

**Minutes of                   Accounts Committee**

**Date of Meeting:   27<sup>th</sup> September 2007**

**PRESENT:                   Councillor Ruddick (in the Chair)  
                                  Councillors Challinor, Essex, Aldred and A. Barnes**

**IN ATTENDANCE: Mike Thomas, District Auditor, Audit Commission  
                          Allen Graves, Principal Auditor, Audit Commission  
                          Phil Seddon, Head of Financial Services  
                          Janice Crawford, Finance Manager**

**APOLOGIES                none**

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## **BUSINESS MATTERS**

### **1.   URGENT ITEMS**

There were no urgent items to be considered.

### **2.   DECLARATIONS OF INTEREST**

No declarations of interest were made.

### **3.   PUBLIC QUESTION TIME**

There were no members of the public present.

## **ITEMS FOR CONSIDERATION**

### **4.   FINAL ANNUAL REPORT AND STATEMENT OF ACCOUNTS 2006/07**

The Head of Financial Services introduced a report on the final audited Statement of Accounts and Annual Report for the year end 31<sup>st</sup> March 2007, indicating that the Council has a statutory duty to approve the audited accounts by 30 September 2007.

The Finance Manager explained the main changes to the Accounts since the draft was presented in June. These fell into 3 broad categories:-

- Technical amendments to the treatment of LSVT comparator figures for 2005/06.
- Clarification of the interpretation of the changes to the SORP 2006.
- Mis-statements in the 2006/07 accounts.

In addition there was one amendment to the Minimum Revenue Provision charged to the General Fund in 2006/07 which affected the Net

General Fund surplus for the year to the value of £61k. This resulted in a revised General Fund Surplus of £40k for the year.

The Finance Manager submitted to the Committee one further amendment to the note on Members Allowances which corrected the individual special responsibility allowances payable within 2006/07.

The main revenue accounts therefore now show the following balances as at 31 March 2007:

	£000s
• GF	£686
• HRA	£1,150

The Housing Revenue Account, following the Housing Stock Transfer, will be transferred into General Fund on 1<sup>st</sup> April 2007 in accordance with Note 34 on page 50 of the Accounts, resulting in a General Fund Balance at 1<sup>st</sup> April of £811k.

**Resolved:**

That the Committee approve the Final Annual Report and Statements of Accounts 2006/07.

## **5. AUDIT COMMISSION – ANNUAL GOVERNANCE REPORT**

The District Auditor presented the Annual Governance Report which is a report summarising work in relation to the Opinion Audit.

The report covered the audit of the Council for the year ended 31 March 2007. The key messages of the report were:

- An unqualified opinion as to the Accounts being presented.
- Positive action over recent years on the Statement on Internal Control has ensured that it was prepared in accordance with proper practice specified by CIPFA.
- An unqualified “adequate” report on the Value For Money conclusion as part of the Use of Resources audit.

The District Auditor confirmed that the audit of Accounts is now complete, thanked the Financial Services staff for their support and commented that the early preparation for the changes to the SORP had allowed greater time for quality assurance.

The report included consideration of the Statement on Internal Control and mention was made of significant weaknesses raised by the Internal Audit review. Progress already made to address these concerns was noted. Prompted by a question from Councillor Essex the Auditor

confirmed that the Corporate Governance Report does not provide “a comprehensive statement of any weaknesses” which may have been raised outside their audit. The Auditor agreed to amend the report to reflect the minor change of wording above.

The District Auditor referred to the updated fees within the report and explained the increase was due to expert opinion required to provide technical support regarding how the LSVT transactions should be reflected in the 2005/06 restated accounts restated under the SORP 2006.

The District Auditor confirmed that he had received the letter of representation, signed by the Head of Finance. This advised the Auditor of the Council’s position with regards to Rossendale Leisure Trust as a notice for consideration during future audits.

Councillor Essex questioned the VFM conclusion, requesting the possible classifications available. The District Auditor confirmed that the results were either “adequate” or “not adequate” and so Rossendale Borough Council had received the most positive result available.

The District Auditor then outlined the future reports that would be presented to the Council in the coming months, including the detailed Final Accounts Memorandum.

The Chair thanked the Audit Commission for their contributions to the improvements to the Council over the last 3 years and for their advice and guidance during this time. He also expressed thanks to the Head of Finance and all his staff who had done the hard work on behalf of the Council.

**Resolved:**

That the Committee receive the Audit Commission’s Annual Governance Report

**The meeting commenced at 6.30pm and finished at 7.00pm**