

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 16 November 2016, starting at 6.30pm
Present: Councillor K Hind (Chairman)

Councillors:

P Ainsworth	P Dowson
S Atkinson	R Newmark
I Brown	N C Walsh

In attendance: Chief Executive, Director of Resources, Karen Murray and Caroline Stead (Grant Thornton).

396 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillors S Hind, R Sherras and A Knox.

Councillor G Geldard was not in attendance.

397 MINUTES

The minutes of the meeting held on 17 August 2016 were approved as a correct record and signed by the Chairman.

398 DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

There were no declarations of pecuniary and non-pecuniary interest.

399 PUBLIC PARTICIPATION

There was no public participation.

400 ANNUAL AUDIT LETTER 2015/16

Karen Murray submitted the Annual Audit letter 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 2016. She informed Committee that Grant Thornton had issued an unqualified opinion on the Council's 2015/16 financial statements and a unqualified value for money conclusion on 18 August 2016. The opinion confirmed that the financial statements gave a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council. The certification of grants had also been completed.

The value for money conclusion confirmed the external auditors were satisfied that the Council had put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2016. She informed Committee that the Council had made the accounts

available for audit in line with the agreed timetable and provided an excellent set of working papers to support them. The finance team responded promptly and efficiently to queries during the course of the audit and overall the accounts were prepared to a high quality with only disclosure changes required.

Karen also highlighted that sound arrangements were in place to support the decision-making and that the well-established Budget Working Group reviews the budget setting for the year ahead of budget proposals being taken to Full Council.

The medium term financial strategy clearly sets out assumptions made about future levels of income and expenditure and it is clear if there are risks to them. Of particular note in this year were the demonstration of how the Council worked with its key partners to respond to the flooding that impacted on residents and businesses in December 2015, successfully securing Central Government funding through the Belwin Scheme to cover the unplanned costs associated with this and the creation of the Lancashire business rates pool that had been set up with Lancashire County Council and some Lancashire districts with Ribbles Valley Borough Council acting as lead authority. The audit fee was confirmed as £50,762 for the audit and £10,560 for the grant certification fee.

The Chairman thanked Grant Thornton for their report and was very pleased with this independent assessment of the Council's finances.

401

EXTERNAL AUDITOR APPOINTMENT 2018/19 ONWARDS

The Director of Resources submitted a report asking Committee to decide the method for appointing the Council's external auditors for 2018/19 and make a recommendation to Full Council.

The Local Audit and Accountability Act 2014 brought to a close the Audit Commission and established transitional arrangements for the appointment of external auditors and the setting of audit fees for all Local Government and NHS bodies in England.

On 5 October 2015, the Secretary of State, Communities and Local Government, determined that the transitional arrangements for Local Government bodies would be extended by 1 year to also include the audit of the accounts for 2017/18.

In July 2016 Public Sector Audit Appointments (PSAA) were specified by the Secretary of State as an Appointing Person under Regulation 3 of the Local Audit (Appointing Person) Regulations 2015. The PSAA was now inviting the Council to opt in to a national sector-led procurement arrangement, along with other authorities, so that they can enter into a number of contracts with appropriately qualified audit firms and appoint a suitable firm to be the Council authority's auditor. The principal benefits from such an approach were outlined in the report. The Council's current external auditor is Grant Thornton UK LLP; this appointment having been made under a contract let by the Audit Commission. Following closure of the Audit Commission, the contract was novated to PSAA

and since this date PSAA had demonstrated its capability in terms of auditor appointment contract management and monitoring audit quality. The proposed fees for the subsequent use cannot be known until the procurement process has been completed as the costs will depend on proposals from the audit firms.

The Director of Resources went on to explain other options available to the Council which included establishing an independent auditor panel.

The National Opt-In Scheme with PSAA would provide the appointment of a suitably qualified and registered auditor for each of the five financial years commencing 1 April 2018. In order to opt-in the decision must be made by a meeting of the Council and a formal response made to the PSAA by early March 2017.

*** RESOLVED: That Committee recommend to Full Council the acceptance of Public Sector ***
Audit Appointments (PSAA) invitation to opt-in to the sector-led option for the appointment of external auditors for five financial years commencing 1 April 2018.

402 CONFIRMATION OF EXTERNAL AUDITOR APPOINTMENT 2017/18

The Director of Resources submitted a report informing Members of the confirmed appointment of Grant Thornton UK LLP as the Council's external auditor for 2017/18. This was part of the transitional arrangements for Local Government Bodies that had been extended by 1 year to include the audit of accounts for 2017/18 and had been made under Section 3 of the Audit Commission Act under the audit contracts previously let by the Audit Commission.

RESOLVED: That the report be noted.

403 INTERNAL AUDIT PROGRESS REPORT 2016/17

The Director of Resources submitted a report for Committee's information on the internal audit work progress to date for 2016/17. The report included a full audit plan for Committee's information as well as the specific audits that had been completed since the last report to Committee in August. The report set out the assurance opinions issued from the audits that had taken place, along with a summary of the feedback questionnaires. She was pleased to report that progress to date with the 2016/17 audit plan was satisfactory.

RESOLVED: That the report be noted.

404 GRANT THORNTON PROGRESS REPORT

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 emerging national issues and developments that may be relevant and a number of challenge questions in respect of those emerging issues which Members may wish to consider. The report outlined the various aspects of the

audit and the timetable for completion which was on track. The audit work for 2015/16 was now complete and work on 2016/17 would commence in January 2017.

With reference to the emerging issues, Karen Murray reminded Committee that from 2017/18 authorities would need to publish their audited financial statements by 31 July and would therefore need strict timetables in place to accommodate this earlier date for publishing these statements.

RESOLVED: That the report be noted.

405 REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from Representatives on Outside Bodies.

The meeting closed at 7pm.

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