

AUDIT COMMITTEE 26TH FEBRUARY 2019

Report of the Director of Corporate Services Part A

ITEM UPDATE ON THE COMMITTEE'S CONCERNS REGARDING UNDERSPENDING ON THE CAPITAL PROGRAMME

Purpose of Report

To update the Committee on the outcome of their concerns regarding underspending on the capital programme.

Recommendation

That the Committee note the report.

Reasons

To acknowledge the Committee's consideration of the matter.

Report Implications

The following implications have been identified for this report.

Financial Implications

None.

Risk Management

None.

Background Papers: Audit Committee 27th November 2018, item 35.
Cabinet 17th January 2019, item 73.

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Part B

Background

1. The concerns of the Audit Committee were raised at their last meeting on 27th November 2018. The Committee were discussing the Treasury Management Mid Year Review and noticed that the expenditure for 2018/19 was significantly lower than the same period last year. The Committee wanted reassurance from the relevant Cabinet Lead Members that the expenditure would increase to meet the budget by year end. The Committee resolved to submit a report to the Cabinet highlighting their concerns.
2. The Audit Committee's report was presented to the Cabinet at its meeting on 17th January 2019. The Cabinet considered the report and the concerns of the Committee and agreed that the Capital Plan be amended on a quarterly basis to take into account the revised expenditure. This was at the suggestion of the Head of Finance and Property Services.

Extract from the Cabinet minutes of the meeting held on 17th January 2019:

“Considered a report of the Head of Strategic Support to consider a recommendation of the Audit Committee at its meeting on 27th November 2018 in respect of underspend on the Capital Programme, alongside an officer recommendation and advice in that respect (item 6 on the agenda filed with these minutes).

Mr Angell, Independent Chair of the Audit Committee, presented the recommendation of the Audit Committee. The Strategic Director of Corporate Services presented the officer recommendation and advice in response.

The Head of Strategic Support assisted with consideration of the report.

Officers were thanked for the detailed explanation of the current position set out in the report, which had provided reassurance in respect of the matter. Mr Angell and the Audit Committee were also thanked for their valuable work in respect of the matter and throughout the year.

RESOLVED *that in light of capital expenditure to date, the Capital Plan continues to be amended to reflect revised expenditure on a quarterly basis, in accordance with the recommendation of the Head of Finance and Property Services.*

Reason

To reflect the likely outcome for the Capital Plan and to take account of the concerns of the Audit Committee.”

Appendices

Appendix A – Cabinet report 17th January 2019 - Capital Programme underpsend –
Recommendations of Audit Committee