

SHARED SERVICES JOINT COMMITTEE

Monday, 26th January 2015 at 6.00 pm in the **Cross Room**, Civic Centre, West Paddock, Leyland

AGENDA

1 **Apologies for Absence**

2 **Declarations of Interest**

Members are requested to indicate at this stage in the proceedings any items on the agenda in which they intend to declare an interest. Members are also reminded that if the interest is prejudicial they may make representations on the item but then must leave the meeting whilst the item is discussed.

3 **Minutes of Last Meeting (Pages 3 - 6)**

4 **Performance Management Report (Pages 7 - 28)**

5 **Business Improvement Plan and Budget 2015/16**

To follow.

6 **Audited Chorley and South Ribble Joint Committee Annual Return 2013/14 (Pages 29 - 38)**

7 **Forward Plan (Pages 39 - 40)**

8 **Exclusion of Press and Public**

The press and public may be excluded from the meeting during the consideration of the following item of business as it involves the discussion of information which is defined as exempt from publication under Paragraph 4 (Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority) of Part I of Schedule 12A of the Local Government Act 1972 and in which case the public interest in maintaining the exemption outweighs the public interest in disclosing it.

9 **EXEMPT ITEMS**

9a **Financial Management Information System Development and Payroll Function**

The committee will receive a presentation.

This page is intentionally left blank

Shared Services Joint Committee Minutes

Date: Monday, 6th October, 2014

Time: 6.00pm

Place: Paddock Room, Civic Centre, West Paddock, Leyland PR25 1DH

Attendance Details

Present: Councillor Bradley (Chorley BC) in the chair, Councillors Clark (SRBC), Jarnell (CBC), Mullineaux as substitute for Councillor Hamman (SRBC) and Robinson (SRBC)

In Attendance: Garry Barclay (Head of Shared Assurance Services), Carol Eddleston (Democratic Services Officer), Susan Guinness (Head of Shared Financial Services), Gary Hall (Chief Executive - Chorley Borough Council) and Mike Nuttall (Chief Executive - South Ribble Borough Council)

Public Attendance: 0

Other Members:-Councillor Forrest

Item	Description/Resolution
OPEN ITEMS	
9	<p>Apologies for Absence</p> <p>Apologies for absence were submitted on behalf of councillors Hamman (SRBC) and Leadbetter (CBC).</p>
10	<p>Declarations of Interest</p> <p>There were no declarations of interest.</p>
11	<p>Minutes of the Last Meeting</p> <p>(Attachment: 1)Minutes</p> <p>RESOLVED (unanimously):</p> <p>that the minutes of the meeting held on 30 June 2014 be approved as a correct record, subject to the inclusion of Councillor Clark's apologies, and signed by the chairman.</p>
12	<p>Performance Management Report</p>

Item	Description/Resolution
------	------------------------

[\(Attachment: 2\)Report](#)

The Heads of Shared Assurance and Financial Services presented the progress made so far against the key service developments and performance indicators in the 2014/15 Business Improvement Plan (BIP) and set out the Partnership's projected out-turn financial position to the end of this financial year.

Work was ongoing with both Councils' insurance broker Jardine Lloyd Thompson on extending the current Long Term Agreements (LTA's) for insurance including the consideration of various options for self-insurance and varying excess levels; recommendations would be brought to both Cabinets for approval in due course.

Over the course of one year the Internal Audit Team could expect to receive in the region of 40 completed customer satisfaction questionnaires in respect of audit assignments conducted across both authorities.

The one red target in the Financial Services Area related to the submission of statutory grant claims and returns. Two of the four claims submitted late were in respect of the Whole of Government Accounts and their lateness was caused solely by the unrealistic deadlines set.

The vast majority of the projected underspend had arisen mainly due to vacant posts and maternity leave, with the latter being self-contained within the Risk team, thereby resulting in an efficiency saving.

RESOLVED (unanimously):
That the report be noted.

13 Joint Procurement Strategy (JPS) 2009 to 2014 Performance Report & Proposed JPS 2015 to 2018

[\(Attachment: 3\)Covering report \(86K/bytes\)](#)
[\(Attachment: 4\)Main report \(285K/bytes\)](#)
[\(Attachment: 5\)Appendix 1 \(2M/bytes\)](#)
[\(Attachment: 6\)Appendix 2 \(2M/bytes\)](#)
[\(Attachment: 7\)Appendix 3 \(86K/bytes\)](#)

The Head of Shared Financial Services presented the report which set out performance against the Joint Procurement Strategy 2009 to 2014 and presented the updated strategy for 2015 to 2018.

Members congratulated the Procurement team on their achievements in relation to procurement over the last five years and agreed that the strategy had been good news all round.

Other authorities had shown some interest in the partnership's financial information system and it was fair to say that payroll also presented the partnership with some potential net cost reduction opportunities. Although there may still be some additional efficiencies to be made in the future it was likely that other authorities would benefit more from an expanded partnership at this

