

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 15 September 2010 starting at 6.30pm
Present: Councillor J Hill (Chairman)

Councillors:

D Eccleston	M Thomas
A Knox	N Walsh
R Sherras	A Yearling

In attendance: Chief Executive, Financial Services Manager and Clive Portman and Georgia Jones (Audit Commission).

293 MINUTES

The minutes of the meeting held on 29 June 2010 were approved as a correct record and signed by the Chairman.

294 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

295 PUBLIC PARTICIPATION

There was no public participation.

296 REFERENCES FROM OVERVIEW AND SCRUTINY COMMITTEE

There were no references from Overview and Scrutiny Committee.

297 STATEMENT OF ACCOUNTS 2009/10

The Director of Resources submitted a report asking Committee to formally approve the statement of accounts for 2009/10 following audit. These had been previously approved subject to audit which had now been completed. The final approved version must be published by the end of September. The Financial Services Manager was pleased to report that in the main, there had only been minor amendments to the draft accounts recommended by the auditors, although a substantial amendment was made to the accounts in respect of the accounting treatment of grants that had been received by the Council for the Clitheroe Castle Museum capital scheme. He also made reference to recommended changes by the auditors that we had not been made, as these were not considered to be material. These included the accounting treatment of a compulsory purchase order and equal pay claims.

RESOLVED: That Committee approve the audited statement of accounts for 2009/10. These were signed by the Chairman.

LETTER OF REPRESENTATION

The Director of Resources submitted a report which included the letter of representation that the Audit Commission require to be signed before they will sign off the accounts. This letter sets out assurances from the Council to the Audit Commission that relevant accounting standards had been complied with and gives further assurances that the Council has disclosed information, where to withhold it would have undermined the accuracy and reliability of the statement of accounts. The letter again highlighted the two identified areas classed as misstatements that were regarded as non-material and therefore not adjusted in the accounts.

RESOLVED: That Committee approve the Director of Resources' signing of the letter of representation for 2009/10 to the Audit Commission.

RISK MANAGEMENT – UPDATE ON RED RISKS

The Director of Resources submitted a report providing Committee with an update on the current areas of high risk for the Council as identified on the risk register. There were currently only four red risks to report, two of which were the same as the last report and had been reported on and explained by the appropriate officer. The other two red risks came under the remit of the emergency plan and included severe drought and localised flash flooding. Chris Shuttleworth, the officer responsible for these two red risks, gave detailed explanations as to why they were considered as red risks and explained that although in the case of severe drought, the risk belongs to United Utilities and with regard to flash flooding to the Environment Agency that both would have effects on the Ribble Valley Borough Council should they happen. Committee should understand the emergency plan and the local resilience forum. It was also important that a good relationship be formed with the Parishes with regard to these aspects as they were a vital link.

RESOLVED: That Committee

1. acknowledge the red risks as outlined and inform the appropriate service committee of these risks; and
2. invite Chris Shuttleworth to attend a future meeting of this Committee to talk about the Lancashire Resilience Forum.

ANNUAL GOVERNANCE REPORT

Georgia Jones of the Audit Commission submitted the annual governance report that they would be sending to the Borough Council on the completion of their audit for 2009/10. The report summarised the findings from the 2009/10 audit which was substantially complete and includes messages arising from the audit of the financial statements and the results of the work that had been undertaken to assess the arrangements to secure value for money in the use of resources. She requested that the Accounts and Audit Committee consider the matters raised, take note of the adjustments to the financial statement, agree to adjust the errors in the financial statement, approve the letter of representation on behalf of the Council, note the assessment against the value for money criteria and agree a response to the proposed action plan. Although the audit was

substantially complete, there was a requirement to confirm the value of assets in the Lancashire County Council pension fund before it could be finalised. Committee considered the various recommendations that had been made in the governance report and in particular the requirement for Members and senior officers to complete annual declarations for any potential related party transactions. With regard to value for money, the report highlighted aspects of managing finances, governing the business and managing resources. An appendix outlined the action plan with the recommendations of the Audit Commission prioritised as low, medium and high. It was apparent that the Borough Council were already taking steps towards these recommendations.

RESOLVED: That the report be accepted and that thanks from the Audit Commission be conveyed to the Director of Resources and Financial Services Manager and their staff and from the Department of Resources to the Audit Commission.

301 INTERNAL AUDIT PROGRESS REPORT 2010/11

The Director of Resources submitted a report outlining progress on the internal audit work to date for 2010/11. The Principal Auditor highlighted in particular the need for car insurance policies to be checked for those members of staff using their own vehicles on official Council business. It was felt that in future, driving licenses should be checked. With regard to Members of the Council's vehicle insurance, the Principal Auditor would investigate guidelines and ensure that Members received these.

RESOLVED: That the report be noted.

302 PUBLICATION OF EXPENDITURE OVER £500

The Director of Resources submitted a report informing Committee of the intended future publication of details of the Council's expenditure over £500. The Communities and Local Government Secretary had called on Councils to provide financial transparency by publishing spending information over £500 on line by January 2011. It was intended that we aim to start the publication of information backdated to 1 April 2010 from October 2010. However, there would be some expenditure that would be excluded based on the guidance received generally because the information could be found published elsewhere.

RESOLVED: That the report be noted.

303 AUDIT COMMISSION – UPDATE

Clive Portman reminded Committee that following the election of the new government, the CAA had been abolished and that in August they had also abolished the corporate centre and assessment areas of the Audit Commission. However, audits would continue for 2010/11 and 2011/12 and that as from 2012/13 new arrangements would be put in place for the audit aspect to continue in some form.

The meeting closed at 7.45pm.

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