

Minutes of Accounts and Audit

Meeting Date: Wednesday, 27 September 2023, starting at 6.30 pm
Present: Councillor R Walsh (Chair)

Councillors:

T Austin	G McCrum
S Fletcher	L Street
J Hill	K Barnsley

In attendance: Chief Executive, Head of Financial Services, Internal Audit Manager, Internal Auditor, Sophia Iqbal and Georgia Jones (Grant Thornton).

330 APOLOGIES FOR ABSENCE

Apologies for absence were received for the meeting from Councillors M Graveston, S Hirst, C McFall, and R Newmark.

331 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 28 June 2023 were approved as a correct record and signed by the Chairman subject to the addition of apologies from Councillor L Street.

332 DECLARATIONS OF DISCLOSABLE PECUNIARY, OTHER REGISTRABLE AND NON REGISTRABLE INTERESTS

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

333 PUBLIC PARTICIPATION

There was no public participation.

334 ANNUAL GOVERNANCE STATEMENT

The Director of Resources and Deputy Chief Executive provided members with the Annual Governance review for 2022/23 and sought Committee's approval of the resulting Annual Governance Statement.

Members were reminded that all councils were 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 complied with their own Local Code of Corporate Governance. The code included how the Council had monitored the effectiveness of its governance arrangements in the previous financial year and detailed any planned changes in the coming period.

The report noted that:

- The Annual Governance Statement was a backward-looking review of how the Council had performed in relation to the principles set out at the beginning of the 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 four recommendations raised in the review which were detailed in the report.
- In May 2023 the Draft Annual Governance Statement had been published alongside the Council's Draft Statement of Accounts on the Council's website, which would be updated to reflect the approval of the audited Statement of Accounts and the approval of the Annual Governance Statement.

RESOLVED THAT COMMITTEE:

Approve the Annual Governance Statement 2022/23 as attached to the report.

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AUDIT FINDINGS REPORT - GRANT THORNTON

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 2023.

She reminded members that:

Under International Standards of Audit and the National Audit Office, Grant Thornton were required to report on whether the Council's financial statements gave 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.
- The audit had identified that adjustments to financial statements were required in relation to internal recharges. The Auditors were satisfied that the required adjustments had now been made, which had impacted gross income and expenditure, however there was no resulting impact on the net bottom-line figure. Prior period adjustments were also required to the accounts for 2021/22, which again had not impacted the net bottom-line figure. As a result, their work was still ongoing, and subject to completion of further testing, a final audit opinion would be issued.
- The Auditors were still undergoing work in relation to the Valuation of pension fund liability, and were awaiting Pension Fund Assurance, however no significant issues had been identified so far.
- Grant Thornton anticipated providing an unqualified opinion on the financial statements, subject to the outstanding matters being resolved, by the end of October 2023.

The Chairman thanked Grant Thornton for their work.

RESOLVED THAT COMMITTEE

Accepted the external auditors audit findings report for year ending 31 March 2023, with the understanding that the audit is still ongoing and a further report will be brought Committee.

LETTER OF REPRESENTATION

The Director of Resources and Deputy Chief Executive submitted a report which included the Letter of Representation for 2022/23 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 2022/23.

APPROVAL OF AUDITED STATEMENT OF ACCOUNTS 2022/23

The Director of Resources and Deputy Chief Executive submitted a report asking Committee to formally approve the Statement of Accounts for 2022/23 subject to 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 Deputy Chief Executive (Section 151 Officer) and the process by which accounting records were maintained and the statements prepared.

He reported that:

- The deadline for the publication of the draft accounts had been met and the Statement of Accounts (subject to Audit) had been made available on the Council's website on 2 June 2023.
- The final position showed that the Council had taken £242,000 from general fund balances during the year compared with the Revised Estimate of £537,000, and the original planned amount of £412,000, to fund 2022/23 spending plans.
- The Council had added £83,959 to earmarked reserves for revenue purposes, rather than the forecast of £649,476, and had taken £459,709 from earmarked reserves to fund the capital programme. The overall net movement was £375,750 taken from earmarked reserves.
- The Collection Fund showed an overall net surplus of £697k.
- A presentational adjustment had been needed to the accounts due to the previous inclusion of a number of recharges. This had been applied to the 2022/23 financial statements and had resulted in a prior period adjustment for the restating of the figures used in 2021/22.

The final outturn on the general fund revenue account was a deficit of £241,738 rather than the £537k deficit forecast at the revised estimate.

There was discussion at the meeting around the increased cost of External Audit which was explained to Members by Grant Thornton. The Head of Financial Services also confirmed that the Council does complete reasonableness checks against other authorities in relation to fees. The surplus position on the Pension Fund was also noted and it was explained that this was as a result of a number of reasons as noted in the accounts, including the triannual review which had been completed.

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:

1. Approve the audited Statement of Accounts for 2022/23.
2. Delegate to the Director of Resources/Deputy Chief Executive in consultation with the Chairman, approval of any non-material amendments to the Statement of Accounts.

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INTERNAL AUDIT PROGRESS REPORT 2023/24

The Director of Resources and Deputy Chief Executive submitted a report for information on progress against the 2023/24 Internal Audit Plan covering the period April 2023 to August 2023.

The report included the areas that had been a key focus, and the areas for which reviews were in progress, along with:

- An overview setting out the planned delivery for the 2023/24 Internal Audit Plan.
- A summary of internal audit recommendations that had been raised – 60 recommendations were due for implementation, of these, 50 were considered implemented, partially implemented, or superseded. Of the 10 still outstanding, 2 were originally considered high risk.
- There had been one referral made within the period which remained an open investigation.

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REVIEW OF RISK MANAGEMENT POLICY

The Director of Resources & Deputy Chief Executive submitted a report to inform the Committee that the Risk Management Policy had been reviewed.

The document was reviewed annually, and following a full review, no required changes had been identified. The document was available on the Council's website.

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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 was no exclusion of press and public.

The meeting closed at 7.28 pm

If you have any queries on these minutes please contact the committee clerk, 01200 414408 rebecca.tait@ribblevalley.gov.uk.