenge the ambition shown by the Council and look for new and innovative ways of delivering that ambition.	Chief Executive / Executive Directors / Heads of Service	Sep 2010
1b	Unrealistic internal and external expectations on the speed of delivery.	3	3	9			Major economic downturn in public sector resourcing over the next few years will hamper the speed of delivery across the services provided. Poorer external assessments by independent agencies and loss of Council reputation. The Borough Council loses its status and influencing ability at sub-regional, regional and national levels.	To make the most of Information and Communication Technology; continue the process of Fundamental Service Reviews; and concentrate on the core strategic, tactical and operational services.	Executive Management Team	March 2011
1c	The Council is unable to effectively respond to changes in the Borough economy.	2	4	8	2	5	10		Senior Management Team	March 2011
1d	Over reliance on a limited number of key personnel to deliver the ambition.	3	3	9	2	3	6		Senior Managers and Human Resources function	Sep 2010

2. CUSTOMERS							ACTION PLAN – CUSTOMERS		
Specific Risks	SCORE						Action	Owner	Timing
	Current	Previous							
	P	I	O	P	I	O			
2a The increasing expectations of our customers, alongside the financial challenges to service delivery may pose some challenges to customer excellence and delivery									
	3	3	9				A programme of engagement and consultation is put in place to ensure customers are able to inform service priorities and delivery	ED Customer Excellence	July 2010
							The Authority fails to deliver the high standards of service and delivery which our customers expect		

3. PEOPLE							ACTION PLAN – PEOPLE			
Specific Risks	SCORE						Consequence	Action	Owner	Timing
	Current		Previous		P	I				
	I	O	P	I						
3a Economic climate means very low turnover with a risk that skills date and we have a stagnant workforce	3	4	12				Decline in service performance Disengaged and demotivated staff	ED People & Performance ED People & Performance	July 2010 July 2010	
3b Unable to update skills at a time when we need a changing skill set to deliver in a different economic climate	3	3	9				Efficiency and productivity reduction Inability to meet changing requirements and needs Customer perceptions decline as we deliver less	ED People & Performance ED People & Performance	Sept 2010 Sept 2010	
3c Failure to sustain adequate resource to support Training and Development because of the financial situation	3	3	9				Loss of key staff	ED People & Performance	July 2010	
3d Declining number of staff affects our capacity and impacts on our ambitions	3	4	12				Active promotion and use of Colchester Learning Managers programme and development to meet evolving needs	ED People & Performance	July 2010	

3. PEOPLE										ACTION PLAN – PEOPLE		
Specific Risks	SCORE						Consequence	Action	Owner	Timing		
	Current		Previous		P	I						
	P	I	P	I								
3e Failure to provide effective and visible political and managerial leadership.	3	3	9				Ensure outcomes of fundamental service reviews reflect training and development needs to support changes in services.	ED Customer Excellence	Sept 2010			
3f Staff motivation declines with impact of fundamental service reviews and other budget implications	4	4	16						July 2010			

Specific Risks		4. HORIZON SCANNING				ACTION PLAN – HORIZON SCANNING				
		SCORE				Consequence	Action	Owner	Timing	
		Current	Previous							
P	I	O	P	I	O					
4a	To continuously assess future challenges to ensure Council is fit for future purpose	2	4	8		If not properly managed then either the Council will lose the opportunity to develop further or will have enforced changes to service delivery. Adverse impact on local residents / resources.	Ensure organisational readiness to respond to external challenges through the Way We Work programme strands: - People - Transformation - Customer Excellence - Leadership of Place	EMT	July 2010 & ongoing agenda items	
4b	Not taking or creating opportunities to maximize the efficient delivery of services through shared provision, partnerships or commercial delivery	4	3	12		Missed opportunities to boost local economy. Conflict between Council / Government agendas. Reduction in levels of service provision and potential withdrawal of services.	Supported by a robust Medium term Financial strategy and organisational development strategy.	EMT	July 2010 & ongoing agenda items	
4c	Failure by the Council to spot / influence at an early stage the direction of Central Government policies / new legislation.	3	3	9	2	3	6	Continuous review of strategies and policies to reflect changing context.	EMT	July 2010 & ongoing agenda items
4d	Potential impact of future central government decisions to reduce public funding, including that of our partners	4	5	20	3	5	15		EMT	July 2010 & ongoing agenda items

5. PARTNERSHIPS										ACTION PLAN – PARTNERSHIPS			
Specific Risks	SCORE									Action	Owner	Timing	
	Current			Previous			P	I	O				
	P	I	O	P	I	O							
5a	Failure or inappropriate performance management of one or more strategic partnerships or key contracts E.g. Haven Gateway, RCE, Serco, CBH	4	3	12							Assess proposed strategic partnerships to ensure that they will satisfy the Council's objectives before commitment to new partnerships is made.	EMT	July 2010 & Ongoing as part of partners hip strategy
5b	Change of direction / policy within key partner organisations and they revise input / withdraw from projects.	3	3	9	3	3	2	6			Define a relationship / performance management process for partnerships	ED People & Performance	July 2010
5c	Potential inability to agree shared outcomes/ agendas with partners and the Council's ability to influence partner's performance, particularly in relation to LAA requirements.	3	3	9	3	3	2	6			Ensure that there is a mechanism to review partnerships and assess the value added.	ED People & Performance ED Leadership of Place	July 2010
<p>The cost of service delivery is increased however quality decreases.</p> <p>Failure to deliver key priorities.</p> <p>Reputational and financial loss by the Authority.</p> <p>Failure to deliver expected outcomes through partnerships</p> <p>Requirement to repay external funding granted to partnership – taking on the liabilities of the 'withdrawn' partner.</p> <p>External assessment of the Councils partnerships are critical and score poorly.</p>													

Specific Risks		6. ASSETS & RESOURCES					ACTION PLAN – ASSETS & RESOURCES				
		SCORE					Consequence	Action	Owner	Timing	
		P	I	O	P	I					O
6a	Failure to protect public funds and resources – ineffective probity / monitoring systems	2	4	8	2	5	10	Service delivery failure Financial and reputational loss by the Authority Personal liability of Officers and Members. Legal actions against the Council Loss of stakeholder confidence in the Borough Inability to sustain costs	Ensure that there is a robust system of internal control that encompasses all assurance systems including Internal Audit, Risk Management, Budget process, Corporate Governance and performance management. This must be reported to senior officers and members on a regular basis to ensure that it is fully embedded	EMT / Head of Resource Management	There is cycle of reviewing and reporting including internal Audit, Risk management and the AGS Review July 2010
6b	Risk that Asset Management is not fully linked to strategic priorities and not supported by appropriate resources	3	4	12				Failure to deliver a balanced budget Required to use Reserves & Resources to fund services and capital priorities Severe impact on cash-flow leading to negative effect on performance targets	Continue to ensure that the budget monitoring process is reflective of finances across the whole Council not just individual service areas	Head of Resource Management	Regular reporting to PMB. & FASP. Review July 2010
6c	Inability to deliver the budget strategy in the current economic climate	3	5	15					Develop the annual budget strategy to ensure it has controls built in to be able to respond to changes in the strategic objectives and is innovative to reflect the current climate and emerging options	Head of Resource Management	Annual exercise. Council approves budget in Feb 2011

