

ACCOUNTS AND AUDIT COMMITTEE

27 JUNE 2013

PRESENT

Councillor M. Whetton (in the Chair).

Councillors Mrs. L. Evans (Vice-Chairman), J. Baugh, C. Boyes, B Brotherton, P. Myers and T. Ross.

In attendance: Director of Finance (Mr. I. Duncan),
Head of Financial Management (Mr. I. Kershaw),
Audit and Assurance Manager (Mr. M. Foster),
Technical Finance Manager (Mr. G. Bentley),
Principal Audit and Assurance Team Leader (Ms. H. Carnson),
Democratic Services Officer (Mr. I. Cockill).

Also in attendance: Mr. M. Waite, Audit Commission,
Mr. G. Hurst, Lancashire Police.

1. MEMBERSHIP OF THE COMMITTEE 2013/14, INCLUDING CHAIRMAN, VICE-CHAIRMAN AND OPPOSITION SPOKESPERSON

The Chairman welcomed Councillor Myers who was returning as a Member of the Committee.

RESOLVED: That the Membership of the Committee for the 2013/14 Municipal Year, as appointed at the Annual Meeting of the Council held on 22 May 2013 and set out below, be noted:

Councillors Boyes, Baugh, Brotherton (Opposition Spokesperson), Mrs. Evans (Vice-Chairman), Myers, Ross and Whetton (Chairman).

2. TERMS OF REFERENCE

RESOLVED: That the Committee's Terms of Reference, as agreed at the Annual Meeting of the Council held on 22 May 2013, be noted.

3. MINUTES

RESOLVED: That the Minutes of the meeting held on 20 March 2013, be approved as a correct record and signed by the Chairman.

4. PRE-AUDITED ACCOUNTS 2013

The Director of Finance submitted the full pre-audited Statement of Accounts for the year ended 31 March 2013. The Committee also received the 2012/13 Revenue Budget Monitoring Outturn and Capital Investment Programme Outturn reports which had been presented to the Executive on 24 June 2013.

The Committee was briefed on the Accounts 2013 and related reports, with attention drawn to significant matters, changes and variances, and explanations

Accounts and Audit Committee
27 June 2013

provided. The Director of Finance also responded to queries raised by Members at the meeting and it was noted that the stock inventory valuation (section 17 on page 61 of the accounts) would be amended to reflect a higher turnover during the year.

RESOLVED –

- (1) That the Committee notes the Accounts 2013, prior to submission to the external auditor and public inspection.
- (2) That the Director of Finance be requested to include, as a regular item, the latest budget monitoring reports on the Committee's agenda for future meetings.
- (2) That, recognising the extent of work that goes into the financial statements, the Committee conveys its appreciation to the Director of Finance and his team for all their hard work and dedication in preparing this year's Accounts and for delivering a constructive workshop for Members on the financial results.

5. TREASURY MANAGEMENT ANNUAL PERFORMANCE 2012/13 REPORT

The Executive Member for Finance and the Director of Finance submitted a joint report reviewing treasury activities for the past financial year, in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice as adopted by the Council. The report had been considered by the Executive on 24 June 2013.

RESOLVED –

- (1) That the Committee advises the Council:
 - (i) of the Treasury Management activities undertaken in 2012/13;
 - (ii) that no prudential limits were breached during 2012/13; and
 - (iii) that both the CIPFA Code of Practice on Treasury Management and CIPFA Prudential Code for Capital Finance were fully complied with.
- (2) That the Committee believes it would be useful for the Director of Finance to remind School Governing Bodies of the Council's Treasury Management guidance and procedures.

6. INSURANCE PERFORMANCE REPORT 2012/13

The Director of Finance submitted a report providing a summary of insurance performance for 2012/13, detailing premium costs, liability claim numbers, repudiation rates and initiatives progressed and planned.

RESOLVED: That the report be noted.

