

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 25 November 2009 starting at 6.30pm
Present: Councillor D Eccleston (Chairman)

Councillors:

A Knox
R Thompson
A Yearling

In attendance: Chief Executive, Director of Resources, Financial Services Manager, Principal Auditor and Clive Portman (Audit Commission).

611 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillors J Hill, S Hirst and R Sherras and Georgia Jones (Audit Commission).

612 MINUTES

The minutes of the meeting held on 16 September 2009 were approved as a correct record and signed by the Chairman.

613 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

614 PUBLIC PARTICIPATION

There was no public participation.

615 REFERENCES FROM OVERVIEW AND SCRUTINY COMMITTEE

There were no references from Overview and Scrutiny Committee.

616 COMPLIANCE WITH CIPFA CODE OF PRACTICE FOR INTERNAL AUDIT

The Director of Resources submitted a report seeking approval of the internal audit manual incorporating the charter and terms of reference together with the strategy of the Internal Audit Service. Committee were reminded that the Council was required under the Accounts and Audit Regulations 2003 to make provision for internal audit in accordance with the CIPFA Code of Practice for internal audit in local government in the United Kingdom. The Code defined standards on the way in which the internal audit should be established and undertake its functions and the Director of Resources is required professionally to demonstrate adherence to the Code and compliance is the subject of continual assessment by our external auditors.

Following the Audit Commissions review of internal audit which had been carried out earlier this year, the opportunity had been taken to draw up a comprehensive internal audit manual which incorporates the Terms of Reference, Code of Ethics etc. The manual documents the scope of activity and objectives of the internal audit service and outlines the statutory framework under which it operates. The manual was split into sections which include the role of internal audit within the Council, the eleven standards contained in the CIPFA Code of Practice for Internal Audit and how these standards are adhered to at Ribble Valley and the resources available, the way risks of fraud and corruption are managed and other activities which the internal audit section carry out which do not follow the usual audit procedures. One particular section highlighted was the levels of assurance which although had previously happened had not been done in this format. The Principal Auditor reported that consultation had taken place with the Service Managers with regard to this manual and that it would be reviewed on an annual basis.

RESOLVED: That Committee approve the Audit Manual.

617 INTERNATIONAL FINANCIAL REPORTING STANDARDS UPDATE

The Director of Resources submitted a report informing Members of the current position of this Council with regard to the transition to International Financial Reporting Standards. The Financial Services Manager informed Committee that the Annual Financial Statements are currently prepared using accounting policies based on UK Generally Accepted Accounting Practice but that by the year 2010/11 they would need to be prepared on the IFRS basis. Prior to that date preparation needed to be made for the transition to this new basis and he had therefore prepared an implementation plan of key tasks to be carried out. He informed Committee that the impact of the transition on the financial systems would be minimal with no upgrades being required. Engagement was also taking place with out external auditors throughout the transition period.

Clive Portman (Audit Commission) had surveyed local authorities and reported that Ribble Valley are well ahead with their transition.

RESOLVED: That the report be noted.

618 USE OF VIREMENTS

The Director of Resources submitted a report updating Committee on the ability for budget holders to use virements in the control of their budgets. The Financial Services Manager reported that the Council's Financial Regulations had recently been reviewed and updated and that one section refers to budgetary control which is aimed at ensuring that once Full Council has approved a revenue budget or capital programme the resources allocated are used for their intended purpose and are properly accounted for. However, there was the mechanism of virements which allowed for the switching of funds to the budget heads where it was required to maintain service levels and achieve policy objectives. He outlined the details of authorisation required for virements to take place and gave a list of virements that had taken place in 2008/09 for Committee's information.

RESOLVED: That the report be noted.

619 PROCUREMENT UPDATE

The Director of Resources submitted a report informing Committee of the latest position with regard to procurement at Ribble Valley Borough Council. Procurement had received an increasingly raised profile over the past few years, particularly within the public sector where effective and efficient procurement practices had previously lagged behind the development of good practice within the private sector. A new post of Procurement Assistant had been created to support the procurement function and, together with some input from senior staff, procurement had developed considerably. A central purchasing system where supplier catalogues for approved contracts were uploaded for staff to buy from had been established. He highlighted that substantial savings had been achieved through ELEM by conducting joint tender exercises as a whole and that this had been further expanded to a Lancashire wide Procurement Hub. He gave examples of past, current and planned procurements.

RESOLVED: That the report be noted.

620 INTERNAL AUDIT PROGRESS REPORT 2009/10

The Director of Resources submitted a report informing Committee of the internal audit work progress to date for 2009/10. The Principal Auditor reported that over the last month a customer feedback questionnaire had been developed in order to judge client satisfaction with audit work carried out. A summary of results from the questionnaires will be presented to future meetings of Committee.

RESOLVED: That the report be noted.

621 USE OF RESOURCES

Clive Portman of the Audit Commission submitted a report on use of resources assessment for the Borough Council for 2008/09. The report summarised the key findings from the assessment and how Ribble Valley Borough Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people. The Council had received an overall score of 2 which meant the Council met minimum requirements and was performing adequately. The report went on to include recommendations on how to improve the level of performance a number of which the Borough Council were already working on. Committee were disappointed with a score of 2 but understood that the Audit Commission were working to a new methodology and felt that the score line could be relatively easily improved over the next twelve months.

RESOLVED: That the report be noted.

The meeting closed at 7.17pm.

If you have any queries on these minutes please contact Jane Pearson (414430).