

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 29 June 2016, starting at 6.30pm
Present: Councillor K Hind (Chairman)

Councillors:

P Ainsworth	S Hind
S Atkinson	R Sherras
I Brown	A Knox
P Dowson	R Newmark
G Geldard	N C Walsh

In attendance: Chief Executive, Director of Resources, Head of Financial Services and Karen Murray and Caroline Stead – Grant Thornton.

91 APOLOGIES

There were no apologies for absence.

92 MINUTES

The minutes of the meeting held on 30 March 2016 were approved as a correct record and signed by the Chairman.

In relation to Minute 666, the Director of Resources reported that confirmation had been received from the Government that the Council would be reimbursed the Bellwin claim for flooding.

93 DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

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

94 PUBLIC PARTICIPATION

There was no public participation.

95 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 commitment demonstrating that it has the necessary Corporate Governance arrangements in place to perform effectively. It represents a key component of the Council's Governance arrangements and applied to all Members, officers, partners and stakeholders in their dealings with the Council. The Council was not required to include the Local Code in the Constitution however it would be published separately on the Council's website. The Council must conduct a review at least once a year of the Code which was attached for Committee's information.

The seven principles of the Code were highlighted.

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

96 ANNUAL GOVERNANCE STATEMENT 2015/16

The Director of Resources sought Committee's approval of the Annual Governance Statement 2015/16. Under the Accounts and Audit (England) Regulations 2015, the Council was required to ensure that its financial management was adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions and 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; following the review this Committee must approve an Annual Governance Statement which must accompany the Statement of Accounts and be prepared in accordance with proper practice in relation to internal control. The Annual Governance Statement was attached as an Annex to the report and had been developed based upon the requirements and guidance received from CIPFA. There were no significant governance issues to report.

RESOLVED: That Committee approve the attached Annual Governance Statement for 2015/16.

97 STATEMENT OF ACCOUNTS FOR 2015/16

The Director of Resources submitted a report asking Committee to formally acknowledge the Statement of Accounts for 2015/16 subject to audit. Committee were reminded that the Accounts and Audit Regulations 2015 required Members to approve the statutory accounts by 30 September following the financial year end and that it was the Director of Resources responsibility for the preparation of the Statement of Accounts and that she must certify that they are a true and fair view of the financial position of the Council and authorise them for issue.

Members' role in approval of the Statement of Accounts at the meeting in August, after the conclusion of the audit, was 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.

The Head of Financial Services highlighted various sections of the Statement of Accounts including the main areas from the Code which had impacted on this Council. These included:

- the introduction of a new narrative report to replace the previous explanatory forward; this provided further contextual information to the Statement of Accounts including non-financial information;
- specific guidance on IFRS 13 Fair Value Measurement and how it applies to local authorities;

- introduction of the concept of current value and implications on the measurement of surplus assets at fair value;
- the Council's review of the classification of its assets which had resulted in a reclassification of assets previously held as investment assets to other land and buildings under property, plant and equipment;

Committee were informed that the level of general fund balances at 31 March 2016 was £2.678m and the level of earmarked reserves was £6.005m.

He informed Committee that the external auditors had now commenced their final accounts audit following the accounts being authorised for issue on 20 June. Notice had been given on the website of the audit informing local electors of their rights 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 Accounts and Audit Committee at its meeting on 17 August 2016, when the final audited Statement of Accounts would be presented for approval by Committee.

RESOLVED: That Committee note that the Statement of Accounts for 2015/16 have been completed subject to audit, ready to be signed off by the Director of Resources.

98 INTERNAL AUDIT ANNUAL REPORT 2015/16

The Director of Resources submitted a report informing Committee of the internal audit annual report for 2015/16. All new audit reports 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 control were generally sound and effective.

RESOLVED: That the report be noted.

99 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 internal audit plan for 2016/17 for Committee's information.

The first couple of months of the year had been spent completing audits on procurement and car parking as well as assurance work around corporate governance. The annual exercise had also been carried out to verify staff driving licences and insurance certificates. The progress to date with the 2016/17 audit plan was satisfactory.

RESOLVED: That the report be noted.

100 ACCOUNTS AND AUDIT COMMITTEE PROGRESS AND UPDATE REPORT FOR RIBBLE VALLEY BOROUGH COUNCIL

Committee received a comprehensive report from Grant Thornton on progress in delivering their responsibilities as external auditors. The report outlined the

progress as at June 2016 and Karen Murray reported that there were no concerns at this time and nothing to bring to the specific attention of Committee.

RESOLVED: That the report be noted.

101 PLANNED AUDIT FEES FOR 2016/17

Grant Thornton referred to the letter informing the Council of the audit fees for 2016/17 which totalled £40,202 and included an indicative grant certification fee of £6,690.

RESOLVED: That the report be noted.

102 REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from Representatives on Outside Bodies.

103 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 red risk which continues to be monitored closely relating to waste management. The Chief Executive gave a brief update on the current situation with regard to cost sharing and the Lancashire County Council. Regular monitoring of the risk would continue by the appropriate service Committee and this Committee would be kept informed of any future developments.

RESOLVED: That the report be noted.

The meeting closed at 7.35pm.

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