

AUDIT COMMITTEE

AGENDA

Monday 15th December 2014 at 1400 hours in Chamber Suites 1 & 2, The Arc, Clowne

| Item No. | | Page No.(s) |
|----------|--|----------------------|
| | PART 1 – OPEN ITEMS | |
| 1. | To receive apologies for absence, if any. | |
| 2. | To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4 (b) of the Local Government Act 1972. | |
| 3. | Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of: a) any business on the agenda b) any urgent additional items to be considered c) any matters arising out of those items and if appropriate, withdraw from the meeting at the relevant time. | |
| 4. | Minutes of a meeting held on 22 nd September 2014. | 3 to 11 |
| 5. | Report of the Council's External Auditor, KPMG; <ul style="list-style-type: none">• 5A; Annual Audit Letter.• 5B; Protecting the Public Purse Fraud Briefing 2014: Bolsover District Council – Report of the Audit Commission | 12 to 20 21 to 35 |
| 6. | Reports of the Internal Audit Consortium; Internal Audit Consortium Improvement Plan. | 36 to 39 |
| 7. | Reports of the Internal Audit Consortium; Summary of Progress on the 2014/15 Internal Audit Plan. | 40 to 44 |
| 8. | Reports of the Executive Director – Operations; Strategic Risk Register. | 45 to 53 |
| 9. | Reports of the Executive Director – Operations; Budget Monitoring Report, Half Year - April 2014 to September 2014. | 54 to 71 |
| 10. | Reports of the Executive Director – Operations; Key issues of Financial Governance. | 72 to 78 |
| 11. | Reports of the Executive Director – Operations; Utilisation of E Tendering Software. | 79 to 81 |

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee of the Bolsover District Council held in Chamber Suite 1, The Arc, Clowne, on Monday 22nd September 2014 at 1000 hours.

PRESENT:-

Members: - Councillors, S.W. Fritchley, D. McGregor, K. Reid and A.F. Tomlinson.

Cooptee Member: - J. Yates.

Officers: - B. Mason (Executive Director - Operations), S. Sunderland (Audit Team Lead, KPMG), J. Williams (Interim Head of Internal Audit Consortium), D. Clarke (Assistant Director Finance, Revenues and Benefits), T. Fletcher (Chief Accountant) and A. Bluff (Governance Officer).

J. Yates in the Chair

0346. APOLOGIES

Apologies for absence were received from Councillors J.E. Clifton, E. Watts and L. Towers (Audit Manager, KPMG).

0347. URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

0348. DECLARATIONS OF INTEREST

There were no declarations of interest.

0349. MINUTES – 23RD JUNE 2014-10-31

Moved by Councillor D. McGregor, seconded by Councillor K. Reid

RESOLVED that the minutes of an Audit Committee meeting held on 23rd June 2014 be approved as a correct record.

0350. REPORTS OF THE EXTERNAL AUDITOR (KPMG) REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) 2013/14

Committee considered a report of the External Auditor (KPMG) regarding the Councils financial statements for the year ended 31st March 2014.

AUDIT COMMITTEE

Sue Sunderland, Audit Team Lead, KPMG, stated that the report was a good report and the audit of the financial statements had not identified any material adjustments. The Authority had good processes in place for the production of the accounts and good quality supporting working papers. Officers had also dealt efficiently with audit queries and the audit process had been completed within the planned timescales.

The Authority's organisational control environment was generally effective overall but it was noted that Internal Audit's recent review of contract procurement arrangements, whilst identifying improvements in control, also identified ongoing weaknesses that needed to be addressed.

The Authority had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources and an unqualified audit opinion on the Authority's financial statements would be issued by 30th September 2014.

A discussion took place in relation to contract procurement and a Member felt that 'one man band' businesses could be deterred from tendering for contracts if they found completing complicated submission documentation onerous. The Executive Director – Operations noted that smaller firms may put off from applying to tender but Framework Agreements and similar procedures were a transparent process which reduced the risk of challenge. To encourage local suppliers 'Meet the Buyer' events had been held in the past to demonstrate what was expected from organisations who were seeking public sector contracts. Contracts were routinely advertised on Source Derbyshire. While these initiatives were popular and well received there had been very little take up from 'one man bands' or local suppliers.

Members agreed that standard and quality of work was as important as cost. The Executive Director – Operations commented that the Authority had the option to cancel a contract if the supplier did not meet the required standards.

Sue Sunderland referred to Savings Plans and noted that the Council still faced significant ongoing challenges; the Council had achieved targets in the past and this needed to continue. Members complimented staff regarding this and the effort that had been made. The Chair and Sue Sunderland echoed this comment.

Moved by Councillor S.W. Fritchley, seconded by Councillor K. Reid

RESOLVED that (1) the report from KPMG be received,

(2) the Letter of Representation be approved and signed by the Chair of Audit Committee and the Chief Financial Officer on behalf of the Council.

(Chair of Audit Committee/Chief Financial Officer)

AUDIT COMMITTEE

0351. REPORTS OF THE EXECUTIVE DIRECTOR – OPERATIONS BOLSOVER DISTRICT COUNCIL STATEMENT OF ACCOUNTS 2013/14

Committee's approval was sought for the Council's audited Statement of Accounts in respect of 2013/14, which was attached to the report.

The Executive Director – Operations stated that he wished to thank the finance team for preparing the accounts and the Auditors (KPMG) for the way the audit had been conducted.

The Executive Director - Operations advised the meeting that there may be some minor amendments to the accounts prior to the final sign off of the Statement of Accounts and requested delegated powers are granted to the Chief Financial Officer, in consultation with the Chair or Vice Chair of the Committee, to agree any final changes. Any such changes would only be made with the agreement of KPMG the Council's external auditors.

Moved by Councillor S.W. Fritchley, seconded by Councillor K. Reid

RESOLVED that (1) the audited Statement of Accounts in respect of 2013/14 be approved,

(2) delegated powers be granted to the Chief Financial Officer in consultation with the Chair or Vice Chair of Audit Committee to agree any changes which may be necessary in order to ensure the finalisation of the external audit currently being concluded by the Council's external auditors KPMG to ensure completion of the Statement of Accounts by 30th September 2014.

The Audit Team Lead, KPMG left the meeting at this point.

0352. REPORTS OF THE INTERNAL AUDIT CONSORTIUM INTERNAL AUDIT CONSORTIUM – SUMMARY OF PROGRESS ON THE INTERNAL AUDIT PLAN 2014/15

Committee considered a report of the Interim Head of Internal Audit in relation to progress made by the Audit Consortium, during the period 7th June 2014 to 5th September 2014, regarding the 2014/15 Annual Internal Audit Plan.

The report included a summary of Internal Audit Reports issued during the period together with details of work in progress. It was confirmed that there were no issues arising relating to fraud that needed to be brought to the Committee's attention.

In respect of the audit for Section 106 Agreements, the overall opinion was Marginal as the audit had identified the need for a review of the procedures for the recording and monitoring of Section 106 Agreements.

The Executive Director – Operations commented that an officer working group, attended by officers from Planning and Leisure and chaired by the Assistant Director

AUDIT COMMITTEE

of Planning, was now in place and any major concerns regarding Section 106 monies would be flagged up.

With regard to the grass cutting service, it was noted that the service had faced some challenges during the summer months with wet weather during May and sickness absence. In respect of the audit carried out, management had already considered the improvements that could be made to the service.

A discussion took place and whilst expressing concerns Members acknowledged that the grass cutting service was affected by weather conditions.

The report also noted that whilst reasonable progress had been made against the agreed Audit Plan in the first half of the financial year, the number of audits completed had been lower than originally envisaged and it would be necessary to accelerate progress against the Audit Plan during the remainder of the financial year. The position was being carefully monitored to ensure the agreed Audit Plan would be achieved by the year end.

Moved by Councillor D. McGregor, seconded by Councillor K. Reid
RESOLVED that the report be noted.

0353. REPORTS OF THE EXECUTIVE DIRECTOR – OPERATIONS KEY ISSUES OF FINANCIAL GOVERNANCE

Committee considered a report of the Executive Director – Operations, which provided an update concerning the main issues of financial governance where further progress or ongoing monitoring was required.

In particular, the Key Issues of Financial Governance report reflected the issues and outcomes raised by both external and internal audit in their reports including those concerning the 2013/14 Financial Statements and related issues which appeared elsewhere on the Agenda.

In light of the outcome of the 2013/14 year end report provided by KPMG, together with the Council's own improvement plans, there were a range of measures in place which were designed to address the issues of financial governance faced by the Council. These were summarised as follows:

- A training programme was in the process of being concluded for all cost centre managers which covered a range of core competencies such as financial management, risk, performance, procurement, etc. In addition, the quarterly performance and finance meetings were now well established and provided an important opportunity to ensure that best practice was in operation across the full range of Council activities.
- Procurement arrangements had been revised and appropriately qualified and experienced support from Chesterfield Royal Hospital Trust had been secured.

AUDIT COMMITTEE

- The capacity and resilience of the Accountancy team was being enhanced by ensuring appropriate training arrangements are in place.
- The Accountancy team would continue to work with cost centre managers in order to secure further improvements in accounting / financial management arrangements. The Chief Financial Officer would seek to ensure that the Quarterly Finance, Performance and Risk meetings placed an increased emphasis on the measures necessary to improve financial governance arrangements.
- The work of Internal Audit had been incorporated into the existing Quarterly Performance and Financial management framework to ensure that recommendations are fully implemented and that the profile of the importance of internal control are raised within the Council. This will both help secure the improvements in internal control required by the Council whilst helping ensure Internal Audit remained fully compliant with the new United Kingdom Public Sector Internal Audit Standards.
- Finally, monitoring of the position with respect to the delivery of the Internal Audit Plan would continue.

Future Key Issues of Financial Governance reports would update the Audit Committee in respect of progress against the actions detailed above.

The four Key Issues of Financial Governance were set out in Appendix 1 to the report and in the view of the Chief Financial Officer constituted the main Strategic Issues of Financial Governance currently facing the Council.

A short discussion took place.

Moved by Councillor A.F. Tomlinson, seconded by Councillor K. Reid
RESOLVED that the report be received.

0354. REPORTS OF THE EXECUTIVE DIRECTOR – OPERATIONS FINANCIAL OUTTURN 2013/14

Committee considered a report of the Executive Director – Operations, which provided an update to Committee concerning the current position in respect of the Financial Outturn for 2013/2014.

The report had been presented to Executive on 14th July 2014 and to Budget Scrutiny on 15th September 2014 for information. The report provided a greater level of detail than was provided within the Statement of Accounts.

The key message from the report was that the Council had achieved its savings target it set out to achieve. A crucial factor was that the Council had £1m of efficiency grant which had been used to fund restructuring costs. Highlights from the report were;

AUDIT COMMITTEE

- The Icelandic Bank issue had been resolved in January 2014 and the Council had secured 95% of its original deposit which was a good outcome.
- The Council had also secured the capital receipt for Sherwood Lodge, so that risk had now been removed.
- The Efficiency Grant had covered the transitional costs of the relocation from Sherwood Lodge to the Arc.
- As Members were aware the Council would no longer be banking with the Cooperative Bank and a report would be presented to the next Council meeting regarding a new Banking contract which had been through the tender process.

Discussion took place in relation to savings targets over the next few years.

The Council was committed to progressing the Growth Agenda and the Council would do as much as it could to raise income.

It was also noted that an Empty Homes Officer had been appointed and it was hoped this would create around £1k per property identified.

Moved by Councillor K. Reid, seconded by Councillor A.F. Tomlinson
RESOLVED that the report be received.

0355. **REPORTS OF THE EXECUTIVE DIRECTOR – OPERATIONS BUDGET MONITORING REPORT**

Committee considered a report of the Executive Director – Operations in relation to the first quarter of budget monitoring for the period April 2014 to June 2014. The report had been presented to the Executive on 11th August.

Also attached to the report was a report concerning the Medium Term Financial Plan (MTFP), which had been considered by Council at its meeting on 10th September.

Savings

With regard to the report to Executive in relation to savings, progress had been made in securing agreed targets. The original budget for 2014/15 had identified a savings target of £0.447m. The current budget now showed that this target had been reduced to £0.233m, which meant that the Council had secured budget savings of £0.214m in the first quarter of the year.

As savings were identified and secured they were moved into the relevant cost centres within the main General Fund Directorates. Members were asked to note that officers were still working on the financial outturn review of 2013/14 in order to evaluate the opportunities for savings.

AUDIT COMMITTEE

Initial work suggested that the savings target of £0.030m was achievable. A list of potential reductions was currently being compiled and would be presented to a future meeting of the Executive for consideration and approval. Officers were also reviewing the opportunities to reduce the salary budgets where savings had arisen in the first quarter.

General Fund

With regard to the General Fund, the following points were highlighted;

- Chesterfield College was now staying at the Arc for rest of the current financial year, which provided additional income to that assumed within the original budget.
- At the quarterly Directorate meetings, no Managers had identified any significant budget pressures.

Housing Revenue Account

The Housing Revenue Account (HRA) showed a net deficit of £0.362m at the end of the first quarter.

The quarter 1 income figures showed an adverse variance of £0.463m. This was mainly due to the timing of the rent free weeks falling into the first quarter. The annual budget was profiled to receive 12 weeks in the first quarter when actually only 11 weeks were billed. Expenditure within all but one of the operating areas of the HRA showed under spends in the first quarter. There were, therefore, no budget pressures to report at this stage of the year. It was currently anticipated that expenditure would be in line with approved budgets at the year end.

In light of the above and the expenditure patterns to date, there were no significant issues to report regarding the overall position for the HRA at the end of the first quarter.

Capital Expenditure

Capital Expenditure was considerably below the budget level.

The Capital Programme had been updated with the capital budgets previously approved by Executive carried forward from 2013/14. Officers would be looking at the significant under spend from last year which was also evident in the first quarter.

The report to Council on 10th September 2014 concerning the Medium Term Financial Plan had updated Members on the Council's financial position following the completion of the sale of Sherwood Lodge and the closure of the Council's financial accounts in respect of the previous financial year 2013/14.

While the savings target in respect of the current financial year was now a firm target, those in respect of both 2015/16 and 2016/17 were less certain. A key factor was that following the General Election in May 2015, it was widely expected that any new government would be seeking to secure further significant reductions in the level of public spending.

AUDIT COMMITTEE

The cumulative savings figure of £2m required over the coming years was therefore likely to get worse rather than demonstrating any improvement. The position may be further complicated by the fact that an incoming government may seek to change the distribution of funding between groups of local authorities.

The capital benefits from the sale of Sherwood Lodge was always limited in that the majority of the funding was required to pay for the purchase and refurbishment of the Arc, together with the construction of the mini Hub, which would be the location of the Council's Contact Centre and other services, including the police station. However the receipt would fund a limited amount of other work on the Council's assets.

Following on from the capital receipt from the sale of Sherwood Lodge and the conclusion of the 2013/14 Audit, officers were now in a position to provide indicative figures concerning the level of uncommitted financial resources available to the Council. These showed that the Council had an unallocated Transformation Reserve of some £3.158m together with unallocated capital receipts in the region of £1m. However, the capital receipts could only be used to fund capital expenditure, whereas the Transformation Reserve could be used to fund either revenue or capital expenditure.

Whilst the Council had an overall level of unallocated resources available of some £4m which could be utilised, any decisions would need to be taken in the context of the fact that the Council is facing ongoing reductions in the level of government funding and, therefore, will need to continue to take action to either reduce its underlying level of expenditure or to increase its underlying level of income.

A discussion took place.

Members raised points in relation to the Stock Condition Survey, new build properties, the New Bolsover Project HLF Bid and selling of unviable Council houses.

Moved by Councillor A.F. Tomlinson, seconded by Councillor D. McGregor
RESOLVED that the report be noted.

0356. REPORTS OF THE EXECUTIVE DIRECTOR – OPERATIONS STRATEGIC RISK REGISTER

Committee considered a report of the Executive Director – Operations to update Members concerning the current position regarding Risk Management and to seek approval for the revised Strategic Risk Register as at 30th June 2014.

The Council's Strategic Risk Register had been developed by the Risk Management Group to take into account the issues raised within the Master Risk Register which outlined the service or operational risks faced by the Council. The Risk Management Group had also given separate consideration to the Strategic Risks which face the organisation.

AUDIT COMMITTEE

The revised Strategic Risk Register as at 30th June 2014 was set out in an appendix to the report and was structured so that those risks with the highest risk score were detailed first.

In overall terms a key element which emerges from the Strategic Risk Register is one of an ongoing requirement to maintain our current performance in respect of service delivery, performance and governance to local residents. The current position, however, needs to be maintained at a time when it will be increasingly necessary to manage the Council's finances in a more pro active way in order to ensure that our expenditure remains in line with the level of our resources at a time of declining financial support from central government. This is likely to entail some significant changes in the manner in which our services to local residents are delivered with the level of change required clearly having the potential to disrupt service provision with the associated risks that such disruption entails.