Specific Risks		6. ASSETS & RESOURCES						ACTION PLAN – ASSETS & RESOURCES			
		SCORE						Consequence	Action	Owner	Timing
		Current	Previous								
P	I	O	P	I	O						
6d	Failure to set aside sufficient capital funds for strategic priorities	3	4	12	3	2	6		Review the medium term financial outlook and capital programme processes to ensure they are kept up to date and realistic	Head of Resource Management	MTFS is part of the budget strategy & considered during the process. Capital programme reported to FASP quarterly Review July

SCORE DEFINITIONS	1 Very Low	2 Low	3 Medium	4 High	5 Very High
Impact	Insignificant effect on delivery of services or achievement of Strategic Vision & Corporate Objectives.	Minor interruption to service delivery or minimal effect on Corporate Objectives.	Moderate interruption to overall service delivery/effect on Corporate Objectives or failure of an individual service.	Major interruption to overall service delivery or severe effect on Corporate Objectives.	Inability to provide services or failure to meet Corporate Objectives
Probability	10% May happen – unlikely	10 -25% Possible	26 – 50% Could easily happen	51 – 75% Very likely to happen	Over 75% Consider as certain

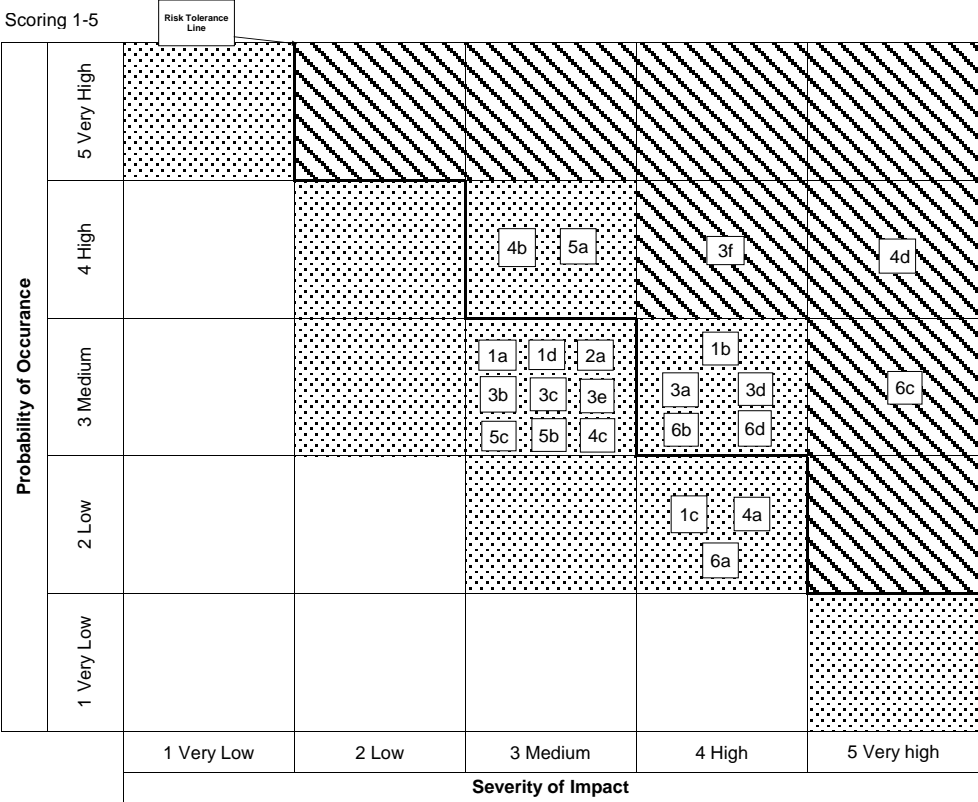
KEY OPERATIONAL RISKS – For Information

SERVICE	RISK	CONSEQUENCE	CONTROLS	RESPONSIBILITY
Corporate Management	Failure to comply with statutory duties (e.g. health and safety, freedom of information, data protection) and failure to comply with The Constitution.	<ul style="list-style-type: none"> Financial and reputation loss to the service, and to the Council. Injury to staff. Complaints and potential threat of legal action Prosecution of staff 	<ul style="list-style-type: none"> Ensure that the responsibility for the health and wellbeing of staff is properly allocated within the service. Ensure that there is adequate training for staff, at all levels, to understand their responsibilities. Ensure that information is up to date and available to all staff on the Hub (intranet) 	Head of Corporate Management
Corporate Management	Unplanned emergency expenditure on repairs and maintenance of buildings	<ul style="list-style-type: none"> Lack of resources to fund essential items of expenditure or deliver on agreed targets. Cuts in service provision. 	<ul style="list-style-type: none"> Work with Estates to ensure Asset Management Plan is up to date. 	Head of Corporate Management
Enviro & Protect Servs	Inability to recruit suitably qualified / experienced staff.	<ul style="list-style-type: none"> Lack of expertise Missed deadlines Burden on remaining staff. 	<ul style="list-style-type: none"> Embed a succession planning process linked to a structured training programme 	Head of EPS
Enviro & Protect Servs	Need to ensure that back / front office functions are integrated.	<ul style="list-style-type: none"> Failure to realise efficiency savings and increase capacity 	<ul style="list-style-type: none"> Produce a development strategy. 	Head of EPS & Systems team.
Life Opportunities	Inadequacy of Repairs and Renewals provision.	<ul style="list-style-type: none"> Reduction or closure of services due to failure of plant, equipment or infrastructure. 	<ul style="list-style-type: none"> Funding programmes presented during budget setting process. 	Head of Life Opportunities
Life Opportunities	Significant loss of customers.	<ul style="list-style-type: none"> Reduction in income leading to cuts in service provision, negative impact on customers and reputation. 	<ul style="list-style-type: none"> Continuous review and improvement of use / satisfaction and level/type of service provision / competitors Insurance against disasters. 	Head of Life Opportunities