Item	Description/Resolution
	<p>stage than we perhaps would.</p> <p>RESOLVED (unanimously): That the report be noted.</p>
14	<p>Financial Systems Development Plan Update</p> <p>(Attachment: 8)Report (3M/bytes)</p>
	<p>The Head of Shared Financial Services presented the report which provided an update for members on the Financial Systems Development Plan and the work undertaken by the team.</p> <p>The committee noted that the team had exceeded its target in relation to paying suppliers within ten days and discussed whether this was reflected down the supply chain and whether we had any supply chain controls in place. Although there were mixed views among members on how prescriptive we could be, it was felt that we should lead by example and consider building this into documentation provided to suppliers outlining what was expected of them. With this in mind, the Head of Shared Financial Services undertook to examine relevant data to ascertain what was possible in this regard.</p> <p>RESOLVED (unanimously): 1)That the report be noted, and 2) consideration be given to how suppliers might be encouraged to mirror our own prompt payment practices.</p>
15	<p>Financial & Assurance Shared Services Annual Return 2013/14 - certificate & opinion</p> <p>The Head of Shared Financial Services requested that this item be withdrawn as discussions were still ongoing with the external auditors about the final audit opinion.</p> <p>RESOLVED (unanimously): That this item be withdrawn.</p>
16	<p>Forward Plan</p> <p>(Attachment: 9)Forward Plan</p> <p>Following the discussion under the previous item it was agreed that the Financial & Assurance Shared Services Annual Return 2013/14 - certificate & opinion would be taken to the next meeting.</p> <p>The committee discussed whether now was an opportune time for a report to be brought to the committee outlining each authority's financial contribution to the partnership. Although it was generally considered that the split was fair and appropriate, it was acknowledged that it would be appropriate to bring a statement to a future meeting for the purposes of transparency and public accountability.</p> <p>RESOLVED (unanimously):</p>

Item	Description/Resolution
	That the forward plan be amended as outlined above.

Published on Thursday, 16th October, 2014

The meeting finished at 6.45pm.

REPORT TO	DATE OF MEETING
Shared Services Joint Committee	26 th January 2015



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Performance Management Report	N/A	Susan Guinness Garry Barclay	4

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report demonstrates the progress made so far against the key service developments and performance indicators in the 2014/15 Business Improvement Plan (BIP).

The report shows progress as at the **end of December 2014** and therefore covers the first **9 months** of the year.

The report also sets out the Partnership's projected out-turn financial position to the end of this financial year.

The Shared Services Partnership is a high corporate priority for both Councils.

RECOMMENDATIONS

That members note the progress on overall performance and comment as appropriate on the report.

DETAILS AND REASONING

The Joint Committee has previously approved the Service Level Agreement which sets out the key outputs required of the Partnership and the individual performance measures against which it will be judged. The Business Improvement Plan translates these outputs and measures into specific deliverables and targets which need to be achieved during 2014/15.

Full statements of the progress made on the key projects and the performance targets as at the end of December 2014 are shown in **Appendices One** and **Two**. The highlights from these statements are expanded upon in the body of the report.

EXECUTIVE SUMMARY

20 of the partnership's **22** key projects for this year have been completed or are on track and plans are in place to address the remaining 2.

2 of the **32** performance measures are at "red" status. Explanations for these are provided below.

The Partnership is also operating well within its approved budget and is currently expected to achieve an under-spend against its budget by the end of the financial year of **£0.052m**. An analysis of variations is shown later in the report.

KEY SERVICE DEVELOPMENTS

There are **22** key projects included in the BIP which represent service developments for 2014/15. Using a traffic light system, the progress is summarised in the table below.

Detail	Partnership Level	Assurance Services	Financial Services
Green Projects - on track	2	11	7
Amber Projects	0	0	1
Red Projects	0	1	0
Total	2	12	8

ASSURANCE SERVICES PROJECTS

Red Projects

There is only 1 project with a “red status” to bring to members’ attention as follows:

Review the operation of both host authorities’ Governance Committees in respect of revised CIPFA Guidance on the Role of Audit Committees.

This will be now be undertaken as part of each Council’s annual governance review in April and any actions arising will feed into the Annual Governance Statement Action Plans for 2015-16.

Any resulting changes to the operation of the Governance Committees will therefore coincide with the appointment of new Committee members following the May elections.

Amber Targets

There are no amber projects to report.

FINANCIAL SERVICES PROJECTS & BUSINESS PERFORMANCE

Red Projects

There are no red projects to report.

Amber Targets

The e-budgeting module is a fundamental component part of this project and facilitates many of the changes to procedures and core accounting tasks and projects. It is a new module within FMIS and is currently experiencing a technical bug. CIVICA are working closely with us to refine the module and also correct such bugs that were not detected as part of their development testing.

PERFORMANCE TARGETS

The partnership has **31** performance indicators which are all local indicators and draw on the work of the National Audit Office (Value for Money in Public Sector Corporate Services 2007).

Again using a traffic light system, the progress against these indicators to the end of December 2014 is shown in the table below:-

Detail	Assurance Services	Financial Services
Green on target	11	11
Amber – within 5% of target	1	1
Red – more than 5% off target	1	1
Not measured (*)	3	2
Total	16	15

(*) These indicators are reported on a half-yearly or annual basis and as such the performance information of some of these measures are not within this document.

A detailed breakdown of the red and amber targets is shown below:-

ASSURANCE SERVICES

Red Targets

Measure	Target to date	Actual to date	Variation
% Planned Time Utilised (CBC)	60%	51%	-9%
<i>Comments:</i> Several audit reviews are scheduled for the final quarter to accommodate service requests.			

Amber Targets

Measure	Target to date	Actual to date	Variation
Customer Satisfaction Rating – Assignment Level (CBC)	90%	89%	-1%
<i>Comments:</i> This is only marginally under target and no underlying performance issues were identified in the questionnaires returned by customers.			

FINANCIAL SERVICES

Red Targets

Measure	Target to date	Actual to date	Variation
Statutory Grant claims and returns to be submitted on time	100%	92.86%	-7.14%
<p><i>Comments:</i> This equates to four returns; of which two were submitted the following working day to the deadline. The impact of dealing with the external audit during the period between 01/07/14 and 25/09/14 and new tighter deadline dates have resulted in these claims being submitted late. No further returns since these instances have been late and therefore the KPI continues to improve as the year progresses.</p>			

Amber Targets

Measure	Target to date	Actual to date	Variation
Supplier Payment within 30 days (local indicator) (linked to AVFM Secondary 10)	99%	98.82%	-0.18%
<p><i>Comments:</i> 98.82% represents a very slight deviation from the target and is an excellent achievement. This level of performance makes a contribution to, and enables the councils' to support small and medium sized businesses.</p>			

BUDGET PERFORMANCE STATEMENTS

The table below compares the projected out-turn position, estimated as at 31/12/14, to the partnership's budget. The subsequent budget variations are highlighted together with any action required to bring performance back on track. The partnership's budget for 2014/15 is **£1.488m**, **compared** against an estimate out-turn of **£1.436m** the anticipated underspend is **£0.052m**.

