

SHARED SERVICES JOINT COMMITTEE

Time & Date of Meeting: 6.00pm, Monday 29 June 2015

Venue: **Cross Room**, Civic Centre, West Paddock, Leyland PR25 1DH

Membership: Councillors Mr W Bennett (Finance & Resources – South Ribble BC), Mr A Bradley (Leader & Economic Development and Governance – Chorley BC), Mr C J Clark (South Ribble BC), Mrs C Moon (Corporate Support – South Ribble BC), Mr A Cullens (Chorley BC), Mr A Morwood (Chorley BC)

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The minutes of this meeting will be available on the internet at www.southribble.gov.uk

AGENDA

1. **Appointment of Chairman**
2. **Appointment of Vice-chairman**
3. **Apologies for Absence**
4. **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.

5. **Minutes of the Last Meeting**

Held on Monday 26 January 2015 to be signed as a correct record.

6. **Financial & Assurance Shared Services Annual Report 2014/15**

Report attached.

7. **Financial & Assurance Shared Services Annual Return 2014/15**

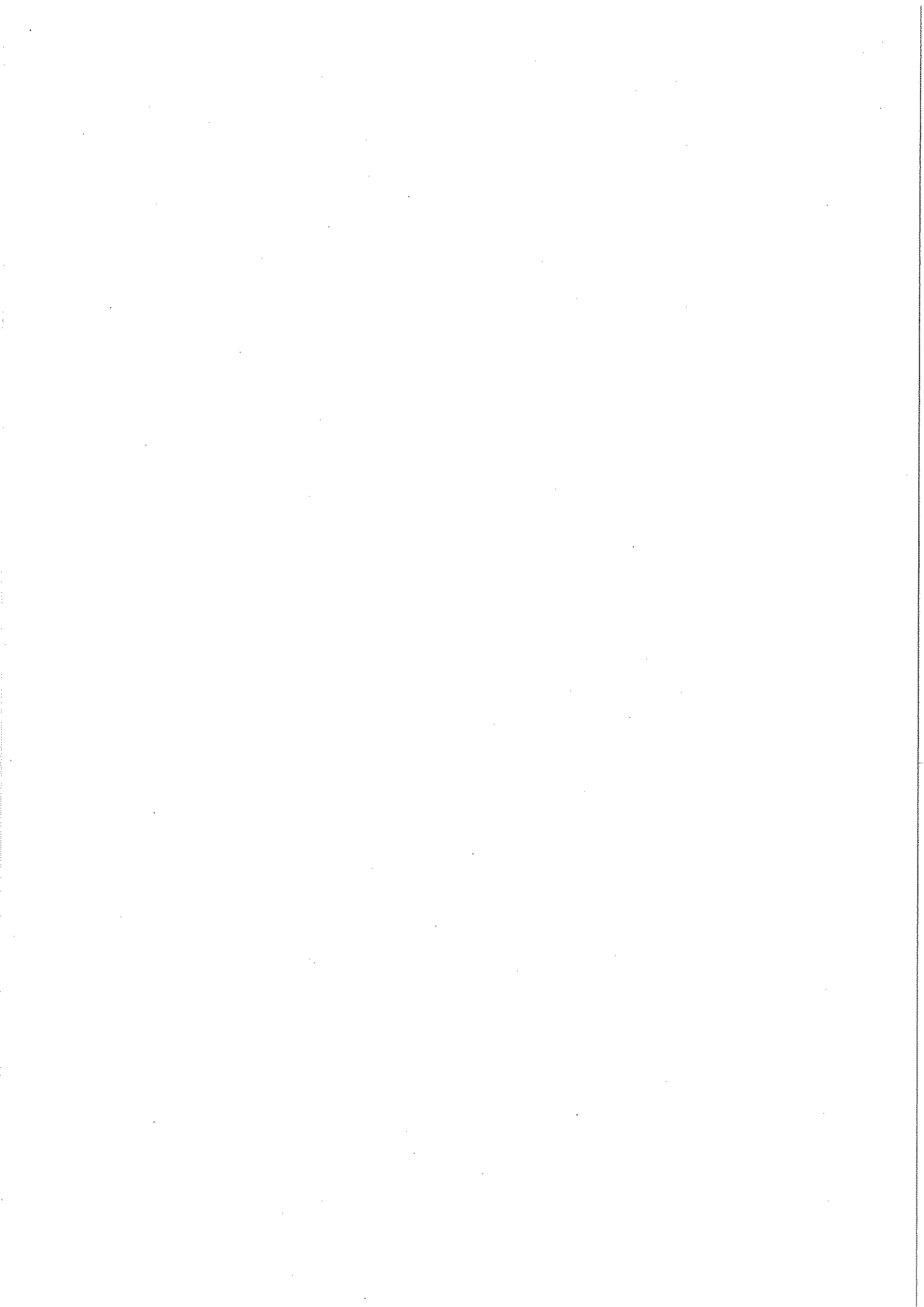
Report attached.

8. **Forward Plan**

Plan attached.

