

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 25 June 2014 starting at 6.30pm
Present: Councillor R E Sherras (Chairman)

Councillors:

P Ainsworth	R Newmark
I Brown	J Shervey
A Knox	N C Walsh
G Mirfin	

In attendance: Chief Executive, Director of Resources, Head of Financial Services.

Also in attendance: Andrew Cook, Karen Murray – Grant Thornton.

107 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillors R Bennett, J Hill and M Thomas.

108 APPOINTMENT OF CHAIRMAN

RESOLVED: Under Standing Order 20.2 Councillor R Sherras be appointed as Chairman of this Committee for this meeting owing to the fact that the Chairman and Vice Chairman were absent.

109 MINUTES

The minutes of the meeting held on 2 April 2014 were approved as a correct record and signed by the Chairman.

110 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

111 PUBLIC PARTICIPATION

There was no public participation.

112 LOCAL CODE OF CORPORATE GOVERNANCE

The Director of Resources asked Committee to consider the revised Local Code of Corporate Governance.

She explained that the Code is a public statement that sets out the way the Council meets its commitment to demonstrate that it has the necessary corporate governance arrangements in place to perform effectively. It represents a key component of the Council's governance arrangements and applied to all Council

Members, officers, partners and stakeholders in their dealings with the Council. The Council was not required to include the Local Code in its constitution and it is proposed that the revised Code is published separately on the Council's website. Finally the Council must conduct a review at least once a year of the Code, which was attached at Annex 1 to the report.

RESOLVED: That Committee approve the attached revised Local Code of Corporate Governance.

113 ANNUAL GOVERNANCE STATEMENTS

The Director of Resources sought Committee's approval of the Annual Governance Statement 2013/2014.

She explained that under the Accounts and Audit (England) Regulations 2011 the Council was required to ensure that its financial management was adequate and effective and that the Council had a sound system of internal control which facilitated the effective exercise of the Council's functions and which included arrangements for the management of risk.

The Council must conduct a review at least once a year of the effectiveness of this system of internal control. Following the review, this Committee must approve the Annual Governance Statement which must accompany the Statement of Accounts and must be prepared in accordance with the proper practices in relation to internal control. The Annual Governance Statement was attached as an annex to the report.

RESOLVED: That Committee approve the attached Annual Governance Statement 2013/2014.

114 STATEMENT OF ACCOUNTS 2013/2014

The Director of Resources submitted a report asking Committee to formally approve the Statement of Accounts for 2013/2014 subject to audit. The Accounts and Audit (England) Regulations 2011 required Members to approve the statutory accounts by the 30 September following the financial year end. She informed Committee 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. Grant Thornton would then carry out their annual audit over the next few weeks and once this had been completed and any agreed amendments had 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 general fund outturn performance which showed a surplus of £359,000 during the year compared to the revised estimate of £249,000. He also highlighted the main variations which had occurred when compared to the revised budget. Attention was drawn to the general fund balances, collection fund, capital, the balance sheet and in particular the main movements including the net pensions liability. Committee were informed that

the level of general fund balances at 31 March 2014 was £2.058m and the level of earmarked reserves was £5.093m.

He informed Committee that the external auditors were due to commence their audit of the accounts and public notice had been given of the audit informing local electors of the right to inspect the accounts and ask questions of the auditor and/or make any objections relating to the accounts. Following the completion of the audit, the auditors would report back to this Committee at its meeting on 27 August 2014 when the final audited Statement of Accounts would be presented for approval.

RESOLVED: That Committee approve the Statement of Accounts for 2013/2014 as circulated subject to audit.

115 INTERNAL AUDIT ANNUAL REPORT 2013/2014

The Director of Resources submitted a report informing Committee of the Internal Audit Annual Report for 2013/2014. All new audit reports that had been produced during the year had been taken into account in informing the assurance opinion. Details were given along with the assurance levels of the audit that had taken place and it was found that this Council's systems of internal control were generally sound and effective.

RESOLVED: That the report be noted.

116 INTERNAL AUDIT PROGRESS REPORT 2014/2015

The Director of Resources submitted a report for Committee's information on the internal audit work progress to date for 2014/2015. The report included a full internal audit plan for 2014/2015 for Committee's information.

The first couple of months of the year had been spent carrying out testing on the payroll, sundry debtors and creditors systems. Testing to date on all systems had shown the level of control to be sound and effective. The progress to date with the 2014/2015 Audit Plan was therefore satisfactory.

RESOLVED: That the report be noted.

117 AUDIT PLAN

Committee received a comprehensive report from Grant Thornton which dealt with the following areas:

- Significant risks identified
- Other risks identified
- Results of interim audit work
- Value for money studies
- Fees and Independence
- Action plan

RESOLVED: That the report be noted.

118 AUDIT PROGRESS REPORT AND EMERGING ISSUES

Committee received Andrew Cook from Grant Thornton who presented their audit progress report and emerging issues. This included a statement of progress as at 11 June 2014 and included the following, for the 2013/2014 financial year:

- interim accounts audit
- interim accounts plan
- value for money conclusion
- final accounts audit
- annual audit letter
- certifications of claims and returns

The report was discussed including those topical issues for the 2013/2014 accounts close down.

RESOLVED: That the report be noted.

119 PLANNED AUDIT FEES FOR 2014/2015

Grant Thornton referred to the letter informing the Council of the audit fees for 2014/2015 which totalled £52,702 which was the same amount as for 2013/2014.

The letter also states the indicative grant certification fee set by the Audit commission which was £8,920.

RESOLVED: That the report be noted.

120 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That by virtue of the 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.

121 RISK MANAGEMENT – UPDATE ON RED RISKS

The Director of Resources submitted a report for Committee's information on the current areas of high risk for the Council as identified in the risk register. At the present time, there were four red risks which were in relation to:

- Kerbside recycling and waste paper collection services
- Planning appeals
- Core Strategy costs (2 red risks)

Regular monitoring of the risks would continue and Committee would be kept informed on any future developments.

RESOLVED: That the report be noted.

The meeting closed at 7.32pm

If you have any queries on these minutes please contact Jane Pearson (01200 425111).