

## Minutes of Accounts and Audit

Meeting Date: Wednesday, 17 November 2021, starting at 6.30 pm  
Present: Councillor D Berryman (Chair)

Councillors:

S Bibby	S Hirst
L Edge	R Newmark
K Fletcher	D Peat
S Fletcher	J Rogerson
J Hill	R Sherras

In attendance: Chief Executive, Director of Resources and Head of Financial Services

### 478 APOLOGIES FOR ABSENCE

There were no apologies for absence.

### 479 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 29 September 2021 were approved as a correct record and signed by the Chairman.

### 480 DECLARATIONS OF DISCLOSABLE PECUNIARY, OTHER REGISTRABLE AND NON REGISTRABLE INTERESTS

There were no declarations of disclosable pecuniary, other registrable or non-registrable interests.

### 481 PUBLIC PARTICIPATION

There was no public participation.

### 482 ANNUAL GOVERNANCE STATEMENT

The Director of Resources sought Committee's approval of the Annual Governance Statement for 2020/21.

Members were reminded that all councils are required to prepare an Annual Governance Statement each year in accordance with the "Delivering Good Governance in Local Government Framework" and to publish the extent to which they comply with their own Local Code of Corporate Governance. This code includes how the Council has monitored the effectiveness of its governance arrangements in the previous financial year and details any planned changes in the coming period.

The report noted that:

- The Annual Governance Statement is a backward-looking review of how the Council had performed in relation to the principles set out at the beginning of each year in its own Local Code of Corporate Governance.
- In reviewing how the Council and its staff and members had acted over the period of the review, evidence had also been gathered to support the Report's conclusions.

- There had been several issues raised in the review and progress on these issues had been detailed in the report.
- The Annual Governance Statement had to be published alongside the Council's Statement of Accounts and that this is currently on the Council's website together with a draft (subject to audit) copy of the Statement of Accounts.

RESOLVED THAT COMMITTEE:

Approve the Annual Governance Statement 2020/21 as outlined in the report.

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#### AUDIT FINDINGS REPORT

Georgia Jones, Key Audit Partner submitted a report on behalf of Grant Thornton which outlined their audit findings and key matters arising from the audit of the Council's financial statements for the year ending 31 March 2021.

She reminded members that:

Under International Standards of Audit and the National Audit Office, Grant Thornton are required to report on whether the Council's financial statements give a true and fair view of the Council's financial position and its income and expenditure for the year.

She informed Committee that:

- The audit had been prepared in line with the appropriate codes of practice.
- Their work is substantially complete, and subject to the outstanding matters set out in the report, including receipt of the management representation letter and review of the final set of financial statements, currently there were no matters that would require modification of their audit opinion.
- Grant Thornton anticipated providing an unqualified opinion on the financial statements subject to the outstanding matters being resolved and that there were no significant issues to be brought to Committee's attention.
- Regarding the value for money conclusions this work had not yet been completed, however, they expected to issue their Auditor's Annual Report by January 2022, which is in line with the National Audit Office's revised deadline.
- There was no anticipated impact on their audit opinion and their proposed opinion would remain unmodified in respect of a going concern.

Georgia asked to put on record her thanks to the Head of Financial Services and his team for their work.

RESOLVED:

The Chairman thanked Grant Thornton for this report.

## LETTER OF REPRESENTATION

The Director of Resources submitted a report which included a Letter of Representation that Grant Thornton had required to be signed before they could sign off the accounts.

The letter set 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, which if it was withheld, would undermine the accuracy and reliability of the Statement of Accounts.

## RESOLVED THAT COMMITTEE:

Approve the letter of representation to Grant Thornton for 2020/21.

## APPROVAL OF AUDITED STATEMENT OF ACCOUNTS 2020/21

The Director of Resources submitted a report asking Committee to formally approve the Statement of Accounts for 2020/21 following completion of the audit.

The Head of Financial Services reminded Members that their role in approving the Statement of Accounts, following 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.