Forthcoming Meetings

6.00pm Monday 5 October 2015 Cross Room, Civic Centre, West Paddock, Leyland PR25 1DH
6.00pm Monday 25 January 2016 Cross Room, Civic Centre, West Paddock, Leyland PR25 1DH
6.00pm Monday 14 March 2016 Cross Room, Civic Centre, West Paddock, Leyland PR25 1DH



Shared Services Joint Committee

Meeting held at 6.00pm on Monday, 26 January 2015 in Paddock Room, Civic Centre, West Paddock, Leyland, PR25 1DH

Present:-

Councillor Hamman (SRBC) in the chair

Councillors Clark (SRBC), Jarnell (CBC), Hamman (SRBC), Leadbetter (CBC) and Mullineaux as substitute for Councillor Robinson (SRBC)

In Attendance:-

Garry Barclay (Head of Shared Assurance Services), Susan Guinness (Head of Shared Financial Services), Gary Hall (Chief Executive - Chorley Borough Council), Andy Houlker (Senior Democratic Services Officer) and Mike Nuttall (Chief Executive - South Ribble Borough Council)

Public Attendance:- 0

Other Members:- Councillor Forrest

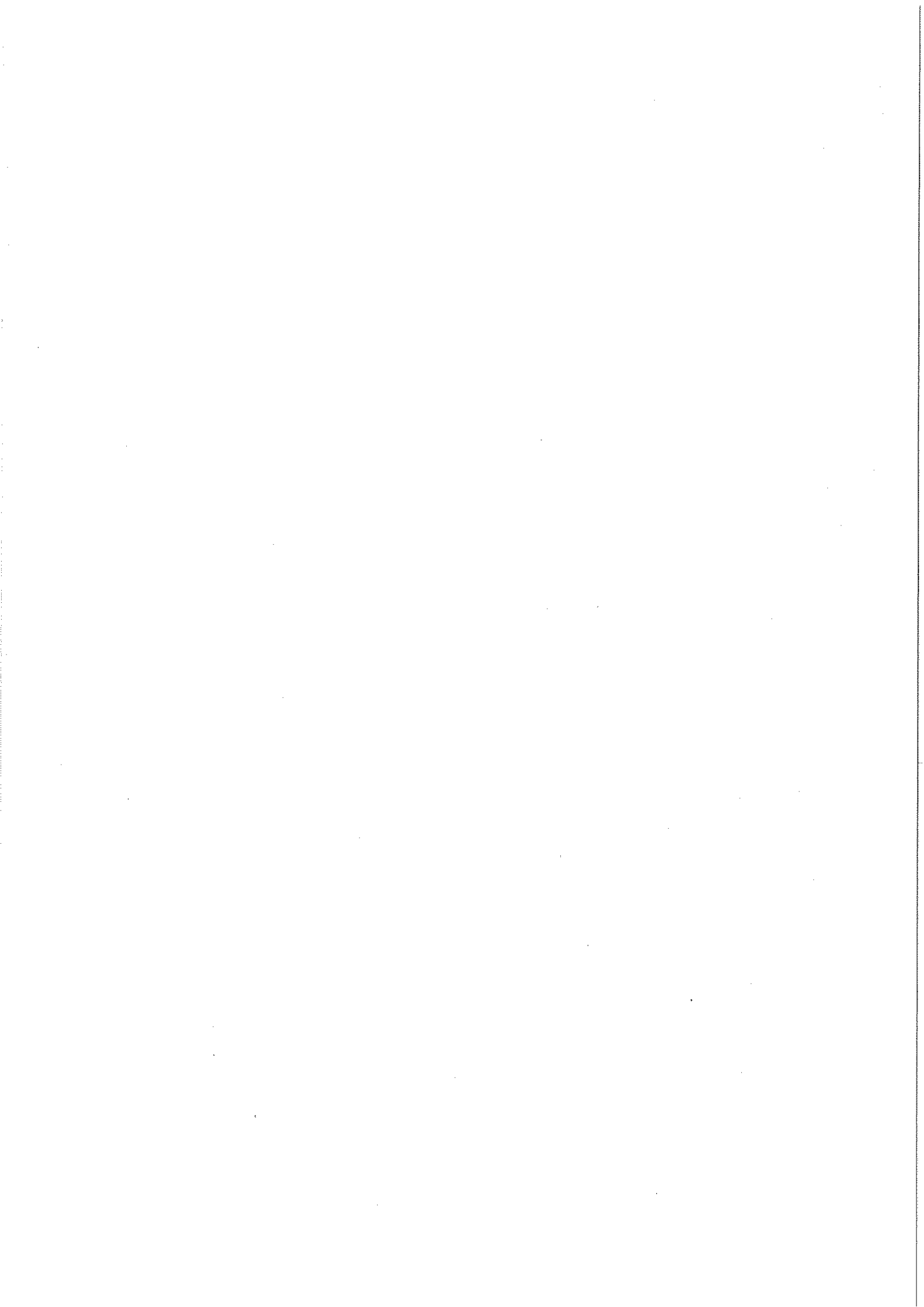
Minute No.	Description/Resolution
17	<p>Apologies for Absence Apologies for absence were submitted on behalf of Councillors Bradley (CBC) and Robinson (SRBC).</p>
18	<p>Declarations of Interest There were no declarations of interest.</p>
19	<p>Minutes of the Last Meeting There was an enquiry relating to the Forward Plan (min. no.16 refers) and it was agreed that information would be circulated to individual members of the committee.</p> <p>RESOLVED (unanimously): that the minutes of the meeting held on 6 October 2014 be approved as a correct record and signed by the chairman.</p>
20	<p>Performance Management 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.</p> <p>In respect of the partnership's key projects 20 out of 22 had been completed or were on track with plans in place to address the remaining 2. There were also only 2 'red' performance measures out of the 32 and explanations for each were detailed in the report. Full statements on progress on key projects and performance targets as at the end of December 2014 had been attached as Appendices 1 and 2 to the report. There was a discussion around these.</p> <p>As reported previously, the partnership continued to work well within its approved budget. It was currently expected to achieve an under-spend by the end of the financial year in the sum of £52,000, an analysis of variations were shown in the report.</p> <p>In respect of Shared Assurance Services (SAS) 11 out of 12 key projects were green, completed or on track. The committee's attention was drawn to the one red project which related to a review of the operation of the host authorities' Governance Committees in respect of revised CIPFA Guidance. This had been carried out and would feed into the Annual Governance Statement Action Plans 2015/16. Whilst delayed it was felt quite timely as it would now feed into the member training after the borough elections in May. Shared Financial Services (SFS) had 8</p>

