

BABERGH DISTRICT COUNCIL

FROM: Director of Corporate Services

REPORT NUMBER: J5

TO: COUNCIL

DATE OF MEETING: 21 April 2009

**ANNUAL REPORT OF THE OVERVIEW AND SCRUTINY (STEWARDSHIP)
COMMITTEE**

1. PURPOSE OF REPORT

- 1.1 In accordance with the Constitution, the Overview and Scrutiny (Stewardship) Committee must report annually to Council on its work during the last year and make recommendations for future work programmes and if appropriate, amended working methods.

2. RECOMMENDATIONS

- 2.1 That the Overview and Scrutiny (Stewardship) Committee's Annual Report for 2008/09 be noted.
- 2.2 That the Overview and Scrutiny (Stewardship) Committee's Work Plan for 2009/10 be approved.

3. FINANCIAL IMPLICATIONS

- 3.1 There have been no financial implications to date other than the costs of officer time and normal allowances for Members that are included in the budget.
- 3.2 Any development of the work of in-depth scrutiny, including items such as the payment of out of pocket expenses for expert and other witnesses, can be accommodated within existing budgets for 2009/10. The position for future years will be addressed through the Strategic Financial Planning Process, if that is necessary.

4. RISK MANAGEMENT

This report is an update on work completed during 2008/09, together with a draft programme for 2009/10. Risk management considerations for individual topics will be included in reports to the Committee as the year progresses.

5. KEY INFORMATION

5.1 WORK IN 2008/09

Appendix 1 outlines the Committee's main areas of work in 2008/09. The following is a brief summary of the Committee's main achievements during the year:

- The Committee has considered the Audit Commission's Annual Audit and Inspection Letter for 2006/07.

- The Committee endorsed the approach taken to improve customer service and agreed an action plan to address the issues identified by a general user satisfaction survey in 2006/07.
- A considerable amount of work has been undertaken by the Strategic Financial Planning Task Group to ensure that draft budgets for 2009/10 reflect the Council's priorities and approved policies. A joint meeting of the two Overview and Scrutiny Committees was held to consider the Budget Framework and the two Committees then scrutinised the draft budget proposals before final approval by Strategy Committee and Council.
- The 2007/08 CPA Improvement Plan has been monitored.
- The Committee approved the 2007/08 Annual Governance Statement and appointed 2 Members to review the Statement.
- The Committee has considered the External Auditors' Use of Resources Assessment for 2007/08 and Annual Audit and Inspection Plan for 2008/09. The External Auditors' Annual Governance Report was also considered and a management action plan was subsequently approved.
- The Committee scrutinised the 2007/08 Financial Outturn and draft Statement of Accounts.
- The Committee has considered the 2007/08 end of year Finance and Performance Management report and quarterly reports for 2008/09.
- The Internal Audit annual report for 2007/08 was approved and further reports have been considered concerning outstanding high/medium risk recommendations. The Interim report for 2008/09 and work programme for 2009/10 have also been considered. The Internal Audit Strategy and Audit Plan for 2009/10 have been approved.
- The Committee considered the key performance indicator basket for 2008/09 and agreed to continue to scrutinise these on a quarterly basis. The target setting arrangements for 2009/10 have also been considered and a joint Working Group established to scrutinise the proposed targets.
- The Committee considered and agreed the principles and contents of the Council's new Annual Report which summarises the Council's achievements, performance and spending for the previous year.
- The Committee considered the Annual report on key issues relating to the Council's Capital and Asset Management Strategy.
- The Committee agreed an action plan for improving the management of informal complaints. Formal Complaints for 2007/08 were monitored.
- The Committee adopted a new Code of Corporate Governance.
- The Committee has considered reports on the management of significant business risks facing the Council and the results of a strategic risks refresh exercise.