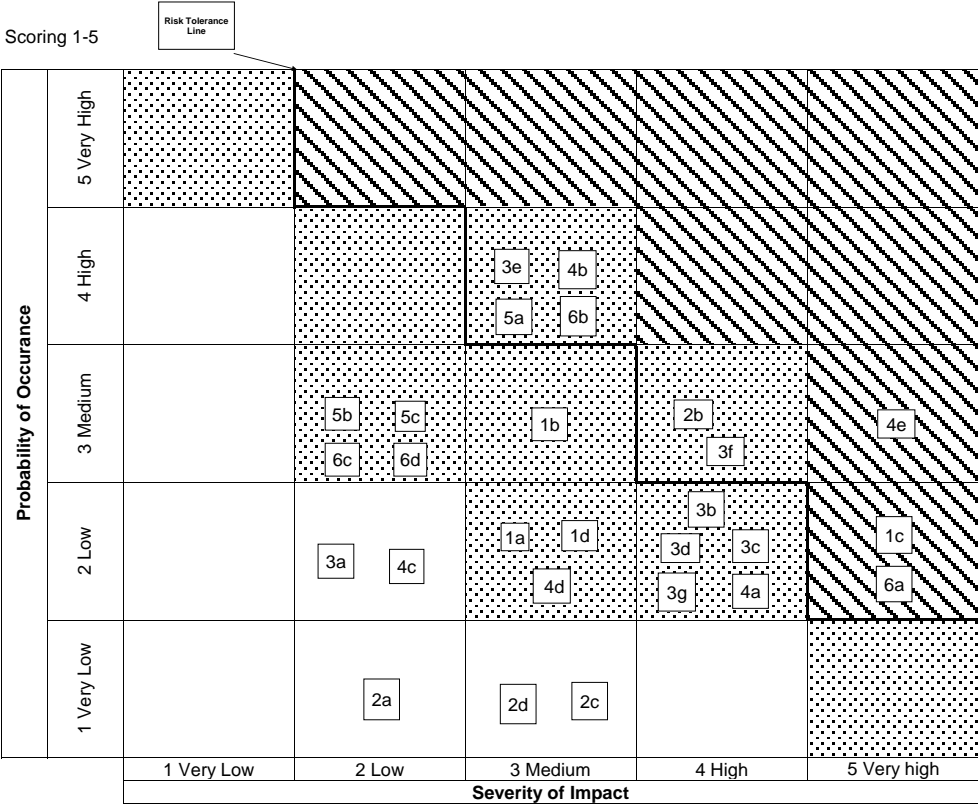
SERVICE	RISK	CONSEQUENCE	CONTROLS	RESPONSIBILITY
Resource Management	Loss of key members of staff	<ul style="list-style-type: none"> Lack of expertise Impact on service provision Impact on other staff 	<ul style="list-style-type: none"> Identification of key staff and roles Succession planning Documented procedures Establishment of training for customer focused, vulnerable service and roles 	Head of Resource management & HRBP
Resource Management	The detrimental effect that Fundamental Service Reviews may have on staff morale and productivity	<ul style="list-style-type: none"> Decrease in service delivery levels and output Personal impact on staff wellbeing 	<ul style="list-style-type: none"> Ensure that there are adequate staff support mechanisms in place to address staff concerns. 	Finance Manager Collections & Control
Strategic Policy & Regeneration	Lack of focus on governance issues	<ul style="list-style-type: none"> Poorly informed business processes Lack of focus on critical issues 	<ul style="list-style-type: none"> Clear information and expectations are required as part of the management process. SSP to allow focus on priorities FSR to tackle process in Housing Project management in regen 	Head of SPR
Strategic Policy & Regeneration	Inability to deliver the Decent Homes programme within budget and according to timetable	<ul style="list-style-type: none"> Negative effect on reputation Increased customer complaints Over spend on budget allocation 	<ul style="list-style-type: none"> Ensure there is effective partnership working COG group SPG 	Contract risk and Service Manager
Street Services	Reduction in investment in services	<ul style="list-style-type: none"> Cuts in service provision Negative impact on image / reputation 	<ul style="list-style-type: none"> Financial planning and reporting to Members / CMT / SMT Ensure services meet community needs and strategic plan objectives Measure to increase on external income 	Head of Street Services
Street Services	Car park income targets not met	<ul style="list-style-type: none"> 10% shortfall in takings equates to over £400k reduction in income that supports other services. 	<ul style="list-style-type: none"> Regular monitoring in use and income. 	Parking Services Manager.

Appendix 2

RISK MATRIX QUARTER 1 2010/11 - JUNE 10



PREVIOUS CHART FOR COMPARISON - FROM MARCH 2010



RISK MANAGEMENT STRATEGY

This document outlines the Council's commitment to managing risk in an effective and appropriate manner. It is intended to be used as the framework for delivery of the Risk Management function and provides guidance on developing risk management as a routine process for all services.

INTRODUCTION

The Council undertakes that this strategy will promote and ensure that:

1. The management of risk is linked to performance improvement and the achievement of the Council's strategic objectives.
2. Members and the Senior Management Team own, lead and support on risk management.
3. Ownership and accountability are clearly assigned for the management of risks throughout the Council.
4. There is a commitment to embedding risk management into the Council's culture and organisational processes at all levels including strategic, programme, project and operational
5. All members and officers acknowledge and embrace the importance of risk management as a process, by which key risks and opportunities are identified, evaluated, managed and contribute towards good corporate governance.
6. Effective monitoring and reporting mechanisms are in place to continuously review the Council's exposure to, and management of, risks and opportunities.
7. Best practice systems for managing risk are used throughout the Council, including mechanisms for monitoring and reviewing effectiveness against agreed standards and targets.
8. Accountability to stakeholders is fully demonstrated through periodic progress reports and an annual statement on the effectiveness of and the added value (benefits) from the Council's risk management strategy, framework and processes.
9. The Council's approach is regularly assessed by an external, independent body against other public sector organisations, national standards and Best Practice.
10. The Risk Management Strategy is reviewed and updated annually in line with the Council's developing needs and requirements.

Endorsement by Adrian Pritchard, Chief Executive

“Colchester Borough Council is committed to ensuring that risks to the effective delivery of its services and achievement of its overall objectives are properly and adequately controlled. It is recognised that effective management of risk will enable the Council to maximise its opportunities and enhance the value of services it provides to the community. Colchester Borough Council expects all officers and members to have due regard for risk when carrying out their duties.”

A handwritten signature in black ink that reads "A. R. Pritchard." The signature is written in a cursive style with a long, sweeping underline.

WHAT IS RISK MANAGEMENT

Risk Management is the control of business risks in a manner consistent with the principles of economy, efficiency and effectiveness. It is an essential performance management process to ensure that both the long and short term objectives of the Council are achieved and that opportunities are fully maximised.

Risk Management is not about eliminating risk, as this would limit the ability of the organisation to develop and deliver its ambitions. Its purpose is to recognise the issues that could effect the achievement of our objectives and develop actions to control or reduce those risks. Acknowledgement of potential problems and preparing for them is an essential element to successfully delivering any service or project. Good management of risk will enable the Council to rapidly respond to change and develop innovative responses to challenges and opportunities.

‘The Good Governance Standard for Public Services’ issued by The Independent Commission on Good Governance in Public Services states that there are six core principles of good governance including ‘Taking informed, transparent decisions and managing risk’. The document goes on to state ‘Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective’.

BACKGROUND

Current Position

The first Risk Management Strategy was adopted by the Council in September 2003 and incorporated in the Council's policy framework. This introduced the concept of risk and identified the process to be followed.

In broad terms risks are split into three categories:

- Strategic – those risks relating to the long term goals of the Council
- Operational – risks related to the day-to-day operation of each individual service
- Project – consideration of the risks occurring as a result of the Council's involvement in specific initiatives

A significant amount of progress has been made in managing the risks to the Council. The following are some of the achievements since the adoption of the strategy:

- Creation of an overall strategic register.
- Creation of operational risk registers for all service areas.
- Consideration of risk in Committee reports.
- Development of a comprehensive risk register for the regeneration programme and consideration of risk as a project management tool.
- Successful internal and external assessment.
- Provision of advice to other authorities regarding our management of risk.

The Audit Commission, in the 2008/09 Audit and Inspection Letter, stated that "There is an effective internal risk management system embedded within the organisation".

This is an endorsement that we have devised a practical and workable approach to managing risk. This has resulted in the Council becoming more risk aware and actually taking more risks, as demonstrated by the comprehensive risk register for the renaissance projects. Colchester is also highly regarded for managing risk by both our insurers and other authorities.

