

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 29 June 2011, starting at 6.30pm
Present: Councillor J Hill (Chairman)

Councillors:

P Ainsworth	M Thomas
G Mirfin	N Walsh
R Moores	A Yearing

In attendance: Director of Resources, Head of Financial Services, Principal Auditor, Sofia Iqbal (Audit Commission).

144 APOLOGIES

There were no apologies for absence.

145 MINUTES

The minutes of the meeting held on 30 March 2011 were approved as a correct record and signed by the Chairman.

146 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

147 PUBLIC PARTICIPATION

There was no public participation.

148 REFERENCES FROM OVERVIEW AND SCRUTINY COMMITTEE

There were no references from Overview and Scrutiny Committee.

149 BRIEFING ON THE RESPONSIBILITIES OF THE ACCOUNTS & AUDIT COMMITTEE

The Director of Resources gave a brief resume of the responsibilities of the Accounts and Audit Committee. She informed the Members that external audit was appointed by the Council and internal audit ensured that the Council operated as it should do. Other responsibilities included risk management, internal controls, anti-fraud measures, corporate governance, approval of the statement of accounts and audit plans for both internal and external audit.

150 ANNUAL GOVERNANCE STATEMENT

The Director of Resources submitted a report asking Committee to agree the Annual Governance Statement for 2010/11. Under the Accounts and Audit (England) Regulations 2011 the Council was required to ensure that its financial

management is required to ensure that its financial management is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The Council must conduct a review at least once a year of the effectiveness of its system of internal control and this Annual Governance Statement must accompany the Statement of Accounts.

The Director of Resources highlighted various aspects of the Governance Statement including the scope of responsibility, the purpose of the governance framework, the conduct of behaviour, policy and decision-making, compliance, risk management, economy, efficiency and effectiveness, financial management and performance management. She also highlighted the review of effectiveness which is informed by the work of Directors within the authority who have responsibility for the development and maintenance and governance environment, the internal audit annual report and also by comments made by the external auditors and other review agencies and inspectorates. She also referred to the check list issues by the Audit Commission entitled "Protecting the Public Purse" which authorities were encouraged to use to ensure that they have sound governance and counter fraud arrangements in place and that they are working as intended.

She informed Committee that as a result of the review of the effectiveness of the governance framework and system of internal control she was pleased to report that no significant improvement opportunities had been highlighted.

RESOLVED: That Committee approve the Annual Governance Statement for 2010/11.

151 STATEMENT OF ACCOUNTS 2010/11

The Director of Resources submitted a report asking Committee to formally approve the Statement of Accounts for 2010/11 subject to audit. The Accounts and Audit Regulations 2011 require Members to approve the statutory accounts by 30 September following the financial year-end. She informed Committee that as good practice, the Statement of Accounts would continue to be presented in their draft format for approval before the end of June as previously. The Audit Commission would then carry out their annual audit over the next few weeks and once this has been completed and any agreed amendments that may be required have been made, the Statement of Accounts would be presented again in an audited format for approval once more by this Committee.

The Head of Financial Services highlighted various sections of the Statement of Accounts including the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement, which shows the movement in the year on the different reserves held by the Council analysed into usable reserves and other reserves. Councillors asked a number of questions including how our general fund balances compare with other Lancashire authorities. The Director of Resources informed them that the DCLG website shows a comparison for all local authorities which can be examined. The Head of Financial Services also highlighted the Balance Sheet and explained the main areas including assets and liabilities also usable and unusable reserves. He informed Committee that

individual outturn reports for both capital and revenue would be submitted to service committees over the next cycle of meetings for Councillors consider.

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 current total usable reserves stands at £5.1m. He informed Committee of details regarding the collection fund and the Council's capital expenditure along with details of how capital schemes had been funded. This also included a number of schemes that would slip into 2011/12.

Committee appreciated the in-depth explanation of the Statement of Accounts for 2010/11 and thanked the Director of Resources and her staff for all their hard work in preparing them.

RESOLVED: That Committee approve the Statement of Accounts for 2010/11 as circulated subject to audit.

152 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 as identified in the risk register. She reminded Committee that the Council's risk management approach was designed to form an integral part of the performance management approach of the Council and that risk were scored based on their growth and net likelihood and impact levels gross being the likelihood and impact level if no controls were in place, and net being the level once controls had been considered. At the time of reporting to Committee there were no red risks held on the Council's risk register however due to the change in nature of risk, it was important that staff keep a regular review of known risks and look for evolving new risks.

Committee asked that a list of risks held in the register be circulated to the next meeting and that perhaps in the future the Emergency Planning Officer might be invited to attend Committee to do a presentation on risk management.

RESOLVED: That the report be noted.

153 DRAFT RESPONSE OF RIBBLE VALLEY BOROUGH COUNCIL TO THE COMMUNITIES AND LOCAL GOVERNMENT FUTURE OF PUBLIC AUDIT CONSULTATION

The Director of Resources reminded Committee that a consultation document had been received on the future of public audit that needed a response by a 30 June deadline. Policy and Finance Committee had set up a working group to consider the 50 questions contained in the consultation document and she now circulated a copy of the responses. She asked Members to consider these responses and let her have any further comments by the 30 June so that these could be submitted by the required deadline.

RESOLVED: That the report be noted.

154 ANNUAL AUDIT FEE 2011/12

A copy of the letter from the Audit Commission confirming the audit work that is proposed to be undertaken for the 2011/12 financial year was submitted for Committee's information. It outlined the audit fee which covered the audit of financial statements and the value for money conclusion. The scale fee for Ribble Valley Borough Council is £87,837 for 2010/11.

RESOLVED: That the report be noted.

155 INTERNAL ANNUAL AUDIT REPORT 2010/11

The Director of Resources submitted a report informing Committee of the internal audit annual report for 2010/11. 29 new audit reports had been produced during the year that had taken into account in informing the assurance opinion. In addition there were 9 audits still in progress as at the 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.

156 INTERNAL AUDIT PROGRESS REPORT 2011/12

The Director of Resources submitted a report for Committee's information on the internal audit work progress to date for 2011/12. The report included a full internal audit plan for 2011/12 for Committee's information. The first couple of months of the year had been spent finishing systems audits on the housing benefit and general ledger systems.

The Principal Auditor informed Committee that at the present time an investigation was being carried out on the Tourist Information Centre and that a detailed report would be submitted to the next meeting of this Committee in August.

RESOLVED: That the report be noted.

The meeting closed at 8.10pm.

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