	<p>key projects, one of which was amber (a new e-budgeting module) in the financial management information system with an explanation detailed on page 2 of the report.</p> <p>Turning to performance targets (page 3 of the report), SFS had 1 'red' and 1 'amber' target detailed in the report. In respect of SAS, there was also 1 'red' and 1 'amber' target. These were discussed and the explanations given were accepted by the committee.</p> <p>UNANIMOUSLY RESOLVED: that the committee noted the progress being made.</p>
21	<p>Business Improvement Plan (BIP) and Budget 2015/16</p> <p>The committee received the Business Improvement Plan & Budget 2015/16 which covered the partnership's seventh complete financial year of operation. Over this period the partnership had continued to make savings and demonstrable service improvements had been achieved and challenging projects and targets had been set for next year.</p> <p>The committee's attention was drawn to the key achievements in 2014/15 for both Shared Financial Services and Shared Assurance Services which were detailed on pages 5/6 of the report. The committee congratulated all staff involved for the continued savings and efficiencies and wondered if there were further opportunities. It was advised that this would be part of the presentation later in the meeting.</p> <p>RESOLVED (unanimously): that</p> <ol style="list-style-type: none"> 1. the committee recommends to the Executives of each host authority the adoption of the required resources to deliver the Shared Services Partnership in 2015/16; 2. the Risk Assessment 2015/16 contained in Appendix One of the report be adopted; 3. the ability to incorporate any residual information or amendments to the BIP and Budget be delegated to the Chief Executives of both host authorities in consultation with the Chair and Vice-Chair of the Committee; and 4. the committee formally adopts the 2014/15 Risk Assessment as contained in the approved 2014/15 Business Improvement Plan and set out in Appendix Five of the report for reference.
22	<p>Audited Chorley and South Ribble Joint Committee Annual Return 2013/14</p> <p>The Head of Shared Financial Services presented the report on the partnership's audited Annual return 2013/14. Whilst the external auditor's opinion was that the return had been in accordance with proper practices, the audit had been more detailed and requested evidence on a few topics outlined in the report. These were discussed and the committee accepted the explanations and/or suggested actions.</p> <p>In addition, the committee was advised that from 1 April 2015 the partnership would no longer be required to have its accounts separately prepared and externally audited. Although it could choose to continue with a separate voluntary external audit.</p> <p>RESOLVED (unanimously): that</p> <ol style="list-style-type: none"> 1. the report be noted; 2. 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; and 3. a light touch internal audit inspection be undertaken to provide the joint committee with assurance in respect of the integrity of the partnership's year-end financial statement.
23	<p>Forward Plan</p> <p>The committee considered its forward plan.</p> <p>RESOLVED (unanimously): that</p> <ol style="list-style-type: none"> 1. the forward plan be noted; and 2. the committee meeting scheduled to be held on 9 March 2015 be cancelled.

24	<p>Exclusion of Press and Public</p> <p>The press and public 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.</p>
25	<p>Financial Management Information System Development and Payroll Function</p> <p>The Head of Shared Financial Services presented the committee with proposals for the Financial Management Information System Development and Payroll Function.</p> <p>RESOLVED (unanimously): that the Head of Shared Financial Services be authorised to proceed as outlined to the committee and subsequently report back to the committee.</p>

..... Chairman

The meeting finished at 6.50pm.



REPORT TO	DATE OF MEETING
Shared Services Joint Committee	29 th June 2015

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Financial & Assurance Shared Services Annual Report 2014/15	N/A	G Barclay & S Guinness	6

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report contains the Annual Report for the Financial and Assurance Shared Services Partnership which covers the sixth complete financial year of its operation.

The Committee has received regular performance reports during the course of 2014/15 highlighting the actions taken to deliver the planned service improvements and performance targets specified in the 2014/15 Business Improvement Plan. This report provides the final out-turn position for members' information.

The Shared Services Partnership is seen as a key service by both Chorley and South Ribble Councils and makes a direct and extensive contribution to the achievement of both Councils' strategic objectives.

RECOMMENDATIONS

That the Joint Committee note and comment on the attached 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 assessed. The Business Improvement Plan translated these outputs and measures into specific deliverables and targets which needed to be achieved during 2014/15.

The attached report summarises the highlights and achievements last year at Partnership level and individually by Shared Financial Services and Shared Assurance Services.

The report also contains final statements on the implementation of all the key projects and performance targets as at the end of March 2015. Members will note that we have been successful in achieving the vast majority of our planned service developments and performance targets for 2014/15.

WIDER IMPLICATIONS

FINANCIAL	The attached report provides a summary of the financial out-turn for the Partnership as at the end of the 2014/15 financial year and demonstrates that the Partnership met its financial objectives for the year.
LEGAL	<p>The Shared Services Joint Committee was established under Section 101 of the Local Government Act 1972 and provides the overall governance for the Shared Services Partnership.</p> <p>The terms of the Partnership are set out in an Administrative Collaborative Agreement which has been signed by both sponsoring Councils. The Collaborative Agreement in turn incorporates a Service Level Agreement which sets out the key outputs required of the Partnership and the individual performance measures against which it will be judged.</p> <p>The Business Improvement Plan for 2014/15 translated these outputs and measures into specific deliverables and targets which needed to be achieved during the last financial year and this Annual Report provides a summary of the Partnership's achievements in that regard.</p>
RISK	A dedicated Risk Register was established at the Partnership's inception and this has been updated to take account of the extensive progress that has now been made to mitigate the inherent risks that were faced at the outset, and to take account of any emerging risks now facing the Partnership. The updated Risk Register is set out in the Partnership Business Improvement Plan for 2015/16.
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

1. Partnership Business Improvement Plans 2014/15 and 2015/16

**FINANCIAL & ASSURANCE
SHARED
SERVICES PARTNERSHIP**

**ANNUAL REPORT
2014/15**

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HIGHLIGHTS & ACHIEVEMENTS

2014/15 represented another challenging yet successful year in which the Partnership continued to embed new ways of working as part of its continuous improvement ethos. The public finance arena continued to travel through a period of significant change which is now encompassed on a permanent basis with particular regard to core funding and the resulting year on year corporate budgetary fluctuations. Public finance teams need to effectively meet these challenges whilst also leading by example in respect of providing increasingly efficient services.