The annual Use of Resources assessment for 2008/09 scored the Key Line of Enquiry that covers risk management at a level 3, well managed. And the 2009/10 internal audit of risk management gave a substantial assurance opinion. Some recommendations were raised during this audit and these mainly related to how the information was shown on the risk registers.

OWNERSHIP

The responsibility to manage risk rests with every member and officer of the Council however it is essential that there is a clearly defined structure for the co-ordination and review of risk information and ownership of the process.

Appendix D is from the CIPFA/SOLACE risk management guide, Chance or Choice. It is a generic map of responsibility for each part of the risk management process.

The following defines the responsibility for the risk management process at Colchester:

Cabinet – Overall ownership of the risk management process and endorsement of the strategic direction of risk management.

Portfolio Holder for Resources & Diversity – Lead member for the risk management process

Finance & Audit Scrutiny Panel (FASP) – Responsible for reviewing the effectiveness of the risk management process and reporting critical items to cabinet as necessary.

Performance Management Board (PMB) – Ownership of the strategic risks and overview of the operational risks. Actively support the Risk Management Strategy and framework.

Executive Director – People & Performance – Lead officer for the risk management process, demonstrating commitment to manage risk

Head Of Resource Management – Responsible for co-ordination of the risk management process, co-ordinating and preparing reports and providing advice and support.

Heads of Service – Ownership, control and reporting of their service's operational risks. Contribute to the development of a risk management culture in their teams.

All Employees – To understand and to take ownership of the need to identify, assess, and help manage risk in their individual areas of responsibility. Bringing to the management's attention at the earliest opportunity details of any emerging risks that may adversely impact on service delivery.

Internal Audit, External Audit and other Review Bodies – Annual review and report on the Council's arrangements for managing risk throughout the Council, having regard to statutory requirements and best practice. Assurance on the effectiveness of risk management and the control environment.

THE WAY FORWARD

Aims & Objectives

The aim of the Council is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.

The risk management objectives of Colchester Borough Council are to:

- Integrate risk management into the culture of the Council
- Ensure that there are strong and identifiable links between managing risk and all other management and performance processes.
- Manage risk in accordance with best practice
- Anticipate and respond to changing social, environmental and legislative requirements
- Prevent injury, damage and losses and reduce the cost of risk
- Raise awareness of the need for risk management by all those connected with the Council's delivery of services.
- Ensure that opportunities are properly maximised through the control of risk.
- Reduce duplication between services in managing overlapping risks and promote 'best practise'.

Risk Management forms an important part of the Council's system of Internal Control and is therefore one of the Use of Resources Key Lines of Enquiry. The Risk Management function was assessed at level 3 in 2008/09. The objectives outlined above have been set to ensure that the function can maintain this assessment level. Currently, however, the Use of Resources assessment has been discontinued but the criteria laid down for each assessment level, set out in Appendix C, still provides a robust framework for delivering an effective service.

Strategic Risk Management

Strategic risks are essentially those that threaten the long term goals of the Council and therefore are mainly based around meeting the objectives of the Strategic Plan. They may also represent developing issues that have the potential to fundamentally effect service provision, such as proposals to dramatically change the corporate assessment process.

Strategic risks will be controlled using a register that will detail the risks and associated controls. The register will be owned by the Senior Management Team, with ownership for risks being assigned to individual officers, and will be reviewed every quarter. The strategic risks will be reported to F.A.S.P. every quarter.

Operational Risk Management

Operational risks are those that threaten the routine service delivery of the Council. Each service area will have their own operational risk register that details the risks associated with providing the service. These registers will be reported, in summary format, to the Senior Management Team and committee on an annual basis. High risks and the success in controlling them will be reported to Senior Management Team on a quarterly basis, as these will help in the formulation of the strategic risk register.

Links

It is essential that risk management does not operate in isolation to other management processes. To fully embed a risk management culture it has to be demonstrated that risk is considered and influences all decisions that the Council makes. It is essential that there is a defined link between the results of managing risk and the following:

- The Strategic Plan
- Service Plans
- Revenue and Capital Budgets
- Annual Internal Audit Plan

Action Required

The following actions will be implemented to achieve the objectives set out above:

- Considering risk management as part of the Council's strategic planning and corporate governance arrangements.
- Ensuring that the responsibility for risk management is clearly and appropriately allocated
- Maintaining documented procedures for managing risk
- Maintaining a corporate approach to identify and prioritise key services and key risks across the Council and assess risks on key projects.
- Maintain a corporate mechanism to evaluate these key risks and determine if they are being adequately managed and financed.
- Establish a procedure for ensuring that there is a cohesive approach to linking the risks to other management processes
- Including risk management considerations in all committee reports
- Providing risk management awareness training to both members and officers.
- Developing risk management performance indicators.
- Establishing a reporting system which will provide assurance on how well the Council is managing its key risks and ensures that the appropriate Members and officers are fully briefed on risk issues.
- Preparing contingency plans in areas where there is a potential for an occurrence to have a significant effect on the Council and its business capability.
- Regularly reviewing the risk process to ensure that it complies with current national Governance Standards and Best Practice.
- Creation of an annual 'Action Plan' that details particular areas of development for the coming year, including details of the value added and how they will be embedded.

REVIEW

To ensure that the risk management process is effective it will need to be measured and reported to P.M.B., F.A.S.P. & Cabinet. As well as a structured reporting process of risks and controls during the year there will need to be an annual review demonstrating the success of the following:

- The inclusion of risk management principles within Service Plans and budgets.
- The development of the Internal Audit plan based on the risk issues.
- Achievement against identified performance indicators.
- Members consistently ensuring managing risk is considered as part of the decision making processes within the Council.
- Service managers making recommendations that regard risk as an opportunity as well as a threat .
- Risk management principles being considered in service reviews, for example in areas such as options for change and service improvements.
- Changes in risk being independently identified and assessed by Service Managers
- Compliance with the use of resources criteria and self assessment requirements.

Suitable opportunities to benchmark the risk management service against other organisations should also be explored to ensure that it is effective and the work carried out by the Council conforms to best practise.

The four appendices attached give greater detail of key issues:

- Appendix 1 – Outline of the risk management process
- Appendix 2 – Details of how Risk Management will be reported.
- Appendix 3 – The 2007 Use of Resources Criteria for Risk Management
- Appendix 4 – CIPFA guidance on Risk Management Responsibilities

APPENDIX A

The Risk Management Process

Risk Management is a continual process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them and / or responding to them. The risks faced by the Council are constantly changing and the continual process of monitoring risks should ensure that we can respond to the new challenges. This process is referred to as the risk management cycle.

Stage 1 – Risk Identification

Identifying and understanding the hazards and risks facing the council is crucial if informed decisions are to be made about policies or service delivery methods. There is detailed guidance available on how to identify risks which includes team sessions and individual knowledge. Once identified a risk should be reported to the Head of Service who will consider its inclusion on the relevant risk register. If the risk is identified in between register reviews then it is reported to the Risk & Resilience Manager for information and the Head of Service is responsible for managing the risk.

Stage 2 – Risk Analysis

Once risks have been identified they need to be systematically and accurately assessed. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to it.