In order to develop the understanding of risk throughout the organisations a series of training sessions for senior managers had been held over the past month. These training sessions included a significant element dealing with risk management.

A short discussion took place.

Moved by Councillor D. McGregor, seconded by Councillor K. Reid
RESOLVED that (1) the Strategic Risk Register as at 30th June 2014 be approved and an updated Register as at 31st September 2014 be presented to a subsequent meeting of Executive.

(Executive Director – Operations/Governance Manager)

The meeting concluded at 1510 hours.

Bolsover District Council

Audit Committee

15th December 2014

Annual Audit Letter 2013/2014

Report of the Council's External Auditor KPMG

This report is public

Purpose of the Report

- For the Audit Committee to consider the Annual Audit Letter in respect of 2013/14 which has been prepared by KPMG for consideration by elected Members of the Council and other stakeholders.

1 Report Details

- 1.1 That the Audit and Corporate Governance Scrutiny Committee consider the attached report from the Council's External Auditors (KPMG).

2 Conclusions and Reasons for Recommendation

- 2.1 To ensure that the Audit Committee is able to effectively consider the outcomes of the work undertaken by the Council's external auditors.

3 Consultation and Equality Impact

- 3.1 None arising directly from the report.

4 Alternative Options and Reasons for Rejection

- 4.1 A copy of the Annual Audit Letter has previously been circulated to all Members of the Council and will be included on the Council agenda for 7th January 2015. Together with inclusion on the Audit Committee Agenda this should help ensure an appropriate level of consideration by Elected Members and other stakeholders.

5 Implications

5.1 Finance and Risk Implications

There are no additional financial implications arising out of this report.

5.2 Legal Implications including Data Protection

None arising directly from this report.

5.3 **Human Resources Implications**

None arising directly from this report.

6 **Recommendations**

- 6.1 That the Audit Committee considers and notes the attached report from the Council's External Auditors, KPMG.

7 **Decision Information**

| | |
|--|-----|
| Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards) | No |
| District Wards Affected | N/A |
| Links to Corporate Plan priorities or Policy Framework | N/a |

8 **Document Information**

| Appendix No | Title |
|--|-------------------------------|
| 1 | Annual Audit Letter 2013/2014 |
| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) | |
| | |
| Report Author | Contact Number |
| Executive Director Operations | 01246 242431 |

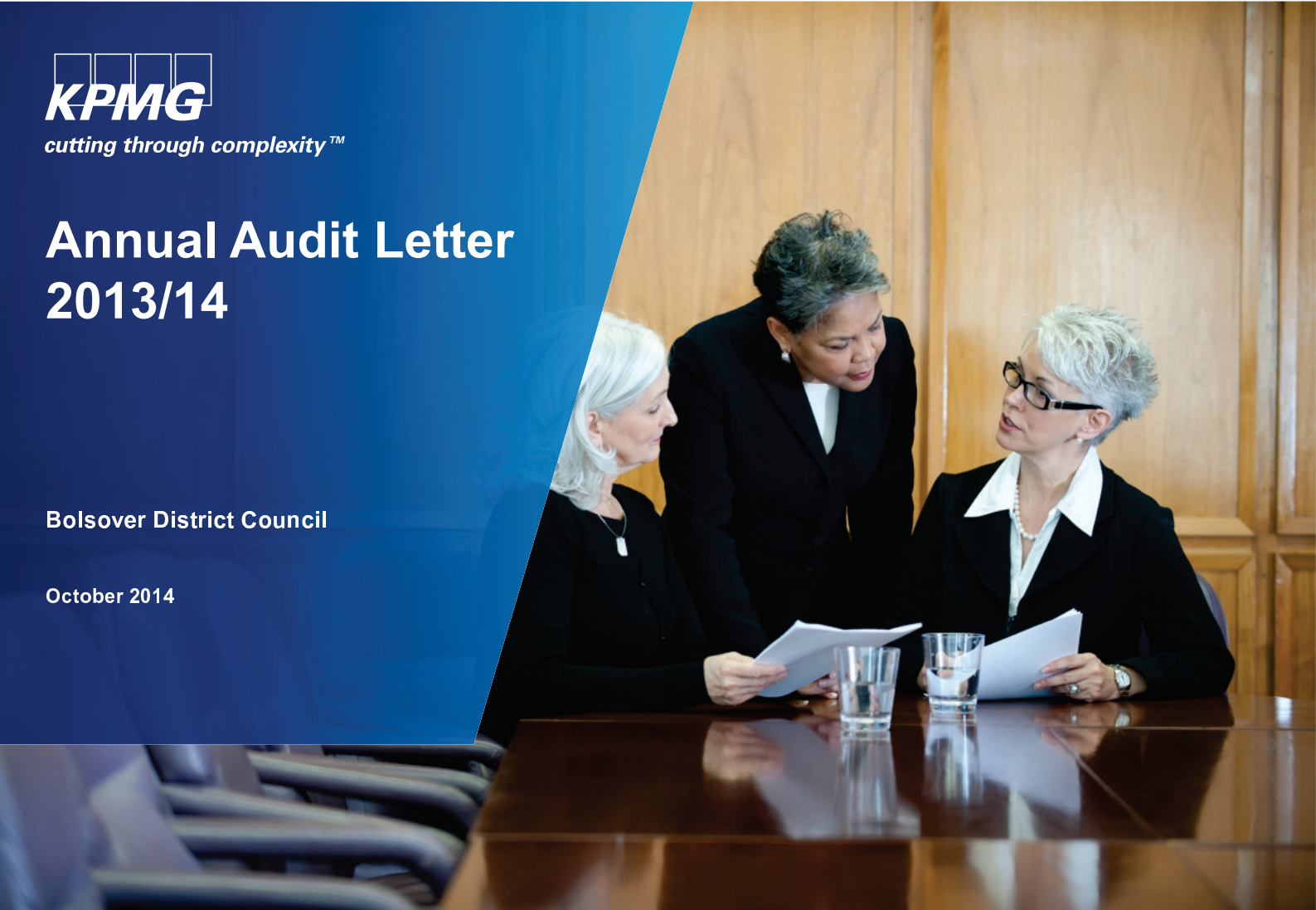


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Annual Audit Letter 2013/14

Bolsover District Council

October 2014





Contents

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| 2. Audit fees | 5 |

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.auditcommission.gov.uk.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Sue Sunderland, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, 3rd Floor, Fry Building, 2 Marsham Street, London, SW1P 4DF or by email to complaints@audit-commission.gsi.gov.uk. Their telephone number is 0303 4448 330.



Section one Headlines

This report summarises the key findings from our 2013/14 audit of Bolsover District Council (the Authority).

Although this letter is addressed to the Members of the Authority, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Authority's 2013/14 financial statements and the 2013/14 VFM conclusion.

| | |
|------------------------------------|---|
| VFM conclusion | <p>We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2013/14 on 23 September 2014. This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity.</p> |
| VFM risk areas | <p>We identified two specific risks to our VFM and considered the arrangements you have put in place to mitigate these.</p> <ul style="list-style-type: none">• We critically assessed the controls the Authority has in place to ensure a sound financial standing and reviewed how the Authority is planning and managing its savings plans.• We followed up the previously reported control weaknesses around the governance and management of contracts. <p>We concluded that we did not need to carry out additional work for these risks as there was sufficient relevant work that had been completed by the Authority in relation to these risk areas.</p> |
| Audit opinion | <p>We issued an unqualified opinion on your financial statements on 23 September 2014. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.</p> |
| Financial statements audit | <p>We identified no issues in the course of the audit that are considered to be material.</p> <p>The Authority has good processes in place for the production of the accounts and good quality supporting working papers. Officers dealt efficiently with audit queries and the audit process has been completed within the planned timescales.</p> <p>We have had regular meetings with Officers throughout the year which has facilitated delivery of the audit.</p> |
| Annual Governance Statement | <p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p> |



Section one Headlines (continued)

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.

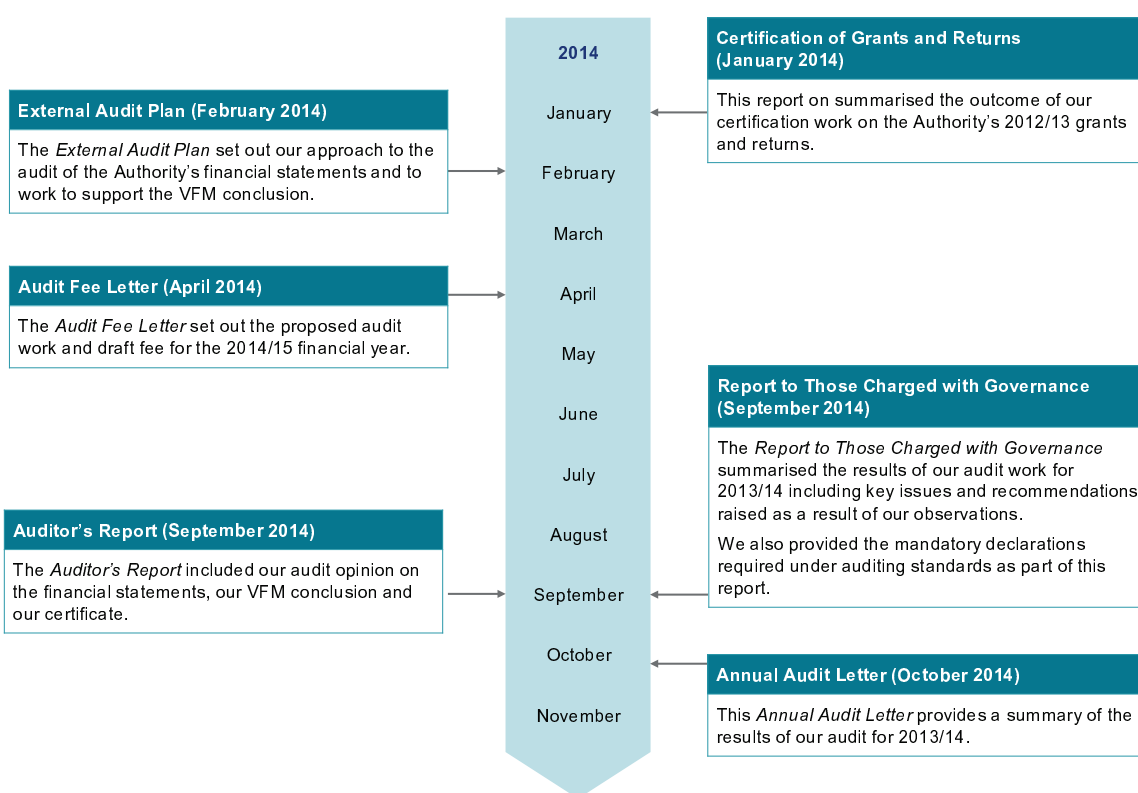
| | |
|--------------------------------------|--|
| Whole of Government Accounts | We undertook a limited review of the consolidation pack which the Authority prepared to support the production of Whole of Government Accounts by HM Treasury. As the Authority falls below the threshold for detailed testing we only reported that the pension liabilities and PPE disclosures in the Authority's consolidation pack are consistent with the audited statutory accounts. |
| High priority recommendations | We raised no high priority recommendations as a result of our 2013/14 audit work. |
| Certificate | We issued our certificate on 23 September 2014. The certificate confirms that we have concluded the audit for 2013/14 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i> . |
| Audit fee | Our planned fee for 2013/14 was £64,980, excluding VAT. We are however proposing an additional fee of £900 for 2013/14 for the additional NNDR testing that we have had to carry out as part of our opinion audit as a result of there being no certification of the NNDR3 return. This additional fee is subject to final determination by the Audit Commission. Further detail is contained in Appendix 2. |



Appendices

Appendix 1: Summary of reports issued

This appendix summarises the reports we issued since our last *Annual Audit Letter*.





Appendices

Appendix 2: Audit fees

This appendix provides information on our final fees for 2013/14.

To ensure openness between KPMG and your Audit Committee about the extent of our fee relationship with you, we have summarised the outturn against the 2013/14 planned audit fee.

External audit

Our proposed fee for the 2013/14 audit of the Authority is £65,880. This compares to a planned fee of £64,980.

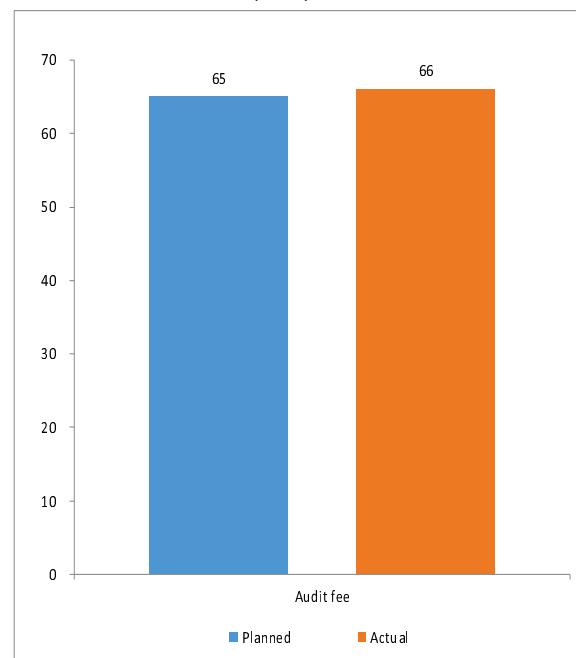
We are proposing an additional fee of £900 to cover extra work undertaken on NNDR. To deliver our 2013/14 audit opinion there were two elements of our work that we have previously carried out while certifying LA01 (the NNDR3 return), and relied upon for our opinion audit. In 2013/14, as a result of there being no certification of the NNDR3 return, we have had to carry out this work as additional procedures to our opinion audit.

Our proposed additional fee is still subject to final determination by the Audit Commission.

Certification of grants and returns

Our grants work is still ongoing and the fee will be confirmed through our report on the *Certification of Grants and Returns 2013/14* which we are due to issue in January 2015.

External audit fees 2013/14 (£'000)





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Bolsover District Council

Audit Committee

15th December 2014

Protecting the Public Purse Fraud Briefing 2014: BDC – Report of the Audit Commission

Report of the Council's External Auditor KPMG

This report is public

Purpose of the Report

- For the Audit Committee to consider the above report.

1 Report Details

- 1.1 That the Audit Committee consider the attached report which the Audit Commission has prepared for all local authorities.

2 Conclusions and Reasons for Recommendation

- 2.1 To allow the Audit Committee to consider the report on Fraud prepared by the Audit Commission.

3 Consultation and Equality Impact

- 3.1 None arising directly from the report.

4 Alternative Options and Reasons for Rejection

- 4.1 As the Audit Committee is concerned with ensuring the sound financial governance of the Council it is appropriate that it gives consideration to this report concerning Fraud which has been prepared by the Audit Commission.

5 Implications

5.1 Finance and Risk Implications

There are no additional financial implications arising out of this report.

5.2 Legal Implications including Data Protection

None arising directly from this report.

5.3 **Human Resources Implications**

None arising directly from this report.

6 **Recommendations**

6.1 That the Audit Committee considers and notes the attached report.

7 **Decision Information**

| | |
|--|-----|
| Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards) | No |
| District Wards Affected | N/A |
| Links to Corporate Plan priorities or Policy Framework | N/a |

8 **Document Information**

| Appendix No | Title |
|--|---|
| 1 | Protecting the Public Purse Fraud Briefing 2014 : BDC - Report of the Audit Commission. |
| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) | |
| | |
| Report Author | Contact Number |
| Executive Director Operations | 01246 242431 |

Protecting the Public Purse Fraud Briefing 2014

Bolsover District Council



Purpose of Fraud Briefing



Provide an information source to support councillors in considering their council's fraud detection activities



Extend an opportunity for councillors to consider fraud detection performance, compared to similar local authorities



Give focus to discussing local and national fraud risks, reflect on local priorities and the proportionate responses needed



Be a catalyst for reviewing the council's current strategy, resources and capability for tackling fraud

Understanding the bar charts

Outcomes for the first measure for your council are highlighted in yellow in the bar charts. The results of your comparator authorities are shown in the green bars.



Outcomes for the second measure for your council are highlighted as a green symbols above each bar. The results of your comparator authorities are shown in the white triangles.



A 'N' symbol has been used on the horizontal axis to indicate your council.

All data are drawn from council submissions on the Audit Commission's annual fraud and corruption survey for the financial year 2013/14.

In some cases, council report they have detected fraud and do not report the number of cases and/or the value. For the purposes of this fraud briefing these 'Not Recorded' records are shown as Nil.

