

Minutes of Accounts Committee

Date of Meeting: 30th September 2008

**PRESENT: Councillor Swain (in the Chair)
 Councillors Aldred, Challinor and Essex**

**IN ATTENDANCE: Clive Portman, District Auditor
 Tony Hough , Audit Manager
 Phil Seddon, Head of Finance
 Janice Crawford, Finance Manager**

ALSO PRESENT: 2 members of the public

BUSINESS MATTERS

1. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Haworth.

2. MINUTES

Resolved:

That the minutes of the meeting held on 30th June 2008 be signed by the Chair and agreed as a correct record.

3. DECLARATIONS OF INTEREST

No declarations of interest were made.

4. URGENT ITEMS OF BUSINESS

There were no urgent items of business.

COMMUNITY ENGAGEMENT

5. PUBLIC QUESTION TIME

Two questions were raised under this item

- What is the value of the Councils individual properties in Rawtenstall?
The Head of Finance explained that this would be answered in detail by email to follow.

- Details were requested around the Rossendale Leisure Trust. The Head of Finance explained the relationship between the Council and the Trust in terms of buildings and operational costs. The Trust's accounts can be obtained through Companies House.

BUSINESS MATTERS

6. STATEMENT OF ACCOUNTS 2007/2008

6i. 2007/08 Annual Governance Report by the District Auditor

The District Auditor introduced his report setting out the audit process followed since the draft Statement of Accounts was approved in June. The accounts and working papers were generally of a good standard and produced on time. No material internal control weaknesses were identified, though 4 errors have been corrected and these were explained in detail.

The auditor explained the key areas of risk which should be concentrated upon in the future and alerted the members to the fact that the failure of the Building Control Trading Account to break even over three years will require attention.

The District Auditor proposed to issue an unqualified opinion on the Accounts, subject to the detailed consideration by the committee members.

Cllr Swain asked for clarification on the issue raised about the future introduction of the International Financial Reporting Standards (IFRS) and the expected impact on the Council.

The Finance Manager responded that the intention is to join the CIPFA Finance Advisory Network for 2009/10 to take advantage of extra training opportunities and technical support.

The District Auditor also explained his responsibilities for ensuring that the Council secure economy, efficiency and effectiveness. Also known as the Value For Money audit, the conclusion is that arrangements in place are adequate.

Cllr Essex questioned the use of the word "adequate" and whether this was a positive result or not.

The District Auditor responded that the options available to him were "adequate" or "inadequate", so that the result of this audit is a positive one.

6ii. Statement of Accounts 2007/08

The Finance Manager explained the main changes to the Accounts, as laid out in the report to the committee and in the Auditors report. These points included the following changes:

- Showing the Right-to-Buy income separately in the Income and Expenditure Account within a new line of "Other income"
- The changes had no effect on the General Fund surplus for the year of £2k
- The Balance Sheet investments figure had been amended to show the loans to Rossendale Leisure Trust as Debtors and Long-term Debtors.
- This change had no effect on the net equity of the Council
- The above changes have also been reflected in the Group Accounts
- Two new disclosure notes have been added, for Financial Instruments (Note 41) and Local Area Agreements (Note 42)
- Note 33 on Contingent Assets and Liabilities has been amended to take account of some claims for Equal Pay backpay received on 23rd September 2008.
- The Annual Report section has been added.

Resolved:

That the amended Statement of Accounts be approved.

6iii. Letter of Representation 2006/07

The Head of Finance explained the need for a Letter of Representation from himself to the District Auditor as Section 151 Officer and how the letter presented differed slightly from the draft suggested by the Audit Commission. Those changes focussed mainly around the valuation of the investment in Rossendale Transport Ltd and the claims for Equal Pay back-pay as a contingent liability arising from a post balance sheet event.

Resolved:

That the Letter of Representation by the Section 151 Officer be approved.

6iv. Receipt of the Audit Opinion Certificate

The District Auditor confirmed his unqualified opinion and signed the certificate to that effect.

The meeting commenced at 6.30pm and finished at 7.00pm