Stage 3 – Risk Control

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and / or reducing the severity of the consequences should it occur.

Stage 4 – Risk Monitoring

The risk management process does not finish with the risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of the risk has changed over time.

APPENDIX B

Reporting

No matter how good the process to identify and control risks is, it will not be effective unless the information gained from it is reported and used to influence other management issues / processes. Therefore it is essential that there is a defined process and timetable for reporting the results of the risk management process to both members and officers.

Types of Report

- A quarterly report to P.M.B., detailing the *high level* operational risks along with comment from the Services regarding the progress that they have made in controlling the risk.
- The strategic risk register needs to be reviewed on a quarterly basis by P.M.B.
- A quarterly report needs to be provided to Committee (F.A.S.P.) detailing the current strategic and high level operational risks and the progress made in controlling them.
- Six monthly review of the operational risk registers and a summary report of these reviews to P.M.B.
- An annual report reviewing Risk Management activity and an action plan for the coming year - taking into account changes in methodology and results of internal and external reviews. Going to P.M.B., FASP and Cabinet. This needs to cover all of the three areas of risk
- Ad-hoc reports need to be provided to P.M.B. when new, significant risk issues arise.

The reports can be summarised as follows:

	Service's	P.M.B.	F.A.S.P.	Cabinet
Quarterly		Progress of high level operational risks Review of strategic risk register	Progress report of strategic & high level operational risks	
6 Monthly	Review of operational risk register	Summary of operational review from services		
Yearly		Scrutiny of annual progress report to cttee on R.M. & action plan for coming year.	Endorsement of annual progress report on R.M. & action plan for coming year	Summary of past years work on R.M. and agreement of action plan for the coming year.

Appendix C Use of Resources Criteria

<p>4. INTERNAL CONTROL How well does the council's internal control environment enable it to manage its significant business risks?</p>		
<p>Key line of enquiry 4.1 The council manages its significant business risks</p>		
<p>Audit Focus Evidence that: the council has a risk management process in place the risk management system covers partnership working</p>		
<p>Criteria for Judgement</p>		
<p>Level 2</p>	<p>Level 3</p>	<p>Level 4</p>
<p>* The council has adopted a risk management strategy/policy that has been approved by members.</p> <p>* The risk management strategy/policy requires the council to:</p> <ul style="list-style-type: none"> • identify corporate and operational risks • assess the risks for likelihood and impact • identify mitigating controls • allocate responsibility for the mitigating controls. <p>* The council maintains and reviews a register of its corporate business risks linking them to strategic business objectives and assigns named individuals to lead on the actions identified to mitigate each risk.</p> <p>* Member responsibility for corporate risk management is identified in the terms of reference of one or more committees as appropriate.</p> <p>* Reports to support strategic policy decisions, and project initiation documents, include a risk assessment.</p>	<p>1.1.2</p> <p>* The risk management process is reviewed and updated at least annually.</p> <p>* The risk management process specifically considers risks in relation to significant partnerships and provides for assurances to be obtained about the management of those risks.</p> <p>* All appropriate staff are given relevant training and guidance to enable them to take responsibility for managing risk within their own working environment.</p> <p>* The members with specific responsibility for risk management have received risk management awareness training.</p> <p>* Members with responsibility for corporate risk management receive reports on a regular basis and take appropriate action to ensure that corporate business risks are being identified and effectively managed, including reporting to full council as appropriate.</p>	<p>* A senior officer and member jointly champion and take responsibility for embedding risk management throughout the council.</p> <p>* The council can demonstrate that it has embedded risk management in its business processes, including:</p> <ul style="list-style-type: none"> • strategic planning • financial planning • policy making and review • performance management <p>* All members receive risk management awareness training appropriate to their needs and responsibilities</p> <p>* The council considers the opportunity side of innovative and challenging projects.</p> <p>* Reports to support strategic policy decisions, and initiation documents for all major projects, require a risk assessment including sustainability impact appraisal.</p>

Appendix D Risk Management Responsibilities – CIPFA / SOLACE Guidance

	Framework, Strategy and Process	Identifying risk	Analysing Risk	Profiling risk	Prioritising action based on risk appetite	Determining action on risk	Controlling risk	Monitoring & Reporting	Reporting to external stakeholders.
Members	Agreeing the Framework, Strategy and Process Determined by Officers	Identifying risk	Analysing Risk	Profiling Risk	Determining the risk appetite and prioritising risk. Agreeing the priorities determined by officers			Reviewing the effectiveness of the risk management process.	Reporting to external stakeholders on the framework, strategy, process and effectiveness .
Risk Management Team	Providing advice And support to the executive Management Team and Members	Providing advice and support.	Providing Advice and support	Providing advice and support	Providing advice and support			Co-ordinating the results for reporting to the corporate management team and members	
Senior Management Team	Determining the framework, Strategy and Process	Identifying strategic and cross-cutting issues	Analysing Strategic and cross-cutting issues.	Profiling strategic and cross-cutting issues.	Determining the risk appetite and prioritising strategic and cross-cutting issues	Determining action on strategic and cross-cutting issues. Delegating responsibility for control.		Monitoring progress on managing strategic and cross-cutting risks and reviewing the implementation of the risk management framework, strategy and process. Reporting to members.	Reporting to external stakeholders on the framework, strategy, process and effectiveness.
Head of Resource Management	Providing Advice and Support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Providing advice and support	Co-ordinating the results for reporting to the executive management team and members	Preparing draft reports for the corporate management team and members to issue.
Service Managers / G.M.T'ss		Identifying service Risks	Analysing Service risks.	Profiling service risks.	Prioritising action on service risks.	Determining action on service risks. Delegating responsibility for control.		Monitoring progress on managing service risks. Reporting to the group management team	
Employees, contractors And partners		Maintaining awareness of risks and feeding these into the formal process.	Maintaining awareness impact of risks and feeding information into the processes				Controlling risk in their jobs.	Monitoring progress on Managing job related risks Reporting to the service manager.	



Finance & Audit Scrutiny Panel

Item
12

27 July 2010

Report of	Head of Resource Management	Author	Steve Heath
Title	Treasury Management – Annual Report 2009/10		
Wards affected	Not applicable		

**The Panel is invited to review treasury management performance
in 2009/10**

1. Action required

- 1.1 To note the activities relating to treasury management in 2009/10 and consider performance.
- 1.2 To note the performance of the Council's treasury management advisors.

2. Reason for scrutiny

- 2.1 The CIPFA Code of Practice on Treasury Management and the Council's Treasury Management Policy Statement both require an annual report to be considered.