Comparator group

Allerdale
Amber Valley
Ashfield
Bassetlaw
Bolsover
Boston
Cannock Chase
Chesterfield
Copeland
Derbyshire Dales
Erewash
Fenland
High Peak
Mansfield
Newark and Sherwood
North East Derbyshire
Nuneaton and Bedworth
Rossendale
South Derbyshire
West Lancashire

Interpreting fraud detection results



Contextual and comparative information needed to interpret results



Detected fraud is indicative, not definitive, of counter fraud performance (*Prevention and deterrence should not be overlooked*)



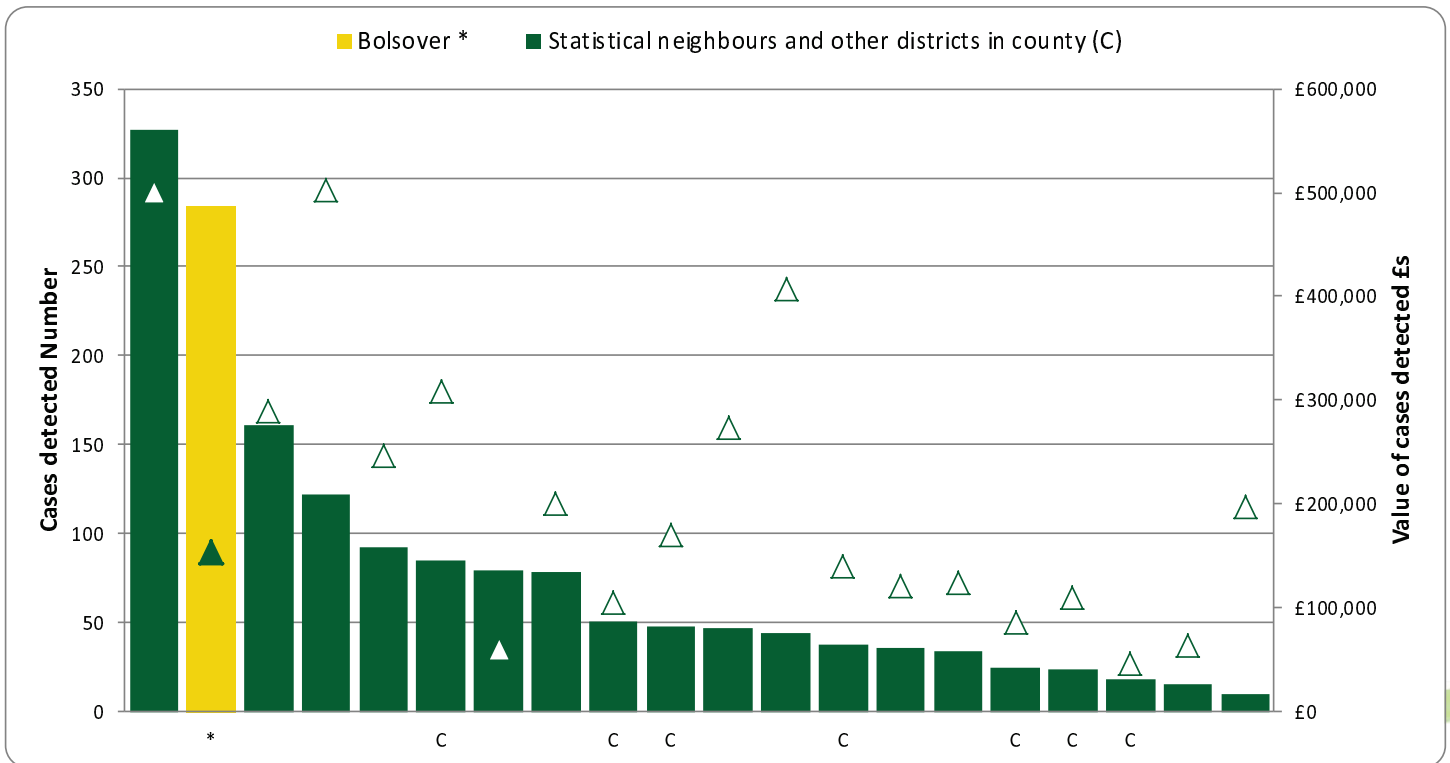
No fraud detected does not mean no fraud committed (*Fraud will always be attempted and even with the best prevention measures some will succeed*)



Councils who look for fraud, and look in the right way, will find fraud (*There is no such thing as a small fraud, just a fraud that has been detected early*)

Total detected cases and value 2013/14 (Excludes Housing tenancy fraud)

Bolsover

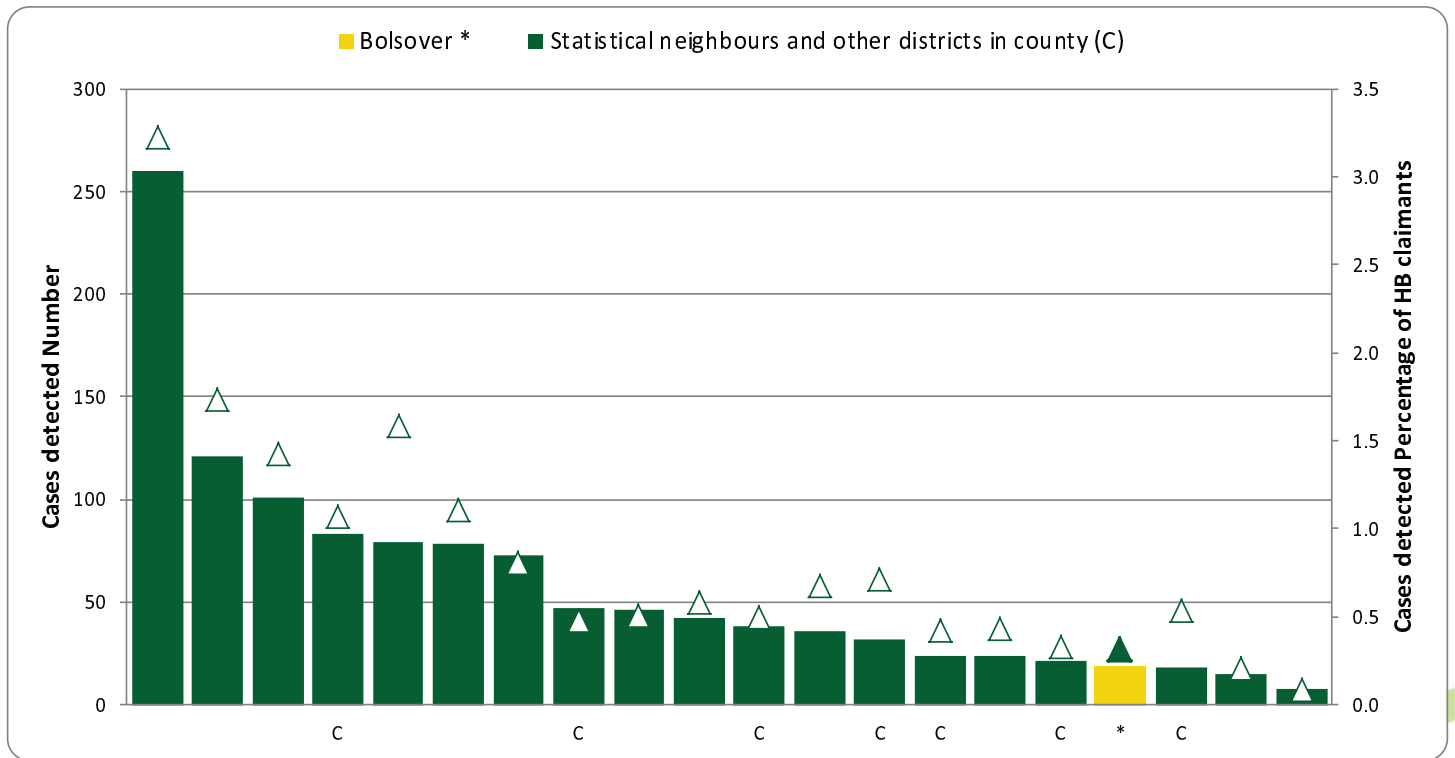


Bolsover detected 284 cases of fraud. The value of detected fraud was £151,968.

Average for statistical neighbours and county: 70 cases, valued at £208,050



Housing Benefit (HB) and Council Tax Benefit (CTB) 2013/14 Total detected cases, and as a proportion of housing benefit caseload Bolsover



Bolsover detected 19 cases of this type of fraud. The value of detected fraud was £90,103.

Average for statistical neighbours and county: 60 cases, valued at £200,904



Council tax discount fraud 2013/14

Total detected cases, and as a proportion of council tax income

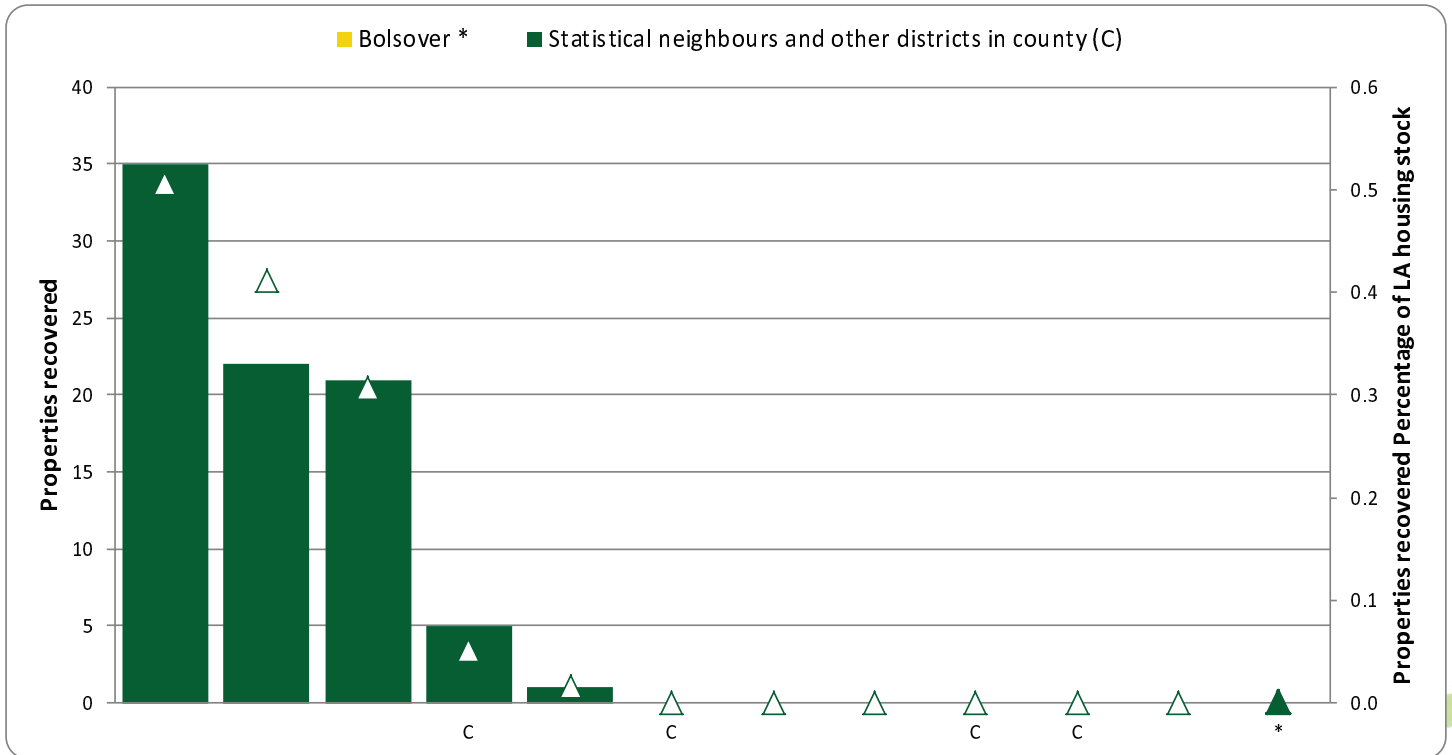
Bolsover



Bolsover detected 264 cases of this type of fraud. The value of detected fraud was £60,610.
 Average for statistical neighbours and county: 0 cases



Social Housing fraud (only councils with housing stock) 2013/14 Total properties recovered, and as a proportion of housing stock Bolsover



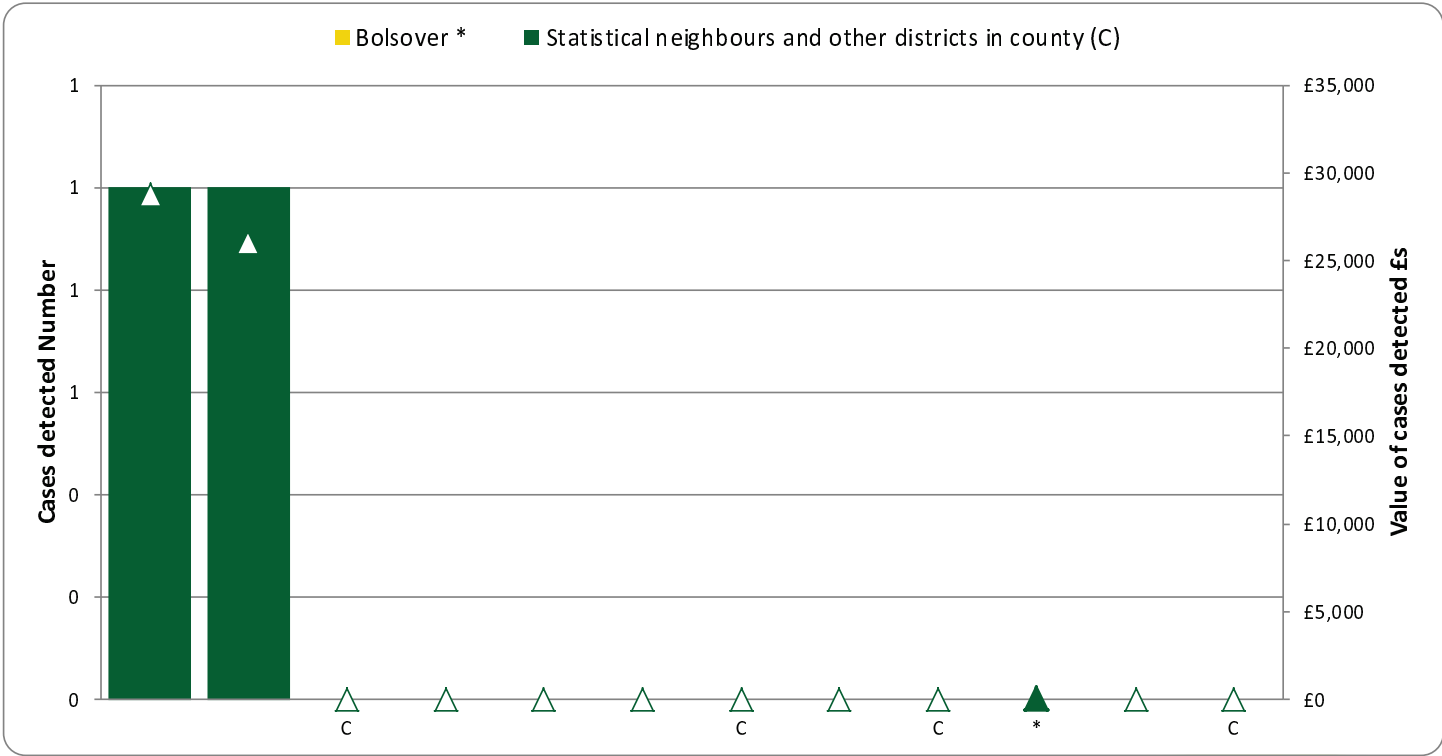
Bolsover did not detect any cases of this type of fraud.
Average for statistical neighbours and county with housing stock: 8 cases



Right to buy fraud (only councils with housing stock) 2013/14

Right to buy cases and value

Bolsover



Bolsover did not detect any cases of this type of fraud.