- A revised Anti-Fraud and Corruption and Whistleblowing Policy has been adopted.
- The Committee has considered a report on the progress made regarding the Council's response to the Statutory National Indicators.
- The Committee considered a report setting out proposals for addressing the issues identified by the PKF Data Quality Audit.
- The Committee received a report on the progress made on equalities and diversity in 2008/09.
- The Committee considered the annual report on the Council's Procurement Strategy Action Plan for 2008-2011.

5.2 WORK PLAN FOR 2009/10

Appendix 2 sets out a list of items of work that Members and Officers have identified for consideration by the Committee during 2009/10.

6. APPENDICES

Appendix 1 – Overview and Scrutiny (Stewardship) Committee:
Resume of Work in 2008/09

Appendix 2 – Overview and Scrutiny (Stewardship) Committee:
Proposed Work Plan for 2009/10

7. BACKGROUND PAPERS REFERRED TO

None.

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OVERVIEW AND SCRUTINY (STEWARDSHIP) COMMITTEE

RESUME OF WORK 2008/09

1.1 Strategic Financial Planning and Draft Budget 2009/10

At the joint meeting on 9 December 2008 Members considered a report from the Strategic Financial Planning (SFP) Task Group setting out proposals for the 2009/10 Budget. They recommended these for approval by Strategy Committee subject to a number of the potential Medium-Term Plan priorities being further reviewed by the SFP Task Group. A Council Tax increase of no more than 3.5% was also supported in principle.

At its meeting on 27 January 2009 the Committee scrutinised the draft budget for 2009/10. Members recommended to Strategy Committee that the draft budget be approved, including a proposal for a Council Tax increase of 2.9%.

1.2 Budget and Performance Monitoring

At its meeting on 24 June 2008 the Committee scrutinised the provisional 2007/08 Financial Outturn and draft Statement of Accounts.

At the same meeting the Committee also considered the 2007/08 end of year Finance and Performance Management report. It was noted that the format followed that of the Corporate Plan to show the linkages to the Council's corporate priorities.

Quarterly Monitoring Reports on Finance and Performance Management for 2008/09 have been considered by the Committee at its meetings on 12 August and 18 November 2008 and 24 March 2009.

1.3 Annual Audit and Inspection

At its meeting on 13 May 2008 the Committee considered the Annual Audit and Inspection Letter for 2006/07. Representatives of the Audit Commission and District Audit were present for the item.

At its meeting on 24 June 2008 the Committee considered the Annual Audit and Inspection Plan for 2008/09. Representatives of the Council's Auditors PKF were present for the item.

1.4 Use of Resources

At its meeting on 27 January 2009 the Committee considered the external Auditors' Use of Resources Assessment for 2007/08. It was noted that Babergh had been assessed at level 3 "Performing well".

1.5 External Auditors Annual Governance Report

At its meeting on 30 September 2008 the Committee considered the external auditors Governance report which included a review of the Council's 2007/08 Financial Statements and associated matters. Representatives of the Council's Auditors PKF were present for the item. Members agreed to focus on the material misstatement issue and that the other issues raised by the external auditors would be discussed at the next meeting and that the Director Of Finance would provide a Management Action Plan to address these.

Consequently, at its meeting on 18 November 2008 the Committee approved the Management Action Plan and noted that discussions are still ongoing with PKF with regard to issues raised by them in their Annual Governance report.

1.6 The Council's Annual Report

At its meeting on 12 August 2008 the Committee considered a report presenting the Council's new Annual Report which summarises the Council's achievements, performance and spending for the previous year. Members noted further updates to the draft report and agreed that an updated report be circulated to Members for comments prior to the report being finalised for submission to the Council.

1.7 Risk Management

At its meeting on 13 May 2008 the Committee considered a report providing Members with an update on progress in managing the Significant Business Risks facing the Council and the need for a further review of these. The Committee agreed that, in view of the impact of the Local Government Review announcement, a strategic refresh of the Council's Significant Business Risks be undertaken as soon as possible.