We are pleased to report that the vast majority of the service development projects for the year were progressed and completed, and the vast majority of the key performance targets were achieved.

A summary of the main service level successes in 2014/15 are as follows:-

Shared Assurance Services

Internal Audit

Retaining the ISO 9001 quality standard for Internal Audit
Achieving 100% professionally qualified staff in Internal Audit
Improving the Internal Audit reporting and customer feedback processes
Supporting the Annual Governance Statement reviews for SRBC, CBC and the Joint Committee
Delivering fraud awareness training to over 150 officers at CBC

Risk Management

Improving the service level risk management arrangements at both host councils
Supporting Zurich Municipal to deliver a Water and Open Spaces Risk Management Review at CBC
Supporting Zurich Municipal to deliver a Cyber Risk Management Review at CBC and SRBC

Emergency Planning

Working in partnership with other agencies to develop and implement an "Off Site COMAH Emergency Response Plan" & programme of public awareness for the Redcliffe international munitions storage site at Heapey, Chorley.
Updating the SRBC Flood Response Plan.

Insurance

Overseeing the renewal of both host councils' insurance portfolios under Long Term Agreements (LTA's)
Arranging insurance covers for the Market Walk shopping centre in support of its acquisition by CBC

Shared Financial Services

Successful progress towards Chartered Institute of Public Finance professional qualification.

Facilitation of a Business Rates Retention training session for the North West Region in partnership with LG Futures.

Procurement Team winners in the Chief Executive's Awards.

Liaison with the External Auditors to secure unqualified VfM (Value for Money) Conclusion at both Councils.

Continued support of each Councils' management teams, directors and budget holders to achieve budget efficiency programmes and budgetary efficiencies.

Management and Financial Accountancy Services

Providing the financial support for the continued financial management of Market Walk and the ongoing financial monitoring of this key and high profile asset in Chorley. Plus financial support to the Extra Care Scheme requiring new and specialist research.

Providing the financial support for the initiation and ongoing support for the City Deal arrangements between South Ribble, Lancashire County Council and Preston City Council. Plus being asked to lead in constructing the Business Rates Retention agreement.

Closure of Accounts and production of both Councils' statutory Statement of Accounts (SOAs) to the tight required statutory deadline with no errors. This brings the total of years completed to 6 and 12 SOAs produced incorporating all national, statutory changes required. Only one error has been made during this period which did not affect the bottom line of the Council affected.

Completion of base budget review at both Councils achieving budgetary savings contributing to balancing the overall Councils' budget.

Introduction of new budget monitoring reporting and budget holder briefings arrangements to support devolved budget management regime.

Procurement

Completion of the original 5 year Joint Procurement Strategy with all targets achieved and/or exceeded.

Adoption of new updated Joint Procurement Strategy (JPS).

Assistance providing to both Councils to achieve efficiency savings through procurement. Providing valued and expert procurement advice and support across both Councils from day to day general assistance to major procurement exercises and significant corporate projects. In particular essential support provided to the Waste Contract re-tendering exercise at South Ribble.

100% Customer Satisfaction achieved in Survey.

Essential support provided to achieve a Fairtrade Town application to be submitted in Chorley.

Systems Development and Creditor Payments

Providing Systems Development expertise in an efficiency programme project to a Lancashire district council.

Providing essential immediate helpdesk facilities to over 310 financial system users.

Driving the initiative to support small and medium sized businesses by paying our invoices quickly. During 2014/15 99% of our invoices are paid within 30 days and 81% are paid within 10 days. To date in 2015/16 these rates are 100% and 93% respectively.

Systems Development Plan – Achieving Payment Card Industry – Data Security Standard (PCI-DSS) compliance reducing the risk of fraud for our customers and preventing financial penalties for the Council.

KEY SERVICE DEVELOPMENTS

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

Detail	Partnership Level	Assurance Services	Financial Services
Green Projects	2	10	5
Amber Projects	0	0	3
Red Projects	0	2	0
Total	2	12	8

The following paragraphs provide commentaries on an exception basis for projects that were considered to have a Red or Amber status at year-end.

ASSURANCE SERVICES PROJECTS

Red Projects

All the Shared Assurance Services projects planned for 2014/15 have now been completed with the exception of the following which are to be undertaken in 2015/16:

- **Transfer EP/BCP documents to the SharePoint management information system (CBC only).** This has been delayed as the roll out of SharePoint is currently on hold.
- **Undertake an EP Contact Centre simulation exercise at each council.** This has been postponed to take account of revised out of hours contact procedures incorporating improvements in remote working.

FINANCIAL SERVICES PROJECTS

Red Projects

There are no RED projects for Shared Financial Services

Amber Projects

PROJECT - 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.

Training sessions and leaning hours plus 1-2-1 ad hoc training officer and member training has been carried out throughout the year. This project has been rolled over into 2015/16 to now focus on working with Budget Holders and also to develop or source on-line self-serve training packages.

PROJECT - Review of Management Accountancy processes post FMIS implementation.

