

## **Minutes of Accounts & Audit Committee**

Meeting Date: Tuesday, 29 June 2010 starting at 6.30pm  
Present: Councillor J Hill (Chairman)

Councillors:

A Knox	N Walsh
R Sherras	A Yearing
M Thomas	

In attendance: Chief Executive, Director of Resources, Financial Services Manager and Georgia Jones (Audit Commission).

### 158 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillor D Eccleston and Clive Portman (Audit Commission).

### 159 MINUTES

The Chairman recorded his thanks to Councillor Eccleston for chairing this Committee over the last two years.

The minutes of the meeting held on 24 March 2010 were approved as a correct record and signed by the Chairman.

### 160 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

### 161 PUBLIC PARTICIPATION

There was no public participation.

### 162 REFERENCES FROM OVERVIEW AND SCRUTINY COMMITTEE

There were no references from Overview and Scrutiny Committee.

### 163 ANNUAL GOVERNANCE STATEMENT

The Director of Resources submitted a report asking Committee to agree the Annual Governance Statement for 2009/10. Under the Accounts and Audit (Amendment) (England) Regulations 2006 and the Statement of Recommended Practice (SORP) 2009, the Council was required to produce an annual governance statement that is signed by the Chief Executive and the Leader of the Council. This statement must be also included in the annual accounts. The Financial Services Manager highlighted various aspects of the governance statement including risk management which is part of this Committee's scrutiny role. He also reminded Committee that the significant benefits to both councils

and tax payers that are achieved where councils adopt good practice and focus counter-fraud activities and resources on those areas of greatest financial risk and/or social harm, and as such the Audit Commission had released a national report entitled 'Protecting the Public Purse' which had included a checklist for councils to use to assess their organisations defences against the good practice that had been identified. This checklist had been used and completed for this council without any areas of concern being highlighted.

RESOLVED: That Committee approve the Annual Governance Statement for 2009/10.

#### 164 STATEMENT OF ACCOUNTS FOR 2009/10

The Director of Resources submitted a report asking Committee to formally approve the Statement of Accounts for 2009/10 subject to audit. The Accounts and Audit Regulations 2003 require Members to approve the statutory statement of accounts by 30 June following the financial year end and although the accounts are unaudited at this stage, they must be certified by the Director of Resources as the responsible financial officer under the regulations. The Members role in approval of this statement demonstrates their ownership of the statements and their confidence in the Director of Resources. The external auditors (Audit Commission) would start their final accounts audit on 5 July 2010 and a public notice had been given of the audit informing local electors of their rights to inspect the accounts and ask questions of the auditor and/or make objections relating to the accounts. Following the completion of the audit, the auditors will report back to the Accounts and Audit Committee at its meeting in September 2010.

The Financial Services Manager highlighted a number of changes in the preparation and presentation for local authority accounts for 2009/10. He informed Committee that there had been a revaluation of the Councils' freehold and leasehold properties as at 1 March 2010 by the District Valuer and this had had a major impact on the balance sheet. Details of the valuations were available for Committee's information. With regard to the key financial information for 2009/10 accounts, these had been set out according to the best value accounting code for practice. The report included a table outlining the general fund outturn performance and the final position compared to the revised estimate. The Financial Services Manager also highlighted the main variations affecting the final position compared with the revised estimate.

With regard to general fund balances, it was important to maintain a healthy level of general fund balances to cover for unforeseen events and also provide a stable level of resources for future planning. The general fund balance stood at £1.22 million as at 31 March 2010. He informed Committee of details regarding the collection fund and the capital expenditure along with details of how capital schemes had been funded. This also included a number of schemes that would slip into 2010/11. The Financial Services Manager also drew attention to the balance sheet which shows the Council's assets, liabilities and reserves and explained to Committee the position with regard to the pension liability.

Committee appreciated the in-depth explanation of the Statement of Accounts for 2009/10 and thanked the Director of Resources and her team for all their hard work in preparing it.

RESOLVED: That Committee approve the Statement of Accounts for 2009/10 as circulated subject to audit.

165 RISK MANAGEMENT UPDATE

The Director of Resources submitted a report providing Committee with an update on the current areas of high risk for the Council and asked Members to acknowledge the risks that are highlighted. She reminded Committee that each risk is assessed based on a traffic light system and that there is documented criteria for assessing whether the likelihood and impact of a risk should be assessed as high, medium or low. All service managers have access to the risk management system and are responsible for maintaining the risks on a regular basis. The five risks that were currently highlighted as red risks were:

- Community Safety Partnership (2 red risks);
- Forward Planning (1 red risk);
- Three Stream Waste Collection (1 red risk);
- Town Centre management (1 red risk).

Committee asked various questions with regard to the specific risks and felt that further explanation/information was required and that the individual service managers responsible for these areas should be invited to do that.

RESOLVED: That Committee ask the Director of Resources to arrange a special meeting of this Committee to consider these specific red risks in more detail with the relevant officers.

166 CAA/USE OF RESOURCES 2009/10 UPDATE

The Director of Resources submitted a report for Committee's information informing them of the latest position regarding the use of resources (UOR) assessment for 2009/10. She informed Committee that the use of resources assessment had been nearing completion with the final items of evidence being gathered when an e-mail had been received from the Audit Commission following the new government's announcement that CAA was to be abolished stating all work on UOR was to cease with immediate effect. However, the Audit Commission would still use the use of resources work that had been completed to inform their value for money conclusion that would be reported to Committee at the September meeting.

RESOLVED: That the report be noted.

167 INTERNAL AUDIT ANNUAL REPORT 2009/10

The Director of Resources submitted a report informing Committee of the Internal Audit Annual Report for 2009/10. 29 new audit reports had been produced

during the year and had been taken into account in informing the assurance opinion. In addition there were five audits that were still in progress as at 31 March which would culminate in an audit report. Details were given along with assurance levels of the audits that had taken place and it was found that the Council's systems of internal control are generally sound and effective.

RESOLVED: That the report be noted.

168 INTERNAL AUDIT PROGRESS REPORT 2010/11

The Director of Resources submitted a report for Committee's information on the internal audit work progress to date for 2010/11. The report included a full internal audit plan for 2010/11 for Committee's information. The first couple of months of the year had been spent finishing testing on NNDR, housing benefit and general ledger systems which had been found to be sound and effective. Ongoing checks to prevent/detect fraud and corruption had also been carried out.

RESOLVED: That the report be noted.

169 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That by virtue of the fact that the next item of business be exempt information under Category 3 of Schedule 12A of the Local Government Act 1972, the press and public be now excluded from the meeting.

170 TOURIST INFORMATION CENTRE

The Director of Resources submitted a report informing Committee of the results of an audit investigation into the loss of an amount of cash from the Tourist Information Centre and the actions that had been followed through. She informed Committee that the recommendations made by the internal audit section had been implemented and that a follow up review would be carried out in due course.

171 AUDIT COMMISSION – UPDATE

Georgia Jones informed Committee that the fee letter was normally reported to this Committee in June and that although a preliminary one had been issued to the Chief Executive and Director of Resources in the light of the new government a revised letter would be presented to the Committee in September following a consultation exercise regarding the value for money/use of resources element of the fee.

The meeting closed at 8.10pm.

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

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