Consequently, at its meeting on 12 August 2008 the Committee received a report updating Members on the results of a strategic risks refresh exercise which examined the current issues and challenges facing the Council. Members recommended to Strategy Committee that the Council's Significant Business Risk Register be updated to reflect the outcomes of the latest strategic refresh and that Management Action Plans for each risk above the tolerance line be monitored by the Committee on a quarterly basis.

These recommendations were approved and the first quarterly monitoring report was considered by the Committee on 27 January 2009.

1.8 Internal Audit

At its meeting on 12 August 2008 the Committee considered a report on the work carried out by the Internal Audit team during 2007/08. The report gave an indication as to whether key systems of internal control are operating soundly and any areas where there are significant weaknesses.

During consideration of the report Members raised concerns as to the amount of recommendations that were still ongoing or outstanding at June 2008 and agreed that any high risk recommendations not completed would be reported to the next meeting.

Consequently, at its meeting on 30 September 2008 the Committee received a report updating Members on the progress being made. However Members were still disappointed at the amount of recommendations still ongoing or outstanding and agreed that those still outstanding by the end of October be reported to the next meeting and that the responsible officers be requested to attend.

The Committee therefore considered a further update on the 2007/08 outstanding internal audit recommendations at its meeting on 18 November 2008 and the responsible officers were in attendance to answer Members questions. The Committee supported the proposed approach on all issues covered by the report and noted the progress being made.

At its meeting on 27 January 2009 the Committee considered the Interim Internal Audit report for 2008/09 outlining the work undertaken by the Internal Audit Section from 1 April to 31 December 2008 and the progress made in implementing recommendations during the second half of 2007/08 and the first half of 2008/09.

At its meeting on 24 March 2009 the Committee received an update on the results of follow-up work undertaken by Internal Audit with regard to two 'not-acceptable' reports and noted the action taken to further reinforce the process for dealing with future Internal Audit reports.

At its meeting on 24 March 2009 the Committee approved the Internal Audit Strategy and the Audit Plan for 2009/10.

1.9 Revised Anti-Fraud and Corruption and Whistleblowing Policy

At its meeting on 27 January 2009 the Committee approved the revised Anti-Fraud and Corruption and Whistleblowing Policy and agreed that the Standards Committee consider the Policy during 2009/10 and report back with any observations for further consideration.

1.10 Annual Governance Statement 2007/08

At its meeting on 24 June 2008 the Committee appointed 2 Members to review the 2007/08 Annual Governance Statement and the adequacy and effectiveness of Internal Audit, based on supporting evidence. The findings of the review were considered by the Committee alongside the Annual Internal Audit report at its meeting on 12 August 2008.

1.11 Code of Corporate Governance

At its meeting on 30 September 2008 the Committee considered a proposed new Code of Corporate Governance and recommended to Strategy Committee that it be adopted.

1.12 Key Performance Indicator Baskets 2008/09 and 2009/10

At its meeting on 24 June 2008 the Committee considered the key performance indicator basket for 2008/09 and agreed to continue to scrutinise these on a quarterly basis.

At its meeting on 27 January 2009 the Committee considered the target setting arrangements for 2009/10 and agreed that a Working Group be established jointly with the Overview and Scrutiny (Community Services) Committee to scrutinise the proposed targets. The Committee appointed 2 Members to sit on the Working Group.

At its meeting on 24 March 2009 the Committee approved the key performance indicator basket recommended by the Working Group and the proposed targets were recommended to Strategy Committee for approval.

1.13 Statutory National Indicators

At its meeting on 27 January 2009 the Committee noted the progress made to date in securing the information required to meet the Statutory National Indicator submission deadlines.

1.14 Monitoring Comprehensive Performance Assessment (CPA) Improvement Plan

At its meeting on 13 May 2008 the Committee received a report outlining the status of the 2007/08 CPA Improvement Plan. It was noted that of the 42 actions in the Plan, 38 had been completed leaving only 4 partly completed.