3. Background information

- 3.1 Treasury management comprises all borrowing and investment activities of the Council. Details of treasury management activities during 2009/10 are provided as a background paper that should be read alongside this report. The key areas in this report are summarised in the following paragraphs.
- 3.2 The Council's strategy was to consider the potential merits of deferring new borrowing in favour of disinvestment to maximise short-term savings and reduce the Council's exposure to interest rate and credit risk. The investment policy included more stringent credit criteria, and was to avoid longer term deals while investment rates were at such low levels. The Council's treasury advisers had forecast that the UK interest rate would fall to 0.5% in the first quarter of 2009 and stay at that level for the remainder of the 2009/10 financial year.
- 3.3 During 2009/10 the Bank of England's Monetary Policy Committee (MPC) was focused on helping the economy to avoid falling deeper into recession. The Bank Rate was kept at the all-time low of 0.5% for the whole year, and the MPC also undertook quantitative easing to boost the supply of money and help to stimulate demand. Economic growth finally returned in the fourth quarter of 2009.
- 3.4 The Council's long-term debt as at 31 March 2010 remained at £62.4m as a result of the decision to 'borrow internally'. The average rate of the debt was 5.79%, compared to 5.72% in 2008/09. No temporary borrowing to meet cash flow requirements was undertaken during the year.
- 3.5 The Council has managed all of its excess surplus funds internally during the year. These mainly consist of overnight and short-term investments to cover cash flow needs and in respect of 'core' balances. The average rate earned on investments during the year was 1.82%, which was considerably higher than the benchmark.

- 3.6 The Council's outstanding investments at the end of the year total £14m. This includes £4m that was invested in Icelandic banks in September 2008, which suffered a default following the collapse of the Icelandic banking system.
- 3.7 The Council employ Sector Treasury to provide a consultancy service in respect of treasury management, to include advice on both debt and investments. During the year Sector provided advice on borrowing, investments, counterparty credit details and general capital accounting information.
- 4. Strategic Plan references**
- 4.1 No direct links. However, prudent treasury management underpins the budget required to deliver all Strategic Plan priorities.
- 5. Publicity considerations**
- 5.1 Appendix A to the attached background paper is confidential.
- 6. Financial implications**
- 6.1 Interest paid and earned on borrowing and investments is shown within the Central Loans and Investment Account (CLIA). Outturn figures for 2009/10 show a budget deficit of £934k for the year. This is principally due to investment rates being at historically low levels throughout the year. Action was taken to minimise the impact by 'internally borrowing' funds.
- 6.2 The CLIA for 2009/10 includes an impairment of £449k in respect of the Council's Icelandic investments, however this has been reversed out of the accounts following Government regulations that allow authorities to delay recognising any losses until 2010/11. The impairment figure is based on the assumption that 95% of the investment will be recovered by 2018. There is clearly some risk attached to this assumption, and the panel will be kept informed of any developments in this area.
- 7. Risk Management implications**
- 7.1 Risk Management is essential to effective treasury management. The Council's Treasury Management Policy Statement contains a section on treasury Risk Management (TMP1).
- 7.2 TMP1 covers the following areas of risk all of which are considered as part of our treasury management activities:
- Liquidity.
 - Interest rates.
 - Exchange rates.
 - Inflation.
 - Credit and counterparty.
 - Refinancing.
 - Legal and regulatory.
 - Fraud, error and corruption, and contingency management.
 - Markets.
- 8. Other Standard References**
- 8.1 Having considered consultation, equality, diversity and human rights, health and safety and community safety implications, there are none which are significant to the matters in this report.

Background Papers

Annual Report on Treasury Management (as attached)

Appendix A: Temporary Investments 2009/10 (**confidential**)

Annual Treasury Management Report 2009/10

1 Introduction and background

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2009 was adopted by Colchester Borough Council on 17 February 2010 and the Council fully complies with its requirements.
- 1.2 The primary requirements of the Code are as follows:
 - Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - Receipt by the Full Council of an annual treasury management strategy report (including the annual investment strategy report) for the year ahead, a midyear review report (as a minimum) and an annual review report of the previous year.
 - Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body, which in this Council is the Finance and Audit Scrutiny Panel.
- 1.3 Treasury management in this context is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 1.4 The purpose of this report is to meet one of the above requirements of the CIPFA Code, namely the annual review report of treasury management activities, for the financial year 2009/10.
- 1.5 This annual treasury report covers:
 - The treasury position as at 31 March 2010
 - The Treasury Management Strategy for 2009/10
 - The economy in 2009/10
 - Borrowing
 - Investments
 - Icelandic investments
 - Compliance with treasury limits and prudential indicators

2 Treasury position as at 31 March 2010

2.1 The Council's debt and investment position at the beginning and the end of the year was as follows:

	31 Mar 10		31 Mar 09	
	Principal £m	Av. rate %	Principal £m	Av. rate %
Fixed rate funding				
PWLB	27.9	4.58	27.9	4.58
LOBO	14.5	4.04	14.5	3.91
Stock Issue	20.0	8.79	20.0	8.79
TOTAL DEBT	62.4	5.80	62.4	5.77
Investments				
Temporary	6.0	5.65	15.5	6.02
Overnight	4.0	0.70	0.0	0.00
Impaired	4.0	5.82	4.0	5.82
TOTAL INVESTMENTS	14.0	5.67	19.5	6.01

2.2 The outturn position for the Central Loans and Investment Account (CLIA) is shown below. This shows an adverse variance of £934k.

3920 CLIA	Budget £	Actual £	Variance £
Total Interest Paid	3,882,000	3,860,509	(21,491)
Less: Item 8 debit	(2,972,000)	(2,739,111)	232,889
Total less HRA	910,000	1,121,397	211,397
Total Investments	(1,341,600)	(626,590)	715,010
Less: Impairment	448,500	448,461	(39)
Item 8 credit	10,000	17,701	7,701
Total less HRA	(883,100)	(160,427)	722,673
Total CLIA	26,900	960,970	934,070

2.3 The CLIA comprises the Council's borrowing costs and investment income. It is difficult to predict and can be affected by several factors. The majority of the Council's debt is on fixed rates reflecting the longer-term nature of the borrowing decisions. Investments are generally made for shorter periods, making returns more variable. This mix is generally more beneficial when interest rates are high or increasing. It is important to add that the exposure to interest rate movements is regularly monitored to minimise risks to changes in returns. There are a number of reasons that have contributed to the above variances:

- Investment rates have been at historically low levels during the year. Steps have been taken to try to minimise the impact of the reduced investment income such as through deferral of new borrowing in favour of disinvestment, which is known as 'internal borrowing'.
- The Item 8 Debit was impacted by the reduction in the consolidated rate of interest as a result of the decision to borrow internally.

- The variance against the Item 8 Credit is due to higher levels of HRA balances than was estimated.

3 The strategy for 2009/10

3.1 Cabinet agreed the Council's Treasury Management Strategy and Annual Investment Strategy for 2009/10 on 28 January 2009. The strategy was as follows:

- The Council will have an additional borrowing requirement during the year in respect of the purchase of Rowan House, additional funding for the Visual Arts Facility, new cremators and the upgrade of communal aerial systems in the Council's housing stock. The trigger point for new longer term borrowing was 3.95%. However, the low interest rate also provided an opportunity to consider the potential merits of internal borrowing to maximise savings in the short term and reduce the Council's exposure to interest rate and credit risk.
- The investment policy included the introduction of sovereign debt criteria, halved country limits, the removal of the previous lowest level of certain credit criteria, and a reduction in the duration of investments with certain counterparties. It also detailed developments resulting from the 'credit crunch'. The Council would avoid longer term deals while investment rates were at historically low levels, and therefore budget for a return of 1.5% on investments placed during 2009/10.
- The Council's treasury advisers had forecast that the UK interest rate would fall to 0.5% in the first quarter of 2009. The interest rate was then expected to stay at that level for the remainder of the 2009/10 financial year, and then begin to rise gently during 2010.