The e-budgeting module is a fundamental and introductory component part of this project and facilitates many of the changes to procedures and core accounting tasks and projects. The viable version of this module is relatively new and suffered from a technical bug in 2014/15. The team worked closely with CIVICA and this is now fixed. Re-instatement of the project will coincide with new senior officers starting within the service which will also facilitate a full management accountancy development review. This project is included in the 2015/16 Business Improvement Plan for Shared Financial Services

PROJECT - 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.

Inextricably linked to the Management Accountancy processes project above – please refer to the explanation above for and update and RAG status assessment and action plan going forward into 2015/16.

PERFORMANCE TARGETS

There are 30 2014/15 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 status of these indicators as at the end of March 2015 is shown in the table below:

Detail	Assurance Services	Financial Services
Green on target	14	12
Amber – within 5% of target	0	1
Red – more than 5% off target	0	2
Not measured (*)	0	1
Total	14	16

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

ASSURANCE SERVICES TARGETS

There are no red or amber targets for Shared Assurance Services.

FINANCIAL SERVICES TARGETS

Red Targets

Measure	Target to date	Actual to date	Variation
(Over)/Underspend within 1% of manageable/cash revenue budget	<(+/-) 1%	1.44%	44%
<p><i>Comments:</i></p> <p>This equates to broadly £110K budget variation on the overall bottom line budget level of circa. £12.5m. This was caused in the main by additional vacancy savings than expected, increase in planning fee income, Waste Contract reduced costs and variations in the Housing benefits net budget offset by addition BRR levy paid in 2014/15 to Central Government. That said, the movement in the KPI from 2013/14 (5.15%) is very much improved.</p>			
Measure	Target to date	Actual to date	Variation
Statutory Grant Claims and Returns to be submitted on time	100%	91%	9%
<p><i>Comments:</i></p> <p>Equates to 7 returns out of 74, however, out of the 67 sent in on time 56 (84% were sent early). Red status has been caused by the impact on resources of the External Audit in 2014/15 and staff turnover.</p>			

Amber Targets

Measure	Target to date	Actual to date	Variation
% of remittances to suppliers by electronic means	100%	98%	2%
<p><i>Comments:</i></p> <p>Following a review within our creditors function it was decided that the dispatch of paper remittance advices (to creditors without e-mail addresses) strengthened system control by reducing the potential risk of using incorrect bank account details.</p>			

FINANCIAL OUT-TURN

At each Joint Committee meeting during 2014/15 up-to-date budget performance statements have been reported showing actual performance against the approved original 2014/15 budget. The following statement sets out the final out-turn position as at 31st March 2015:

Cost Category	Annual Budget £m	Out-turn as at 31 st March 2015 £m	Under/(Over) Spend £m
Employee Costs	1.214	1.207	0.007
Car Leasing	0.027	0.025	0.002
Employee Related Insurance	0.011	0.010	0.001
Lancashire CC Audit Budget	0.010	0.012	(0.002)
Transport	0.013	0.010	0.003
Supplies and Services	0.053	0.049	0.004
Financial Management Information System (FMIS)	0.063	0.064	(0.001)
Income	(0.000)	(0.006)	0.006
TOTAL	1.391	1.371	0.020

Budget Variations

Comparing the year end out-turn to the budget, the service has achieved a variance (under spend) of 20k which equates to a 1.4% variation to the budget.

Employee Costs – Budget Variation £7k under spend

In January a forecast under spend of £42k mainly due to vacant posts; since this report was made a member of staff took voluntary redundancy at a cost of around £38k reducing the under spend by this amount.

Income – Budget Variation £6k over achieved

The Financial Shared Services team undertook some income generation opportunities in year that had not been budgeted for. These involved the hosting of a course on the new Business Rate Retention scheme, made available to staff from other council's therefore leading to both an income stream and a saving on sending Shared Services staff members on the same course hosted elsewhere. The Principal Systems and Financial Accountant also undertook a project with Burnley Council to share with them the way in which Shared Financial Services has developed the Financial Management Information System to transform financial business processes and so achieve budgetary efficiencies. The Business Case also included a proposal to expand our FMIS to include another company and therefore enable us to host their FMIS service provision.

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.

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	Ongoing
Seek out viable opportunities to grow the Partnership	SG/GB	Ongoing	Ongoing	Continual review of opportunities throughout the year	GREEN	Ongoing

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	GREEN	Completed
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	Completed
Oversee the risk management activities undertaken by insurance providers	AA	April 2014	December 2014	Arrange & facilitate new programmes for 2014	GREEN	Completed

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	RED	Roll out of SharePoint on hold
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	RED	Postponed to 2015/16 BIP pending revision of out of hours contact procedures
Insurance						
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.

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
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 and quality criteria Appoint successful bidders	GREEN	Completed
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	Completed

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 	AMBER	Training sessions and leaning hours plus 1-2-1 ad hoc training officer and member training has been carried out throughout the year. This project has been rolled over into 2015/16 to now focus on working with Budget Holders and also to develop or source on-line self-serve training packages
Management and Financial Accountancy Services (incorporating FMIS Development function)						
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.	Head of Service	July 2014	March 2015	<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 	AMBER	Inextricably linked to the Management Accountancy processes project below – please see explanation for update and RAG status assessment and action plan going forward into 2015/16

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>	<p>Principal Management Accountants</p>	<p>April 2013</p>	<p>March 2015</p>	<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 	<p>AMBER</p>	<p>The e-budgeting module is a fundamental and introductory component part of this project and facilitates many of the changes to procedures and core accounting tasks and projects. The viable version of this module is relatively new and suffered from a technical bug in 2014/15. The team worked closely with CIVICA and this is now fixed. Re-instatement of the project will coincide with new senior officers starting within the service which will also facilitate a full management accountancy development review. This project is included in the 2015/16 Business Improvement Plan for Shared Financial Services.</p>
<p>Review of core accounting system and process controls compliance</p>	<p>Principal Financial and Management Accountants and Principal Financial & Systems Account-ant</p>	<p>April 2014</p>	<p>March 2015</p>	<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 re-enforcing compliance where required including any training requirements & update procedure notes if required and communicate to staff • Provide training where required 	<p>GREEN</p>	<p>Completed with regard to Creditor, Payroll transactional function and FMIS feeder system reconciliations. The project has been rolled forward and included in the 2015/16 BIP to cover the forthcoming implementation of two new system modules (Budget Preparation and Assets)</p>

