

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 24 August 2011, starting at 6.30pm
Present: Councillor J B Hill (Chairman)

Councillors:

M Thomas
N C Walsh
A Yearing

In attendance: Chief Executive, Head of Financial Services and Principal Auditor.

Also in attendance: Clive Portman and Georgia Jones from Audit Commission.

274 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillors P Ainsworth, G Mirfin and R Moores.

275 MINUTES

The minutes of the meeting held on 29 June 2011 were approved as a correct record and signed by the Chairman.

276 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

277 PUBLIC PARTICIPATION

There was no public participation.

278 REFERENCES FROM OVERVIEW AND SCRUTINY COMMITTEE

There were no references from Overview and Scrutiny Committee.

279 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 2010/11. The report summarised the findings from the 2010/11 audit which was substantially complete and included 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 considered the matters raised specifically in relation to accumulated absences and housing benefits overpayments, take note of the adjustments to the financial statement, agree to adjust the errors in that statement, approve the letter of representation on behalf of the Council and note the assessment against the value for money criteria.

RESOLVED: That the report be accepted and thanks from the Audit Committee be conveyed to the Director of Resources and Head of Financial Services and their staff for the efficient way they have completed the Council's accounts for 2010/11.

280 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 would 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 gave further assurances that the Council had 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 the Letter of Representation for 2010/11.

281 STATEMENT OF ACCOUNTS 2010/11

The Director of Resources submitted a report asking Committee to formally approve the statement of accounts for 2010/11 following audit. These had been previously approved subject to audit which had been completed. The final approved version had to be published by the end of September 2011.

The Head of Financial Services reported that he was pleased that in the main there had only been minor adjustments to the draft accounts recommended by the Auditors, which were mainly changes for the presentation of items of information contained in the notes to the accounts.

He also made reference to 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 audited statement of accounts for 2010/11 and these were then signed by the Chairman.

282 EXTERNAL AUDIT FEES

The Head of Financial Services referred to Minute 807 from Committee dated 30 March 2011 and now gave an update on the discussions which had been ongoing with the Audit Commission around the level of fees for 2011/12.

Concerns had been expressed across Lancashire regarding the minimal change in main audit fees following the abolition of the compulsory area assessment/use of resources regimes. Within the main audit fee for 2009/10 the element charged for CAA represented £27,680. This Council along with other authorities had expected the main audit fee to reduce significantly as a result of the cessation of the use of resources work which took a considerable amount of time to audit. Following consultation regarding the fees in February this year the Commission

had agreed subject to affordability to make rebates of up to 8% in 2011/12. Our external Auditors had pointed out that audit fees were the principal way in which the Audit Commission finances its activity and as such could be viewed more as a levy rather than payment for a service. Clive Portman expanded on these views to the meeting.

The Head of Financial Services reported to Members that confirmation had been received, that the 2011/12 main audit fees would be reducing by 8%, which represented a reduction of £7,027. He also highlighted that the correspondence from the Audit Commission indicated their commitment to achieving further significant fee reductions in 2012/13.

RESOLVED: that the report be noted.

283 REVIEW OF RISKS

Committee received a report reviewing the full range of risks and explained how the risk register operated to monitor all potential risks to the Council on its day-to-day business. Committee were reminded that each risk was assessed based on a traffic light system and that there was documented criteria for assessing whether the likelihood and impact of a risk should be assessed as high, medium or low. All Heads of Service had access to the risk management system and were responsible for maintaining their own risks on a regular basis. Currently there were no red risks on the register although it was accepted that this could change as circumstances altered, on a day-to-day basis.

RESOLVED: That the report be noted.

284 INTERNAL AUDIT PROGRESS REPORT 2010/11

The Principal Auditor submitted a report for Committee's information on the internal audit work to date for 2011/12. The Principal Auditor highlighted the work carried out in relation to Members' allowances, in particular in relation to timeliness and ensuring that claim forms were signed by the claimant.

RESOLVED: That the report be noted.

285 EXCLUSION OF PRESS AND PUBLIC

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

286 VISITOR INFORMATION CENTRE – INTERNAL AUDIT REPORT

The Principal Auditor referred to Minute 170 of Committee dated 29 June 2010 and gave Members an update report on the issues highlighted in his earlier report, particularly in relation to stock control issues.

Members also expressed their opinions in relation to the report.

RESOLVED: That Committee

1. fully support the measures now being undertaken to improve the stock control situation at the Visitor Information Centre; and
2. ask the Corporate Management team to consider the issues of the Visitor Information Centre's location as part of the Council restructure.

287

RETIREMENT OF CLIVE PORTMAN – AUDIT COMMISSION

The Chairman referred to the imminent retirement of Clive Portman from the Audit Commission and thanked him, on behalf of the Council, for his supportive work as external Auditor over the past few years. He wished Clive a long and happy retirement.

Clive responded by thanking the Council's Officers for their hard work in achieving the timescales set by the Audit Commission in relation to the completion of their work.

The meeting closed at 7.19pm.

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