

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 24 June 2015, starting at 6.30pm
Present: Councillor K Hind (Chairman)

Councillors:

P Ainsworth	S Hind
S Atkinson	A Knox
I Brown	G Mirfin
P Dowson	N C Walsh

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

Also in attendance: Karen Murray, Grant Thornton.

117 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillors G Geldard and R Newmark.

118 MINUTES

The minutes of the meeting held on 1 April 2015 were approved as a correct record and signed by the Chairman.

119 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

120 PUBLIC PARTICIPATION

There was no public participation.

121 BRIEFING ON THE ROLE OF COMMITTEE

The Chairman suggested that a specific training session be held for the Members of Committee in the near future explaining the various roles of the Committee.

122 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 demonstrating 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 Members, Officers, partners and stakeholders in their dealings with 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. The Council must conduct a review at least once a year of the code which was attached for Committee's information. Three minor amendments made to the code were highlighted for Committee's attention.

RESOLVED: That Committee approve the Local Code of Corporate Governance as outlined in the report.

123 ANNUAL GOVERNANCE STATEMENT 2014/15

The Director of Resources sought Committees approval of the Annual Governance Statement 2014/15. Under the Accounts and Audit (England) Regulations 2011 the Council 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. 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 for 2014/15.

124 STATEMENT OF ACCOUNTS FOR 2014/15

The Director of Resources submitted a report asking Committee to formally acknowledge the Statement of Accounts for 2014/15 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 for information 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 by this Committee.

She suggested that a training session could be arranged for mid-August to concentrate on the Council's Statement of Accounts. This was felt particularly important given the number of new Councillors on this Committee. Members agreed with this suggestion.

The Head of Financial Services highlighted various sections of the Statement of Accounts including the general fund outturn performance which showed a surplus of £45,000 added to general fund balances during the year compared to the revised estimate of a surplus of £149,000 added to general fund balances. He also highlighted the main variations which had occurred when compared to

the revised budget. Attention was drawn to 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 2015 was £2.103m and the level of earmarked reserves was £5.941m.

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 26 August 2015 when the final audited statement of accounts would be presented for approval.

RESOLVED: That Committee note that the statement of accounts for 2014/15 have been completed subject to audit ready to be signed off by the Director of Resources.

125 INTERNAL AUDIT ANNUAL REPORT 2014/15

The Director of Resources submitted a report informing Committee of the internal audit annual report for 2014/15. 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 were generally sound and effective.

RESOLVED: That the report be noted.

126 INTERNAL AUDIT PROGRESS REPORT 2015/16

The Director of Resources submitted a report for Committee's information on the internal audit work progress to date for 2015/16. The report included a full internal audit plan for 2015/16 for Committee's information.

The first couple of months of the year had been spent completing testing on the sundry debtors systems and on grants received and paid. Testing had shown the level of control to be sound and effective. The progress to date with the 2015/16 audit plan was satisfactory.

RESOLVED: That the report be noted.

127 ACCOUNTS AND AUDIT COMMITTEE UPDATE FOR RIBBLE VALLEY BOROUGH COUNCIL

Committee received a comprehensive report from Grant Thornton on progress in delivering their responsibilities as external auditors. The progress outlined included the 2014/15 audit plan, the interim accounts audit, the 2014/15 final accounts audit and the value for money conclusion.

The paper also included a summary of emerging national issues and developments that may be relevant to the Council including the proposed earlier closure and audit of accounts, the welfare reform review and spreading their wings; building a successful local authority trading company.

RESOLVED: That the report be noted.

128 PLANNED AUDIT FEES FOR 2015/16

Grant Thornton referred to the letter informing the Council of the audit fees for 2015/16 which totalled £40,202 which was a reduction compared to last year.

The letter also states the indicative grant certification fee set which was £10,560.

RESOLVED: That the report be noted.

129 EXCLUSION OF PRESS AND PUBLIC

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

130 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 on the risk register. At the present time there were two red risks which were in relation to waste management and planning appeals. The Director of Resources explained the situation with regard to waste management and the Council's recent agreement to join cost sharing and the proposal of the Lancashire County Council to end this agreement in March 2018. Regular monitoring of the risks would continue by the appropriate service committee and this Committee would be kept informed of any future developments.

RESOLVED: That the report be noted.

The meeting closed at 8.05pm.

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