Average for statistical neighbours and county with housing stock: 0.2 cases



Other frauds 2013/14 Bolsover

Procurement: Bolsover did not detect any cases of this type of fraud.
Total for statistical neighbours and county: 0 cases

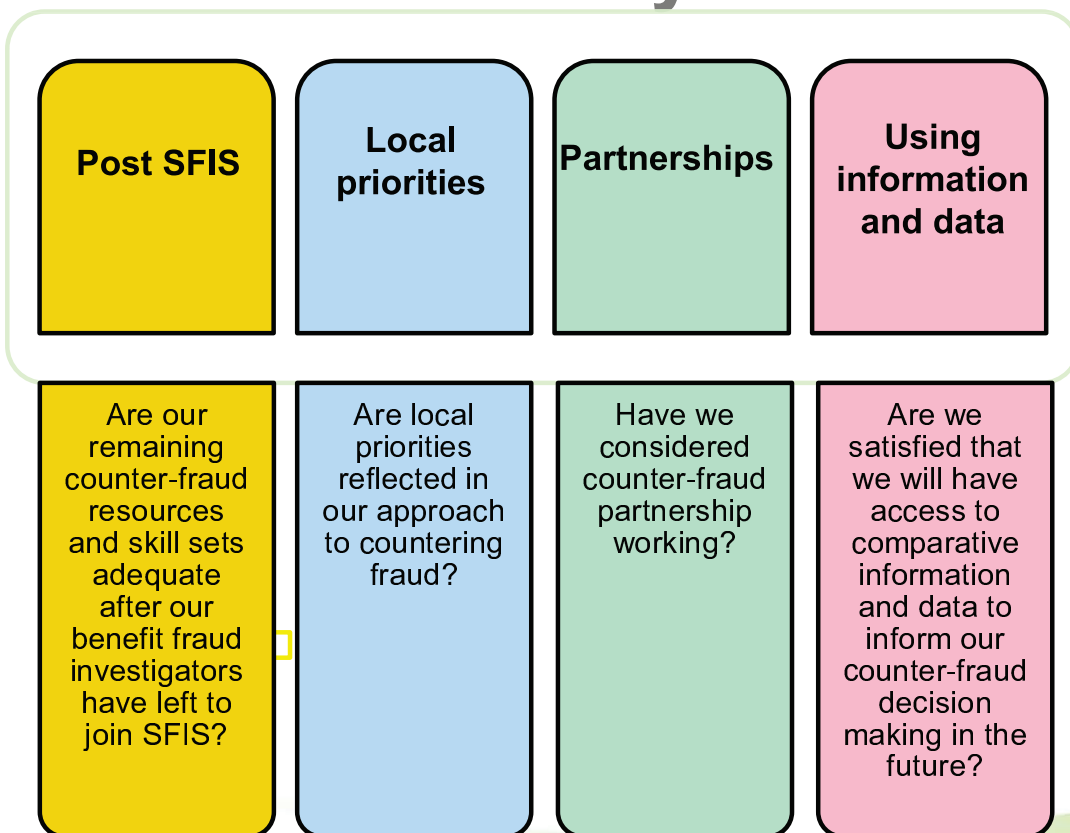
Insurance: Bolsover did not detect any cases of this type of fraud.
Total for statistical neighbours and county: 1 case, valued at £6,000

Economic and third sector: Bolsover did not detect any cases of this type of fraud.
Total for statistical neighbours and county: 0 cases

Internal: Bolsover detected this type of fraud and did not report the number of cases.
Total for statistical neighbours and county: 4 cases, valued at £7,141

*Correctly recording fraud levels is a central element in assessing fraud risk.
It is best practice to record the financial value of each detected case*

Questions elected members and decision makers may wish to ask



Any questions?



Bolsover District Council

Audit Committee

15th December 2014

Internal Audit Consortium Improvement Plan

This report is public

Purpose of the Report

- To report to Members the results of an internal audit self assessment that has been undertaken to review compliance with the Public Sector Internal Audit Standards and to identify any areas for improvement.

1 Report Details

- 1.1** The Public Sector Internal Audit Standards (PSIAS) which took effect from the 1 April 2013 require that the Head of Internal Audit develop and maintain a quality assurance and improvement programme to enable the internal audit activity to be assessed against the PSIAS. CIPFA recommend that in order to undertake a self assessment the checklist for assessing conformance included within the application note to the PSIAS be used.
- 1.2** The checklist recommended for undertaking a self assessment against the PSIAS has been completed and it is considered that the exercise has demonstrated that in the main the internal audit consortium is compliant with the PSIAS.
- 1.3** The PSIAS encourage that internal audit continually look to improve the proficiency, effectiveness and quality of their service. With this in mind an improvement plan has been developed and is held at Appendix A.

2 Conclusions and Reasons for Recommendation

- 2.1** To comply with the requirements of the PSIAS and to be able to demonstrate a programme of continual improvement.

3 Consultation and Equality Impact

- 3.1** None

4 Alternative Options and Reasons for Rejection

- 4.1** Not Applicable

4.2 Implications

5.1 Finance and Risk Implications

- 5.1.1** Risk Management – The Improvement Plan will help to ensure that the Internal Audit Consortium continues to provide a quality service in line with the PSIAS.

5.1.2 Financial – The implementation of the improvement plan can be met from the Internal Audit Consortium’s existing budget.

5.2 Legal Implications including Data Protection

5.2.1 None

5.3 Human Resources Implications

5.3.1 None

6 Recommendations

6.1 That the results of the self -assessment and improvement plan be noted.

6.2 That progress against the improvement plan is reported back to this Committee as part of the internal audit annual report for 2014/15.

7 Decision Information

| | |
|--|--|
| Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards) | No |
| District Wards Affected | None |
| Links to Corporate Plan priorities or Policy Framework | The internal audit Improvement plan helps to achieve the corporate aim “Strategic Organisational Development” which looks to continually improve the organisation. |

8 Document Information

| Appendix No | Title |
|--|--|
| Appendix A | Internal Audit Consortium Improvement Plan December 2014 |
| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) | |
| N/A | |
| Report Author | Contact Number |
| Jenny Williams, Interim Head of Internal Audit Consortium | 01246 242463 |

Internal Audit Consortium Improvement Plan December 2014

| Improvement Area | Current | Action Required | Action By | Date |
|--|---|--|--|-------------|
| The Standards state that an external assessment of Internal Audit should be carried out at least once every 5 years. | Not undertaken as yet | An external assessment must be carried out by April 2018 | HOIAC /Joint Executive Director Operations | April 2018 |
| Performance monitoring – review of performance targets used. The Standards state that ongoing performance monitoring should include comprehensive performance targets. | Performance indicators are reported in the annual report | Review other possible performance indicators to assess if appropriate for adoption | HOIAC /Executive Director of Operations | April 2015 |
| The Standards state that Internal Auditors are encouraged to demonstrate their proficiency by obtaining appropriate professional certifications | A training needs assessment established that the unit is highly qualified however only the HOIAC is fully qualified and there is limited IT expertise | To encourage and sponsor staff to obtain further relevant qualifications | HOIAC /Executive Director of Operations | Ongoing |
| To make people more aware of the role and expectations of Internal Audit | Financial Regulations contain a section in relation to Internal Audit | To produce an article/leaflet to place on the intranet explaining the role of Internal Audit and the audit process | HOIAC | April 15 |

| Improvement Area | Current | Action Required | Action By | Date |
|--|---|---|-----------------------|---------|
| The Standards state that when planning an audit consideration should be given to significant risks and the opportunities to make improvements to the activity's governance, risk management and control processes. | Testing schedules are reviewed prior to each audit but there is scope to improve this process | Test schedules should be geared more towards risk and governance areas | HOIAC/Senior Auditors | Ongoing |
| Increasing the flexibility of Internal Audit Consortium staff to be able to work at each location. | Staff are largely fixed in one location | Increase the scope for auditors to undertake audits at each site or the same audit across each site to enhance the sharing of knowledge and experience. | HOIAC | Ongoing |

Bolsover District Council

Audit Committee

15th December 2014

Summary of Progress on the 2014/15 Internal Audit Plan

This report is public

Purpose of the Report

- To present, for members' information, progress made by the Audit Consortium, during the period 6th September 2014 to 28th November 2014, in relation to the 2014/15 Annual Internal Audit Plan. The report includes a summary of Internal Audit Reports issued during the period and work in progress.

1 Report Details

- 1.1 The 2014/15 Consortium Internal Audit Plan for Bolsover was reported to the Audit Committee on the 17th April 2014.
- 1.2 The Consortium Agreement in paragraph 9.3 requires that the Head of the Internal Audit Consortium (HIAC) or his or her nominee will report quarterly (or at such intervals as the HIAC may agree with the Committee) to the Audit Committee of each Council on progress made in relation to their Annual Audit Plan.
- 1.3 Attached, as Appendix 1, is a summary of reports issued covering the period 6th September 2014 – 28th November 2014, for audits included in the 2014/15 Consortium Internal Audit Plan.
- 1.4 Internal Audit Reports are issued as drafts with five working days being allowed for the submission of any factual changes, after which time the report is designated as a Final Report. Fifteen working days are allowed for the return of the Implementation Plan.
- 1.5 The Appendix shows for each report a summary of the Overall Audit Opinion on the audit and the number of recommendations made / agreed where a full response has been received.
- 1.6 The overall opinion column of Appendix 1 gives an assessment of the reliability of the internal controls examined in accordance with the following classifications:

| Control Level | Definition |
|----------------------|---|
| Good | A few minor recommendations (if any). |
| Satisfactory | Minimal risk; a few areas identified where changes would be beneficial. |
| Marginal | A number of areas have been identified for improvement. |
| Unsatisfactory | Unacceptable risks identified, changes should be made. |
| Unsound | Major risks identified; fundamental improvements are required. |

1.7 In respect of the audits being reported, it is confirmed that there were no issues arising relating to fraud that need to be brought to the Committee's attention.

1.8 The following audits are currently in progress:

- Non Domestic Rates
- Housing Allocations and Lettings
- Transport, Vehicles and Fuel
- Sundry Debtors

2 Conclusions and Reasons for Recommendation

2.1 To inform Members of progress on the Internal Audit Plan for 2014/15 and the Audit Reports issued.

2.2 To comply with the requirements of the Public Sector Internal Audit Standards.

3 Consultation and Equality Impact

3.1 None

4 Alternative Options and Reasons for Rejection

4.1 Not Applicable

5 Implications

5.1 Finance and Risk Implications

5.1.1 Regular reports on progress against the internal audit plan ensure compliance with the Public Sector Internal Audit Standards and allow members to monitor progress against the plan.

5.2 Legal Implications including Data Protection

5.2.1 None

5.3 Human Resources Implications

5.3.1 None

6 Recommendation

6.1 That the report be noted.

7 Decision Information

| | |
|--|--|
| Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards) | No |
| District Wards Affected | None |
| Links to Corporate Plan priorities or Policy Framework | The internal audit plan helps to achieve the corporate aim "Strategic Organisational Development" which looks to continually improve the organisation. |

8 Document Information

| Appendix No | Title |
|--|---|
| Appendix 1 | Summary of Internal Audit Reports Issued 6 th September – 28 th November 2014 |
| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) | |
| N/A | |
| Report Author | Contact Number |
| Jenny Williams, Interim Head of Internal Audit Consortium | 01246 242463 |

BOLSOVER DISTRICT COUNCIL

Appendix 1

Internal Audit Consortium - Report to Audit Committee

Summary of Internal Audit Reports Issued – 6th September 2014 – 28th November 2014

| Report Ref No. | Report Title | Scope and Objectives | Overall Opinion | Date | | Number of Recommendations | |
|----------------|-----------------------|--|-----------------|---------------|--------------|---------------------------|----------|
| | | | | Report Issued | Response Due | Made | Accepted |
| B006 | Clowne Leisure Centre | To review the controls and procedures in operation at the Leisure Centre | Marginal | 18/09/2014 | 9/10/2014 | 10 (2H 5M 3L) | 8 |
| B007 | Procurement | To ensure that Financial Regulations and Standing Orders are being complied with | Marginal | 18/09/2014 | 9/10/2014 | 6 (4H 2M) | 6 |
| B008 | Cash and Bank | To ensure that the procedures in place are operating | Satisfactory | 22/09/2014 | 13/10/2014 | 1H | 1 |
| B009 | Council Tax | To ensure that the key controls are in place and operating | Good | 25/09/2014 | 15/10/2014 | 0 | 0 |
| B010 | Money Laundering | To ensure that there is a nominated Officer and that there is appropriate policies and training in place | Good | 25/09/2014 | 16/10/2014 | 0 | 0 |

| Report Ref No. | Report Title | Scope and Objectives | Overall Opinion | Date | | Number of Recommendations | |
|----------------|---------------------|---|-----------------|---------------|--------------|---------------------------|----------|
| | | | | Report Issued | Response Due | Made | Accepted |
| B011 | Treasury Management | To ensure that the key controls are in place and operating | Good | 9/10/2014 | 30/10/2014 | 0 | 0 |
| B012 | Grounds Maintenance | To review operations and procedures | Satisfactory | 17/10/2014 | 7/11/2014 | 3 (2H 1L) | 3 |
| B013 | Housing Benefits | To ensure that housing benefits are paid in an accurate and timely manner | Good | 13/11/2014 | 4/12/2014 | 0 | 0 |

Notes: For recommendations, H = High priority, M = Medium priority and L = Low Priority.

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Bolsover District Council

Audit Committee

15th December 2014

Strategic Risk Register

This report is public

Report of the Executive Director - Operations

Purpose of the Report

- To update Members concerning the current position regarding Risk Management and to seek approval for the revised Strategic Risk Register as at 30th September 2014, as part of the suite of Finance, Performance and Risk reports.

1 Report Details

Background

- 1.1. The Council's Strategic Risk Register has been developed by the Risk Management Group to take into account the issues raised within the Master Risk Register which outlines the service or operational risks faced by the Council. The Risk Management Group has also given separate consideration to the Strategic Risks which face the organisation.
- 1.2. In addition to the work undertaken at the Business Risk Group the Council also considers the issue of Risk Management at the Quarterly Directorate meeting. This allows senior managers to have a greater level of input into the shaping of the Strategic Risk Register and into the wider issues of Risk Management. It also allows service Registers to be independently reviewed on a more regular basis than was achieved by periodic review at the Business Risk Group. More recently the Strategic Risk Register was considered as part of a Member Development Day. The Strategic Risk Register is reported on a quarterly basis to both Executive and to the Audit Committee.
- 1.3. In its approach to Risk Management the Council is seeking to secure a number of objectives and to operate in line with recognised best practice. In order to appreciate the importance of Risk Management it is useful to reiterate these objectives:
 - To improve the way in which the Council manages its key risks so as to reduce the likelihood of them happening, and to mitigate their impact or magnitude in those cases where they do materialise. This is a key element in protecting service delivery arrangements, the financial position and the reputation of the Council.

- To strengthen the overall managerial approach of the Council. From a Governance perspective the effective operation of Risk Management is regarded as being a key element of the managerial framework operating within an authority.
- Effective Risk Management is a key component in ensuring that organisations are able to achieve their objectives, and that key projects proceed in line with plan.
- The identification of the risks attached to existing service delivery, or to a project or new initiative is important both to allow a fully informed decision to be made, and to ensure that all appropriate measures to mitigate (or reduce) the risk are in place from the outset.
- Finally, an appreciation of the risk environment within which the Council operates assists in determining an appropriate level of financial reserves for sound financial management, and ensures that the organisation has a better awareness of its overall risk exposure.

2. The Strategic Risk Register

2.1. The revised Strategic Risk Register as at 30th September 2014 is set out in **Appendix 1** for consideration by the Audit Committee. The intention is that this review of the Register will secure the following objectives:

- Identify any newly emerging risks which need to be added to the Register and removing any risks that have been resolved. An ongoing review of the Strategic Risk Register ensures that a focus is maintained on current risks.
- Revising the Risk Register ensures that existing risks are reviewed, that appropriate mitigation remains in place, and where necessary risk assessment is revisited.
- The process also allows appropriate consideration to be given to the success of existing mitigation, and to the issue of whether any further mitigation is required.
- The Strategic Risk Register as set out in **Appendix 1** is structured so that those risks with the highest risk score are detailed first.

2.2. In overall terms a key element which emerges from the Strategic Risk Register is one of an ongoing requirement to maintain our current performance in respect of service delivery, performance and governance to local residents. The current position, however, needs to be maintained at a time when it will be increasingly necessary to manage the Council's finances in a more pro active way in order to ensure that our expenditure remains in line with the level of our resources at a time of declining financial support from central government. This is likely to entail some significant changes in the manner in which our services to local residents are delivered with the level of change required clearly having the potential to disrupt service provision with the associated risks that such disruption entails.

- 2.3. In order to develop the understanding of risk throughout the organisations a series of training sessions for senior managers has been held over the past two months. These training sessions included a significant element dealing with risk management.

2 Conclusions and Reasons for Recommendation

- 2.1 The Strategic Risk Register is intended to highlight those areas where the Council needs to manage its risks effectively. One of the key purposes of this report is to set out the risks that have been identified (see Appendix 1) and to encourage both Members and Officers to actively consider whether the Strategic Risk Register and supporting Service Risk Registers actively cover all of the issues facing the Council.

Reasons for Recommendation.

- 2.2 To enable Audit Committee to consider the risks identified within the Strategic Risk Register in order to assist in maintaining effective governance arrangements, service and financial performance.

3 Consultation and Equality Impact

Consultation

- 3.1 There are no issues arising from this report which necessitate a formal consultation process.

Equalities

- 3.2 There are no equalities issues arising directly out of this report.

4 Alternative Options and Reasons for Rejection

- 4.1 Under the relevant good practice and to facilitate the development of robust managerial arrangements the Council is required to prepare a Strategic Risk Register as part of its risk management framework and to manage its Partnership arrangements effectively. This report is in part intended for Members and Officers to consider whether the Council has adopted an appropriate approach to its management of risk and partnerships. It is part of a well established framework of debate within the Council and with external partners with options in respect of both the risks identified and the management processes considered as part of that ongoing debate.

