

**PERFORMANCE AND AUDIT COMMITTEE held at COUNCIL OFFICES
LONDON ROAD SAFFRON WALDEN at 7.30 pm on 26 SEPTEMBER
2013**

Present: Councillor S Howell – Chairman.
Councillors K Eden, D Jones, A Ketteridge and E Oliver.

Also present: Councillors J Ketteridge.

Officers in attendance: J Mitchell (Chief Executive), R Auty (Assistant Director Corporate Services), S Bronson (Internal Audit Manager), C Canbolat (Specialist Accountant), M Cox (Democratic Services Officer), A Knight (Accountancy Manager) and S Joyce (Assistant Chief Executive – Finance).

Also present from Ernst & Young LLP – Debbie Hanson (Audit Director) and Jo Wardle (Audit Manager).

PA10 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors Artus and Chambers.

Councillor Jones declared a non-pecuniary interest as a member of the ECC Pension Fund.

PA11 MINUTES

The minutes of the meeting held on 15 August 2013 were signed by the Chairman as a correct record.

PA12 BUSINESS ARISING

i) Minute PA8 – Quarter 1 Performance 2013/14

It was confirmed that an officer from Housing would attend the November meeting of the committee to provide information about the current homelessness situation.

PA13

AUDIT COMMITTEE BRIEFING

The Committee received an Audit Committee briefing report prepared by Ernst and Young. It highlighted issues that might have an impact on the Local Government sector and be of interest to the committee.

The Chairman referred to an article on value for money profiles: council tax collection which set out the national picture on the ratio of council tax income against the cost of collection, which he thought was very good value for money. At a local level the Assistant Chief Executive – Finance said that for Uttlesford the cost of collection was around 1.5% of the income. However an equally important measure was the Council Tax collection rate which currently stood at 99%.

The report was noted.

PA14

2012/13 AUDIT RESULTS

Debbie Hanson, Audit Director, Ernst and Young LLP presented the Audit results report for the year ended 31 March 2013, which was required to be reported to the committee before consideration of the Statement of Accounts. The report included key messages arising from her audit of the Council's financial statements and the outcomes of work in assessing the Council's arrangements for securing value for money in use of resources.

In relation to the financial statements she was pleased to report that she would be giving an unqualified auditor's opinion. There were no material errors that would have impacted on the key statements. There were a number of unadjusted errors with the supporting notes, which were set out in the appendices. These had not been included in the accounts but they had no impact on the Council's financial position and would be resolved in the next financial year.

A further appendix (appx 3) was circulated to the committee. This included two late undisclosed errors relating to Movement in Reserves and Financial Instruments. In response the Assistant Chief Executive – Finance had circulated an amended Letter of Representation which included additional paragraphs to address these issues.

Debbie Hanson said the value for money conclusion had found the Council had put in place proper arrangements to secure financial resilience and had also established proper arrangements to challenge how it secured economy, efficiency and effectiveness.

The work on the whole of government accounts was substantially complete and she expected to issue an unqualified confirmation to the National Audit Office.

The issue of the audit certificate had been delayed until consideration had been given to an objection received to the financial statement by a local authority elector in relation to the local plan. This would have no effect on the accounts and the opinion was expected to be issued shortly.

Debbie Hanson then highlighted her conclusions on risks and findings. She said there had been an improvement in this area and risks continued to be dealt with appropriately.

She thanked the Finance Team for their assistance in the preparation of the report.

Councillor Eden questioned the kind of the provisions that would be appropriate to include within the accounts. The Assistant Chief Executive – Finance explained that provisions were for liabilities that were probably going to occur, but the amounts and timings were uncertain. An example of a newly arising provision in 2013/14 would be refunds to business ratepayer for successful appeals.

The Assistant Chief Executive – Finance thanked the Auditors for their help in preparing the Statement of Accounts in what had been a positive and collaborative process.

He explained that the ‘undisclosed errors’ were notional figures and did not relate to actual expenditure, income and balances and the figures presented today were unchanged from those reported to the meetings in June and August. As the errors had been only recently been notified it was considered sensible to look at these properly in 2013/14.

The Chairman reported that the committee members had met briefly with the external auditors prior to the meeting and no issues had been brought to their attention. He was pleased that for a further year an unqualified opinion had been issued.

RESOLVED that the Committee note the Audit Results 2012/13.

PA15

DRAFT STATEMENT OF ACCOUNTS

The Assistant Chief Executive - Finance presented a report and the Statement of Accounts 2012/13. He invited the committee to approve the

document for publication and if approved, the chairman would sign it at the end of the meeting.

The report explained the changes that had been made since the August meeting when the draft accounts had been considered in detail. This was mainly to correct some errors that had been identified during the audit, which were notional amounts and did not affect usable reserves.

At the last meeting, Councillor Eden had requested information on the Parking Partnership accounts and this had now been included within the document. Councillor Eden had various questions on the detailed figures which could not be answered at this meeting. He was advised that during this financial year there was a planned internal audit on the Parking Partnership and this issue was also to be considered by the Scrutiny Committee.

Councillor Howell said this document was very similar to the one which the committee had considered in detail at its previous meeting and invited members to vote on the recommendation.

RESOLVED

- 1 To approve the 2012/13 Financial Year Letter of Representation.
- 2 To approve the audited 2012/13 Statement of Accounts as presented.

Councillor Howell then signed the 2012/13 Statement of Accounts.

He thanked the external auditors and officers for their help in producing the statement of accounts and was pleased that with the change of audit provider officers had managed to maintain a good working relationship.

The meeting ended at 8.05pm

ACTION POINTS (carried over from meeting on 15 August 2013)

Minute PA6	The Internal Audit Charter to be presented to the November meeting
Minute PA8(iv)	The Director of Public Services to be invited back to a future meeting if the missed bin indicator does not continue its improving trend
Minute PA8(vi)	Establish a new indicator to show the number of potential homeless cases where there has been a successful intervention.
Minute PA8(vi)	An officer from Housing to attend the November meeting to provide information about the types of homelessness cases
Minute PA9	(13-CR-FIN 07) Ensure that information on Health and Safety and Corporate Governance is also included in the report