3.2 The major issue for treasury management in 2009/10 has been the huge difference between investment rates and borrowing rates that has emerged during this recession due to: -

- the unprecedented fall in Bank Rate
- the disappearance during the year of the margins over more normal investment rates caused by the credit crunch as the Bank of England's quantitative easing operations had the desired effect of easing the supply and cost of credit in the economy during 2009.

3.3 A further strong theme has been the major emphasis on mitigating risk by giving heightened preference to security and liquidity at a time when the world banking system was still under stress and pending the issue, later in 2009, of new CIPFA and statutory guidance on investing. This has therefore resulted in more of our investment portfolio being moved into investments with lower rates of return but higher security and liquidity. This has compounded the significant fall in total investment earnings compared to previous years.

3.4 Consequently, in order to balance the impact of the loss in investment income, there was a major re-evaluation of the benefits of new borrowing, whereby significant treasury management savings could be achieved by running down investment balances instead of taking new borrowing in order to finance new capital expenditure or to replace debt maturing during the year. Whilst this has provided savings during 2009/10 in terms of debt management costs, the

Council needs to be mindful of both interest rate risk and refinancing risk moving forward, in the event that interest rates start to rise.

- 3.5 The running down of investment balances during the year has also meant a reduction in exposure to counterparty and interest rate risk on the investment portfolio.
- 3.6 The Council has also examined the potential for making premature debt repayments in order to reduce investment balances more quickly. However, the level of premiums that would have been incurred and the increase in risk exposure to significantly higher interest rates for new borrowing than debt currently held, made this option unattractive.

4 *The economy and interest rates*

- 4.1 During 2009/10 the Monetary Policy Committee (MPC) was focused on helping the economy to turn around from plunging into the deepest and longest recession the UK economy had experienced for many years.
- 4.2 Despite keeping Bank Rate at an unprecedented historical low of 0.5% all year, the MPC also had to resort to extreme measures in terms of pumping liquidity into the economy through quantitative easing by purchasing £200bn gilts and corporate bonds. This had the effect of boosting prices for gilts and corporate bonds and therefore bringing down yields, so also reducing borrowing costs for both the corporate and public sector.
- 4.3 It was notable that the increase in money supply in the economy generated by this programme brought the credit crunch induced spread between Bank Rate and 3 month LIBID (investment rate that depositors could earn) down from 0.95% at the beginning of the financial year to zero during August 2009.
- 4.4 The dominant focus in 2009/10 was on quarterly GDP growth figures. The recession bottomed out in quarter 1 of 2009. There was then major disappointment that the end of the recession failed to materialise in quarter 3 2009 but the fourth quarter of 2009 did then see economic growth return at +0.4%.
- 4.5 Inflation has not been a major concern of the MPC as it fell back below the 2% target level from June to November. However, it did spike upwards to reach 3.5% on the back of the unwinding of the temporary cut in VAT to 15% on 1 January 2010. This was not seen as a cause for alarm as this spike was expected to fall out of the inflation index and inflation was forecast by the Bank of England to fall back under target by the end of 2010.

5 *Borrowing*

- 5.1 The Council's total debt outstanding at 31 March 2009 was £62.4m, which represents a decrease on last year of £5.93m. However, this figure relates to temporary borrowing that was repaid on 1 April. The average rate of the Council's debt has increased by 0.07% to 5.79%, which represents a net decrease of 0.43% over the past three years. The increase is as a result of one of the Council's market loans reaching a step point in July 2009, with the

interest rate increasing from 4.15% to 4.5%. This compares well with the average rate available for long term PWLB debt during the year (4.51%). The Council's total borrowing at 31 March is shown in the table below:

Loans O/S	Maturity	March 10 £	%	March 09 £	%
PWLB 475958	5/2055	1,300,000	8.88	1,300,000	8.88
PWLB 482450	11/2038	900,000	4.63	900,000	4.63
PWLB 484275	5/2025	700,000	4.88	700,000	4.88
PWLB 488963	8/2034	2,000,000	4.80	2,000,000	4.80
PWLB 489406	5/2030	3,000,000	4.55	3,000,000	4.55
PWLB 489978	5/2032	2,500,000	4.45	2,500,000	4.45
PWLB 490717	11/2031	1,000,000	4.25	1,000,000	4.25
PWLB 490718	11/2033	2,000,000	4.25	2,000,000	4.25
PWLB 491155	1/2050	1,000,000	3.70	1,000,000	3.70
PWLB 492019	8/2056	2,500,000	4.25	2,500,000	4.25
PWLB 492218	9/2056	2,500,000	4.05	2,500,000	4.05
PWLB 493046	3/2053	5,000,000	4.25	5,000,000	4.25
PWLB 493762	8/2057	3,500,000	4.50	3,500,000	4.50
Bonds - Stock Issue	5/2020	20,000,000	8.79	20,000,000	8.79
LOBO B49	1/2046	2,000,000	3.79	2,000,000	3.79
LOBO B50	1/2066	2,000,000	3.55	2,000,000	3.55
LOBO B51	1/2056	1,500,000	3.53	1,500,000	3.53
LOBO B52	7/2076	5,000,000	4.50	5,000,000	4.15
LOBO B53	4/2078	4,000,000	4.01	4,000,000	4.01
Subtotal		62,400,000	5.79	62,400,000	5.72
Temporary borrowing		0	0.00	5,930,000	1.09
		62,400,000	5.79	68,330,000	5.72

- 5.2 The approach during the year was to use cash balances to finance new capital expenditure so as to run down cash balances and minimise counterparty risk incurred on investments. This also maximised treasury management budget savings as investment rates were much lower than most new borrowing rates. No new long-term or temporary borrowing was undertaken during 2009/10.
- 5.3 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the annual Treasury Management Strategy. The outturn for the Prudential Indicators is shown in Section 8 of this report.

6 Investments

- 6.1 The Council manages its investments in-house and invests with the institutions listed in the Council's approved lending list. The Council invests for a range of periods dependent on the Council's cash flows, its interest rate view, the interest rates on offer and durational limits set out in the approved investment strategy. In-house managed investments can be analysed as follows:
- Temporary investments are made for a period of more than one day and are usually arranged in the money market through brokers.
 - Overnight investments are placed for one night, and are made with the Council's bank and other institutions.

6.2 The proportion by value of investments made over the past two years is shown in the table below. This shows that the majority of investment activity has been carried out in temporary investments rather than using deposit accounts. However the reduction in the percentage when compared to 2008/09 reflects the reduction in investment options available, the revised investment policy, and a reduction in cash balances as a result of the decision to ‘borrow-internally’ to finance capital expenditure.

Analysis	2009/10	2008/09
	%	%
Temporary Investments	73.1	87.8
Overnight and Deposit Account	26.9	11.5
HIBA	0	0.7
Total	100.0	100.0

6.3 Temporary investments have been made in respect of ‘core’ balances and to cover regular cash flow movements. The table below shows that on average the Council invested amounts for shorter periods to the previous year.