5 Implications

5.1 Finance and Risk Implications

Financial

There are no additional financial implications arising out of this report at this stage. While where appropriate additional mitigation measures have been identified and implemented during the course of preparing the Strategic and

Operational Risk Registers, the cost of implementing this mitigation will be met from within previously agreed budgets.

Risk

Risk Management Issues are covered throughout the body of the main report.

5.2 Legal Implications including Data Protection

There are no legal or data protection issues arising directly out of this report.

5.3 Human Resources Implications

There are no human resource issues arising directly out of this report.

6 Recommendations

- 6.1 That Audit Committee considers the Strategic Risk Register as at 30th September 2014 as set out in Appendix 1 and makes any comments that it considers to be appropriate.

7 Decision Information

| | |
|--|--|
| Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards) | No |
| District Wards Affected | All. |
| Links to Corporate Plan priorities or Policy Framework | Robust Governance (including Risk Management) arrangements underpin the effective operation of the Council and its ability to secure all of the Corporate Plan priorities. |

8 Document Information

| Appendix No | Title |
|--|--|
| 1 | Strategic Risk Register as at 30 th September 2014. |
| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) | |
| Master Risk Register | |
| Report Author | Contact Number |
| Executive Director – Operations | 2431 |

STRATEGIC RISK REGISTER SUMMARY AS AT: 30th SEPTEMBER 2014

| | Risk | Consequences | Risk Score (Likelihood Impact) x | Risk Score (Likelihood Impact) Taking into Account Current Controls x | Risk Owner / Lead Officer |
|---|--|--|---|--|--------------------------------------|
| 1 | Failure to deliver a balanced budget in line with the MTFP, at a time when the Council's reserves are at relatively low levels. | <ul style="list-style-type: none"> • Impact upon ability to deliver current level of services. • Unable to resource acceptable levels of service. • Significant adverse reputational Impact. | 4,4 16 | 3,4 12 | SAMT / Chief Financial Officer |
| 2 | Adverse external economic position / government legislation, welfare reform etc. has an accelerating impact on Council (poor grant settlement), or upon the local economy (employment losses / welfare reform), to which Council is unable to adopt an appropriate change of Strategic direction. It would be reasonable to anticipate an increase in policy | <ul style="list-style-type: none"> • Unable to deliver a package of services that meet changing local needs and aspirations. • Unable to effectively support local communities. • Increased demands on Council services at a time when Council resource base is reducing. | 4,4, 16 | 3,4 12 | SAMT / Political Leadership |

| | Risk | Consequences | Risk Score (Likelihood Impact) | x | Risk Score (Likelihood Impact)Taking into Account Current Controls | x | Risk Owner / Lead Officer |
|---|--|---|---|-----------|---|-----------|--------------------------------------|
| | announcements / legislative change following the May 2015 election. | | | | | | |
| 3 | Financial position makes it increasingly difficult to recruit to key posts or to replace key staff who leave. Staff morale is adversely affected by as a result of pace of change, tightening financial circumstances or external circumstances. | <ul style="list-style-type: none"> • Deterioration in services to the public. • Increasing inefficiencies in service provision. • Weakening of Internal Control arrangements. • Increased pressure on other members of staff. | 4,4 | 16 | 3,4 | 12 | SAMT / Asst Director HR |

| | Risk | Consequences | Risk Score (Likelihood Impact) x | Risk Score (Likelihood Impact) x Taking into Account Current Controls | Risk Owner / Lead Officer |
|---|---|--|---|--|--|
| 4 | Delivery of the Council's Agenda is dependent upon effective delivery of both a number of major initiatives inc Regeneration Initiatives, HRA reform, Asset Management securing major financial savings and implementing a range of new government reforms whilst maintaining service quality, which may overstretch our reduced organisational capacity. | <ul style="list-style-type: none"> • New initiatives are not delivered in a cost-effective manner. • Failure to maintain / improve services in line with local aspirations. • Failure to generate the savings required to balance the budget. • Financial efficiencies weaken Governance / Internal Control arrangements. • Service deterioration / failure arising from capacity issues. | 4,4 16 | 3,4 12 | SAMT / Chief Executive |
| 5 | Emergency Planning and Business Continuity arrangements fail to meet required standards when tested by flu pandemic, natural | <ul style="list-style-type: none"> • Inability of Council to provide services as a consequence of a severe catastrophic external event (e.g. flooding, major terrorist incident, flu pandemic, fire). • Failure of IT infrastructure, leading to inability to effectively operate services and to safeguard income | 3,5 15 | 2,5 10 | SAMT / Director of Health and Well Being |

| | Risk | Consequences | Risk Score (Likelihood Impact) | x | Risk Score (Likelihood Impact)Taking into Account Current Controls | x | Risk Owner / Lead Officer |
|---|--|--|---|-----------|---|----------|--|
| | disaster (flood), etc. | streams. <ul style="list-style-type: none"> Business Continuity Plans prove ineffective in practice. | | | | | |
| 6 | Lack of strategic direction from Members / Corporate Management, external partners change Strategic direction. | <ul style="list-style-type: none"> Failure to deliver high quality services which address national and local priorities. Deterioration in Governance Arrangements. Refocus of current services necessary with associated disruption. | 3,4 | 12 | 3,3 | 9 | Chief Executive / Political Leadership Team |
| 7 | A major operational or failure of data protection risk materialises resulting in a significant impact upon the Council's ability to secure its corporate objectives. Given the efficiency measures that have been introduced to date this is considered to be an increasing issue for the Council. | <ul style="list-style-type: none"> Deterioration in services to the public, potentially a major initial impact upon a local resident or a group of local residents. Significant staff and financial resources required to resolve position, impacting on other services. A major service has its operating capacity significantly impact and is required to introduce major reform in its approach to service delivery. | 3,4 | 12 | 2,4 | 8 | SAMT / Assistant Directors |
| 8 | Governance Arrangements including | <ul style="list-style-type: none"> Adverse Impact upon Service Quality. Failure to deliver high quality | 3,4 | 12 | 2,4 | 8 | Chief Financial Officer / Monitoring Officer |

| | Risk | Consequences | Risk Score (Likelihood Impact) | Risk Score (Likelihood Impact) Taking into Account Current Controls | Risk Owner / Lead Officer |
|--|---|---|---|--|--------------------------------------|
| | Performance, Finance and Risk Management need to be maintained in order to continue to operate effectively in a rapidly changing environment. | <p>services which address national and local priorities.</p> <ul style="list-style-type: none"> • Significant adverse reputational impact. | | | |

Bolsover District Council

Audit Committee

15th December 2014

Budget Monitoring Report, Half Year - April 2014 to September 2014.

Report of the Director of Operations

This report is public

Purpose of the Report

- For the Audit Committee to consider the above report which was considered at the meeting of Executive on the 1st December 2014.

1 Report Details

- 1.1 That the Audit Committee consider the attached report .

2 Conclusions and Reasons for Recommendation

- 2.1 To ensure that the Audit Committee is able to kept informed concerning the Council's financial position.

3 Consultation and Equality Impact

- 3.1 None arising directly from the report.

4 Alternative Options and Reasons for Rejection

- 4.1 Given that the Audit Committee is responsible for the sound financial governance of the Council it is necessary that they are kept fully informed of the Council's budgetary position.

5 Implications

5.1 Finance and Risk Implications

There are no additional financial implications arising out of this report.

5.2 Legal Implications including Data Protection

None arising directly from this report.

5.3 **Human Resources Implications**

None arising directly from this report.

6 **Recommendations**

- 6.1 That the Audit Committee considers the attached report and makes any comments which it considers to be appropriate.

7 **Decision Information**

| | |
|--|-----|
| Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards) | No |
| District Wards Affected | N/A |
| Links to Corporate Plan priorities or Policy Framework | N/a |

8 **Document Information**

| Appendix No | Title |
|--|-----------------------|
| | |
| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) | |
| | |
| Report Author | Contact Number |
| Executive Director Operations | 01246 242431 |

Bolsover District Council

Executive Committee

1st December 2014

Budget Monitoring Report, Half Year – April to September 2014

Report of the Executive Director of Operations

This report is public

Purpose of the Report

- To update the Executive Committee concerning the financial position of the Council following the second quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account (HRA), Capital Programme and Treasury Management activity.
- To approve the Revised Budgets in respect of 2014/15 to enable officers to secure projected savings in order to help ensure that agreed savings targets within the current MTFP are secured.

1 Report Details

Background information

- 1.1 The Council has an integrated approach to budget monitoring with Performance, Risk and Finance being considered together at Directorate meetings held during October 2014. The scope of this report is therefore to summarise the current financial position following the 2014/15 quarter two monitoring exercise. In addition a separate process has developed Revised Budgets for 2014/15 which are intended to ensure that identified savings are incorporated within operational budgets at the earliest opportunity in order to optimise the level of financial savings that can be secured.

General Fund Revenue Account – Budget Monitoring

- 1.2 The General Fund Revenue Account summary is shown as **Appendix 1**. The original budget for 2014/15 identified a savings target of £0.447m. The current budget now shows that this target is reduced to £0.091m which means that the Council has secured budget savings of £0.356m in the first six months of the year. As the savings have been identified and secured they are moved into the relevant cost centres within the main General Fund Directorates. Work undertaken on the financial outturn review of 2013/14 identified savings which have now been removed from budgets. These amounts were £0.045m from 14/15, £0.036m from 15/16 and £0.031m from 16/17.
- 1.3 Within the Directorates the budget monitoring exercise identified the following issues to report:

- The Growth Directorate shows a favourable variance of £0.086m. This relates mainly to:
 1. Income received in advance of any expenditure (£0.151m) – favourable.
 2. Annual invoices were paid in quarter 1 and 2 which makes the profiled budget look overspent (£0.031m) – adverse.
 3. Expenditure was spent but the grant hadn't been received as it is claimed in arrears (£0.152m) – adverse.
 4. Under spends due to invoices not yet being due or postings not actioned until year end (£0.119m) – favourable.

- The Operations Directorate shows a favourable variance of £0.111m. This relates mainly to:
 1. Income received in advance of any expenditure (£0.101m) – favourable.
 2. Annual invoices were paid in quarter 1 and 2 which makes the profiled budget look overspent (£0.040m) – adverse.
 3. Expenditure was spent but the grant hadn't been received as it is claimed in arrears (£0.106m) – adverse.
 4. Under spends due to invoices not yet being due or postings not actioned until year end (£0.285m) – favourable.
 5. Over spends against half year's budget due to new pressures, reduction in income for half year or where expenditure is seasonal and not profiled over four quarters (£0.129m) – adverse.

- The Transformation Directorate has an adverse variance of £0.066m. Again, this relates mainly to:
 1. Income received in advance of any expenditure (£0.039m) – favourable.
 2. Expenditure was spent but the grant hadn't been received as it is claimed in arrears (£0.094m) – adverse.
 3. Under spends due to invoices not yet being due or postings not actioned until year end (£0.072m) – favourable.
 4. Over spends against half year's budget due to new pressures, reduction in income for half year or where expenditure is seasonal and not profiled over 4 quarters (£0.083m) – adverse.

1.4 In addition to undertaking the budget monitoring exercise the finance team has been working with Budget Managers to compile a Revised Budget for 2014/15. This will be used to amend the current budgets to capture the budget savings and reduced spending where it is anticipated that there will be a minimal impact upon services. The outcome of this work is shown as the Revised Budget 2014/15 which constitutes the final column on Appendix 1. On the basis of the figures that have been incorporated into the Revised Budget the Council is in a position to cover the full savings target and to generate further savings surplus of some £886k. The main factors underlying this projected improved position in respect of 2014/15 are as follows:

Summary of Identified Savings :

| Saving | £000's |
|--|--------------|
| Improvement in Non Domestic Rates Income | 378 |
| Reduction in Non Employee Costs | 281 |
| Reduction in Debt Charges | 151 |
| Reduction in Salary Costs | 116 |
| Vacancy Management | 64 |
| Joint Working / Shared Services | 77 |
| 13/14 Outturn Review | 45 |
| Property Rationalisation | 22 |
| Miscellaneous Savings | 200 |
| TOTAL SAVINGS | 1,334 |

While Officers are of the view that the proposed Revised Budget as set out within this report is achievable it does need to be recognised that all costs have been minimised in order to secure the maximum level of savings. It needs, however, to be recognised that should an unexpected budget issue arise then it would be difficult to accommodate significant cost increases within the current budget framework. By reducing budgets at this stage we do, however, minimise the risk that spare resources will be used by budget managers to fund activity that is not essential to the delivery of agreed service plans. Officers will continue to monitor the position and the allocation of the savings secured will be considered as part of the Council's Medium Term Financial Plan covering the years 2015/16 and beyond. Full details of the proposed Revised Budgets are set out in Appendix 2 to this report.

- 1.5. Where possible the budget in future years will be amended to reflect these savings thus serving to reduce the projected budget gap faced by the Council. This work will be incorporated into the financial projections included within the MTFP as part of next years budget process which will be reported to Members for approval in the February of 2015.
- 1.6 Section 106 – In order to improve the monitoring and control of Section 106 monies received by the Council, the sums due to be utilised in a financial year are now recorded within the General Fund directorate budgets with expenditure recorded against these sums. The net amount budgeted to be spent in 2014/15 is £0.449m. Of this £0.065m must be spent by certain dates before 31st January or the funding may be lost. At the most recent S106 meeting on 17th October it was reported £0.047m of this 'at risk' amount had been spent in quarters 1 and 2 and that only £0.018m remains to be spent by 31st January. Officers are working to ensure that this spending is undertaken in line with the S106 legal requirements.

Housing Revenue Account (HRA)

- 1.7 The Housing Revenue Account summary for the first half year of 2014/15 is set out in **Appendix 3** to this report. At the end of quarter 2 the HRA is showing a small net surplus of £0.077m.

Income

- 1.8 The quarter 2 income figures show an adverse variance of £0.095m. Given that this amounts to a variance of less than 1% of the profiled income budget it is not

considered to be a significant variance, although officers will continue to monitor the position.

Expenditure

- 1.9 Expenditure within all but one of the operating areas of the HRA shows under spends in the second quarter. This supports the view that there are no budget pressures to report at this stage of the year. It is currently anticipated that expenditure will be in line with approved budgets at the year end.

HRA – Overall Summary

- 1.10 In light of the income and expenditure patterns to date – as detailed in Appendix 3 – there are no significant issues to report regarding the overall position for the HRA at the end of the second quarter. It is currently anticipated that the outturn position will be in line with the Approved Budget at the year end.
- 1.11 In parallel with the work that has been undertaken in respect of the General Fund Officers have developed a Revised Budget in respect of the HRA which is shown in the final column of Appendix 3. This shows a net operating surplus which is in line with that approved in the Original Budget for 2014/15.

Capital Investment Programme

Capital Expenditure

- 1.11 The capital programme summary for the first half year of 2014/15 is provided in **Appendix 4** to this report. The programme has been updated with the capital budgets – previously approved by Executive - carried forward from 2013/14.
- 1.12 In headline terms the capital programme profiled budget for quarter 2 is £5.666m and the actual spend and known commitments total £3.322m, which is £2.344m behind the planned spend position. The main areas to highlight are listed below:
1. AMP – An amount of £481,765 has been approved subject to Executive approving the detailed plans arising from the General Fund Stock Condition survey. Officers are in the process of undertaking the work necessary to develop a detailed programme for consideration by Executive. In the meantime it should, however, be noted that it may be necessary to undertake some smaller projects for Health and Safety purposes or to protect service delivery. The cost of such smaller projects will not exceed £50,000 and any expenditure undertaken will be reported back to Executive as appropriate.
 2. Bolsover Mini Hub – it is anticipated that this will commence during the latter part of the year.
 3. Vehicles and Plant – a number of the replacement vehicles are on order with budgeted expenditure anticipated to take place during the third and fourth quarter of the financial year.
 4. HRA Re Roofing – Officers are in the process of completing a detailed delivery programme for this element of work.
- 1.13 Whilst there are no significant financial issues to report regarding capital expenditure at the end of the first half year it must be noted that the delivery of the approved capital programme is behind the profiled position as at quarter 2. Officers will continue to closely monitor the delivery of the Programme.

Capital Resources

- 1.14 HRA – The Council has sufficient capital resources in place to finance the HRA actual expenditure and commitments at the end of the second quarter.
General Fund – The financing of the General Fund part of the capital programme is in line with the approved financing arrangements.

Reprofiling of Capital Programme

- 1.15 Officers have also given consideration to the anticipated outturn position in respect of the Capital Programme. The proposed Revised Programme is set out in the final column of Appendix 4. While there are some significant variations in respect of individual schemes it should be noted that in overall terms where schemes are increased or reduced in respect of 2014/15 that a corresponding adjustment will be made in respect of the future years of the Approved Capital Programme.

