

MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE

Date of Meeting: 3rd DECEMBER 2009

**PRESENT: Councillor Morris (Chair)
Councillors Barnes, Dickinson, Evans, Haworth, Lynskey**

Heather Massie (Co-opted Member)

**IN ATTENDANCE: Phil Seddon, Head of Financial Services
Janice Crawford, Finance Manager
Andrew Fox, Principal Auditor, Lancashire Audit Service
Colin Smith, Audit Commission
Clive Portman, Audit Commission
Michelle Hargreaves, Committee Officer**

1 Member of the public

1. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Essex, J Pilling, Aldred (Councillor A Barnes substituting) and also Tony Hough.

2. MINUTES OF THE MEETING HELD ON 30 SEPTEMBER 2009

Resolved:

That the Minutes of the meeting held on 30 September 2009 be signed by the Chair as a correct record.

3. DECLARATION OF INTEREST

There were no declarations of interest.

4. URGENT ITEMS OF BUSINESS

There were no urgent items of business

5. PUBLIC QUESTION TIME

There were no questions raised.

6. CHAIRS UPDATE

The Chair had no updates to report.

7. INTERNAL AUDIT PROGRESS REPORT

The Principal Auditor introduced the Internal Audit Report, which was for the period ending 31st October 2009, indicating that from the work undertaken to date, no significant weaknesses had been identified.

It was noted that the National Fraud Initiative data matching exercise has resulted in savings of £25,133.62, principally in the following areas:

- Housing Benefits
- Single Persons Discount
- Concessionary Travel
- National Fraud

A member of public raised a question in relation to the communication process between central government departments and individual government bodies.

The Head of Financial Services acknowledged the point raised and stated that electronic data matching is done nationally as a specific exercise to identify possible anomalies and duplication as potential cases of fraud rather than as a means of correcting data errors. It is up to the individual concerned to provide correct information to be included in the computerised data sets within each organisation.

It was also identified that a fraud hotline is available and well publicised for members of the public to use when a case of fraud is suspected. The hotline has made fraud more noticeable and it is important the fraud number is accessible and whistle blowing is encouraged within organisations.

Resolved:

That the Audit and Accounts Committee note the progress report for the period ending 31 October 2009.

8. PROGRESS OF IMPLEMENTATION OF THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The Finance Manager introduced the IFRS update report to the committee, the purpose of which was to inform members of the progress made to date and plans in place to implement the new standards.

The Finance Manager outlined that the Council had a statutory duty to produce its 2010/11 final accounts under the new IFRS standards and to do this accurately it must be in a position to re-state the Balance Sheet as at 31st March 2009 as if IFRS had always existed.

The Project Managers delivering the plan will be Janice Crawford and Mike Forster. Both have attended several training courses on the subject provided by CIPFA, the chartered surveyors association and others.

A plan of the project timetable was outlined which includes regular project updates to this committee and training for the committee members in June 2011 ahead of the 2010/11 Statement of Accounts.

The Finance Manager highlighted the main changes to the Statement of Accounts which members will observe – these are a new order and titles for the main statements within the accounts. The only financial effect is likely to be the accrual for holiday pay for staff, transferring around £65k to year-end creditors as a one-off transaction from the General Fund Balance. Year-on-year this provision should see little change as holiday patterns overall are only likely to change if Easter falls in March.

A concern was raised with regards to cover if the Finance Manager was to be off for a period of time. It was clarified that the Property Services Manager had received sufficient training to continue his elements and a spreadsheet had been devised as a step by step balance sheet conversion guide for financial services staff to follow.

The Finance Manager explained the possible involvement of external support from PwC in the implementation plans to provide some training for the wider team of staff and provide a critical review of the conversion calculations ahead of the submission to the Audit Commission.

The District Audit gave an update of the likely timescales within which the Audit Commission will be officially reviewing the conversion calculations, but will gladly take any earlier submissions on board.

Resolved:

The Audit and Accounts Committee noted the update report and approved the engagement of PwC for project initiation and assurance.

9. ANNUAL REPORT

The Finance Manager gave a brief overview of the report stating that it was a revised version which had been submitted to cabinet briefing.

In response to questions the Head of Financial Services confirmed that it was a collective responsibility as a Council to proof read the document and that greater emphasis would be placed on proof reading in the future. Amendments required to the current version would be included before distribution on the website.

In general, the committee welcomed the document and congratulated staff that had contributed to its production.

Resolved:

The Audit and Accounts Committee approved the report for publication on condition the document was fully proof read for errors.

The meeting commenced at 6.30pm and closed at 7.45pm

Signed
(Chair)

Date