Temporary Investments	2009/10	2008/09
Total Invested (£'000)	106,220	102,909
Number of Investments	59	58
Average Investment (£'000)	1,800	1,774
Average Length (Days)	48	96
Investments by Counterparty (%)		
Clearing Banks	10.4%	14.6%
Foreign Banks	42.8%	41.6%
Local Authorities	6.5%	0.0%
Building Societies	40.3%	43.8%

6.4 Pending the issuance of revised CIPFA and statutory investment guidance expected towards the end of the year, and in the light of continuing stresses on the world banking system, enhanced priority was given to security and liquidity in order to reduce counterparty risk to the maximum possible extent. Accordingly, some of the investment portfolio was moved into lower earning investment instruments due to their lower level of counterparty risk.

6.5 As noted earlier in this report, the opportunity was also taken to reduce new borrowing by running down investment balances in order to further reduce exposure to counterparty risk and provide savings to debt management budgets.

6.6 In order to counter the downturn in investment rates and earnings explained above, and following advice from Sector, a substantial part of the investment portfolio was held in liquidity accounts with main UK banks. These accounts offered both instant access and rates which were often double those available in the money markets through brokers for overnight money and higher than for most periods up to six months.

6.7 Investment performance can be assessed though comparison of the Council’s average return for the year with a suitable benchmark. In this instance this is the 7-Day LIBID Index (London Interbank Bid Rate – the rate charged by one bank to another for a deposit). The table below shows that the Council has once again exceeded this benchmark at an increased margin to the previous year.

Details	2009/10	2008/09
	%	%
Temporary Investments	2.12	5.76
Overnight and Deposit Account	0.67	4.26
HIBA	0	3.84
Total	1.82	5.57
Benchmark (7 day LIBID)	0.42	3.69
Return as a % of the Benchmark	432.3%	150.9%

6.8 The Council had temporary investments totalling £14m outstanding as at 31 March 2010. Of this £6m is due to mature during 2010/11 (see **Appendix A** – confidential), £4m were overnight investments that matured on 1 April 2010, and £4m relates to the impaired Icelandic investments.

6.9 During the year all investments were made in full compliance with this Council’s treasury management policies and practices. No institutions in which investments were made during 2009/10 had any difficulty in repaying investments and interest in full during the year.

7 Icelandic bank defaults

7.1 The Council currently has the following investments frozen in Icelandic banks:

Bank	Date Invested	Maturity Date	Amount Invested	Interest Rate
Landsbanki Islands	02/09/2008	02/12/2008	3,000,000	5.82
Landsbanki Islands	10/09/2008	10/12/2008	1,000,000	5.80
			<u>4,000,000</u>	

7.2 The Icelandic Government has stated its intention to honour all its commitments as a result of their banks being placed into receivership. The U.K. Government is working with the Icelandic Government to help bring this about. At the current time, the process of recovering assets is still ongoing with the Administrators. The Local Government Association is coordinating the efforts of all UK authorities with Icelandic investments. Members will be periodically updated on the latest developments on these efforts.

7.3 The Government, the National Assembly of Wales and the Scottish Parliament have all issued regulations to allow local authorities to delay recognising any loss on these investments that may eventually be incurred until the 2010/11 financial year.

- 7.4 The anticipated impairment loss included in the Council's draft Statement of Accounts has been calculated using the present value of the expected repayments, discounted using the investment's original interest rate. The additional amount recognised in 2009/10 (£449k) takes into account adjustments to the assumptions with regards to the recoverable amount, the repayment schedule and the rate of interest payable.
- 7.5 The estimated repayment to Landsbanki's preferential claimants is currently 95%, including interest to 22 April 2009. It is also estimated that repayments to depositors will be made annually between October 2011 and October 2018. Further adjustments to the assumptions will be made in future accounts as more information becomes available.

8 Compliance with treasury limits and prudential indicators

- 8.1 The Council's Treasury Management Policy Statement sets out various limits on how much may be invested in various organisations and sources and types of borrowing. All the investments and borrowing detailed within this report complied with the policy.
- 8.2 The Council's Prudential Indicators for 2009/10 were agreed by full Council on 17 February 2009. The table below shows the Council's performance against the agreed treasury management prudential indicators. It should be noted that actual external debt is not directly comparable to the authorised limit and operational boundary as it reflects the position at one point in time.

	2008/09 Actual £'000	2009/10 Original £'000	2009/10 Actual £'000
Capital expenditure	25,074	24,057	12,972
Capital Financing Requirement as at 31 March	74,408	77,534	79,566
Authorised limit for external debt	68,330	88,550	62,400
Operational boundary for external debt	68,330	78,950	62,400
Upper limit for fixed interest rate exposure	91%	100%	100%
Upper limit for variable rate exposure	9%	50%	0%
Upper limit for total principal sums invested for over 364 days	4,000	5,000	0



Finance and Audit Scrutiny Panel

Item
13

27 July 2010

Report of	Scrutiny Officer	Author	Robert Judd Tel. 282274
Title	Work Programme 2010-11		
Wards affected	Not applicable		

This report sets out the rolling 2010/11 Work Programme for the Finance and Audit Scrutiny Panel and Accounts and Regulatory Committee

1. Action Required

- 1.1 The Panel is asked to consider and comment on the rolling 2010-11 work programme.

2. Reason for Action

- 2.1 This function forms part of the Panel's Terms of Reference in the Constitution.

3. Outstanding items

- 3.1 The Financial Aspects of a new Park and Ride in North Colchester, to include an update on the progress of the Northern Approach Road – review date to be confirmed.

4. Work Programme

29 June 2010

1. Audit Opinion Plan and 2010-11 Audit and Inspection Fee Letter (A&R)
2. Annual review of the Governance Framework and 2009-10 Statement (A&R)
3. Draft Annual Statement of Accounts (A&R)
4. 2009-10 Financial Monitor (FASP)
5. 2009-10 Capital Expenditure Monitor
6. 2009-10 Internal Audit Report

27 July 2010

1. Community Governance Review – Wivenhoe Town Council (A&R)
(merging of two parish wards / increase of councillors to 13 (+2))
2. Community Governance Review – Fordham (A&R)
(increase of councillors to 9 (+2))
3. Freedom of Information Update (Head of Corporate Management)
4. Annual Report on Treasury Management
5. 2009-10 Risk Management Summary

17 August 2010

1. Capital Improvement Programme (DHP update to incl. outcomes of pilot scheme)
2. 2010-11 Financial Monitor, period April to June
3. 2010-11 Capital Monitor

28 September 2010

1. 2010-11 Internal Audit Monitor, period April to June
2. Annual Statement of Accounts – Annual Governance Report (A&R)
3. International Financial Reporting Standards

19 October 2010

1. Report Publication of Audited Statement of Accounts (A&R)
2. Risk Management period April to September
3. Annual Business Continuity Progress report

23 November 2010

1. 2010-11 Internal Audit Monitor, period April to September
2. 2010-11 Financial Monitor, period April to September
3. 2010-11 Capital Monitor
4. 2010-11 Treasury Management Monitor

25 January 2011

1. Annual Audit Letter (District Auditor)
2. 2011-12 Budget Strategy
3. Treasury Management - Investment Strategy

22 February 2011

1. Risk Management, period April to December
2. 2010-11 Financial Monitor, period April to December
3. 2010-11 Capital Monitor

29 March 2011

1. 2010-11 Internal Audit Monitor, period April to December
2. Annual Governance Statement briefing paper
3. Audit Opinion Plan