Treasury Management

- 1.15 The treasury management function covers the borrowing and investment of Council money. This includes both the management of the Council's day to day cash balances and the management of its long term debt. All transactions are conducted in accordance with the Council's approved Treasury Management Strategy and the CIPFA Code of Practice. Good treasury management is a key element in the sound financial management of the Council's resources.
- 1.16 The Council approved the 2014/15 Treasury Management Strategy at its meeting in March 2014. **Appendix 5** identifies the Treasury Management activity undertaken during the first half year of 2014/15.
- 1.17 Executive will be aware that it made a decision at the October meeting of this Committee accepted a tender from Lloyds Bank to provide banking services to the Council. Work is currently progressing to ensure an effective transition from our current provider the Co-op Bank to Lloyds. All parties are currently working towards a transfer date around the end of the current calendar year.

2 Conclusions and Reasons for Recommendation

- 2.1 The report summarises the financial position of the Council following the second quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury management activity. While a range of minor variations have been identified these are not considered to be significant and on the basis of the information currently available will be managed as part of the revised budget and year end close down process. While the Council continues to face some challenging savings targets on the basis of the information available from the financial ledger and discussions with service managers officers do not anticipate any major budgetary issues arising in the current financial year.

3 Consultation and Equality Impact

- 3.1 There are no equalities issues arising directly out of this report.

4 Alternative Options and Reasons for Rejection

- 4.1 The Budget Monitoring report for 2014/15 is primarily a factual report which details progress against previously approved budgets. Accordingly there are no alternative options to consider.

5 Implications

5.1 Finance and Risk Implications

Financial issues and implications are covered in the relevant sections throughout this report.

The issue of Financial Risks is covered throughout the report. In addition, however, it should be noted that the risk of not achieving a balanced budget is outlined as a key risk within the Council's Strategic Risk Register. While officers are of the view that these risks are being appropriately managed it needs to be recognised that there may be pressures on all of the Council's main budgets as these have been or are being reduced to minimum levels. These will need to be managed carefully during the course of this financial year if we are to protect the existing levels of financial balances.

5.2 Legal Implications including Data Protection

There are no legal issues arising directly from this report.

5.3 Human Resources Implications

There are no human resource issues arising directly out of this report

6 Recommendations

- 6.1 That Executive notes the monitoring position of the General Fund at the end of the second quarter as detailed on Appendix 1 and requests Officers to continue with work designed to deliver the targeted level of savings in respect of 2014/15 and future financial years.
- 6.2 That Executive notes the position on the Housing Revenue Account (HRA), the Capital Programme and Treasury Management at the end of the second quarter (Appendices 2, 3 and 4).
- 6.3 That Executive approves the Revised Budgets in respect of the General Fund, the HRA and the Capital Programme which will be used to manage budgets and secure agreed savings in the current financial year prior to consideration of the Medium Term Financial Plan by Members in the February of 2015.

7 Decision Information

| | |
|--|-----|
| Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards) | No |
| District Wards Affected | N/A |
| Links to Corporate Plan priorities or Policy Framework | All |

8 Document Information

| Appendix No | Title |
|--|---|
| Appendix 1 | General Fund Summary as at 30 th September 2014. |
| Appendix 2 | General Fund Detailed Budgets |
| Appendix 3 | Housing Revenue Account as at 30 th September 2014. |
| Appendix 4 | Capital Programme as at 30 th September 2014. |
| Appendix 5 | Treasury Management Update as at 30 th September 2014. |
| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) | |
| Attached as appendices 1- 5 | |
| Report Author | Contact Number |
| Chief Accountant | 2458 |
| Executive Director – Operations | 2431 |

GENERAL FUND

APPENDIX 1

| Description | Per Exec 3/2/14 Movement | | Per FMS | | | | Revised Budget |
|--|--------------------------|-----------------------|-------------------|------------------|------------------|------------------|-------------------|
| | Original Budget | Since Original Budget | Current Budget | 6 months | | Variance | |
| | 2014/15 | Budget | 2014/15 | 2014/15 | Actual 6 months | 6 months | |
| | £ | £ | £ | £ | £ | £ | |
| Growth Directorate | 2,752,182 | 552,160 | 3,304,342 | 1,652,171 | 1,566,184 | (85,987) | 3,196,157 |
| Operations Directorate | 6,815,649 | (82,463) | 6,733,186 | 3,340,267 | 3,229,575 | (110,692) | 6,421,029 |
| Transformation Directorate | 2,791,307 | 948 | 2,792,255 | 1,396,128 | 1,462,331 | 66,204 | 2,977,590 |
| Support Recharges to HRA and Capital | (3,475,950) | | (3,475,950) | (1,737,975) | (1,737,975) | 0 | (3,475,950) |
| Provision for Pay Award | 80,675 | | 80,675 | 40,338 | | (40,338) | 72,758 |
| <u>S106 Expenditure due in year</u> | | | | | | | |
| Growth | 0 | 80,383 | 80,383 | 40,192 | (81,708) | (121,900) | 80,383 |
| Transformation | 255,238 | 113,333 | 368,571 | 184,286 | (161,328) | (345,614) | 368,571 |
| <i>Savings Target</i> | <i>(447,198)</i> | <i>355,712</i> | <i>(91,486)</i> | <i>(19,417)</i> | <i>(43,750)</i> | <i>(24,333)</i> | <i>886,447</i> |
| Total Net Expenditure | 8,771,903 | 1,020,073 | 9,791,976 | 4,895,988 | 4,233,329 | (662,659) | 10,526,985 |
| Interest Paid including Minimum Revenue Provision | 781,459 | | 781,459 | 195,365 | 0 | 0 | 635,534 |
| Investment Interest | (82,643) | | (82,643) | (41,322) | 0 | 41,322 | (87,579) |
| | 9,470,719 | 1,020,073 | 10,490,792 | 5,050,031 | 4,233,329 | (621,338) | 11,074,940 |
| Contributions to Reserves | 217,850 | | 217,850 | 108,925 | 108,925 | 0 | 217,850 |
| Contribution from Earmarked Reserves | (155,919) | (645,901) | (801,820) | (400,910) | (400,910) | 0 | (939,308) |
| Contribution (from)/to Unapplied Grants/Holding Accounts | 64,841 | (149,909) | (85,068) | (42,534) | (42,534) | 0 | (153,716) |
| Contribution from S106 Holding Accounts | (255,238) | (193,716) | (448,954) | (224,477) | (224,477) | 0 | (448,954) |
| | 9,342,253 | 30,547 | 9,372,800 | 4,491,035 | 3,674,333 | (621,338) | 9,750,812 |
| Parish Precepts | 2,144,612 | 82,469 | 2,227,081 | 1,113,541 | 1,113,541 | 0 | 2,227,081 |
| Council Tax Support Grant - Parish | 381,139 | | 381,139 | 190,570 | 190,570 | 0 | 381,139 |
| TOTAL NET EXPENDITURE | 11,868,004 | 113,016 | 11,981,020 | 5,795,145 | 4,978,444 | (621,338) | 12,359,032 |
| Revenue Support Grant from SFA | (2,905,097) | | (2,905,097) | (1,452,549) | (1,452,549) | 0 | (2,905,097) |
| Council Tax Grant (13/14) | (36,052) | | (36,052) | (18,026) | (18,026) | 0 | (36,052) |
| Council Tax Grant (14/15) | (31,391) | (5,393) | (36,784) | | | | (36,784) |
| Business Rates Retention from SFA | (2,606,266) | | (2,606,266) | (1,303,133) | (1,303,133) | 0 | (2,606,266) |
| NNDR Growth 13/14 | (155,079) | | (155,079) | (77,540) | (77,540) | 0 | (155,079) |
| NNDR Growth 14/15 | 0 | | 0 | | | | (378,012) |
| New Homes Bonus Grant 11/12 | (117,312) | | (117,312) | (58,656) | (58,656) | 0 | (117,312) |

GENERAL FUND

APPENDIX 1

| Description | Per Exec 3/2/14 Movement | | Per FMS | | | | Revised Budget 2014/15 £ |
|---|---------------------------------|-------------------------------|--------------------------------|--------------------|--------------------|---------------------------|--------------------------------|
| | Original Budget 2014/15 £ | Since Original Budget £ | Current Budget 2014/15 £ | 6 months | | Variance 6 months £ | |
| | | | | Budget | Actual | | |
| | | | | 2014/15 | 6 months | | |
| New Homes Bonus Grant 12/13 | (193,346) | | (193,346) | (96,673) | (96,673) | 0 | (193,346) |
| New Homes Bonus Grant 13/14 | (169,639) | (8,752) | (178,391) | (89,196) | (89,196) | 0 | (178,391) |
| New Homes Bonus Grant 14/15 | (292,058) | | (292,058) | (146,029) | (146,029) | 0 | (292,058) |
| COUNCIL TAX - BDC precept | (3,139,072) | | (3,139,072) | (1,569,536) | (1,569,536) | 0 | (3,139,072) |
| Council tax - Parish element from above | (2,144,612) | (82,469) | (2,227,081) | (1,113,541) | (1,113,541) | 0 | (2,227,081) |
| Council Tax - New Burdens Grant | (78,080) | | (78,080) | (39,040) | (39,040) | 0 | (78,080) |
| General Government Grants - miscellaneous | 0 | (16,402) | (16,402) | (8,201) | (8,201) | 0 | (16,402) |
| TOTAL FUNDING | (11,868,004) | (113,016) | (11,981,020) | (5,972,118) | (5,972,120) | 0 | (12,359,032) |

GENERAL FUND DETAIL - 2014/15

APPENDIX 2

| | | Original Budget £ | Current Budget £ | Revised Budget £ |
|--------|--|-------------------------|------------------------|------------------------|
| APP | G909 Cont. to/from Revenue Reserves (G909) | (128,466) | (1,117,992) | (1,324,134) |
| APP | G911 Provision for Repayment of External Loan (G911) | 445,936 | 445,936 | 384,241 |
| APP | G913 Precept Demand from Collection Fund (G913) | (5,315,075) | (5,366,153) | (5,366,153) |
| APP | G914 General Government Grants (G914) | (6,552,929) | (6,614,867) | (6,992,879) |
| APP | G916 Interest Received (G916) | (82,643) | (82,643) | (111,720) |
| APP | G919 Interest Paid - PWLB (G919) | 324,003 | 324,003 | 248,714 |
| APP | G920 Interest Paid - Parish (G920) | 1,155 | 1,155 | 1,782 |
| APP | G925 Internal Interest Received (G925) | 583 | 583 | 796 |
| APP | G927 Interest Received (G927) | 9,782 | 9,782 | 24,142 |
| APP | G928 Local Precepts (G928) | 2,525,751 | 2,608,220 | 2,608,220 |
| APP | G930 T/f of General Fund Balance (G930) | (447,198) | (91,486) | 886,453 |
| APP | Total for: Appropriations | (9,219,101) | (9,883,462) | (9,640,538) |
| GROWTH | G005 Joint Chief Executive Officer (G005) | 80,904 | 80,904 | 81,557 |
| GROWTH | G006 CEPT (G006) | 245,975 | 336,586 | 337,432 |
| GROWTH | G010 Neighbourhood Management (G010) | 89,144 | 89,144 | 85,143 |
| GROWTH | G017 Private Sector Housing Renewal (G017) | 126,862 | 43,670 | 132,981 |
| GROWTH | G020 Public Health (G020) | (14,000) | (14,000) | (14,000) |
| GROWTH | G021 Pollution Reduction (G021) | 65,639 | 148,831 | 74,224 |
| GROWTH | G023 Pest Control (G023) | 45,680 | 45,680 | 47,144 |
| GROWTH | G025 Food Safety (G025) | 138,081 | 138,081 | 135,525 |
| GROWTH | G026 Animal Welfare (G026) | 90,025 | 90,025 | 84,949 |
| GROWTH | G036 Environmental Health Mgmt & Admin (G036) | 199,094 | 166,338 | 171,092 |
| GROWTH | G053 Licensing (G053) | (43,115) | (43,115) | (37,382) |
| GROWTH | G054 Electoral Registration (G054) | 69,160 | 69,160 | 58,787 |
| GROWTH | G055 Democratic Representation & Management (G055) | 537,689 | 535,689 | 537,042 |
| GROWTH | G056 Land Charges (G056) | 5,288 | 5,199 | 6,032 |
| GROWTH | G057 District Council Elections (G057) | 7,000 | 7,000 | 7,000 |
| GROWTH | G058 Democratic Services (G058) | 227,779 | 224,264 | 215,623 |
| GROWTH | G060 Legal Services (G060) | 182,049 | 159,785 | 139,545 |
| GROWTH | G073 Planning Policy (G073) | 242,692 | 247,322 | 273,992 |
| GROWTH | G074 Planning Development Control (G074) | (3,366) | 106,705 | 113,572 |
| GROWTH | G076 Planning Enforcement (G076) | 75,864 | 71,849 | 68,832 |
| GROWTH | G079 Planning Services Mgmt & Admin (G079) | 59,310 | 19,582 | 19,860 |
| GROWTH | G085 Economic Development (G085) | 29,750 | 52,550 | 52,550 |
| GROWTH | G086 Alliance (G086) | 9,250 | 9,250 | 9,250 |
| GROWTH | G088 Derbyshire Economic Partnership (G088) | 15,000 | 15,000 | 15,000 |
| GROWTH | G132 Planning Conservation (G132) | 66,895 | 66,995 | 39,858 |
| GROWTH | G143 Housing Strategy (G143) | 32,611 | 31,816 | 32,054 |
| GROWTH | G144 Enabling (Housing) (G144) | 19,574 | 19,574 | 19,729 |

| | | Original Budget £ | Current Budget £ | Revised Budget £ |
|---------------|--|----------------------------------|---------------------------------|---------------------------------|
| GROWTH | G145 Handy Van Service (G145) | 11,798 | 11,798 | (6,184) |
| GROWTH | G154 ERDF - Work for Yourself (G154) | 0 | 26,099 | 26,099 |
| GROWTH | G171 S106 Education (G171) | 0 | (54,633) | (54,633) |
| GROWTH | G172 S106 Affordable Housing (G172) | 60,116 | 135,016 | 135,016 |
| GROWTH | G176 Affordable Warmth (G176) | 27,953 | 27,953 | (4,425) |
| GROWTH | G191 Public Health (G191) | 0 | 12,000 | 0 |
| GROWTH | G192 Scrutiny (G192) | 0 | 18,787 | 20,092 |
| GROWTH | G193 Economic Development Management + Admin (G1 | 18,140 | 125,025 | 100,573 |
| GROWTH | G194 Assist Dir - Economic Growth (G194) | 0 | 33,726 | 33,872 |
| GROWTH | G195 Assist Dir - Governance + Monitoring (G195) | 33,341 | 33,331 | 33,529 |
| GROWTH | G196 Assist Dir - Planning + Env Health (G196) | 0 | 31,678 | 32,045 |
| GROWTH | G198 CEPT Commissioning (G198) | 0 | 7,800 | 7,800 |
| GROWTH | G209 Conservation - Carr Vale HLF Scheme | 0 | 0 | (6,896) |
| GROWTH | G211 Help to Work (G211) | 0 | 20,680 | 20,680 |
| GROWTH | G212 Budget Buddies (G212) | 0 | 12,000 | 12,000 |
| GROWTH | G213 Volunteering (G213) | 0 | 7,975 | 7,975 |
| GROWTH | G214 Healthy Weight (G214) | 0 | 29,055 | 29,055 |
| GROWTH | G215 Community Health Checks (G215) | 0 | 14,310 | 14,310 |
| GROWTH | G217 Residual WNF Schemes (G217) | 0 | 168,241 | 168,241 |
| GROWTH | Total for: Growth Directorate | 2,752,182 | 3,384,725 | 3,276,540 |
| OPERA | G001 Audit Services (G001) | 123,510 | 123,510 | 123,450 |
| OPERA | G007 Community Safety - Crime Reduction (G007) | 52,271 | 51,073 | 45,737 |
| OPERA | G013 Community Action Network (G013) | 228,171 | 226,867 | 225,093 |
| OPERA | G018 Public Conveniences (G018) | 21,948 | 21,910 | 21,910 |
| OPERA | G024 Street Cleansing (G024) | 347,130 | 349,630 | 345,778 |
| OPERA | G028 Waste Collection (G028) | 1,010,415 | 1,024,345 | 978,500 |
| OPERA | G032 Grounds Maintenance (G032) | 524,143 | 528,743 | 545,699 |
| OPERA | G033 Vehicle Fleet (G033) | 722,185 | 706,776 | 698,831 |
| OPERA | G038 Concessionary Fares & TV Licenses (G038) | (7,000) | (7,600) | (8,707) |
| OPERA | G040 Corporate Management (G040) | 157,967 | 243,920 | 183,258 |
| OPERA | G041 Non Distributed Costs (G041) | 1,202,462 | 1,133,227 | 1,081,000 |
| OPERA | G044 Financial Services (G044) | 325,889 | 305,765 | 298,688 |
| OPERA | G046 Homelessness (G046) | 137,634 | 137,634 | 145,352 |
| OPERA | G048 Town Centre Housing (G048) | (23,000) | (25,000) | (25,000) |
| OPERA | G050 Joint Director of Development | 1,165 | 0 | 0 |
| OPERA | G080 Engineering Services (ESRM) (G080) | 66,743 | 66,743 | 73,548 |
| OPERA | G081 Drainage Services (G081) | 3,300 | 3,300 | 3,300 |
| OPERA | G083 Building Control Consortium (G083) | 120,700 | 120,700 | 96,550 |
| OPERA | G089 Premises Development (G089) | (62,343) | (65,809) | (64,904) |
| OPERA | G090 Pleasley Vale Mills (G090) | (123,055) | (81,023) | (96,331) |
| OPERA | G092 Pleasley Vale Electricity Trading (G092) | (39,440) | (39,440) | (39,440) |

