

MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE

Date of Meeting: 20th March 2018

**PRESENT: Councillor Aldred (Chair)
Councillors Bromley (in part), Essex, Lythgoe, Procter,
Smith and Steen**

Mr M Ali (co-opted member)

**IN ATTENDANCE: Mr P Seddon, Head of Finance and Property Services
Mr M Baskerville, Audit Manager, Lancashire County Council
Mr R Baker, Engagement Lead, Grant Thornton Auditors
Mr I Pinches, Engagement Manager, Grant Thornton Auditors
Ms S Iqbal, Grant Thornton Auditors
Miss G Ashton, Committee & Member Services Officer**

**ALSO PRESENT: Councillors Cheetham, Haworth and Walmsley
2 members of the public**

1. CHAIR'S INTRODUCTION

1.1 The Chair welcomed everyone to the meeting and outlined the housekeeping arrangements. He gave a special welcome to Mr R Baker, Engagement Lead from Grant Thornton Auditors who had replaced Mrs K Murray.

2. APOLOGIES FOR ABSENCE

2.1 There were no apologies for absence.

3. MINUTES OF THE MEETING HELD ON 5TH DECEMBER 2017

RESOLVED:

The minutes of the meeting held on 5th December 2017 were agreed as a correct record.

4. URGENT ITEMS OF BUSINESS

4.1 The Chair confirmed that there were no urgent items of business.

5. DECLARATIONS OF INTEREST

5.1 There were no declarations of interest.

6. PUBLIC QUESTION TIME

- 6.1 The Chair agreed to deviate from the procedure for public speaking and allow members of public present to ask questions as items on the agenda were presented. Members of the public were permitted to ask questions on items not on the agenda at this point in the meeting.
- 6.2 There were no public questions at this point.

7. CHAIR'S UPDATE

- 7.1 The Chair asked the Head of Finance and Property Services to provide an update regarding the HCA.
- 7.2 The Head of Finance and Property Services advised that a letter had been received from Homes England (formerly HCA) on 14th March 2018 providing an update on the current actions as a result of previous audit findings. Rossendale Borough Council continued to work through outstanding actions and updated Homes England on a monthly basis as to further progress. It had been agreed with Homes England that any outstanding actions would be resolved by 14th December 2018.
- 7.3 The Committee asked questions and made comments, which included the following:
- It was previously reported that 12 properties were not beneficial to keep in the programme.
 - How many properties were in the original scheme and should some properties have been in the scheme.
 - What was the financial cost of the scheme to the Borough.

The Head of Finance and Property Services clarified issues raised by the Committee.

- 7.4 Members of the public raised the following issues/questions:-
- Was there a time the Council could have walked away from the scheme and saved money.
 - Will the financial details be included in a final report.

The Head of Finance and Property Services clarified issues raised.

8. INTERNAL AUDIT PROGRESS REPORT

- 8.1 The Audit Manager, Lancashire County Council outlined the report which asked members to note the Internal Audit Progress Report for the period to the end of December 2017.

8.2 At the last meeting, actions arising from the external quality assessment were requested. The Audit Manager advised that this was included in the report.

8.3 The Committee made comments, which included the following:

- The staff should be congratulated on achieving substantial assurance. The committee asked for their appreciation to be conveyed.

8.4 There were no public questions.

RESOLVED:

- That the Internal Audit Progress Report was noted.

9. INTERNAL AUDIT ANNUAL PLAN 2018/19

9.1 The Audit Manager, Lancashire County Council outlined the report which asked members to approve the internal audit annual plan for the period 1st April 2018 to 31st March 2019.

9.2 The Committee asked questions and made comments, which included the following:

- How many days had been allocated to GDPR compared to last year.
- Would there be a cost saving if all the days allocated for 2017/18 were not used.
- The last report on the AAW scheme was in November 2015. Would an update be provided.
- Two days had been allocated for the Improvement Plan delivery. Was this correct.

The Audit Manager provided clarification on the issues raised.

9.3 Members of the public raised the following issues/questions:-

- Was the Police investigation in relation to AAW still ongoing.

The Head of Finance and Property Services confirmed the Police investigation was still ongoing.

RESOLVED:

That the Internal Audit Annual Plan for the period 1st April 2018 to 31st March 2019 be approved.

10. EXTERNAL AUDIT UPDATE & PROGRESS REPORT

10.1 Mr R Baker introduced himself to members of the Committee. He advised that he was the new Engagement Lead at Grant Thornton.

- 10.2 The Engagement Manager, Grant Thornton outlined the report which detailed relevant progress against external audit objectives. In relation to the Housing benefit Subsidy Certification, it was noted that an incorrect copy of the certification letter had been provided. The latest version was circulated.

As requested, information had been included in the report in relation to the Manifesto for a Vibrant Economy and data specifically about the Rossendale Borough. When the up-to-date position was available it would be circulated.

- 10.3 The Committee asked questions and made comments on the report, which included the following:

- Would up-to-date information on the Manifesto for a Vibrant Economy be available later this year.

NB Councillor Bromley left the meeting and was not present for the remaining items.

- Movement and changes to Local Authorities needed to be looked at in a more efficient way.
- Referring to the revised Subsidy Certification letter circulated at the meeting, what was the value of the errors referred to in paragraph 5.
- Would the external auditors give their opinions on the involvement and input of senior members in the Empty Homes programme.
- Why was the Accounts Audit Plan still showing 'in progress'.
- Was there a reputational impact on the Council being 3 years behind on their accounts.
- Could the accounts be consolidated.
- Was it realistic that the accounts would be finalised this year.
- Thanks were expressed to Grant Thornton for the work they had carried out.
- Who were the new external auditors for 2018/19 onwards.
- Would Grant Thornton be able to attend future meetings to answer questions on the previous accounts.
- Would the Police investigation affect the finalising of the accounts.

The External Auditors and Head of Finance and Property Service clarified issues raised by the committee.

- 10.4 The Chair opened the item to the public and the wider audience:

- The Council were working hard to resolve the Empty Homes issues with Homes England.
- Was there a timescale to complete the previous years' accounts.
- Did the increased wages of residents increase the prosperity of the Borough.

The External Auditors provided clarification on the issues raised.

11. EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That the public and press be excluded from the following items of business under Section 100(A)(4) of the Local Government Act 1972 since the items involved the likely disclosure of exempt information under Paragraphs 1 and 2 of Schedule 12A to the Local Government Act 1972.

12. STANDARDS COMPLAINTS UPDATE (VERBAL)

12.1 An update was given in relation to Standards.

RESOLVED:

That the update was noted.

13. WHISTLEBLOWING UPDATE (VERBAL)

13.1 An update was given in relation to Whistleblowing.

RESOLVED:

That the update was noted.

13.2 Councillor Essex asked that the Risk Register and updates on the Improvement Plan be included on the agenda for future meetings.

13.3 The Head of Finance and Property Services advised that in future the Risk Register would be a standing item and would be looked at in conjunction with the Governance Report.

The meeting commenced at 6.30pm and finished at 7.35pm

Signed (Chair)

Date