

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 19 November 2014 starting at 6.30pm
Present: Councillor J Hill (Chairman)

Councillors:

I Brown	R Sherras
A Knox	J Shervey
G Mirfin	N C Walsh

In attendance: Chief Executive, Director of Resources, Head of Financial Services, Karen Murray (Grant Thornton).

437 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillors P Ainsworth, R Bennett, R Newmark and M Thomas.

438 MINUTES

The minutes of the meeting held on 27 August 2014 were approved as a correct record and signed by the Chairman.

439 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

440 PUBLIC PARTICIPATION

There was no public participation.

441 ANNUAL AUDIT LETTER 2013/2014

Karen Murray submitted a report on behalf of Grant Thornton which summarised the key findings arising from the work that had been carried out at Ribble Valley Borough Council for the year ending 31 March 2014. She informed Committee that Grant Thornton had issued an unqualified opinion on the Council's 2013/2014 financial statements on 3 September 2014, meeting the deadline set by the Department for Communities and Local Government of 30 September 2014. The opinion confirmed that the financial statements gave a true and fair view of the Council's financial position of the income and expenditure recorded by the Council. The key messages arising from the audit of the Council's financial statements were:

- The accounts were prepared to good standard and supported by good working papers.
- No adjustments affecting the Council's reported financial position were identified.
- A small number of adjustments to improve the presentation of and disclosures in the financial statements were identified.

An unqualified value for money conclusion for 2013/2014 had also been issued and work was currently being undertaken which was required to certify the

Council's housing benefit grant claim. The audit fee was confirmed as £53,602 with the grant certification fee still to be confirmed.

The Chairman thanked Grant Thornton for this report and also conveyed thanks to the Director of Resources and her financial team for achieving an unqualified opinion on the financial statements on 3 September 2014 which was the earliest for all Lancashire authorities.

RESOLVED: That the report be noted.

442 INTERNAL AUDIT CHARTER

The Director of Resources submitted a report seeking Members' approval for the Internal Audit Charter following the adoption of the public sector Internal Audit Standards. As of 1 April the CIPFA guidance had been replaced by the PSIAS, a set of new standards developed for the UK and public services and based on the Global Institute of Internal Auditors International Professional Practices Framework. Internal audit have a terms of reference and an audit manual that has been in place for many years. The Internal Audit Charter has replaced these documents and are largely the same content as was in the terms of reference and audit manual. Where there are additional requirements, these have been incorporated into the new Internal Audit Charter. A copy of the Charter was included for Committee's information.

RESOLVED: That Committee approve the Internal Audit Charter as outlined.

443 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 audit plan for Committee's information as well as the specific audit that had been carried out since the last report to Committee in August.

RESOLVED: That the report be noted.

444 UPDATE ON CHANGES TO TRANSPARENCY REQUIREMENTS

The Director of Resources submitted a report for Committee's information providing Members with an update following the recent government response to the consultation by the Department for Communities and Local Government on the code of Recommended Practice on Data Transparency in Local Government. The report outlined the key changes in terms of additional information that was recommended to be published and the action the Council is taking to comply with this. The new and extended requirements of the government's transparency code are developed around the three principles of demand led, open and timely. The report gave a summary of the publication areas covered that must be published both quarterly and annually. Members expressed concern about the volume of work and the resources required to provide the additional recommendations of this code.

RESOLVED: That the report be noted and a further report on the cost implications of carrying out this work be submitted to the next meeting of this Committee.

445 GRANT THORNTON PROGRESS UPDATE

Karen Murray on behalf of Grant Thornton submitted a report on their progress in delivering their responsibilities as external auditors. The paper also included a summary of the emerging national issues and developments that may be relevant and a number of challenge questions in respect of these emerging issues which Members may wish to consider. The report outlined that as at November 2014 the 2014/2015 Accounts Audit Plan would be completed in line with the agreed timetable. With regards to the interim accounts audit, the detailed timing would be agreed with the Head of Financial Services in due course, as will the work for the value for money conclusion.

With reference to the emerging issues, Karen Murray highlighted the CIPFA LAAP updates, and sections of the report on managing Council property assets; anti-fraud and corruption; the National Fraud Initiative; the right to report; and auditing of Parish Councils. With regard to the auditing of Parish Councils, concern had been expressed about the complexity of the government's new arrangements for Parish Council audits, to come into place from 2017, where the default option for all parishes would be to appoint their own auditors. Although the Borough Council does not have responsibility for Parish Councils, it was felt that this should be brought to their attention.

RESOLVED: That the Director of Resources write to the Parish Councils regarding the implications of the Government proposals for Parish Council audits following the closure of the Audit Commission.

446 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the 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.

447 RISK MANAGEMENT – UPDATE ON RED RISKS

The Director of Resources submitted a report providing Members with an update on the current areas of high risks for the Council as identified on the risk register. Two of the red risks reported at the last meeting relating to the Core Strategy had now been downgraded to amber level as there was now less risk of issues arising around the evidence base given at the stage of the Examination. At the present time there were two red risks included on the register:

- Kerbside recycling and waste paper collection.
- Risks relating to costs associated with planning appeals.

Both of these risks were regularly considered by both the Community Services Committee and Planning and Development Committee.

RESOLVED: That the report be noted.

The meeting closed at 7.08pm.

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