

## Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 25 July 2018, starting at 6.30pm  
Present: Councillor G Mirfin (Chairman)

Councillors:

P Ainsworth	A Knox
J Alcock	R Newmark
P Dowson	R Sherras
L Graves	R Thompson
B Hilton	

In attendance: Chief Executive, Head of Financial Services and Ian Pinches (Grant Thornton)

### 172 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillor S Hirst.

### 173 MINUTES

The minutes of the meeting held on 11 April 2018 were approved as a correct record and signed by the Chairman.

### 174 DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

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

### 175 PUBLIC PARTICIPATION

There was no public participation.

### 176 LOCAL CODE OF CORPORATE GOVERNANCE

The Director of Resources asked Committee to consider the revised Local Code of Corporate Governance. The Code is a public statement that sets out the way the Council will meet its commitments to demonstrating that it has necessary Corporate Governance arrangements in place to perform effectively.

The Local Code of Corporate Governance is reviewed and approved annually by this Committee and is the Council's forward looking statement of how the governance culture of the organisation will be driven. Within the framework there are 7 core principles that look to steer the application of good governance in everything that Members and staff undertake by highlighting how their work on behalf of the Council will be approached.

The review of the Council's Code had resulted in the document being substantially different from that of previous years in the way that it is structured.

This has been undertaken in order to more clearly communicate the key governance principles and the expected behaviours or culture that the CIPFA/SOLACE publication “Delivering Good Government in Local Government” would expect of an organisation such as the Council.

The new format of the Code also links more closely with the structure of the Annual Governance Statement which is the backward looking review of how the Council has performed or acted in relation to the principles that it said it would abide by as detailed within the local Code of Corporate Governance at the beginning of the year.

The Annual Governance Statement had been reviewed and considered by the Council’s Corporate Management Team and following its approval would be published on the Council’s website.

It was proposed to undertake wider training with staff and Members on the 7 principles outlined and the manner in which we approach our work as detailed within the Code to further strengthen this aspect of the Council’s culture.

Committee considered the Code and requested that a statement regarding managing data encompassed all data including commercial confidentiality and not just personal data.

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

#### 177 ANNUAL GOVERNANCE STATEMENT FOR 2017/18

The Director of Resources sought Committee’s approval of the Annual Governance Statement 2017/18. All Councils are required to prepare an Annual Governance Statement each year in accordance with the “Delivering Good Government in Local Government Framework” and to report publicly on the extent to which they comply with their own Local Code of Corporate Governance. This includes how we have monitored the effectiveness of our governance arrangements in the previous financial year and detail any planned changes in the coming period.

A detailed exercise had been undertaken in the annual review of the Council’s Governance arrangements which reflects on the Council’s Code of Corporate Governance and how it actually performed. In reviewing how the Council and its staff and Members have acted over the period of review, evidence is also gathered to support the conclusion reached.

As a result of this year’s annual review there had been a number of areas raised and detailed within the statement:

- Peer Challenge Review;
- Refuse vehicle maintenance costs;
- Communications Strategy.

Progress in addressing the issues raised would be monitored during the year and would also be reviewed at the time of next year's annual review. The Annual Governance Statement will be published alongside the Council's Statement of Accounts and is currently on the Council website in draft form which would be updated once approved.

RESOLVED: That Committee approve the Annual Governance Statement 2017/18 as outlined in the report.

## 178 AUDIT FINDINGS REPORT

Ian Pinches submitted a report on behalf of Grant Thornton which outlined the audit findings and key matters arising from the audit of the Council's financial statements for the year ending 31 March 2018.

He informed Committee that Grant Thornton anticipated providing an unqualified opinion on the financial statements and there were no significant issues to be brought to Committee's attention.

The key messages arising from the audit of the Council's financial statements were:

- the Council's financial statements give a true and fair view of the Council's financial position and the Council's expenditure and income for the year;
- the Council's financial statements have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on local authority accounting and prepared in accordance with the Local Audit and Accountability Act 2014.

He reported that as auditors they are required to obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern. With regard to this he reported that there was no anticipated impact on their audit opinion and their proposed opinions would remain unmodified in respect of going concern.

