

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 24 March 2010 starting at 6.30pm
Present: Councillor D Eccleston (Chairman)

Councillors:

J Hill	R Thompson
R Sherras	A Yearing

In attendance: Chief Executive, Director of Resources, Financial Services Manager, Emergency Planning Officer, Principal Auditor and Georgia Jones (Audit Commission)

927 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillor S Hirst and Clive Portman (Audit Commission).

928 MINUTES

The minutes of the meeting held on 25 November 2009 were approved as a correct record and signed by the Chairman.

929 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

930 PUBLIC PARTICIPATION

There was no public participation.

931 REFERENCES FROM OVERVIEW AND SCRUTINY COMMITTEE

There were no references from Overview and Scrutiny Committee.

932 RISK MANAGEMENT

The Emergency Planning Officer gave a presentation on the progress that has been made through the progress of risk management and an overview of the operational aspects of the systems and the approach the Borough Council takes. He informed Committee that risk management is designed to be an integral part of the performance management approach of the Council and that risks are scored on a traffic light system using an impact/likelihood matrix system. Risks are reviewed regularly by the "owning" manager. Training sessions had taken place for all staff members as well as Councillors. He informed Committee that all managers were responsible for identifying their risks and recording them on the GRACE system as well as identifying and recording mitigating actions. The responsibility for the monitoring of the risks also lies with the manager.

Committee discussed the red risks that were current and how these would be mitigated. They acknowledged that there had been obvious benefits to the

Council since this system had been introduced. They thanked the Emergency Planning Officer for his comprehensive presentation.

RESOLVED: That Committee

1. acknowledge the red risks and the controls that have been put in place;
2. request a quarterly report of red risks to this Committee with full details.

933 CLOSURE OF ACCOUNTS TIMETABLE 2009/2010

The Director of Resources submitted a report reminding Committee of the statutory requirement to close down the accounts by 30 June 2010 and publish them by 30 September 2010 and to inform Committee of the benefits of closing down the accounts by these deadlines, in particular the good governance aspects.

She highlighted the principal matters covered by the Accounts and Audit Regulations 2003 and 2006 (amendment) along with the regulations that stipulate the various responsibilities for the closure of accounts. This included important procedural requirements as well as governance issues. Issues facing Ribble Valley included budget pressures, some practical issues, resource implications and a timetable that must be strictly adhered to in order to achieve the deadlines required.

RESOLVED: That Committee endorse the suggested approach for the closure of the 2009/2010 accounts.

934 INTERNAL AUDIT ANNUAL PLAN 2010/11

The Director of Resources submitted a report informing Committee of the internal audit plan for 2010/11. This included the various audit areas and the planned number of working days for each of these areas.

Committee discussed the various areas to be covered, with particular reference to a specialist computer audit.

RESOLVED: That Committee

1. approve the 2010/11 internal audit plan; and
2. ask the Principal Auditor to investigate the possibility of engaging the services of a specialist computer audit and report back to the next meeting of this Committee.

935 INTERNAL AUDIT PROGRESS REPORT 2009/10

The Director of Resources submitted a report informing Committee of the internal audit work progress that had taken place for 2009/10. The report outlined the various assurance opinions that had been issued following the audit that had taken place.

RESOLVED: That the report be noted.

936 ANNUAL AUDIT LETTER 2010

The Director of Resources asked Committee to consider the Audit Commission's annual audit letter that had been received. The letter set out how the Council was performing, the audit of accounts and value for money and looking ahead. She informed Committee that the annual audit letter would be circulated to all Councillors and published on the Council's website as is required.

RESOLVED: That the report be noted.

937 CAA/USE OF RESOURCES 2010 UPDATE

The Director of Resources submitted a report updating Committee with the latest position regarding our Use of Resources assessment for 2009/10. The Use of Resources assessment considered how well organisations are managing and using their resources to deliver value for money and better and sustainable outcomes for local people.

The Financial Services Manager informed Committee that a core group of officers had been reviewing the KLOEs and identifying changes that had taken place since the last self assessment and have been meeting on a weekly basis since the initial meeting with the Audit Commission. Work was continuing towards preparation of a self assessment for the auditors by the end of March in order to help inform the indicative scores submission which was due by 21 April.

RESOLVED: That the progress be noted.

938 AUDIT OPINION PLAN

Georgia Jones (Audit Commission) introduced the audit opinion plan and reminded Committee that when they issued their audit fee letter it set out their proposed audit fee for 2009/10. This plan now set out the audit work that was proposed to be undertaken for the audit of the financial statements 2009/10. The plan was based on the Audit Commission's risk based approach to audit planning and reflected audit work specified by the Audit Commission for 2009/10, current national risks relevant to local circumstances and locally identified risks. It also included a testing strategy, key milestones and deadlines, details of the audit team and information about the Audit Commission.

RESOLVED: That the report be noted.

939 INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) UPDATE

The Director of Resources submitted a report informing Committee of the current position of the Council with regard to the Transition to International Financial Reporting Standards (and IFRS). The Financial Services Manager reminded Committee that there were three key stages to the transition to this new system which included restating the opening balance sheet as at 1 April 2009 to comply with IFRS; preparing the accounts for the 2009/10 financial year in accordance with UK GAAP and also restating these accounts to comply with IFRS meaning that the 2009/10 financial statements will be prepared in both UK GAAP and IFRS formats and preparing the 2010/11 financial statements on an IFRS basis

only. He included in the report an updated timetable of the key tasks to be carried out in the transition in preparing the financial statements on an IFRS basis and the key areas of the implementation and progress to date. He informed Committee that the progress of IFRS was a major change to public sector accounting and also impacted on service areas other than finance. However, the Council was on course to implement IFRS within the required time frame.

RESOLVED: That the report be noted.

940 CERTIFICATION OF CLAIMS AND RETURNS – ANNUAL REPORT

A report was submitted by the Audit Commission outlining the certification of claims and returns. Georgia Jones informed Committee that funding from the Government grant paying departments was an important income stream for the Council. The Council needs to manage claiming the income carefully and needs to demonstrate to the auditors that it has met the conditions which attach to these grants. The report summarised the findings from the certification of 2008 claims and includes messages arising from the assessment of the Borough Council's arrangements for preparing claims and returns and information on claims that were amended or qualified.

RESOLVED: That the report be noted.

941 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That by virtue of the next item of business being exempt information under Category 1 of Schedule 12A of the Local Government Act 1972 the press and public be now excluded from the meeting.

942 CONTRACT PROCEDURE RULES

The Director of Resources reported upon action taken under the Council's contract procedure rules dealing with an urgent matter. She informed Committee of a situation that had arisen under the Community Committee's remit regarding the play area at Salthill, Clitheroe. She informed Committee that to achieve deadlines regarding grant funding it had not been possible to fully comply with the Council's contract procedure rules and thus these had been waived because of the exceptional circumstances. The Community Committee had been updated on what was being proposed and had agreed with the action being taken. The Director of Resources went on to give information relating to the contractor selected and the contract sum agreed. She also reminded Committee that it was important that exceptions to the contract procedure rules were only granted in the rarest of circumstances and even then a full explanation as to the reasons for the deviation would be reported in detail to this Committee.

RESOLVED: That Committee fully endorsed the action taken.

The meeting closed at 8.17pm.

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