He reported that:

- It had not been possible to meet the publication deadline this year due to technical complications in respect of the numerous COVID-19 funding streams and the additional work associated with the pandemic.
- There had been a final outturn surplus of £158,496 rather than the £187,000 deficit forecast as at the revised estimate.
- There had been £1,398,000 more (revenue only) added to the earmarked reserves than forecast as at the revised estimate, and that this had been largely due to the accounting treatment required for grants received, but yet to be spent – notably COVID-19 grants.
- The large movements in the Council's earmarked reserves in respect of COVID-19 are expected to be held in the short term, particularly the £2.578m in respect of the Business Rates S31 funding which will offset the collection fund deficit in 2021/22.

The Chairman thanked the Head of Financial Services and his staff for all their hard work in achieving the closedown of the accounts.

## RESOLVED THAT COMMITTEE:

Approve the audited Statement of Accounts for 2020/21.

## INFORMING THE AUDIT RISK ASSESSMENT

The Director of Resources submitted a report informing members of the material accounting estimates that had been made and the methods that had been employed in arriving at the values used in the Statement of Accounts. The report also asked

members to endorse the processes that had been followed in arriving at such estimates.

Also included under this item was a report from Grant Thornton that covered important areas of the auditor risk assessment where there had been a requirement to make inquiries of the Accounts and Audit Committee under auditing standards.

Members were reminded that the Council's external auditors, Grant Thornton are required to:

- Understand and assess the Council's internal controls over accounting estimates.
- Obtain an understanding of the role of the Accounts and Audit Committee, particularly where estimates have a high estimation uncertainty, or require significant judgement.

RESOLVED THAT COMMITTEE:

1. Endorse the approaches followed in respect of significant estimates as outlined in the report, and
2. Acknowledge the responses made to the Grant Thornton document '*Informing the audit risk assessment for Ribble Valley Borough Council 2020/21*'.

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#### INTERNAL AUDIT ANNUAL REPORT 2020/21

The Director of Resources submitted, for information, the internal audit annual report for 2020/21 along with the audit opinion for the 2020/21 financial year.

The report noted that:

- Having reviewed the work of the internal audit team and the Mersey Internal Audit Agency (MIAA), it was concluded that sufficient assurance work had been carried out to allow the provision of an overall opinion in respect of the 2020/21 financial year of 'substantial assurance' on the adequacy and effectiveness of Ribble Valley Borough Council's internal control environment.
- The audit function had been impacted by recruitment difficulties, but it was recognised that this was a national issue and one also being shared by neighbouring authorities.
- Work was ongoing to successfully recruit to the post of Internal Audit Manager and until that was possible, the services of MIAA would continue to be used.

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#### INTERNAL AUDIT PROGRESS REPORT 2021/22

The Director of Resources submitted a report for information on the progress of the internal audit work to the end of October 2021.

The report noted that:

- Audit coverage had been lower than that originally planned and as a result additional external resources had been engaged and would continue whilst needed.

- Staff vacancies have had an impact on coverage, as a consequence the Services of the Mersey Internal Audit Agency (MIAA) would continue to be used to help ensure adequate audit coverage.
- It was anticipated that all originally planned audits would not be able to be covered, but that there would be adequate coverage together with the work of MIAA to be able to provide members with an informed Audit Opinion at the end of the year.

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## S106 AGREEMENTS

The Director of Economic Development and Planning submitted a report for information updating members on Section 106 Agreements and planning obligations secured as part of planning applications.

The report outlined the background to the planning obligations under Section 106 of the Town and Country Planning Act 1990. It explained that:

- Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as S106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development.
- Most obligations are subject to conditions and include the timings of commuted payments made at trigger points.
- The obligations are continually monitored using various mechanisms.
- Utilisation of the receipted S106 contributions are reported to the relevant service committee with authority sought to either utilise the contribution or give it to a third party to accord with the requirements of the agreement.

Members were reminded that the Council had chosen not to implement a Community Infrastructure Levy (CIL) when it was introduced in 2010, instead it choose to continue negotiating planning obligations via S106 and that further outcomes on CIL were still awaited in a Government White Paper.

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## REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from representatives on outside bodies.

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## EXCLUSION OF PRESS AND PUBLIC

There were no items under this heading.

The meeting closed at 7.22 pm

If you have any queries on these minutes please contact the committee clerk, Olwen Heap [olwen.heap@ribblevalley.gov.uk](mailto:olwen.heap@ribblevalley.gov.uk).