

AUDIT COMMITTEE	AGENDA ITEM No. 8
24 JUNE 2013	PUBLIC REPORT

Cabinet Member(s) responsible:	Resources portfolio holder, Cllr Seaton	
Contact Officer(s):	Steven Pilsworth, Head of Corporate Services	Tel. 384564

INVEST TO SAVE UPDATE

RECOMMENDATIONS	
FROM : PriceWaterhouseCoopers (PwC)	Deadline date : N/A
1. To note the scope of the work by PriceWaterhouseCoopers (PwC), per 4.2. 2. To note that the PwC are not minded to challenge the governance arrangements used in the allocation of the 'Invest to Save' budget to qualifying schemes.	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to the Committee following a request from members of the Audit Committee at the 27 March 2013.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to provide an update on the progress of PriceWaterhouseCoopers (PwC) audit of the Invest to Save Scheme, as requested by the Audit Committee at its meeting on 27 March 2013, agenda item 7.
- 2.2 This report is for Committee to consider under its Terms of Reference No.s 2.2.1.6 to consider specific reports as agreed with the external auditor, and 2.2.1.9 to commission work from the external audit.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	
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4. INVEST TO SAVE BUDGET

Background

- 4.1 At the Audit Committee on 24 September 2012 it was agreed that PwC would discuss with Officers and the Audit Committee an appropriate scope of work to look at the governance arrangements with respect to elements of the allocation of expenditure within the Council's budget policy framework. This would be completed as part of the 2012/13 external audit.

Scope of Work

- 4.2 During February 2013 it was proposed that PwC would consider:
- whether the decision making process to determine governance arrangements in respect of the allocation of £100m to the 'Invest to Save' budget were in accordance with the Council's constitution; and
 - whether the Council put arrangements in place to enable it to consider whether subsequent expenditure allocated against the 'Invest to Save' budget was in

accordance with the principles agreed by Cabinet on 10 February 2012 and Full Council on 22 February 2012.

PwC Findings

- 4.3 Based on the information received and mindful of the Statement of Responsibilities (see Appendix A), PwC are not currently minded to challenge the decision making process to determine governance arrangements in respect of the allocation of £100m to the 'Invest to Save' budget.
- 4.4 It has been noted that the three schemes to which the 'Invest to Save' budget has been allocated to date, have been assessed using the Council's standard business case process. As such based on the information received and mindful of the Statement of Responsibilities PwC are not currently minded to challenge the arrangements the Council has put in place to enable it to consider whether expenditure allocated against the 'Invest to Save' budget is in accordance with the principals for its use.
- 4.5 To date, the Council has incurred additional external audit costs through this Invest To Save audit of £5,000.

5. CONSULTATION

- 5.1 No external consultation has been undertaken.

6. ANTICIPATED OUTCOMES

- 6.1 Assurance is gained that the 'Invest to Save' budget has been applied to schemes in accordance with the governance arrangements agreed in February 2012 by Cabinet and Full Council.

7. REASONS FOR RECOMMENDATIONS

- 6.1 The audit completed by PwC has indicated that they are not minded to challenge application of the governance arrangements applied in the use of the 'Invest to Save' scheme to date.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 This report was requested as an update to the progress PwC has made with regards to the request made by Audit Committee. As such no specific options are submitted for consideration.

9. IMPLICATIONS

- 9.1 There are no implications arising from this review. However the works completed to date have meant the Council has incurred an additional £5,000 of external audit costs.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

- Audit Committee Meeting Minutes, 27 March 2013, Item 7
- PwC letter, 'Invest to Save', 7 March 2013 (Appendix A)
- Audit Committee Meeting Minutes, 24 September 2012, Item 4

11. APPENDICES

- Appendix A – Invest to Save Letter