1.15 Monitoring of Complaints

At its meeting on 12 August 2008 the Committee received an annual report monitoring formal complaints made to the Council in 2007/08 including those referred to the Local Government Ombudsman. It was noted that the Council had received 28 formal complaints during 2007/08 and that 10 complaints had been received by the Ombudsman.

1.16 Customer Service – Opportunities for Improvement

At its meeting on 24 June 2008 the Committee endorsed the approach taken to improve customer service and agreed an Action Plan for improving the management of informal complaints in response to findings from the General User Satisfaction Survey 2006/07.

1.17 Annual Report – Capital and Asset Management Strategy

At its meeting on 30 September 2008 the Committee received an annual report outlining key issues relating to the Council's Capital and Asset Management Strategy over the last 12 months and future plans in terms of planning and the ongoing review of Babergh's approach to capital investment and asset utilisation.

1.18 Decline of Land Charge Income

At its meeting on 27 January 2009 the Committee noted the actions that have or will be undertaken to manage the issues with regard to the decline of land charge income.

1.19 Procurement Strategy Action Plan (2008/2011)

At its meeting on 24 March 2009 the Committee noted the progress made in 2008/09 against the original Procurement Strategy Action Plan and agreed a new 'stretch' target.

1.20 Data Quality

At its meeting on 24 March 2009 the Committee received a report providing an overview of the current expectations for managing data quality and setting out an approach for addressing the issues identified by the PKF Data Quality Audit. The Committee noted the conclusions of the PKF Data Quality Audit and approved the Action Plan for 2009/10.

1.21 Equalities and Diversity

At its meeting on 24 March 2009 the Committee received a report providing an update on the progress the Council has made in maintaining and consolidating its LGES Level 2 position and the actions being taken to prepare for the new Equality Framework. The Committee noted the progress made on equalities and diversity in 2008/09.

BABERGH DISTRICT COUNCIL**FROM: Director of Corporate Services****REPORT NUMBER:****TO: OVERVIEW AND SCRUTINY
(STEWARDSHIP) COMMITTEE****DATE OF MEETING:****DRAFT WORK PLAN FOR 2009/10****DATE OF COMMITTEE – 19 MAY 2009**

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Annual Audit and Inspection Letter 2007/08	To receive a presentation from the Audit Commission	To be determined	Andrew Hunkin/ Barry Hunter
Monitoring the CPA Improvement Plan 2008/09	Final update on 2008/09 Plan	Decision	Andrew Hunkin
2008/09 Annual Internal Audit Report	To consider findings	Decision	Barry Hunter
Annual Governance Statement	To consider and review 2008/09 Statement	To be determined	Barry Hunter
Performance Management Framework	(a) To receive the year-end report on finance and performance monitoring and on any variances identified in Quarter 3, 2008/09 (b) Quarterly monitoring of Significant Business Risks	To be determined	Andrew Hunkin/Barry Hunter
Report from Programme Board	Overview of progress on current major projects and programmes	To be determined	Ryan Jones
Business Continuity Action Plan	To receive an update on progress on the plan	Decision	Andrew Hunkin
The Council's Annual Report for 2008/09	To consider draft Annual Report	Recommendation to Council	Andrew Hunkin/ Barry Hunter
Customer Services – opportunities for Improvement	To consider any variations arising from the Action Plan identified by CAST Board	Decision	Andrew Hunkin/Bob Southgate/ CAST Board

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Council's process for dealing with Petitions	To review process	To be determined	Ray Amesbury
Councillor Call for Action	To consider proposals on how the process is to be managed at Babergh	To be determined	Steve Ellwood