Cost Category	Partnership Budget £m	Projected out-turn as at 31st March 2015 £m	(Under) or Over Spend £m
Salaries Costs	1.305	1.263	(0.042)
Car Leasing	0.027	0.024	(0.003)
Employee Related Insurance	0.013	0.013	0.000
Lancashire County Council Audit Budget	0.012	0.012	0.000
Transport	0.013	0.010	(0.003)
Financial Management Information System	0.065	0.065	0.000
Supplies and Services	0.053	0.049	(0.004)
TOTAL	1.488	1.436	(0.052)

Estimated Budget Variations

The projected out-turn position, as summarised above, is £1.436m.

Comparing the projected year end out-turn to the budget, the service has achieved an underspend of 52k. This equates to a 3.5% variation to the budget. The total underspend has arisen due to the following:-

Employee Costs (Budget Variation £42k underspend) – this is mainly due to vacant posts and projected underspending on staff and maternity leave. Staff turnover and a variation on assumptions previously made on the cost of temporary cover have resulted in the movement from the previous report.

Car Leasing (Budget Variation £3k underspend) – a budget provision for the post of Principal Management Accountant was made, however, the budget is not required as the post was appointed to on a temporary contract basis.

Transport (Budget Variation £3k underspend) - Smaller variances on budgets such as mileage and travel expenses.

Supplies and Services (Budget Variation £4k underspend) – this is an amalgam of small variances over a range of budgets, for example, stationery, publications and disposal of records.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of the Shared Services performance management arrangements, and the table below shows any implications in respect of each of the following areas.

FINANCIAL	The wider implication of the financial performance of the Partnership is the full year impact on both Councils' Medium Term Financial Strategies. Any under-spend achieved at year end against the Partnership's budget will be passed on in total to both Councils by means of a reduced recharge.
LEGAL	<p>The partnership has been established with an informal structure which has low complexity and a low cost set up. The Shared Services Joint Committee, established under Section 101 of the Local Government Act 1972, provides the overall governance for this with its terms being set out in an Administrative Collaborative Agreement which has been signed by both Councils. Sound performance management arrangements are required to enable the Shared Services Joint Committee to effectively fulfil its obligations.</p> <p>Schedule 1 to this Agreement sets out the Service Level Agreements which form a key part of the performance management arrangements.</p>
RISK	A full risk assessment is set out in the Partnership Business Improvement Plan for 2014/15.

OTHER (see below)	
--------------------------	--

<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Partnership Business Improvement Plan 2014/15

KEY SERVICE DEVELOPMENTS 2014/15

PARTNERSHIP LEVEL

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Staff Engagement and further manager development for succession planning	SG/GB	Ongoing	Ongoing	<ul style="list-style-type: none"> ⌚ Review findings of staff surveys ⌚ Consult/fact finding with staff ⌚ Facilitates contributions from staff ⌚ Agree outcome and actions with staff ⌚ Implement any changes required and recommendations agreed 	GREEN	On track
Seek out viable opportunities to grow the Partnership	SG/GB	Ongoing	Ongoing	Continual review of opportunities throughout the year	GREEN	On track

SHARED ASSURANCE SERVICES

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Internal Audit						
Arrange training for any new Governance Committee members following the May elections	GB/DH	April 2014	June 2014	Identification of new members training needs Delivery of appropriate training materials	GREEN	Completed
Prepare the 2014 Annual Governance Statements in accordance with revised CIPFA & SOLACE guidance	GB/DH	April 2014	June 2014	Revise policies, procedures and corporate assessment pro-formas Undertake assessments & produce the AGS	GREEN	Completed
Review the operation of both host authorities' Governance Committees in respect of revised CIPFA Guidance on the Role of Audit Committees	GB/DH	June 2014	Sept 2014	Review arrangements with regards to the new Guidance Prepare reports & action plans for both Governance Committees	RED	This will be undertaken as part of each Council's annual governance review and any actions arising will feed into the Annual Governance Statement action plans.
Risk Management						
Co-ordinate actions arising from the Internal Audit review of service level risk management	AA	June 2014	December 2014	Identification of any areas that are non-compliant with agreed procedures Re-enforcement & monitoring of agreed procedures	GREEN	On track
Oversee the risk management activities undertaken by insurance providers	AA	April 2014	December 2014	Arrange & facilitate new programmes for 2014	GREEN	On track

Agenda Page 14

Agenda Item 4

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Emergency & Business Continuity Planning						
Transfer EP/BCP documents to the SharePoint management information system (CBC)	AA	April 2014	December 2014	TBA	GREEN	On track
Support the Scrutiny Committee review of Flooding (SRBC)	AA	June 2014	March 2015	TBA	GREEN	Completed
Undertake an EP Contact Centre simulation exercise at each council (SRBC/CBC)	AA	September 2014	March 2015	Arrange the event and deliver the training session Complete a post exercise debrief & implement learning from the exercise	GREEN	On track
Insurance						

