

Minutes of Accounts & Audit Committee

Meeting Date: Wednesday, 27 November 2019, starting at 6.30pm
Present: Councillor R Bennett (Chairman)

Councillors:

I Brown	A Humphreys
B Buller	D Peat
L Edge	R Sherras
J Hill	

In attendance: Chief Executive, Director of Resources, Head of Financial Services, Head of Legal and Democratic Services, Mark Heap (Grant Thornton).

Also in attendance: Councillors S Bibby and A Knox.

Not in attendance: Councillor M Hindle.

423 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillors S Fletcher and R Newmark.

424 MINUTES

The minutes of the meeting held on 24 July 2019 were approved as a correct record and signed by the Chairman.

425 DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

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

426 PUBLIC PARTICIPATION

There was no public participation.

427 ANNUAL AUDIT LETTER 2018/19

Mark Heap submitted the Annual Audit Letter on behalf of Grant Thornton which summarised the key findings arising from the work that had been carried out at Ribble Valley Borough Council for the year ending 31 March 2019.

He informed Committee that Grant Thornton had issued an unqualified opinion on the Council's 2018/19 financial statements and an unqualified value for money conclusion. The opinion confirmed that the financial statements gave a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council. The value for money conclusion confirmed the external auditors were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019. He reported that work was ongoing on the Council's housing benefit subsidy claim and would be completed by 29 November 2019.

Congratulations were offered to the Director of Resources and her staff.

RESOLVED: That Committee accept the Annual Audit Letter from Grant Thornton.

428 REVIEW OF THE COUNCIL'S GOVERNANCE ARRANGEMENTS (MEMBER CONDUCT)

The Chief Executive submitted a report providing Members with an opportunity to familiarise themselves with and review the Council's arrangements for ensuring good standards of Member conduct.

This Council's current arrangements were developed between January 2012 and June 2013 and the report outlined the main elements of the Council's arrangements. The purpose of the report was to provide an opportunity for Members to look at their own arrangements which in general follow the national model and to determine whether improvements could be made.

The Head of Legal and Democratic Services reminded Members that the Council's procedures must comply with the requirements of the Localism Act 2011.

Following the recent high-profile referral through the Complaints Procedure, Members had already indicated that they wished to consider whether the process could be improved as a result of the problems experienced.

The report went on to raise various questions raised under each section of the arrangements namely the:

- Council's Code of Conduct;
- Terms of Reference for the Accounts and Audit Committee;
- arrangements for Independent Persons;
- process for making a complaint;
- Model Arrangements for dealing with the complaint; and
- the rules which would apply in the event of a matter being referred to the Sub-Committee.

Due to the number of issues which needed to be considered and their complexity, it was suggested that a Working Group of Members be appointed to oversee the process who would then report back with their provisional findings to the next meeting of the Accounts and Audit Committee on 12 February 2020.

In the meantime a training session could be arranged to assist Members as they consider the Council's governance arrangements.

RESOLVED: That Committee

1. agree to appoint a Working Group comprising Councillors R Bennett, I Brown, J Hill, D Peat and R Sherras to consider the Council's current governance arrangements and to make recommendations to Committee to be considered at the meeting on 12 February 2020; and

2. support the proposal to provide relevant training to all Members in advance of considering the final recommendations.

429 REVISITING MEMBER/OFFICER PROTOCOL

The Chief Executive submitted a report informing Members about the Member/Officer Protocol and asking them to consider whether or not it should be reviewed. In November 2017 the Council was subject to the Peer Challenge Review and one of the recommendations of the review was that the Council should revisit its Member/Officer Protocol. No details about the issues that had been identified were provided. At that point each Committee considered the Member/Officer Protocol and felt that it would be better reviewed after the Borough Elections in May 2019.

RESOLVED: That Committee

1. note the terms of the Council's Protocol for Member/Officer Relations;
2. note the comments made by the various Committees; and
3. agree that a review of the Protocol is not required at this time.

430 INTERNAL AUDIT PROGRESS REPORT 2019/20

The Director of Resources submitted a report for Committee's information on the internal audit progress to date for 2019/20. The report included the full Internal Audit Plan for 2019/20 for Committee's information. The progress to date with the 2019/20 Audit Plan gave full assurances on the work completed since the last meeting.

RESOLVED: That the report be noted.

431 AUDIT PROGRESS REPORT AND SECTOR UPDATE

Mark Heap on behalf of Grant Thornton gave an update on the progress on delivering their responsibilities as External Auditors. The report outlined their planning for the 2019/20 audit.

He informed Committee that across all sectors and firms the Financial Reporting Council (FRC) had set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing. The report highlighted areas were financial reporting, in particular property, plant and equipment and pensions, needed to improve. This would mean additional audit work was required and this would be discussed with the Section 151 officer in due course.

The paper also included a summary of emerging national issues and developments that may be relevant.

RESOLVED: That the report be noted.

432 ADDITIONAL AUDIT FEES

A copy of a letter received from Grant Thornton was circulated for Committee's information outlining the additional area of work assessing the impact of the McCloud ruling that had taken place during the 2018/19 audit of the Council's accounts. Together with IAS19 and PP Evaluation work this had cost an additional £4,500 bringing the final figure to £35,456 for the 2018/19 audit.

433 REVIEW OF LOCAL AUTHORITY FINANCIAL REPORTING AND EXTERNAL
AUDIT – CALL FOR VIEWS

The Director of Resources submitted a report informing Committee of the Call for Views in order to review the effectiveness of audit in local authorities and assess the transparency of financial reporting. The review would not look at the broader issues of local authority finances and sustainability but examine the existing purpose, scope and quality of statutory audits of local authorities in England and the supporting regulatory framework.

Committee were asked to consider the consultation paper and feedback any comments to the Director of Resources so that a response could be prepared by the 20 December 2019. The response would be reported to the next meeting February 2020 for Committee's information.

RESOLVED: That the report be noted.

The meeting closed at 7.10pm.

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