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"> Identify the timescales, resources and priorities within the plan Approval of the plan by the Councils' CEOs/CFOs Link and co-ordinate projects with management Accountancy processes project Consult with users and Council's ICT sections Use the Council's project management methodology Successfully implement the developments within the financial systems development plan Establish productivity gain measures where possible for each system improvement strand Ensure all financial data complies with Data Quality policies 	GREEN	<p>This is an annual project and year on year development programme that seeks to achieve continual improvement and maximise system functionality and financial control.</p> <p>Key sub projects include Payment Card Industry Data Security Standard (PCI-DSS) compliance; Intelligence Scanning of invoices; Business Continuity improvements; Civica Financial Upgrade to version 16; new Budget Preparation module.</p>
Procurement Services						
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	During 2014/15 the Joint Procurement Strategy (JPS) was refreshed and renewed

Project / Task	Lead Officer	Start Date	Finish Date	SMART Targets / Actions & Milestones	Status	Update
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	The Principal Procurement Officer played a key role and continues to be heavily involved throughout this procurement process.
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	The Procurement Team supported the Chorley Fairtrade Group (CFG) and prepared the successful application for discussion, review, update and agreement by the Group. The team won a Chief executive's award for their contribution and achievement with regard to this project.

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								
% Planned Time Utilised	DH	CBC	82%	90%	90%	94%	GREEN	Target exceeded
		SRBC	85%	90%	90%	94%	GREEN	Target exceeded
		SS	90%	90%	90%	101%	GREEN	Target exceeded
% Audit Plan Completed	DH	CBC	68%	100%	100%	100%	GREEN	Target achieved
		SRBC	67%	100%	100%	100%	GREEN	Target achieved
		SS	100%	100%	100%	100%	GREEN	Target achieved
Percentage of Management Actions Agreed	DH	CBC	100%	98%	98%	98%	GREEN	Target achieved
		SRBC	100%	98%	98%	100%	GREEN	Target exceeded
		SS	100%	98%	98%	100%	GREEN	Target exceeded

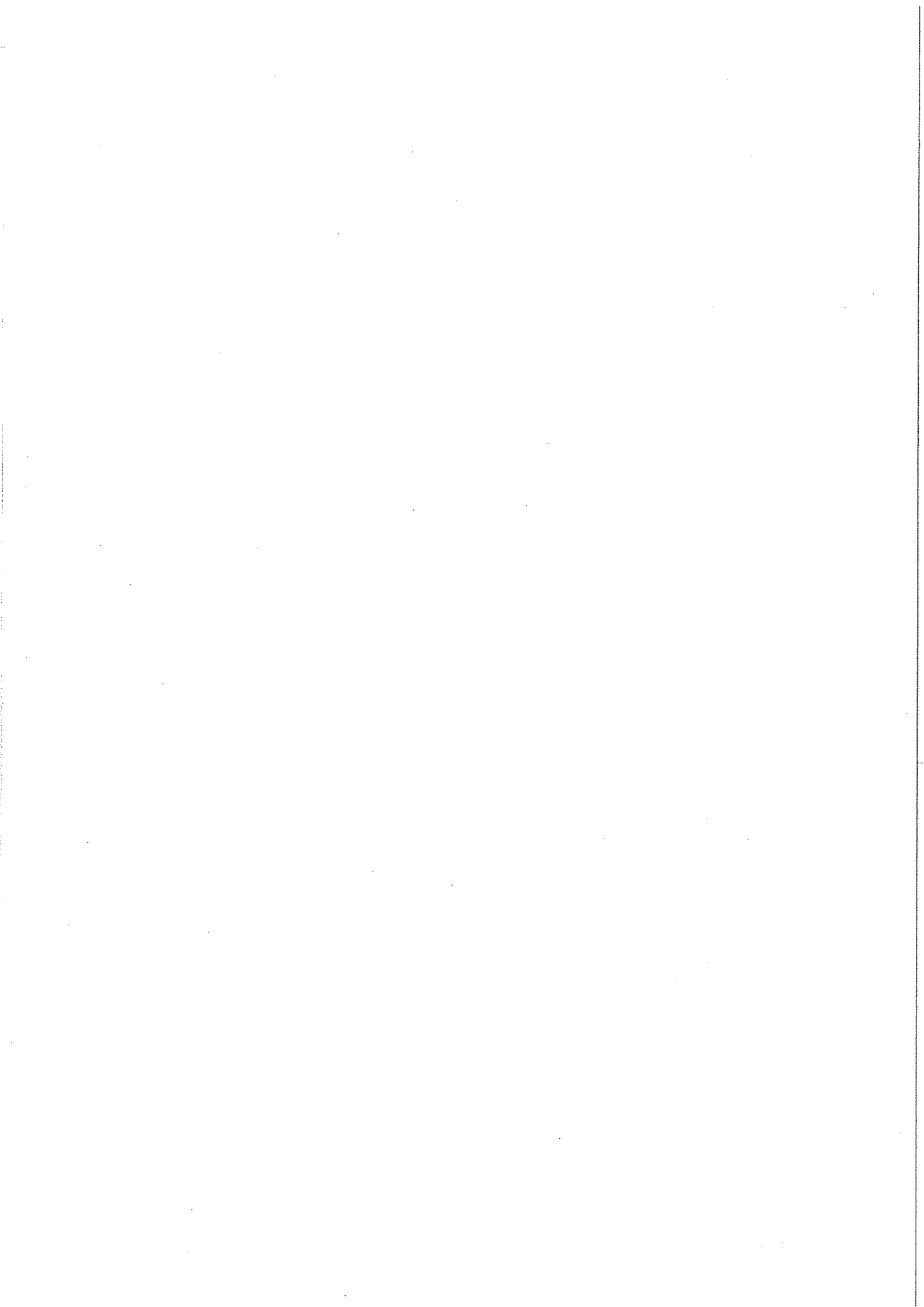
Key Measures	Lead Officer	CBC/ SRBC/ SS	Actual 2013/14	Target 2014/15	Target to date 2014/15	Actual to date 2014/15	Status	Comments
% customer satisfaction rating – assignment level	DH	CBC	93%	90%	90%	92%	GREEN	Target exceeded
		SRBC	87%	90%	90%	91%	GREEN	Target exceeded
		SS	94%	90%	90%	97%	GREEN	Target exceeded
% Professionally Qualified Staff as a % of Total Internal Audit Staff (FTE's)	GB	N/A	82.5%	82.5%	82.5%	100%	GREEN	Target exceeded
Risk Management Services								
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 2014/15	Out-turn 2014/15	Status	Comments
Finance As A Whole							
Financial Services Staff Satisfaction	SG	85%	95%	95%	Not measured	N/A	The staff survey is not being completed for Chorley Council in 2014/15
% of professionally qualified finance staff as % of total finance staff (vfm Secondary 1)	SG	28.6%	19%	19%	23%	GREEN	Target exceeded
Accountancy							
(Over)/Underspends within 1% of manageable/cash revenue budget	SG	5.15%	< (+/-) 1%	< (+/-) 1%	1.44%	RED	This equates to broadly £110K budget variation on the overall bottom line budget level of circa. £12.5m. This was caused in the main by additional vacancy savings than expected, increase in planning fee income, Waste Contract reduced costs and variations in the Housing benefits net budget offset by addition BRR levy paid in 2014/15 to Central Government. That said the movement in the KPI from 2013/14 is very much improved
% variation between the forecast outturn at month 6 and the actual outturn at month 12 (VFM Primary 3)	SG	(8.2%)	5%	5%	(2.97%)	GREEN	Target Achieved
15 working days from period-end closure to the distribution of financial reports (VFM Primary 2)	MC/JB	100%	100%	100%	100%	GREEN	Target Achieved
Compliance with the Prudential Code for Capital Finance in Local Authorities	MJ	100%	100%	100%	100%	GREEN	Target Achieved
Year-end statutory accounts to contain no material errors and have an unqualified audit opinion	SG	1	0	0	0	GREEN	Target Achieved