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Oversee procurement of a new insurance broker under a combined agreement (SRBC/CBC)	AA	April 2014	July 2014	Produce procurement plan, agree selection criteria, finalise proposal documentation & obtain approval Assess responses using cost and quality criteria Appoint successful candidate	GREEN	Both South Ribble and Chorley currently have Long Term Agreements (LTA's) for insurance which were established on a "3+2" basis, i.e. for an initial 3 years with a 2 year extension option. 2014 was year 3 of the LTA's and both Councils' insurers indicated that they would offer the 2 year extension. Given that the insurance market is "hardening" both CEO's agreed that we should continue to work with the existing broker Jardine Lloyd Thompson to facilitate the extension process. To comply with Contract Procedure Rules each Cabinet received a report and approved the LTA extensions.
Work with the insurance broker to develop a Risk Financing Strategy for each host authority for implementation from 1 st January 2015 (SRBC/CBC)	AA	July 2014	December 2014	Identify and evaluate the alternative risk financing options available on a risk by risk basis, including traditional insurance procurement and self-insurance options Produce a report making recommendations for CEO consideration and member approval.	GREEN	See above
Oversee procurement of new insurance covers to take effect from 1 st January 2015 (SRBC/CBC)	AA	July 2014	December 2014	Produce procurement plan, agree selection criteria, finalise proposal documentation & obtain approval Assess responses using cost	GREEN	Completed

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
				and quality criteria Appoint successful bidders		
Oversee annual Insurance Policy renewals (CBC/SRBC)	AA	September 2014	December 2014	Complete the assimilation of all renewal information and submit to /liaise with the Insurers/Broker Participate in renewal meetings and assist with the generation and checking of renewal reports and premium information	GREEN	On track

SHARED FINANCIAL SERVICES

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Financial Services As A Whole						
Development of the current level/programme of financial training packages for Members and Budget Holders to include use of systems, process improvement and financial management techniques.	Head of Service	April 2014	March 2015	<ul style="list-style-type: none"> 🕒 Identify priority issues for customers and Shared Services 🕒 Consult customers 🕒 Produce packages 🕒 Deliver training 🕒 Develop self-service continual training via intranets 	GREEN	
Management and Financial Accountancy Services (incorporating FMIS Development function)						

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<p>Review of data interrogation in respect of all financial systems to ensure that full functionality is being utilised and data manipulation outwith systems is minimised.</p>	<p>Head of Service</p>	<p>July 2014</p>	<p>March 2015</p>	<ul style="list-style-type: none"> ⌚ Identify all key points of data extraction and management information reporting ⌚ Identify where data is extracted at a high level and needs to be expanded to provide information and reconciliation data and therefore improve process controls and information required for informed decision making ⌚ Identify where data needs to be manipulated outwith systems to achieve the desired output ⌚ Develop system reporting and data extraction routines that achieve appropriate output without additional manipulation 	<p>GREEN</p>	

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<p>Review of Management Accountancy processes post FMIS implementation (including specifically the Internal Recharges and commitment accounting regimes for both Councils) with a view to establishing a common basis for methodology, calculation, and Budget Holder & corporate reporting.</p> <p>Project to include review of management of the establishment and Payroll systems – this is directly linked to the development of FMIS project.</p>	Principal Management Accountants	April 2013	March 2015	<ul style="list-style-type: none"> 🕒 Consult with CFO 🕒 Re-evaluate current process with statutory requirements 🕒 Construct proposed process and new systems 🕒 Co-ordinate with FMIS development plan project 🕒 Consult with stakeholders: Members (portfolio holder), senior management teams and budget holders 🕒 Produce procedures notes and protocols 🕒 Determine and deliver communications/briefings/training as appropriate 🕒 Review output and outcomes with regard to reporting including frequency, content and formats 	AMBER	<p>The e-budgeting module is a fundamental component part of this project and facilitates many of the changes to procedures and core accounting tasks and projects. It is a new module within FMIS and is currently experiencing a technical bug. CIVICA are working closely with us to refine the module and also correct such bugs that were not detected as part of their development testing.</p>

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Review of core accounting system and process controls compliance	Principal Financial and Management Account-ants and Principal Financial & Systems Account-ant	April 2014	March 2015	<ul style="list-style-type: none"> ⌚ Review all controls within accountancy processes and routines ⌚ Evaluate adequacy and compliance/ non-compliance ⌚ Evaluate efficiency of control processes and automate where possible using FMIS ⌚ Report to HOS findings with recommendations for strengthening controls and reinforcing compliance where required including any training requirements ⌚ Update procedure notes if required and communicate to staff ⌚ Provide training where required 	GREEN	On Track

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
<p>Successful implementation of the FMIS Development Plan</p> <p>With particular focus on the review and development of the following processes and systems and to achieve effective and efficient self-serve functionality: Payroll services Debtors and creditors</p> <p>To also include a review of all of the current products available to ensure that the system best supports the whole ICT infrastructure and strategies at both Councils.</p>	Financial Systems Manager	April 2014	March 2015	<ul style="list-style-type: none"> ① Identify the timescales, resources and priorities within the plan ① Approval of the plan by the Councils' CEOs/CFOs ① Link and co-ordinate projects with management Accountancy processes project ① Consult with users and Council's ICT sections ① Use the Council's project management methodology ① Successfully implement the developments within the financial systems development plan ① Establish productivity gain measures where possible for each system improvement strand ① Ensure all financial data complies with the Councils' Data Quality policies 	GREEN	On Track
Procurement Services						

