

ACCOUNTS AND REGULATORY COMMITTEE

27 SEPTEMBER 2011

Present :- Councillor Sue Lissimore (Chairman)
Councillors Mark Cory, Annie Feltham, Scott Greenhill,
Pauline Hazell, Justin Knight, Michael Lilley,
Jon Manning, Gerard Oxford and Will Quince

9. Minutes

RESOLVED that the minutes of the meeting held on 26 July 2011 was confirmed as a correct record.

10. Review of Polling Districts and Polling Places

The Scrutiny Officer informed the Committee, that following discussions at the previous week's briefing between officers, the Chairman and Group Spokespersons, it was agreed that the report should not be considered at the 27 September meeting.

The Committee were advised that following the completion of the 30 day period of consultation to Members concerning Polling Districts and Polling Places, officers had received further comments from Members. Therefore it had been agreed that these comments will be considered and where appropriate incorporated into a final report to be presented to the Committee at the October meeting.

RESOLVED that the Committee noted the withdrawal of the Review of Polling Districts and Polling Places report, agreeing to consider and agree a follow-up report at the October meeting.

11. Annual Statement of Accounts

Mr. Heath had briefed Members of the Panel (an invitation was extended to all Members of the Council) on the Annual Statement of Accounts at a closed meeting, 6pm on Thursday 22 September, 2011.

Mr. Heath explained to members the following i) Members Role, ii) The current position, iii) Changes to the Accounts for 2010-11, due to changes from the International Financial Reporting Standards (IFRS) and the 2011 Accounts and Audit Regulations, iv) An overview of the Financial Statements, v) The differences in the Accounts from the regular quarterly financial monitors, and finally, vi) The Audit findings and outcomes.

Ms. Debbie Hanson, District Auditor, Ms. Christine Connolly, Senior Audit Manager, both from the Audit Commission, and Mr. Steve Heath, Finance Manager, attended the meeting for item.

Ms. Hanson presented the Annual Governance Statement to the Committee.

In terms of Audit Opinion and the financial statements, Ms. Hanson confirmed the Audit Commission had proposed to issue an unqualified audit opinion and concluded the Council has put in place adequate arrangements to secure financial resilience and economy, and efficiency and effectiveness in its use of resources.

Ms. Hanson said some errors had been identified in the financial statements, mainly textual errors in the disclosure notes, with details given in the appendices to the Statement. None of these errors had any impact on the bottom line of the revenue accounts or balance sheet.

Overall, the Council was in a position of financial resilience though the near future remained challenging with income streams declining. That said the Council's financial monitoring arrangements are good.

Ms. Hanson concluded by commending the work of the officers in finalising the year end accounts.

Ms. Connolly spoke about the amendments to the draft financial statements. Ms. Connolly said there had not been any major errors, with an adjusted misstatement of £9,833k (as identified in Appendix 2 of the Statement), a gain recognised in 2010/11 because of the change made relating to the change in public service pensions to be in line with the Consumer Price Index rather than the Retail Price Index, that should have been treated as an exceptional item requiring separate disclosure.

Ms. Connolly spoke of the unadjusted misstatements to the financial statements. The auditors testing on revenue accruals identified a creditor accrual amounting to £17,000 which had already been accounted for as an invoice in the correct year, therefore being double counted. The extrapolated error was £46,000, as identified in appendix 2 of the Statement. Ms. Connolly confirmed to Councillor Quince that this did not constitute a material error, an accounting issue with very little impact that would be reversed out at year end.

Councillor Manning thanked officers for an excellent job done in completing the 2010-11 annual accounts with an unqualified audit opinion.

Ms. Wain thanked Mr. Heath for his work in finalising the year end accounts.

RESOLVED that the Committee;

- i) Accepted the Auditors' report and noted the comments in the covering report.
- ii) Approved the letter of representation subject to the inclusion of the explanation given at paragraph 2.6 of the report.
- iii) Approved the audited Statement of Accounts.