

## Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 26 June 2013, starting at 6.30pm  
Present: Councillor M Thomas (Chairman)

Councillors:

P Ainsworth	R Moores
I Brown	R Newmark
S Hirst	N C Walsh

In attendance: Chief Executive, Director of Resources, Head of Financial Services and Helen Palmer (Grant Thornton).

### 146 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillors J Hill, A Knox and G Mirfin.

### 147 MINUTES

The minutes of the meeting held on 27 March 2013 were approved as a correct record and signed by the Chairman.

### 148 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

### 149 PUBLIC PARTICIPATION

There was no public participation.

### 150 ANNUAL GOVERNANCE STATEMENT

The Director of Resources submitted a report asking Committee to agree the Annual Governance Statement for 2012/13. Under the Accounts and Audit (England) Regulations 2011 the Council was required to ensure that its financial management is adequate and effective and that the Council has a sound system for internal control which facilitates the effective exercise of the Council's functions 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 and this Annual Governance Statement must accompany the Statement of Accounts.

The Director of Resources highlighted various aspects of the Governance Statement including the scope of responsibility; the purpose of the Government framework; the conduct of behaviour; policy and decision-making; compliance; risk management; economy, efficiency and effectiveness; financial management and performance management.

Also highlighted was the review of effectiveness which is informed by the work of Directors within the authority who have responsibility for the development and maintenance and governance environment, the internal audit annual report and also by comments made by the external auditors and other review agencies and inspectorates.

Reference was made to the checklist issued by the Audit Commission entitled "Protecting the Public Purse" which authorities were encouraged to use to ensure that they have sound governance and counter fraud arrangements in place and that they are working as intended, and also to the National Audit Office 'Fact Sheet' on Good Practice Observations.

The Director of Resources informed Committee that as a result of the view of the effectiveness of the Government framework, the system of internal control, she was pleased to report that there were no significant governance issues to report.

RESOLVED: That Committee approve the Annual Governance Statement for 2012/13 as outlined.

#### 151 STATEMENT OF ACCOUNTS 2012/13

The Director of Resources submitted a report asking Committee to formally approve the Statement of Accounts for 2012/13 subject to audit. The Accounts and Audit Regulations 2011 require Members to approve the statutory accounts by 30 September following the financial year end. She informed Committee as good practice the Statement of Accounts would continue to be presented 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 that may be required have been made, the Statement of Accounts would be presented again in an audited format for approval once more by this Committee.

The Head of Financial Services highlighted various sections of the Statement of Accounts including the general fund outturn performance which showed a surplus of £83,000 during the year compared with the revised estimate which showed a deficit of £70,000 and the original estimate which showed a deficit of £21,000. He also highlighted the main variations that had occurred when compared to the revised budget. Attention was drawn to the general fund balances, collection fund, capital, the balance sheet and in particular the main movements including the net pensions liability and Committee were informed that the level of general fund balances would be £1.7m and the level of earmarked reserves will be £4.647m.

He informed Committee that the external auditors were due to commence their final accounts audit and that public notice had been given of the audit informing local electors of their 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 28 August 2013 when the final audited Statement of Accounts would be presented for approval.

RESOLVED: That Committee approve the Statement of Accounts for 2012/13 as circulated subject to audit.

152 INDEPENDENT PERSON PROTOCOL

The Chief Executive submitted a report seeking Committee's approval of the draft Independent Person Protocol. The Council had previously put in place arrangements for dealing with standards pursuant to the provisions of the Localism Act 2011 and as part of this had appointed two independent persons. At the previous meeting it was felt that a Protocol setting out the relationship between Councillors and the independent persons would be beneficial together with a flow chart illustrating the procedures to be followed. Prior to this meeting a training session had taken place where Councillors and the independent persons had worked through the Protocol using different scenarios in order to ascertain its usefulness. Slight amendments had been made to the Protocol presented.

RESOLVED: That Committee adopt the draft Protocol with the amendments made at the training session.

153 INTERNAL AUDIT ANNUAL REPORT 2012/13

The Director of Resources submitted a report informing Committee of the Internal Audit Annual Report for 2012/13. 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 audit are generally sound and effective.

RESOLVED: That the report be noted.

154 INTERNAL AUDIT PROGRESS REPORT 2013/14

The Director of Resources submitted a report for Committee's information on the internal audit work progress to date for 2013/14. The report included a full internal audit plan for 2013/14 for Committee's information.

The first couple of months of the year had been spent carrying out testing on the Council Tax and general ledger systems, looking at transactions relating to both 2012/13 and 2013/14. Testing to date on both systems had shown the level of control to be sound and effective.

The progress to date with the 2013/14 audit plan was satisfactory.

RESOLVED: That the report be noted.

155 AUDIT COMMITTEE UPDATE

Grant Thornton submitted an Audit Committee update for Members' information. This was a report on progress in delivering the responsibilities as external

auditors and also included a summary of emerging national issues and developments that may be relevant to the Council and a number of challenge questions in respect of the emerging issues which Committee may wish to consider.

The initial visit of the external auditors in February documented and walked through the systems which have been identified to present a reasonable possible risk of material misstatement in the accounts. This had not identified any significant issues.

The audit of the final accounts would now commence and be reported upon at the August meeting.

RESOLVED: That the report be noted.

#### 156 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 was only one of these that related to the kerbside waste paper and cardboard collection service which was about to be taken in-house and the complications surrounding the issue with the Lancashire County Council. Regular monitoring of this risk would continue and Committee would be kept informed of any developments.

Committee briefly discussed other risks regarding planning appeals and the Core Strategy that might also be included on this register.

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).