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Renew Joint Procurement Strategy (JPS)	Principal Procurement Officer	April 2014	August 2014	<ul style="list-style-type: none"> ⌚ Cross reference project with training project in this BIP ⌚ Consult with key stakeholders ⌚ Update JPS with agreed amendments and updates taking account of the improved procurement environment within both Councils following on from improvements made post Shared Services implementation ⌚ Get revised JPS approved ⌚ Communicate new JPS and provide training where necessary 	GREEN	Complete
Waste Contract Procurement Process at SRBC	Principal Procurement Officer	April 2014	November 2014	<ul style="list-style-type: none"> ⌚ Drafting/Managing OJEU, PQQ, ITT, Evaluation Documentation ⌚ Key member of project team ⌚ Publish OJEU ⌚ Publish PQQ ⌚ Support Evaluation PQQ Team Process ⌚ Support entire process including all contact with bidders through the Chest ⌚ ITT Issue ⌚ Support ITT Evaluation Team Process ⌚ Notification/Standstill letters ⌚ Contract award 	GREEN	This Procurement of the waste contract renewal process is near its conclusion as the evaluation process is complete. The project is now at the approval stage. The Principal Procurement Officer has played a key role and has been heavily involved throughout this procurement process which is a high profile front line service.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
Implementation of Fairtrade Town at CBC	Principal Procurement Officer	April 2014	August 2014	<ul style="list-style-type: none"> ⌚ Arranging meetings, agendas, taking minutes ⌚ Develop, update and manage action plan ⌚ Manage Chorley Fairtrade Group website ⌚ Manage and maintain progress/evidence for subsequent application ⌚ Support application process, date to be determined by the Group but potentially Summer 2014 	GREEN	Complete - The Principal Procurement Officer continues to support the Chorley Fairtrade Group (CFG) and prepared the successful application. CBC has now been awarded Fairtrade Town status and the Procurement Team won a Chief Executive award for their invaluable contribution.

APPENDIX TWO

PERFORMANCE TARGETS 2014/15

SHARED ASSURANCE SERVICES

Key Measures	Lead Officer	CBC/ SRBC/ SS	Actual 2013/14	Target 2014/15	Target to date 2014/15	Actual to date 2014/15	Status	Comments
Internal Audit								

Key Measures	Lead Officer	CBC/ SRBC/ SS	Actual 2013/14	Target 2014/15	Target to date 2014/15	Actual to date 2014/15	Status	Comments
% Planned Time Utilised	DH	CBC	82%	90%	60%	51%	RED	Several reviews are scheduled for the final quarter.
		SRBC	85%	90%	60%	60%	GREEN	Target achieved
		SS	90%	90%	45%	50%	GREEN	Target exceeded
% Audit Plan Completed	DH	CBC	68%	100%	50%	50%	GREEN	Target achieved
		SRBC	67%	100%	54%	54%	GREEN	Target achieved
		SS	100%	100%	0%	0%	GREEN	Work scheduled for final quarter
Percentage of Management Actions Agreed	DH	CBC	100%	98%	98%	100%	GREEN	Target exceeded
		SRBC	100%	98%	98%	100%	GREEN	Target exceeded
		SS	100%	98%	0%	0%	GREEN	Work scheduled for final quarter
% customer satisfaction rating – assignment level	DH	CBC	93%	90%	90%	89%	AMBER	Slightly under target
		SRBC	87%	90%	90%	93%	GREEN	Target exceeded
		SS	94%	90%	90%	97%	GREEN	Target exceeded

Key Measures	Lead Officer	CBC/ SRBC/ SS	Actual 2013/14	Target 2014/15	Target to date 2014/15	Actual to date 2014/15	Status	Comments
Total Cost of Internal Audit as a % of Organisational Running Costs / Expenditure	GB	N/A	8.28%	8.28%	N/A	N/A	NOT MEASURED	Annual Indicator
% Professionally Qualified Staff as a % of Total Internal Audit Staff (FTE's)	GB	N/A	82.5%	82.5%	N/A	N/A	NOT MEASURED	Annual Indicator
Risk Management Services								
Total Cost of the Risk Management Function as a % of Organisational Running Costs / Expenditure	GB	N/A	4.12%	4.12%	N/A	N/A	NOT MEASURED	Annual Indicator
Average customer satisfaction score per insurance claim (max 5.0)	AA	N/A	4.7	4.7	4.7	4.7	GREEN	Target achieved

SHARED FINANCIAL SERVICES

Key Measures	Lead Officer	Actual 2013/14	Target 2014/15	Target to date 2014/15	Actual to date 2014/15	Status	Comments
Finance As A Whole							
Financial Services Staff Satisfaction	SG	85%	95%	95%	Not measured yet	N/A	The staff survey is not being completed for Chorley Council in 2014.
% of professionally qualified finance staff as % of total finance staff (vfm Secondary 1)	SG	28.6%	18%	18%	24.15%	GREEN	Target exceeded
Accountancy							
% variation between the forecast outturn at month 6 and the actual outturn at month 12 (VFM Primary 3)	SG	-8.2%	5%	5%	Measured at year end	N/A	
15 working days from period-end closure to the distribution of financial reports (VFM Primary 2)	MC/JB	100%	100%	100%	100%	GREEN	On Target
Compliance with the Prudential Code for Capital Finance in Local Authorities	MJ	100%	100%	100%	100%	GREEN	On Target
Year- end statutory accounts to contain no material errors and have an unqualified audit opinion	SG	1	0	0	0	GREEN	Complete and achieved
Statutory Grant Claims and Returns to be submitted on time	MC/JB/MJ	95.83%	100%	100%	92.86%	RED	Equates to 4 returns out of 34
Achievement of industry investment benchmarks	MJ	Target = 0.37% Achieved = 0.94%	Outperform London Inter-Bank (LIBID) rate by 10%	0.38%	0.56%	GREEN	Target exceeded