Key Measures	Lead Officer	Actual 2013/14	Target 2014/15	Target 2014/15	Out-turn 2014/15	Status	Comments
Statutory Grant Claims and Returns to be submitted on time	MC/JB/MJ	95.83%	100%	100%	91%	RED	Equates to 7 returns out of 74, however, out of the 67 sent in on time 56 (84% were sent early). Red status has been caused by the impact on resources of the External Audit in 2014/15 and staff turnover
Achievement of industry investment benchmarks	MJ	Target = 0.37% Achieved = 0.94%	Outperform London Inter-Bank (LIBID) rate by 10%	0.39%	0.52%	GREEN	Target exceeded
Systems Development & Exchequer Services							
Supplier Payment within 30 days (local indicator) (linked to AVFM Secondary 10)	LH	99%	99%	99%	99%	AMBER	Target achieved
Supplier Payment within 10 days (local indicator)	LH	80%	80%	80%	81%	GREEN	Target exceeded
% of supplier payments by electronic means (VFM Secondary 7)	LH	98%	95%	95%	99%	GREEN	Target exceeded
% of remittances to suppliers by electronic means	LH	100%	100%	100%	98%	AMBER	Following a review within our creditors function it was decided that the dispatch of paper remittance advices (to creditors without e-mail addresses) strengthened system control by reducing the potential risk of using incorrect bank account details
% of Financial Systems availability	LH	100%	99.5%	99.5%	100%	GREEN	Target exceeded

Key Measures	Lead Officer	Actual 2013/14	Target 2014/15	Target 2014/15	Out-turn 2014/15	Status	Comments
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	29 th June 2015

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Financial & Assurance Shared Services Annual Return 2014/15	N/A	S Guinness	7

SUMMARY AND LINK TO CORPORATE PRIORITIES

This report presents the Annual Return for 2014/15 (copy attached in Appendix One) to Joint Committee for approval and sign off by the Chair prior to it being submitted to the external auditor by the deadline of 20th July 2015.

The Shared Services Partnership is seen as a key project by both Chorley and South Ribble Councils and makes a direct and extensive contribution to the following 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

- (1) The Joint Committee approves and signs off the 2014/15 Annual Return for the Financial and Assurance Shared Services Partnership which contains the Accounting Statements for 2014/15 and the 2014/15 Annual Governance Statement.
- (2) The Joint Committee considers a report in September 2015 containing a financial review of the shared service arrangement covering its future financial governance arrangements post Local Audit and Accountability Act 2014 implementation.

DETAILS AND REASONING

The accounts and audit regulations came into affect from 31st March 2011 setting a threshold to qualify as a smaller relevant body at £6.5 million. As a result the Joint Committee is classed as a smaller relevant body and is now only required to produce simplified accounts in the form of the attached Annual Return. The return has been subject to the limited assurance audit regime since 2010/11.