| | | Original Budget £ | Current Budget £ | Revised Budget £ | |
|-------|------|--|---------------------------------|---------------------------------|------------------|
| OPERA | G093 | Sherwood Lodge (G093) | 9,786 | 8,950 | 44,855 |
| OPERA | G094 | Joint Director of Neighbourhoods (G094) | 995 | 0 | 0 |
| OPERA | G095 | Estates + Property (G095) | 564,903 | 418,641 | 490,329 |
| OPERA | G096 | Building Cleaning (General) (G096) | 71,778 | 71,778 | 72,136 |
| OPERA | G097 | Groundwork & Drainage Operations (G097) | 45,585 | 45,585 | 46,675 |
| OPERA | G099 | Catering (G099) | 6,000 | 6,000 | 6,000 |
| OPERA | G100 | Benefits (G100) | 293,352 | 281,592 | 289,153 |
| OPERA | G103 | Council Tax / NNDR (G103) | 262,432 | 263,027 | 218,186 |
| OPERA | G104 | Sundry Debtors (G104) | 81,008 | 81,008 | 81,488 |
| OPERA | G106 | Housing Anti Social Behaviour (G106) | 65,487 | 65,487 | 55,541 |
| OPERA | G111 | Shared Procurement Unit (G111) | 36,000 | 36,000 | 36,000 |
| OPERA | G113 | Parenting Practitioner (G113) | 40,084 | 38,084 | 39,509 |
| OPERA | G123 | Riverside Depot (G123) | 170,464 | 161,580 | 165,670 |
| OPERA | G124 | Street Servs Mgmt & Admin (G124) | 54,874 | 65,576 | 63,202 |
| OPERA | G127 | Planning + Estates Admin (G127) | 48,579 | 47,185 | 47,219 |
| OPERA | G128 | Neighbourhoods Management + Admin (G128) | 95,423 | 0 | 0 |
| OPERA | G133 | The Tangent Business Hub (G133) | 52,695 | 52,695 | 47,017 |
| OPERA | G135 | Domestic Violence Worker (G135) | 33,548 | 35,548 | 37,370 |
| OPERA | G138 | Sherwood Lodge Development (G138) | 0 | 500 | 500 |
| OPERA | G142 | Community Safety - CCTV (G142) | 33,370 | 93,390 | 93,390 |
| OPERA | G148 | Trade Waste (G148) | (65,186) | (65,186) | (63,596) |
| OPERA | G149 | Recycling (G149) | (16,737) | (16,737) | (25,870) |
| OPERA | G150 | Waste Minimisation (G150) | 500 | 0 | 0 |
| OPERA | G151 | Street Lighting (G151) | 3,000 | 3,000 | 3,000 |
| OPERA | G153 | Housing Advice (G153) | 8,202 | 8,202 | 9,553 |
| OPERA | G156 | The Arc (G156) | 329,211 | 306,821 | 173,777 |
| OPERA | G159 | Council Tax Benefit Reform (G159) | 0 | 0 | (3,648) |
| OPERA | G161 | Rent Rebates (G161) | (58,834) | (58,834) | (65,277) |
| OPERA | G162 | Rent Allowances (G162) | (138,704) | (138,704) | (150,694) |
| OPERA | G164 | Support Recharges (G164) | (3,475,950) | (3,475,950) | (3,475,950) |
| OPERA | G167 | Facilities Management (G167) | 20,500 | 17,370 | 18,410 |
| OPERA | G169 | Closed Churchyards (G169) | 10,000 | 10,000 | 10,000 |
| OPERA | G188 | Bolsover Mini Hub (G188) | (1,606) | 0 | 0 |
| OPERA | G190 | Executive Director - Operations (G190) | 48,820 | 48,820 | 49,951 |
| OPERA | G197 | Assist Dir - Finance, Revenues + Benefits (G197) | 0 | 31,900 | 31,340 |
| OPERA | G199 | Assist Dir - Street Scene (G199) | 0 | 30,235 | 29,776 |
| OPERA | G208 | Assist Dir - Estates and Property (G208) | 0 | 39,077 | 10,513 |
| OPERA | | Total for Operations Directorate | 3,420,374 | 3,337,911 | 3,017,837 |
| TRANS | G002 | I.C.T. (G002) | 679,245 | 646,845 | 648,587 |
| TRANS | G003 | Reprographics (printing) (G003) | 42,303 | 42,303 | 42,312 |
| TRANS | G014 | Customer Contact Service (G014) | 713,144 | 712,045 | 764,599 |

| | | Original Budget | Current Budget | Revised Budget |
|-------|---|----------------------------|---------------------------|---------------------------|
| | | £ | £ | £ |
| TRANS | G015 Strategy & Performance (G015) | 227,540 | 178,159 | 182,861 |
| TRANS | G027 Emergency Planning (G027) | 15,200 | 15,200 | 15,200 |
| TRANS | G052 Human Resources & Payroll (G052) | 342,708 | 308,958 | 305,027 |
| TRANS | G061 Bolsover Wellness Programme (G061) | (47,074) | (47,074) | (8,934) |
| TRANS | G062 Extreme Wheels (G062) | (13,897) | (10,449) | (10,198) |
| TRANS | G063 Go Football (G063) | 10,178 | 10,178 | 10,394 |
| TRANS | G064 Bolsover Community Sports Coach Scheme (G064) | 83,439 | 119,240 | 96,481 |
| TRANS | G065 Parks, Playgrounds & Open Spaces (G065) | 55,813 | 49,397 | 49,385 |
| TRANS | G066 Sports Development (G066) | 86,939 | 0 | 0 |
| TRANS | G067 Culture & Heritage (G067) | 26,878 | 45,508 | 45,359 |
| TRANS | G069 Kissingate Leisure Centre (G069) | 50,000 | 50,000 | 50,000 |
| TRANS | G070 Outdoor Sports & Recreation Facilities (G070) | 28,955 | 28,419 | 30,827 |
| TRANS | G071 Creswell Leisure Centre (G071) | 156,582 | 127,826 | 134,702 |
| TRANS | G072 Leisure Services Mgmt & Admin (G072) | 184,838 | 152,995 | 171,250 |
| TRANS | G112 Frederick Gents School Community Use (G112) | 37,510 | 18,160 | 12,165 |
| TRANS | G125 S106 Percent for Art (G125) | 0 | 94,566 | 94,566 |
| TRANS | G126 S106 Formal and Informal Recreation (G126) | 187,655 | 58,933 | 58,933 |
| TRANS | G129 Bolsover Apprenticeship Programme (G129) | 0 | 39,292 | 36,810 |
| TRANS | G146 Pleasley Vale Outdoor Activity Centre (G146) | 10,337 | 25,456 | 29,879 |
| TRANS | G155 Customer Services (G155) | 59,696 | 73,120 | 73,330 |
| TRANS | G160 Clowne Leisure Centre (G160) | (6,470) | (5,470) | 84,425 |
| TRANS | G168 Multifunctional Printers (G168) | 58,519 | 59,119 | 59,119 |
| TRANS | G170 S106 Outdoor Sports (G170) | 7,467 | 215,072 | 215,072 |
| TRANS | G179 Streets Sports (G179) | 0 | (1,000) | |
| TRANS | G181 BLACA (G181) | 0 | 2,000 | 1,000 |
| TRANS | G182 Village Games (G182) | 0 | 8,585 | 8,585 |
| TRANS | G188 Bolsover Min Hub (G188) | 0 | (1,606) | 0 |
| TRANS | G189 Executive Director - Transformation (G189) | 49,040 | 49,040 | 49,291 |
| TRANS | G200 Assist Dir - Customer Services + Improvement (G2 | 0 | 31,266 | 31,614 |
| TRANS | G201 Assist Dir - HR + Payroll (G201) | 0 | 33,900 | 34,106 |
| TRANS | G202 Assist Dir - Leisure (G202) | 0 | 31,843 | 31,792 |
| TRANS | G203 Sportivate (G203) | 0 | (1,000) | |
| TRANS | G206 Street Games (G206) | 0 | 0 | (2,378) |
| TRANS | Total for Transformation Directorate | 3,046,545 | 3,160,826 | 3,346,161 |
| Total | Total for: General Fund | 0 | 0 | 0 |

APPENDIX 3

Housing Revenue Account

| Description | Full Years Budget £ | 6 months Budget £ | 6 months Actuals £ | 6 months Variance £ | Revised Outturn £ |
|--|---------------------------|-------------------------|--------------------------|---------------------------|-------------------------|
| Expenditure | | | | | |
| Repairs and Maintenance | 4,431,671 | 2,215,836 | 2,117,246 | (98,590) | 4,484,369 |
| Supervision and Management | 4,290,000 | 2,145,000 | 2,173,621 | 28,621 | 4,472,209 |
| Special Services | 733,591 | 366,796 | 293,348 | (73,448) | 625,477 |
| Supporting People | 776,455 | 388,228 | 365,920 | (22,308) | 806,529 |
| Tenants Participation | 88,807 | 44,404 | 38,240 | (6,164) | 77,765 |
| Provision for Doubtful Debts | 200,000 | 100,000 | 100,000 | 0 | 200,000 |
| Debt Management Expenses | 10,500 | 5,250 | 5,250 | 0 | 11,125 |
| Total Expenditure | 10,531,024 | 5,265,512 | 5,093,625 | (171,887) | 10,677,474 |
| Income | | | | | |
| Rents | (20,666,580) | (9,472,183) | (9,511,503) | (39,321) | (20,692,055) |
| Garage Rents | (330,000) | (165,000) | (52,909) | 112,091 | (115,438) |
| Garage Site Rents | (36,000) | (18,000) | (34,724) | (16,724) | (36,000) |
| Supporting People | (837,500) | (418,750) | (354,294) | 64,456 | (764,927) |
| Special Services | (264,000) | (132,000) | (164,809) | (32,809) | (384,855) |
| Leasehold Flats and Shops Income | (12,650) | (6,325) | (1,833) | 4,492 | (18,620) |
| Income - Repairs and Maintenance | (14,990) | (7,495) | (10,429) | (2,934) | (16,490) |
| Income - Supervision & Management/Rents/Rates/Taxes | (410) | (205) | (3,421) | (3,216) | (3,480) |
| Other Income | (17,400) | (8,700) | (215) | 8,485 | (40,524) |
| Total Income | (22,179,530) | (10,228,658) | (10,134,137) | 94,521 | (22,072,388) |
| Net Cost of Services | (11,648,506) | (4,963,146) | (5,040,512) | (77,367) | (11,394,914) |
| Appropriations | | | | | |
| Debt Repayment | 3,500,000 | 1,750,000 | 1,750,000 | 0 | 3,440,050 |
| Interest Costs | 3,368,222 | 1,684,111 | 1,684,111 | 0 | 3,500,000 |
| Depreciation | 2,127,647 | 1,063,824 | 1,063,824 | 0 | 2,210,234 |
| Transfer to Major Repairs Reserve | 1,202,356 | 601,178 | 601,178 | 0 | 1,119,769 |
| Contingency for Inflation | 56,278 | 28,139 | 28,139 | 0 | 31,026 |
| Contribution to/(from) HRA Reserves | 1,374,000 | 687,000 | 687,000 | 0 | 1,074,000 |
| Net Operating (Surplus) / Deficit | (20,003) | 851,106 | 773,740 | (77,367) | (19,835) |

CAPITAL PROGRAMME SUMMARY

APPENDIX 4

| Fund | Full Years Budget £ | 6 months Budget £ | 6 months Actuals £ | 6 months Variance £ | Revised Budget £ |
|--|---------------------------|-------------------------|--------------------------|---------------------------|------------------------|
| General Fund Assets | | | | | |
| ASS AMP - PV Lodges | 14,265 | 7,133 | 9,134 | 2,002 | 14,265 |
| ASS AMP - The Tangent | 3,970 | 1,985 | 3,970 | 1,985 | 4,000 |
| ASS AMP - Leisure Buildings | 0 | 0 | 0 | 0 | 3,750 |
| ASS AMP - PV Mills Creative Industries | 0 | 0 | 0 | 0 | 11,253 |
| ASS AMP - Subject to Executive Approval | 481,765 | 240,883 | 0 | (240,883) | 227,985 |
| ASS Bolsover Public Realm & Infrastructure | 423,820 | 211,910 | 306,648 | 94,738 | 423,820 |
| ASS Photovoltaic System | 90,000 | 45,000 | 77,525 | 32,525 | 90,000 |
| ASS Pleasley Vale Mills HLF | 45,960 | 22,980 | 43,386 | 20,406 | 45,960 |
| ASS CCTV - Various Schemes | 29,322 | 14,661 | 0 | (14,661) | 29,322 |
| | 1,089,102 | 544,551 | 440,663 | (103,888) | 850,355 |
| HOR Project Horizon | 2,979,906 | 1,489,953 | 81,480 | (1,408,473) | 1,597,654 |
| ICT Schemes | | | | | |
| ICT ICT infrastructure | 118,592 | 59,296 | 56,914 | (2,382) | 129,592 |
| ICT Idox Uniform Estates Management | 16,100 | 8,050 | 12,250 | 4,200 | 16,100 |
| ICT Fleet Management System | 11,002 | 5,501 | 10,114 | 4,613 | 11,002 |
| | 145,694 | 72,847 | 79,278 | 6,431 | 156,694 |
| Leisure Schemes | | | | | |
| LEI Clowne Leisure Centre Equipment | 31,000 | 15,500 | 31,000 | 15,500 | 31,000 |
| LEI Clune Street Recreation Ground | 6,944 | 3,472 | 693 | (2,779) | 6,944 |
| LEI P Vale Outdoor Education Centre Ph 2 | 47,134 | 23,567 | 0 | (23,567) | 47,134 |
| | 85,078 | 42,539 | 31,693 | (10,846) | 85,078 |
| Private Sector Schemes | | | | | |
| PS Disabled Facility Grants | 250,000 | 125,000 | 117,504 | (7,496) | 300,000 |
| PS Pte Sector Decent Homes | 18,611 | 9,306 | 0 | (9,306) | 18,611 |
| PS Group Repair (WT) | 0 | 0 | 0 | 0 | 5,372 |
| PS Carr Vale Group Repair | 0 | 0 | 0 | 0 | 1,270 |
| PS New Houghton Group Repair | 0 | 0 | 0 | 0 | 5,887 |
| PS Church Drive Energy Project | 0 | 0 | 0 | 0 | 9,579 |
| PS Station Road Shirebrook | 0 | 0 | 0 | 0 | 1,340 |
| PS Verney & Crompton Street | 154,954 | 77,477 | 650 | (76,827) | 157,391 |
| | 423,565 | 211,783 | 118,154 | (93,629) | 499,450 |
| Vehicles and Plant | | | | | |
| VEH Vehicles - General Fund | 899,980 | 449,990 | 401,582 | (48,408) | 972,500 |
| | 899,980 | 449,990 | 401,582 | (48,408) | 972,500 |
| Total General Fund | 5,623,325 | 2,811,663 | 1,152,850 | (1,658,813) | 4,161,731 |