Systems Development & Exchequer Services							
Supplier Payment within 30 days (local indicator) (linked to AVFM Secondary 10)	LH	99.21%	99%	99%	98.82%	AMBER	The cumulative result for the year to the end of December is slightly under target but December's monthly result exceeded the target at 99.89%
Supplier Payment within 10 days (local indicator)	LH	80.23%	80%	80%	81.72%	GREEN	Target exceeded
% of supplier payments by electronic means (VFM Secondary 7)	LH	98.10%	95%	95%	99.13%	GREEN	Target exceeded
% of remittances to suppliers by electronic means	LH	100%	100%	100%	100%	GREEN	Target exceeded
% of Financial Systems availability	LH	99.93%	99.5%	99.5%	99.96%	GREEN	Target exceeded
Procurement Services							
Professionally qualified staff as % of total procurement employees (vfm Secondary 1)	JH	100%	50%	50%	100%	GREEN	Target exceeded
LIB/P12 Satisfaction with the corporate procurement function	JH	100%	90%	90%	100%	GREEN	Target exceeded

REPORT TO	DATE OF MEETING
Shared Services Joint Committee	26 th January 2015



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Audited Chorley and South Ribble Joint Committee Annual Return 2013/14	N/A	Hanne Harland	

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report presents the audited Chorley and South Ribble Shared Services Joint Committee audited Annual Return for the year ended 31st March 2014.

The Shared Services Partnership is a high corporate priority for both Councils and makes a direct and significant contribution to the following corporate strategic objectives:-

“Chorley is an ambitious council that does more to meet the needs of residents and the local area.”

“South Ribble will deliver value for money in all aspects of the council’s work, through challenging processes, supporting our employees and delivering exceptional customer service.”

RECOMMENDATIONS

That:

1. **Members note the contents of the report and comment as appropriate.**
2. **Members approve the decision that no voluntary external audit of the Joint Committee account is required for the period 2015/16 outside of the Local Audit and Accountability Act 2014.**
3. **Members approve the decision to undertake a light touch internal audit inspection to provide the joint committee with assurance in respect of the integrity of the partnership’s year-end financial statement.**

DETAILS AND REASONING

The External Auditor’s Certificate and Opinion

The External Auditor’s Certificate and Opinion 2013/14 and the External Auditor Report are attached on page 4 of **Appendix One**. They confirm that the audit has been completed and that in their opinion the annual return is in accordance with proper practices.

The External Audit Inspection and Queries Received

The Annual Return for 2013/14 was presented for Joint Committee approval in June prior to it being submitted to the external auditor, BDO LLP, by the deadline date of 21st July 2014. The signed return and all the associated background documents and reconciliation files were sent on 15th July 2014. The External auditor’s completed certificate and opinion 2013/14 was received back in Shared Financial Services on 5th November 2014. The cost of the external audit was £2,030.

The audit carried out was done in more detail on this occasion than in previous years as Chorley and South Ribble Shared Services Joint Committee was selected for an Intermediate Audit Questionnaire. As a result BDO requested that evidence of the following was provided:-

1. Confirmation of an independent and competent internal auditor appointment.
2. Bank statements or bank balance certificate.
3. That Joint Committee had considered reports by the internal auditor in respect of the Partnerships financial arrangements.
4. A specific committee minute confirming that the Joint Committee had adopted the Risk Assessment contained within the Business Improvement Plan.

Evidence was provided for point 1 with the assistance of Grant Thornton (the appointed external auditor for both Chorley and South Ribble Councils). A bank balance certificate was provided for point 2. In respect of point 3 it was highlighted to BDO LLP that no internal audit report had been submitted to the Joint Committee due to the fact that the partnership has no assets or a bank account, as per the Annual Return, and therefore internal audit scrutiny is not required. Point 4 could not be verified and therefore appears under the Matter Raised by the External Auditor section to draw items to the attention of Chorley and South Ribble Shared Services Joint Committee.

Matters Arising from the External Audit

The following matters have been raised by the external auditor for the Joint Committee's attention:-

- ⊕ **Risk Assessment not evidenced** – The body has confirmed that they have undertaken a risk assessment in the year. The body did not provide evidence they had resolved to adopt the assessment in the year. The body could be criticised of not complying with the Accounts and Audit (England) Regulations 2011. The body must ensure in future years that when the risk assessment is discussed it is adopted and minuted and evidence supplied in next year's audit.
- ⊕ **Bank Account** – The entry in the relevant box (box 8 page 2) on the annual return does not represent cash held and therefore the body is not overdrawn. The body should ensure in future years that it does not show a balance in this box on the Annual Return.

The point above regarding the Risk assessment has been addressed within the Business Improvement Plan (BIP) Report for 2015/16 on this agenda as a recommendation has been specifically inserted to address this matter for 2015/16. The 2014/15 BIP Risk Assessment has been incorporated into the Performance Report, also on this agenda, to provide specific evidence of its formal adoption in preparation for the 2014/15 external audit.

The recommendation in respect of the bank account is vague with regard to how this should be achieved and no guidance has been supplied by BDO LLP. The return has been completed in the same way for the previous years so it is not clear at this stage why this particular year has caused a problem. The solution maybe to simply insert a nil entry, however, the options will be sent to BDO LLP in advance of the return being submitted in June to establish their preferred approach.

External Audit Requirements in Future Years

Notification was received in December 2014 from the Department for Communities and Local Government (DCLG) that the implementation of the Local Audit and Accountability Act 2014 brings with it changes to the audit requirements of joint committees. From 1st April 2015 joint committees will no longer be required to have their accounts separately prepared and audited. This approach follows consultation with the local government and accounting sector and means that the final mandatory audit for such bodies will cover the 2014/15 financial period.

The notification confirms that DCLG will consider with the sector what guidance might be provided to authorities on the audit of joint committees within the context of wider guidance on auditor appointment in general. DCLG also state that they intend to publish the guidance in good time to support the first auditor appointments undertaken by local authorities under the provisions of the 2014 Act.