The legislation, however, has changed under the Local Audit and Accountability Act 2014 implemented with effect from 1st April 2015. This means that Joint Committees are no longer required to have their accounts separately prepared and audited. Therefore this will be the last annual return. Joint Committees should ensure that an effective financial and governance framework is maintained. Reporting of the Joint Committee's account will remain as part of the Councils' annual statutory Statement of Accounts and as such subject to external audit.

BDO LLP is the Joint Committee's external auditors for this return. The appointment commenced with the accounts for year ending 31st March 2012. With regard to the cost of external audit the amount paid in 2014/15 was £2,030.

There is also a legal requirement to enable interested parties and local electors to exercise their rights with regard to the annual accounts. As part of this process we are required to provide the electors with the opportunity to inspect the accounts and other documents before the audit. This must be advertised by means of a notice displayed for 14 days prior to the availability period. The notice was displayed at Chorley and South Ribble from 8th June 2015 to 21st June 2015 and the accounts and other documents will then be available for 20 working days between 22nd June 2015 and 17th July 2015.

WIDER IMPLICATIONS

FINANCIAL	The annual return section 1 provides a summary of the financial out-turn for the Partnership as at the end of the 2014/15 financial year including support service recharges. Please note that the Annual Return does include internal recharges and therefore cannot be cross referenced with the Budget Out-turn in the Annual Report which contains cash budgets only.		
LEGAL	<p>External Auditor appointed under Section 3 of the Audit Commission Act 1998.</p> <p>The Annual Return is completed to comply with Statutory Instruments – 2011 No. 817, The Accounts and Audit (England) Regulations 2011 came into affect from 31st March 2011 whereby the Joint Committee is classed as a Smaller Relevant Body. The legislation, however, has changed under the Local Audit and Accountability Act 2014 w.e.f. 01/04/15. This means that Joint Committees are no longer required to have their accounts separately prepared and audited. Therefore this will be the last annual return.</p> <p>The Shared Services Joint Committee was established under Section 101 of the Local Government Act 1972 and provides the overall governance for the Shared Services Partnership.</p> <p>The terms of the Partnership are set out in an Administrative Collaborative Agreement which has been signed by both sponsoring Councils. The Collaborative Agreement in turn incorporates a Service Level Agreement which sets out the key outputs required of the Partnership and the individual performance measures against which it will be judged.</p>		
RISK	A dedicated Risk Register was established at the Partnership's inception and this has been updated to take account of the extensive progress that has now been made to mitigate the inherent risks that were faced at the outset, and to take account of any emerging risks now facing the Partnership. The updated Risk Register is set out in the Partnership Business Improvement Plan as approved by the Joint Committee.		
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

1. Partnership Business Improvement Plans 2014/15 and 2015/16.

Small Bodies in England

Annual return for the financial year ended 31 March 2015

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 2015.

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 2015, 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 their work. Therefore, unless requested, do not send any original financial records to the external auditor.

Once the auditor has completed their work, 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 annual return, including the external auditor's report, by 30 September 2015.

It should not be necessary for you to contact the external auditor 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 2014/15 for:

Enter name of reporting body here:

CHORLEY AND SOUTH RIBBLE SHARED SERVICES JOINT COMMITTEE.

	Year ending		Notes and guidance
	31 March 2014 £	31 March 2015 £	
1 Balances brought forward	Ø	Ø	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	Ø	Ø	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring body.
3 (+) Total other receipts	1,866,236	1,699,586	Total income or receipts as recorded in the cashbook less the taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	1,251,758	1,223,814	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	Ø	Ø	Total expenditure or payments of capital and interest made during the year on the body's borrowings (if any).
6 (-) All other payments	614,478	475,772	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	Ø	Ø	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	(20,679)	Ø	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	Ø	Ø	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	Ø	Ø	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 2015 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:

Date 29/06/2015

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

29/06/2015

and recorded as minute reference:

Signed by Chair of meeting approving these accounting statements:

Date 29/06/2015

ALL
MCAW

Section 2 – Annual governance statement 2014/15

We acknowledge as the members of CHORLEY & SOUTH RIBBLESHARED 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 2015, 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.	✓		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.	✓		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 body to conduct its business or on its finances.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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.	✓		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

dated 29/06/2015

Signed by:

Chair

dated 29/06/2015

Signed by:

Clerk

dated 29/06/2015

CLERK
MOON

IP

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

Section 3 – External auditor certificate and report 2014/15

Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Audit Commission Act 1998 as transitionally saved, for the year ended 31 March 2015 in respect 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 2015; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to review the annual return in accordance with guidance issued by the Audit Commission (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

External auditor report

(Except for the matters reported below)* on the basis of our review of the annual return, 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:

(continue on a separate sheet if required)

External auditor signature

External auditor name Date

Note: The Audit Commission issued guidance in its Standing Guidance, which is applicable to external auditors' work on 2014/15 accounts.

Section 4 – Annual internal audit report 2014/15 to

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 2015.

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.	✓		
B The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
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.	✓		
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F Petty cash payments were properly supported by receipts, all expenditure was approved and VAT appropriately accounted for.			✓
G Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied.	✓		
H Asset and investments registers were complete and accurate and properly maintained.			✓
I Periodic and year-end bank account reconciliations were properly carried out.	✓		
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.	✓		

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.
 RE: I above - the committee is incorporated with each council's bank accounts and it is these that have been audited.

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

Signature of person who carried out the internal audit: _____ Date: 29/08/2015

*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 2014/15 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 2014) equals the balance brought forward in the current year (Box 1 of 2015).
- 9 Do not complete section 3. The external auditor will complete it at the conclusion of the 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 2015 agreed to Box 8?	
	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 – 29 JUNE 2015

FORWARD PLAN

Date of Meeting	Subject	Lead Officer
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