7. AUDIT COMMITTEE UPDATE

Members received a report from Grant Thornton UK LLP on the progress at June 2013, in delivering its responsibilities as the Authority's external auditor.

The report also highlighted key emerging national issues and developments and members of the Committee expressed an interest in the Department of Health's guidance on changes to secondary legislation from the changes to public health functions affecting local authorities.

RESOLVED: That the Committee notes the report and that Members will be provided with an electronic link to the Public Health Local Authorities guidance.

8. ANNUAL INTERNAL AUDIT REPORT 2012/13

The Audit and Assurance Manager submitted a report providing an opinion on the standard of internal controls during 2012/13. The report included a summary of the work of the Audit and Assurance Service during the period as well as a detailed analysis of the work completed.

RESOLVED: That the report be noted.

9. 2012/13 DRAFT ANNUAL GOVERNANCE STATEMENT

The Audit and Assurance Manager submitted a report setting out the Draft 2012/13 Annual Governance Statement (AGS) following its review by the Corporate Management Team (CMT) and a sub-group of the Accounts and Audit Committee, namely, the Chairman (Councillor Whetton), Vice-Chairman (Councillor Evans) and Opposition Spokesperson (Councillor Brotherton).

The report advised that the AGS would accompany the 2012/13 Statement of Accounts and take into account any feedback or further developments through June to September 2013. The Leader of the Council and Chief Executive would sign off the final version of the AGS which would be presented to the Committee in September 2013 for approval.

Discussing the system of internal control, the Committee considered the conceivable public perception, at present, of the Council's statutory "Monitoring Officer" and wished to be assured that interim arrangements were to be resolved.

RESOLVED:

- (1) That the Committee notes that the Sub-Group of the Accounts and Audit Committee are satisfied with the robustness of the process followed in generating the Statement and are satisfied that the Statement itself is robust.
- (2) That the updated Corporate Governance Code be submitted to the Executive for approval.

Accounts and Audit Committee
27 June 2013

- (3) That, having regard for the role of the Council's "Monitoring Officer" and reiterating its every confidence in the current post holder, the Committee seeks an assurance from CMT that the permanence of this position is to be addressed.

10. ACCOUNTS AND AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL 2012/13

The Chairman and Vice-Chairman of the Committee presented a report setting out the proposed 2012/13 Annual Report of the Accounts and Audit Committee to be submitted to the Council.

RESOLVED –

- (1) That the Annual Report of the Accounts and Audit Committee 2012/13 be noted and presented to the Council for information.
- (2) That, further to the Audit Committee Update considered earlier (Minute No. 7), it was noted that future training and development for Members of the Committee should reflect the changing roles of councillors.

11. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2013/14

The Audit and Assurance Manager submitted a report setting out the Committee's proposed work plan for the 2013/14 Municipal Year, outlining the areas to be considered by the Committee at each of its meetings over the period of the year. The work plan would help to ensure that the Committee meets its responsibilities under its Terms of Reference and maintain focus on key issues and priorities as defined by the Committee.

Noting that the work programme was flexible, with scope for further training if required, Members suggested possible areas to cover with the understanding that items could be added or rescheduled if this ensures that the Committee best meets its responsibilities.

RESOLVED –

- (1) That the 2013/14 work programme be approved with the inclusion of budget monitoring reports as a regular item, as agreed earlier (Minute No. 4 (2) refers).
- (2) That consideration be given to the following areas of work suggested by Members:
- the impact of the new business rates retention scheme;
 - Public Health community arrangements in terms of remit and value for money;

Accounts and Audit Committee
27 June 2013

- a presentation from the Transformation Team on it's work, approach and important savings;
- changes to Waste Services and how they assist the Council;

and that any further suggestions be forwarded to the Audit and Assurance Manager.

- (3) That the Committee notes that the next meeting of the Committee will be held on Thursday, 26 September 2013 and not 25 September as originally scheduled.

The meeting commenced at 6.30 p.m. and finished at 8.38 p.m.