Please note that the DCLG letter received does point out that Authorities are free to continue with a separate audit of their joint committee if they so choose, however, this will not be an audit carried out under the 2014 Act. As the following applies it is concluded that an appropriate level of audit scrutiny already takes place within the existing governance and audit arrangements for both councils. It is therefore recommended that no external audit is carried out for 2015/16 outside of the 2014 Act and the budgeted cost of £2,000 is taken as budget efficiency saving in 2016/17 if no replacement mandatory external audit is required. It is recommended that the assurance provided by the external audit is substituted by a light touch internal audit being undertaken on the partnership’s year-end financial statement.

- ⌚ The Joint Committee’s financial records, systems and processes are subject to internal and external audit scrutiny with the existing audit and governance arrangements for Chorley and South Ribble Councils.
- ⌚ Chorley and South Ribble Shared Services Joint committee does not own any assets or have a separate bank account.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of the external auditor’s comments in respect of the Shared Services Annual Return and the table below shows any implications in respect of each of the following areas:-

FINANCIAL	The changes to the audit requirements for Joint Committees will save the partnership £2,000 per annum on a recurring basis with effect from 2015/16.		
LEGAL	From 1 st April 2015 implementation of the Local Audit and Accountability Act 2014 will mean that joint committees will no longer be required to have their accounts separately prepared and audited. This approach follows consultation with the local government and accounting sector and means that the final mandatory audit for such bodies will cover the period 2014/15.		
RISK	There are no risks anticipated as a result of the contents of this report as the Joint Committee’s financial accounts are included within each council’s Statement of Accounts (SOAs) and therefore audited as part of the SOAs external audit processes.		
THE IMPACT ON EQUALITY	There is no impact on equality as a result of the contents of this report.		
OTHER (see below)			
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Partnership Business Improvement Plan 2013/14.

This page is intentionally left blank

posted 15/07/14
deadline 21/07/14



40

21/7



Rec'd by HOS SFS 05/11/14

Small Bodies in England Annual return for the financial year ended 31 March 2014

Small relevant bodies in England with an annual turnover of £6.5 million or less must complete an annual return in accordance with proper practices summarising their annual activities at the end of each financial year.

The annual return on pages 2 to 5 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the body.
- Section 3 is completed by the external auditor appointed by the Audit Commission.
- Section 4 is completed by the body's internal audit provider.

Each body must approve this annual return no later than 30 June 2014.

Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all sections highlighted in red. Do not leave any red box blank. Incomplete or incorrect returns require additional external audit work and may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2014, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to your external auditor by the due date.

Your external auditor will identify and ask for any additional documents needed for audit.

Therefore, unless requested, do not send any original financial records to the external auditor.

Audited and certified annual returns will be returned to the body for publication or public display of sections 1, 2 and 3. You must publish or display the audited annual return by 30 September 2014.

It should not be necessary for you to contact the external auditor or the Audit Commission directly for guidance.

More guidance on completing this annual return is available in the Practitioners' Guides for either local councils or internal drainage boards. These publications may be downloaded from the National Association of Local Councils (NALC) or Society of Local Council Clerks (SLCC) websites (www.nalc.gov.uk or www.slcc.co.uk) or from the members area of the Association of Drainage Authorities website (www.ada.org.uk).

Section 1 – Accounting statements 2013/14 for:

Enter name of reporting body here:

CHORLEY AND SOUTH RIBBLE SHARED SERVICES JOINT COMMITTEE

	Year ending		Notes and guidance
	31 March 2013 £	31 March 2014 £	
1 Balances brought forward	0	0	Total balances and reserves at the beginning of the year as recorded in the body's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	0	0	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body.
3 (+) Total other receipts	1,927,031	1,866,236	Total income or receipts as recorded in the cashbook less income from taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	1,321,805	1,251,758	Total expenditure or payments made to and on behalf of all body employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6 (-) All other payments	605,226	614,478	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	0	0	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6).
8 Total cash and short term investments	-39,000	-20,679	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.
9 Total fixed assets plus other long term investments and assets	0	0	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the body as at 31 March.
10 Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that for the year ended 31 March 2014 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

[Signature]

 REQUIRED

Date 30/06/2014

I confirm that these accounting statements were approved by the body on:

30/06/2014

and recorded as minute reference:

JC 30-06-14 No 7

Signed by Chair of meeting approving these accounting statements:

[Signature]

 REQUIRED

Date 30/06/2014

Section 2 – Annual governance statement 2013/14

We acknowledge as the members of **CHORLEY AND SOUTH RIBBLE SHARED SERVICES JOINT COMMITTEE** our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2014, that:

	Agreed –		Yes means that the body:
	Yes	No	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	<input checked="" type="radio"/>	<input type="radio"/>	prepared its accounting statements in the way prescribed by law.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<input checked="" type="radio"/>	<input type="radio"/>	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of the council to conduct its business or on its finances.	<input checked="" type="radio"/>	<input type="radio"/>	has only done what it has the legal power to do and has complied with proper practices in doing so.
4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<input checked="" type="radio"/>	<input type="radio"/>	during the year has given all persons interested the opportunity to inspect and ask questions about the body's accounts.
5 We carried out an assessment of the risks facing the body and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="radio"/>	<input type="radio"/>	considered the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the body's accounting records and control systems.	<input checked="" type="radio"/>	<input type="radio"/>	arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the body.
7 We took appropriate action on all matters raised in reports from internal and external audit.	<input checked="" type="radio"/>	<input type="radio"/>	responded to matters brought to its attention by internal and external audit.
8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	<input checked="" type="radio"/>	<input type="radio"/>	disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

This annual governance statement is approved by the body and recorded as minute reference

JC 30-06-14 No 7

dated 30/06/2014

Signed by:

Chair *[Signature]* **CHAIRMAN**

dated 30/06/2014

Signed by:

Clerk *[Signature]* **CLERK**

dated 30/06/2014

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the body will address the weaknesses identified.

