

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 26 August 2015, starting at 6.30pm
Present: Councillor K Hind (Chairman)

Councillors:

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

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

Councillors G Geldard and A Knox were not in attendance.

Also in attendance: Caroline Stead – Grant Thornton.

187 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Karen Murray from Grant Thornton.

188 MINUTES

The minutes of the meeting held on 24 June 2015 were approved as a correct record and signed by the Chairman.

189 DECLARATIONS OF INTEREST

There were no declarations of interest at the meeting.

190 PUBLIC PARTICIPATION

There was no public participation.

191 THE AUDIT FINDINGS

Caroline Stead 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 ended 31 March 2015. She informed Committee that Grant Thornton anticipated providing an unqualified opinion on the financial statements as there were not significant issues and just a small number of amendments which did not affect the Council's reported financial position. The key messages arising from the audit of the Council's financial statements were:

- the accounts presented for audit were well prepared;

- no adjustments were identified to the accounts affecting the Council's reported financial position;
- the value for money conclusion based on the review of the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources was again to give an unqualified conclusion.

The report highlighted the audit findings against significant risks; other risks including operating expenses, employee remuneration, revenue recognition, estimates and judgements, going concern and other accounting policies.

Two items were identified during the course of the audit under internal controls:

- The Director of Resources access rights to raise journals.
- The fact that the internal audit work plan for 2014/15 had not been completed including the reports for general ledger and cash receipting.

Management responses has been made to both of these issues in that allowing the Director of Resources to have the access right to post journals was felt to be unavoidable given the small size of the Council and its finance team. The risks have been considered that this presents and it is considered manageable. With regard to the internal audit work, it was confirmed that the majority of the work had been carried out and that assurance levels had actually been given on the general ledger and cash receipting audits in the year end internal audit report to Committee.

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

192 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 would 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 have undermined the accuracy and reliability of the Statement of Accounts.

RESOLVED: That Committee approve the Director of Resources signing the Letter of Representation for 2014/15 on behalf of the Council.

193 APPROVAL OF AUDITED STATEMENT OF ACCOUNTS FOR 2014/15

The Director of Resources submitted a report asking Committee to formally approve the Statement of Accounts for 2014/15 following the completion of the audit. These had been previously approved subject to audit. The final approved version had to be published by the end of September 2015. The Head of Financial Services reported that he was pleased that in the main there had been

no amendments required to the key Statement of Accounts only to the items of information contained in the notes to the accounts and the removal of one of the accounting policies. These amendments had no impact on the overall figures stated in the main statements. The changes required included:

- removal of the accounting policy on jointly controlled operations and jointly controlled assets; as the Council does not currently have any such operations or assets this is seen as surplus to requirements;
- amendment to the signage of the sub-headings in note 8 - property, plant and equipment in relation to the two rows that details impairment (losses)/reversals;
- amendment to note 12 – financial instruments. Previously guidance had been interpreted to only require inclusion of debtors and creditors where actual invoices had been received or raised. Following discussions with the external auditors it had been agreed to include all debtors and creditors including those that are only estimated on the basis that goods and services had been received as at 31 March and therefore a liability or asset exists.

Following receipt of the Auditor’s opinion, the accounts would be published on the website prior to the deadline of 30 September 2015.

RESOLVED: That Committee approve the audited Statement of Accounts for 2014/15, along with the audited Annual Governance Statement 2014/15.

194 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 audit plan for Committee’s information and the principal auditor gave a brief update on the audits that had been carried out. The assurance opinions for the audits that had been completed were either reasonable or substantial.

RESOLVED: That the report be noted.

195 2014/15 YEAR END PERFORMANCE INFORMATION

The Director of Resources submitted a report for Committee’s information for the year end 2014/15 that detailed performance against our local performance indicators.

RESOLVED: That the report be noted.

196 EXCLUSION OF PRESS AND PUBLIC

That by virtue of the next item of business being exempt information under Category 3, Schedule 12A of the Local Government Act 1972, the press and public be now excluded from the meeting.

RISK MANAGEMENT – UPDATE ON RED RISKS

The Director of Resources submitted a report providing Members with an update on the current areas of high risks 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. Regular monitoring of the risks would continue by the appropriate Service Committees and this Committee would be kept informed of any future developments.

The Chairman raised an issue that he felt should be considered by the Planning and Development Committee with regard to getting value for money for members of the public. This was in relation to the type of homes/size of homes/tenure mixture of affordable housing in the borough.

RESOLVED: That Committee ask the Planning and Development Committee to consider the issue of affordable housing relating to the type of homes, size of homes and tenure mixture in line with Government guidelines in order to get best value for money for members of the public.

The meeting closed at 7.16pm.

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