The report went on to outline significant audit risks that were not specific to Ribble Valley as well as significant audit risks that were specific to Ribble Valley that had not identified any issues. Nor had any issues been identified with regard to reasonably possible audit risks.

With regard to the value for money conclusion based on the work performed to address the significant risks Grant Thornton concluded that the Council continues to be effective in its financial management and continues to plan for sustainable use of its resources.

Ian Pinches reported that the audit opinion was a credit to the Council and requested that their thanks to the staff in the Resources Department be formally noted.

RESOLVED: The Chairman thanked Grant Thornton for this report and also conveyed thanks to the Director of Resources and her financial team.

179 LETTER OF REPRESENTATION

The Director of Resources submitted a report which included the Letter of Representation that Grant Thornton had required to be signed before they could sign off the accounts. This letter sets out assurances from the Council to Grant Thornton that relevant accounting standards had been complied with and gave further assurances that the Council had disclosed information where to withhold it would undermine the accuracy and reliability of the Statement of Accounts.

RESOLVED: That Committee approve the Director of Resources signing the Letter of Representation for 2017/18 on behalf of the Council.

180 APPROVAL OF AUDITED STATEMENT OF ACCOUNTS 2017/18

The Director of Resources submitted a report asking Committee to formally approve the Statement of Accounts 2017/18 following the completion of the audit.

The Head of Financial Services reminded Committee that the 2017/18 financial year was the first where we were required to meet the new deadlines for release of our Statement of Accounts for external audit by 31 May 2018 and approval following audit by 31 July 2018. These same deadlines had been matched in last year's close down process in preparation for this year's new requirements.

He highlighted the Members' role in approval of the Statement of Accounts following the conclusion of the audit is to demonstrate their ownership of the statements, their confidence in the Director of Resources and the process by which accounting records are maintained and the statements prepared.

This year the main areas from the Code that has impacted on the Council had been:

- amendments to introduce key reporting principles for the Narrative Report and clarification on the reporting requirements for accounting policies and going concern reporting.

The Head of Financial Services went on to outline the general fund outturn position for 2017/18, along with the general fund balances, earmarked reserves, business rates, collection fund and balance sheet.

The final outturn of a deficit of £183,000 means that we have taken £100,000 less from general fund balances than was estimated when the revised estimates were prepared. There has also been £299,000 more (revenue only) added to earmarked reserved than forecast at revised estimate, which was largely due to

the accounting treatment required for grants received but not yet spent, but also resulted from the increase in Section 31 Grants around business rates and the set aside in the new business rates growth reserve.

RESOLVED: That Committee approve the audited Statement of Accounts.

181 AUDITOR APPOINTMENT – HOUSING BENEFIT ASSURANCE PROCESS

The Director of Resources submitted a report informing Members of the appointment of Grant Thornton as the Council's auditors for the Housing Benefit Assurance process. A fee had been accepted as detailed based on Grant Thornton undertaking what is known as the discovery testing. From the 2018/19 housing benefit subsidy claim we are now required to appoint our own auditor and Grant Thornton had been appointed.

RESOLVED: That the report be noted.

182 INTERNAL AUDIT PROGRESS REPORT 2018/19

The Director of Resources submitted a report for Committee's information on the internal audit progress to date for 2018/19. The report included the full Internal Audit Plan for 2018/19 for Committee's information.

The first couple of months of this year had been spent completing audits on fees and charges, Clitheroe Market, car parking, cash receipting as well as assurance work around corporate governance. The progress to date with the 2018/19 Audit Plan was satisfactory.

RESOLVED: That the report be noted.

183 PLANNED AUDIT FEE 2018/19

The Planned Audit Fee letter for 2018/19 from Grant Thornton was included for Committee's information.

RESOLVED: That the report be noted.

184 2017/18 YEAR END PERFORMANCE INFORMATION

The Director of Resources submitted a report for Committee's information for the year end 2017/18 detailing performance against our local performance indicators.

RESOLVED: That the report be noted.

The meeting closed at 7.25pm.

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