Section 3 – External auditor certificate and opinion 2013/14

Certificate

We certify that we have completed the audit of the annual return for the year ended 31 March 2014 of:

CHORLEY AND SOUTH RIBBLE SHARED SERVICES JOINT COMMITTEE

Respective responsibilities of the body and the auditor

The body is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The body prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2014; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

External auditor report

(~~Except for the matters reported below~~)* on the basis of our review, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

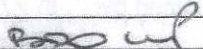
(continue on a separate sheet if required)

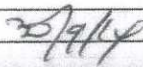
Other matters not affecting our opinion which we draw to the attention of the body:

Please see enclosed report

BDO LLP Southampton
United Kingdom

(continue on a separate sheet if required)

External auditor signature 

External auditor name **BDO LLP Southampton United Kingdom** Date 

Note: The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled Statement of Responsibilities of Auditors and of Audited Small Bodies.

Section 4 – Annual internal audit report 2013/14 to

CHORLEY AND SOUTH RIBBLE SHARED SERVICES JOINT COMMITTEE

The body's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2014.

Internal audit has been carried out in accordance with the body's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the body.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A Appropriate accounting records have been kept properly throughout the year.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
B The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
C The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
D The annual taxation or levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
F Petty cash payments were properly supported by receipts, all expenditure was approved and VAT appropriately accounted for.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
G Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
H Asset and investments registers were complete and accurate and properly maintained.	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
I Periodic and year-end bank account reconciliations were properly carried out.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded.	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

For any other risk areas identified by the body (list any other risk areas below or on separate sheets if needed) adequate controls existed:

RE: F & H above: ~
 The committee does not hold a petty cash imprest or own any assets or investments.

Name of person who carried out the internal audit: GARRY PERIN BARCLAY

Signature of person who carried out the internal audit: *G Barry* Date: 30/06/2014

*Note: If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Guidance notes on completing the 2013/14 annual return

- 1 You must apply proper practices for preparing this annual return. Proper practices are found in the Practitioners' Guides* which are updated from time to time and contain everything you should need to prepare successfully for your financial year-end and the subsequent audit. Both NALC and SLCC have helplines if you want to talk through any problem you may encounter.
- 2 Make sure that your annual return is complete (i.e. no empty red boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the body, properly initialled and an explanation is provided to the external auditor. Annual returns containing unapproved or unexplained amendments will be returned unaudited and may incur additional costs.
- 3 Use the checklist provided below. Use a second pair of eyes, perhaps a member or the Chair, to review your annual return for completeness before sending it to the external auditor.
- 4 Do not send the external auditor any information not specifically asked for. Doing so is not helpful. However, you must notify the external auditor of any change of Clerk, Responsible Financial Officer or Chair.
- 5 Make sure that the copy of the bank reconciliation which you send to your external auditor with the annual return covers all your bank accounts. If your body holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree your bank reconciliation to Box 8 on the Accounting statements. You must provide an explanation for any difference between Box 7 and Box 8. More help on bank reconciliation is available in the Practitioners' Guides*.
- 6 Explain fully significant variances in the accounting statements on page 2. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a complete analysis to support your explanation. There are a number of examples provided in the Practitioners' Guides* to assist you.
- 7 If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which the auditor will make a charge.
- 8 Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2012) equals the balance brought forward in the current year (Box 1 of 2014).
- 9 Do not complete section 3. The external auditor will complete it at the conclusion of their audit.

Completion checklist – No answers mean you may not have met requirements		Done?
All sections	All red boxes have been completed?	✓
	All information requested by the external auditor has been sent with this annual return? Please refer to your notice of audit.	✓
Section 1	Approval by the body confirmed by signature of Chair of meeting approving the accounting statements?	✓
	An explanation of significant variations from last year to this year is provided?	✓
	Bank reconciliation as at 31 March 2014 agreed to Box 8?	N/A
	An explanation of any difference between Box 7 and Box 8 is provided?	✓
Section 2	For any statement to which the response is 'no', an explanation is provided?	✓
Section 4	All red boxes completed by internal audit and explanations provided?	✓

*Note: Governance and Accountability for Local Councils in England – A Practitioners' Guides, is available from NALC and SLCC representatives or Governance and Accountability for Internal Drainage Boards in England – A Practitioners' Guides, is available from the ADA at The Association of Drainage Authorities, 12 Cranes Drive, Surbiton, Surrey, KT5 8AL or from the NALC, SLCC or ADA websites - see page 1 for addresses.

SHARED SERVICES JOINT COMMITTEE – 26 JANUARY 2015

FORWARD PLAN

Date of Meeting	Subject	Lead Officer
26 January 2015	Performance Management Report	GB/SG
	Business Improvement Plan & Budget 2015/16	GB/SG
	Partnership Risk Assessment 2015/16	GB/SG
	Audited Chorley and South Ribble Joint Committee Annual Return 2013/14	SG
	Exempt (Para 4) - Financial Management Information System Development and Payroll Function (presentation)	SG
9 March 2015	Performance Management Report	GB/SG
29 June 2015*	Appointment of Chairman & Vice-Chairman	
	Financial & Assurance Shared Services Annual Report 2014/15	GB/SG
	Financial & Assurance Shared Services Annual Return 2014/15	SG
5 October 2015*	Performance Management Report	GB/SG
	Financial & Assurance Shared Services Annual Return 2014/15 – certificate & opinion	SG
25 January 2016*	Performance Management Report	GB/SG
	Business Improvement Plan & Budget 2016/17	GB/SG
14 March 2016*	Performance Management Report	GB/SG

* Date subject to confirmation by the meeting of South Ribble Borough Council on 21 January 2015

This page is intentionally left blank