DATE OF COMMITTEE – 23 JUNE 2009

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Annual Audit and Inspection Plan	To receive details from the External Auditors	Decision	Barry Hunter
2008/09 Financial Outturn and Statement of Accounts	To consider the outturn, key variances and the draft Statement of Accounts	Recommendation/ views to Council	Barry Hunter
Performance Management Framework	To receive reports on finance and performance variances identified in Quarter 4/2008/09 year-end position	To be determined	Andrew Hunkin/Barry Hunter
External Inspection Improvement Plan (Use of Resources, Direction of Travel and Corporate Governance)	To approve the plan and receive an update on progress	Decision	Barry Hunter
Data Quality	To receive an update on progress against the Action Plan	Decision	Jon Seed
Staffing levels and salary costs	To consider report of the H R Panel	Decision	H R Panel
The Budget and Annual Accounts	To consider how summarised and simplified versions of these can be produced in future	Decision	Barry Hunter

DATE OF COMMITTEE – 11 AUGUST 2009

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Annual Monitoring of Formal Complaints	To monitor and review all formal complaints	Decision	Andrew Hunkin
Service Standards	To monitor performance against these	Decision	Bob Southgate
Performance Management Framework	(a) To receive the Quarter 2 report on finance and performance monitoring (b) Quarterly monitoring of Significant Business Risks	To be determined	Andrew Hunkin/Barry Hunter

DATE OF COMMITTEE – 22 SEPTEMBER 2009

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
External Audit Annual Governance Report	To consider findings	To be determined	Barry Hunter
Annual Report – Capital and Asset Management Strategy	To consider findings and future plans	Decision	Barry Hunter/Ryan Jones
Performance Management Framework	To receive reports on finance and performance variances identified in Quarter 2	To be determined	Andrew Hunkin/Barry Hunter

DATE OF COMMITTEE – 17 NOVEMBER 2009

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Significant Business Risks Refresh	To consider the latest risks facing the Council	Recommendation to Strategy	Barry Hunter
Diversity and Equalities	To review progress on the Action Plan	Decision	Mike Hammond/Andrew Hunkin

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Performance Management Framework	(b) To receive the Quarter 2 report on finance and performance monitoring (b) Quarterly monitoring of Significant Business Risks	To be determined	Andrew Hunkin/Barry Hunter
One Year Delivery Plan 2009/10	To review progress on actions	To be determined	Mike Hammond/Andrew Hunkin
Interim Internal Audit Report	To consider current position	Decision	Barry Hunter

DATE OF COMMITTEE – 8 DECEMBER 2009
JOINT MEETING WITH OVERVIEW AND SCRUTINY
(COMMUNITY SERVICES) COMMITTEE (IF REQUIRED)

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Report of the Strategic Financial Planning Task Group	To consider the Group's recommendations	To be determined	Barry Hunter

DATE OF COMMITTEE – 26 JANUARY 2010

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Budget Scrutiny	To scrutinise draft budgets for 2010/11	Recommendation to Strategy	Barry Hunter
Statutory National Indicators	To note position	Decision	Andrew Hunkin
Use of Resources Assessment	To consider report from external auditors	Decision	Barry Hunter
Performance Management Framework	To receive reports on finance and performance variances identified in Quarter 3	To be determined	Andrew Hunkin/Barry Hunter
Performance Management – Target Setting 2010/11	To consider proposed approach	Decision	Andrew Hunkin

DATE OF COMMITTEE – 23 MARCH 2010

Topic	Purpose	Decision or Recommendation to Strategy/Council	Lead Officer
Internal Audit Work Programme 2010/11	To consider proposed work programme	Decision	Barry Hunter
2010/11 Targets	To set PI targets	Recommendation to Strategy	Andrew Hunkin
Annual Report	To consider draft Annual Report for 2009/10	Recommendation to Council	Steve Ellwood/ Karen Sayer
Performance Management Framework	(c) To receive the Quarter 3 report on finance and performance monitoring (b) Quarterly monitoring of Significant Business Risks	To be determined	Andrew Hunkin/Barry Hunter

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