CAPITAL PROGRAMME SUMMARY

APPENDIX 4

| Fund | Full Years Budget £ | 6 months Budget £ | 6 months Actuals £ | 6 months Variance £ | Revised Budget £ |
|--|---------------------------|-------------------------|--------------------------|---------------------------|------------------------|
| Housing Revenue Account | | | | | |
| HRA Group Dwellings Safety Work | 150,000 | 75,000 | 0 | (75,000) | 0 |
| HRA Window Replacement | 5,000 | 2,500 | 0 | (2,500) | 0 |
| HRA Electrical Rewiring Decent Homes | 150,000 | 75,000 | 39,521 | (35,479) | 150,000 |
| HRA External Wall Insulation | 0 | 0 | 0 | 0 | 191,634 |
| HRA Cavity Wall + Loft Insulation | 5,000 | 2,500 | 350 | (2,150) | 14,692 |
| HRA External Door Replacements | 500,000 | 250,000 | 231,702 | (18,298) | 632,976 |
| HRA Heating Upgrades | 400,000 | 200,000 | 139,337 | (60,663) | 470,673 |
| HRA Environmental Works | 50,000 | 25,000 | 0 | (25,000) | 50,000 |
| HRA Decent Homes - External | 500,000 | 250,000 | 230,888 | (19,112) | 265,711 |
| HRA Kitchen Replacements - Decent Homes | 400,000 | 200,000 | 50,088 | (149,912) | 493,970 |
| HRA Re Roofing | 750,000 | 375,000 | 0 | (375,000) | 128,000 |
| HRA Regeneration Mgmt & Admin | 69,320 | 34,660 | 34,660 | 0 | 69,320 |
| HRA HRA New Build - New Houghton | 2,025,185 | 1,012,593 | 1,355,789 | 343,197 | 2,025,185 |
| HRA Sprinkler Systems | 16,000 | 8,000 | 0 | (8,000) | 16,000 |
| HRA New Bolsover | 300,000 | 150,000 | 0 | (150,000) | 0 |
| HRA HRA New Build - New Houghton -Dist Payments | 50,000 | 25,000 | 45,191 | 20,191 | 59,000 |
| HRA GD Boiler Replacement | 150,000 | 75,000 | 0 | (75,000) | 150,000 |
| HRA Vehicles - HRA | 188,020 | 94,010 | 41,130 | (52,880) | 261,730 |
| Total HRA | 5,708,525 | 2,854,263 | 2,168,656 | (685,607) | 4,978,891 |
| TOTAL CAPITAL EXPENDITURE | 11,331,850 | 5,665,925 | 3,321,506 | (2,344,419) | 9,140,622 |
| Capital Financing | | | | | |
| General Fund | | | | | |
| Specified Capital Grant | (250,000) | (125,000) | (117,504) | 7,496 | (300,000) |
| Private Sector Contributions | (29,322) | (14,661) | 0 | 14,661 | (120,975) |
| Prudential Borrowing | (899,980) | (449,990) | (401,602) | 48,388 | (1,267,842) |
| Reserves | (278,312) | (181,281) | (178,245) | 3,036 | (375,312) |
| External Grant | (423,820) | (211,910) | (306,648) | (94,738) | (265,820) |
| Capital Receipts | (3,741,891) | (1,828,821) | (148,851) | 1,679,970 | (1,831,782) |
| | (5,623,325) | (2,811,663) | (1,152,850) | 1,658,813 | (4,161,731) |
| HRA | | | | | |
| Major Repairs Allowance | (3,487,320) | (1,743,660) | (763,737) | 979,923 | (2,683,976) |
| Direct Revenue Financing | (2,213,205) | (1,106,603) | (1,396,919) | (290,317) | (2,286,915) |
| External Grant | (8,000) | (4,000) | (8,000) | (4,000) | (8,000) |
| | (5,708,525) | (2,854,263) | (2,168,656) | 685,607 | (4,978,891) |
| TOTAL CAPITAL FINANCING | (11,331,850) | (5,665,925) | (3,321,506) | 2,344,419 | (9,140,622) |

Bolsover District Council

AUDIT COMMITTEE

15th December 2014

KEY ISSUES OF FINANCIAL GOVERNANCE

Report of the Executive Director – Operations

This report is public

Purpose of the Report

- The purpose of the Key Issues of Financial Governance report is to track progress concerning the implementation of previous recommendations from both External and Internal Audit and to inform the Audit Committee of progress in addressing those recommendations. It constitutes a standing item on all agendas of the Audit Committee.

1 Report Details

1.1 This report seeks to update Members of the Audit Committee concerning the main issues of financial governance where further progress or ongoing monitoring is required. In particular the report outlines issues raised by both External and Internal Audit in order to monitor progress in resolving these issues and to evaluate the overall progress of the Council's financial governance arrangements. The Key Issues of Financial Governance are set out in Appendix 1 which in the view of the Chief Financial Officer constitute the main Strategic Issues of Financial Governance currently facing the Council.

1.2 The Strategic Issues which are outlined below are consistent with the conclusions of the External Auditors (KPMG) report on the outcome of the 2013/14 Audit. The key messages from that report are as follows:

- While the auditors have identified some issues where they have made adverse comment these are relatively minor. In overall terms the Council has continued to make further progress in its accounting arrangements which consolidates and builds upon the improvements secured in the 2012/13 final accounts. The issues raised by External Audit in respect of the 2013/14 Accounts are being addressed to help ensure that further improvements are secured in respect of the 2014/15 reporting process.
- The Council needs to continue with its programme of work in respect of the management of contracts to ensure that all outstanding issues are satisfactorily resolved. The recent Internal Audit report in respect of Procurement evaluated the internal controls which were operating in this area as being marginal. Appendix 1 to this report outlines the steps that are

being taken by Management in response to the issues that have been identified.

- The Annual Governance Statement for 2013/14 outlined the progress that has been made in respect of improving the Council's internal Control arrangements as evidenced by the reduction in the number of critical Internal Audit reports from 13 in 2012/13 to a figure of 3 in 2013/14. The report to the September meeting of this Committee from the Head of the Internal Audit Consortium identified that in the current financial year one of six areas reviewed has fallen into the marginal category. It is a key priority of the Council that we consolidate and build upon the improvements that have been secured.
- Whilst the Council has maintained good progress in protecting its financial resilience it needs to move to address the identified financial shortfalls in respect of 2014/15 onwards. The External Auditors report concludes that:

"Against a background of reduced funding and continued demand pressures it will become increasingly difficult to deliver savings in a way that secures long term financial and operational sustainability."
- Officers are continuing to monitor the position in respect of the delivery of the agreed Audit Plan and to date of the 29 audits planned some 14 have been issued, two are effectively completed with a further two underway. This represents an improving position and officers are working to ensure the effective delivery of the agreed Plan.

The issues identified above are all incorporated within the Action Plan set out in Appendix 1.

- 1.3 With regard to the Strategic Issues that have been agreed these are summarised in the table below which provides an outline of the issues together with an update of the current position. Given that these are Strategic Issues the responsibility for addressing them rests with the Chief Financial Officer together with the wider management team. Resolution of the issues is also dependent upon the active support of Elected Members. The role adopted by the Audit Committee has been one of monitoring and evaluating progress and where appropriate requiring and supporting further action from officers.
- 1.4 While there remain significant issues to address there is a clear trend of improvement. It is, however, important that the Council continues with measures that consolidate this improvement, ensure it is sustainable and addresses any outstanding issues.
- 1.5. In the light of the outcome of the 2013/14 year end report provided by KPMG together with the Council's own improvement plans there are a range of measures in place which are designed to address the issues of financial governance faced by the Council. These may be summarised as follows:
 - A training programme has been provided to all cost centre managers which covers a range of core competencies such as financial management, risk,

performance, procurement, etc. In addition, the quarterly performance and finance meetings are now well established and provide an important opportunity to ensure that best practice is in operation across the full range of Council activities.

- Our procurement arrangements have been revised and we have secured appropriately qualified and experienced support from Chesterfield Royal Hospital Trust. Officers are now looking at utilising the contract information provided to meet the requirements of the Transparency Agenda as the basis for securing improvements in our contractual arrangements.
- The capacity and resilience of the Accountancy team is being enhanced by ensuring appropriate training arrangements are in place.
- The Accountancy team will continue to work with cost centre managers in order to secure further improvements in accounting / financial management arrangements. The Chief Financial Officer together with the Head of the Internal Audit Consortium will seek to ensure that the Quarterly Finance, Performance and Risk meetings place an increased emphasis on the measures necessary to improve our financial governance arrangements.
- The work of Internal Audit has been incorporated into the existing Quarterly Performance and Financial management framework to ensure that recommendations are fully implemented and that the profile of the importance of internal control is raised within the Council. This will both help secure the improvements in internal control required by the Council whilst helping ensure Internal Audit remain fully compliant with the new United Kingdom Public Sector Internal Audit Standards.
- Finally, we will continue to monitor the position with respect to the delivery of the Internal Audit Plan.

Future Key Issues of Financial Governance reports will update the Audit Committee in respect of progress against the actions detailed above.

- 1.6 The revised Strategic Key Issues of Financial Governance are set out in Appendix 1 which is provided below.

2 Conclusions and Reasons for Recommendation

Conclusions

- 2.1 The report is intended to provide information to allow the Audit Committee to consider the progress that has been secured in maintaining and improving the Council's financial governance arrangements. While the evidence provided within the report indicates that the Council's financial governance arrangements are robust and are continuing to improve it is important that this progress is maintained and outstanding issues are resolved.

Reasons for Recommendations.

- 2.2 To allow the Audit Committee to undertake its function of undertaking an ongoing independent review of the Council's financial governance arrangements.

3 Consultation and Equality Impact

Consultation.

- 3.1 There are no issues arising from this report which necessitate a detailed consultation process.

Equalities.

- 3.2 This report does not have any direct implications for Equalities issues.

4 Alternative Options and Reasons for Rejection

- 4.1. Given that the Council has a clear commitment to improving its financial governance arrangements it is appropriate that a formal reporting mechanism is in place to the Audit Committee. This approach is in line with good professional practice and accordingly other options have not been actively considered. While there are options as to the format of this report the current format has been brought before the Audit Committee for a period in excess of two years and has been amended to reflect the views of the Committee. Over this period there has been a systematic improvement in the Council's Financial Governance arrangements which indicate that the approach adopted has assisted in securing the necessary outcomes.

5 Implications

5.1 Finance and Risk Implications

Financial

There are no additional financial implications for the Council as a result of this report.

Risk

This report is intended to assist in ensuring that the Council has robust financial governance arrangements in place. As such it is a key mitigation against any failure or weakening in these arrangements which would have a significant impact upon both the Council's financial performance and its service delivery arrangements.

5.2 Legal Implications including Data Protection

There are no Legal or Data Protection issues arising directly from this report.

5.3 Human Resources Implications

There are no Human Resources issues arising directly out of this report.

6 Recommendations

- 6.1. It is recommended that Audit Committee considers whether the Strategic Issues of Financial Governance as set out in the report reflect the key issues facing the Council, and raises any issues of concern which it may have with progress to date.

7 Decision Information

| | |
|--|---|
| Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards) | No |
| District Wards Affected | None Directly. |
| Links to Corporate Plan priorities or Policy Framework | Robust financial Governance arrangements underpin the effective operation of the Council and its ability to secure the full range of Corporate Plan Priorities. |

8 Document Information

| Appendix No | Title |
|--|----------------|
| N/A | |
| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) | |
| External Audit Reports : | |
| KPMG “Annual Audit Letter 2013/14 (Audit Committee 15 th December 2014) | |
| “Report to those Charged with Governance 2013/14 ISA 260” (Audit Committee 22 nd September 2014). | |
| Internal Audit Consortium: | |
| “Summary of Progress on the Internal Audit Plan 2014/15” (Audit Committee 22 nd September 2014). | |
| Report Author | Contact Number |
| Executive Director – Operations (Chief Financial Officer) | 2431 |

APPENDIX 1

| Issue Raised | Progress to date including target dates. |
|--|--|
| <p>1. Take effective steps to balance the Council's budget over the period of the Medium Term Financial Plan.</p> | <p>The Council achieved its full targeted level of savings of £0.884m in respect of 2013/14 and on the basis of current information will secure a balanced budget in respect of the current financial year (2014/15). However, the MTFP does identify cumulative shortfall approaching £2m over the period to March 17. It is also a clear likelihood that the Autumn Statement of the incoming Government in 2015 will require significant additional savings from local government. Against this background it is important that the Council continues to progress its growth and transformation strategies to secure financial sustainability and enable it to address the identified shortfall.</p> |
| <p>2. To secure further improvements in financial reporting with respect to the Council's published accounts and in the Council's financial management arrangements.</p> | <p>The Council has continued to improve the quality of its financial accounts as demonstrated by the External Audit reports in respect of both 2012/13 and 2013/14. The improvements secured to date provide a firm foundation for consolidation of progress. The Accountancy Team is well established and is well placed to secure further improvements especially in respect of work with service managers to deliver the improved financial management required against the increasingly challenging financial position facing local authorities. Appropriate training programmes are in place for all members of the team.</p> |
| <p>3. To improve the Council's Internal Control arrangements, and to strengthen the culture of effective management and budgetary control across the Authority.</p> | <p>This Key Issues of Financial Governance report, together with reports from Internal and External Audit should enable the Audit Committee to monitor the progress that is being made in respect of securing improvements in our internal control arrangements. Internal Audit have undertaken a more prominent role in the Council's Performance Management arrangements since April 2013.</p> <p>A comprehensive training programme has been delivered to all cost centre managers during the summer of 2014, and measures will be taken to strengthen the communications around the importance of internal control and the Council's wider financial position.</p> <p>We will monitor the position with respect to the managerial arrangements operating within Internal Audit and will work to ensure that the agreed Audit Plan is delivered by the year end. The reduction in the number of Internal Audit reports where areas have been assessed as marginal between 2012/13 and 2013/14 supports the view that the internal control environment is improving.</p> |
| <p>4. To ensure that issues around the Council's contractual arrangements are</p> | <p>The recent review by Internal Audit has concluded that managerial arrangements in this area whilst improved remain marginal. A number of measures have been put in place in order to secure further improvement</p> |

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| <p>resolved and that good quality arrangements remain in place.</p> | <p>which can be summarised as follows:</p> <ul style="list-style-type: none">• A training programme including a significant element concerning procurement contracts has been delivered.• The Council will use the contract data required under the Transparency Agenda as the basis for securing improvements in our managerial arrangements.• The Council has entered into a shared service arrangement with Chesterfield Royal Hospital in order to secure access to specialist procurement advice.• All recommendations made in the Internal Audit report will be implemented.• There will be an increased emphasis on Procurement issues as part of the Quarterly Finance, Risk and Performance meetings. |
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Bolsover District Council

Audit Committee

15th December 2014

Utilisation of E Tendering Software

Report of the Executive Director - Operations

This report is public

Purpose of the Report

- To update the Audit Committee concerning the position in respect of the receipt and opening of tenders.

1 Report Details

- 1.1 In common with other public sector organisations the Council currently operates a system of tender opening based upon a manual process where independent officers certified tender submissions with elected Members in attendance as independent witnesses. The purpose of these procedures has been to ensure that the process of tender submission and opening is fair and transparent and subject to independent scrutiny. These traditional arrangements while time consuming and difficult to organise have generally worked well.
- 1.2 E tendering solutions in which the tender submission is undertaken electronically are being increasingly utilised within the public sector. They have a number of advantages including simplicity, security, efficiency, transparency and providing an auditable process. These advantages as viewed as being beneficial to both the supplier and to the organisation seeking to procure a supply or a service. Currently E Tendering is increasingly regarded as constituting good practice within the public sector and it is anticipated that legislation will be introduced in the near future making e tendering compulsory.
- 1.3 Audit Committee will be aware that with effect from April 2014 the Council has been in a shared procurement arrangement with the Chesterfield Royal Hospital. The Hospital has appropriate E Tendering software in place which is in use for its own tendering arrangements. It is proposed to extend the use of this software to Bolsover contracts in the near future and to discontinue the use of manual tender submission and opening procedures. It should be noted that within the Council's Constitution there are provisions which allow the use of either E Tendering or traditional tender opening. Given the advantages of utilising E Tendering procedures the Audit Committee is requested to note this proposal and to make any observations which it considers to be appropriate.

2 Conclusions and Reasons for Recommendation

- 2.1 The report seeks to present to the Audit Committee an update concerning the development of new processes in respect of the receipt and opening of tenders. Given the role of the Audit Committee in ensuring that effective arrangements for financial governance are in place it is appropriate that this Committee is appraised of the revised processes and procedures which it is proposed to implement.

Reasons for Recommendation

- 2.2 To ensure that the Council is compliant with forthcoming legislation, is able to demonstrate transparency in the management of tender documentation and to secure efficiency savings from a reduction in staff time spent on managing the tender process.

3 Consultation and Equality Impact

Consultation

- 3.1 There are no issues arising from this report which necessitate a detailed consultation process.

Equalities

- 3.2 There are no direct implications arising from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 These are outlined in the main body of the report.

5 Implications

5.1 Finance and Risk Implications

Financial

While there will be some efficiency gains as the result of a move to an e tendering process these will be limited and will not result directly in the generation of opportunities for cashable savings.

Risk

The system that will be operated on the Council's behalf by the Shared Procurement service is a proven solution that will meet the requirements of both prospective legislation and public accountability. Where appropriate the process will be reviewed by Internal Audit.

5.2 Legal Implications including Data Protection

There are covered in the report.

5.3 Human Resources Implications

These are detailed in the attached report.

6 Recommendations

- 6.1 That the report is noted, and the Audit Committee raise any issues of concern with the proposed move to an e tendering solution for managing the receipt of tenders.

7 Decision Information

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| Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards) | No |
| District Wards Affected | None Directly |
| Links to Corporate Plan priorities or Policy Framework | Robust Governance arrangements underpin the effective operation of the Council and its ability to secure all of the Corporate Plan priorities. |

8 Document Information

| Appendix No | Title |
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| Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) | |
| | |
| Report Author | Contact Number |
| Executive Director – Operations | 01246 242431 |