

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday, 22 September 2015 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillors Barrott (Chair): Councillors Ashford, Day, Gifford, Harrington, Heath, Illingworth, Mann, Quinney, Rhead and Thompson

Also present:

An apology for absence was received from Councillor Butler.

54. Substitutes

Councillor Ashford substituted for Councillor Butler.

55. Declarations of Interest

There were no declarations of interest.

56. Audit Findings Report from External Auditor

The Committee received an Audit Findings Report from the Council's external auditors, Grant Thornton, in respect of 2014/15.

Their audit of the 2014/15 Statement of Accounts was substantially complete, and although some work was being finalised, the auditors anticipated issuing an unqualified audit opinion. The audited accounts were due to be agreed by full Council on 23 September, following which they would be published ahead of the 30 September deadline.

Mr Gregory and Mrs Lillington attended the meeting to present the report on behalf of the external auditor, Grant Thornton.

The Finance and Audit Scrutiny Committee, as the Council's audit committee, was expected to consider the Audit Findings Report. Under the International Standard on Auditing 260, the Council's External Auditors, Grant Thornton, were required to report on their findings from the 2014/15 audit and this was included as Appendix A to the report. This report identified the key issues that Members should consider before the auditors issued their opinion, conclusion and certificate.

Some changes had been proposed to the original Statement of Accounts prepared in June but Members were advised that these were not believed to be significant and not untypical for any local authority given the complexity of the accounting requirements.

The auditors had not been able to certify the completion of the 2013/14 audit due to them not having been able to conclude their work on one of the four objections received in respect of the 2013/14 accounts. As the related expenditure had continued into 2014/15, the audit for that year

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could not similarly be concluded at this stage. No objections had been received in respect of the 2014/15 accounts.

The audited accounts were due to be agreed by Council on 23 September, after which time the accounts would be published ahead of the 30 September deadline.

Members discussed how the issues raised in the report would be taken forward and the Head of Finance explained some processes needed streamlining, to ensure a faster close down.

In addition, the Head of Finance explained that a new valuation contract had been procured and officers were already working with officers to avoid valuations being submitted late.

Mr Gregory and Mrs Lillington were thanked for attending the meeting.

Resolved that

- (1) the 2014/15 Audit Findings Report be noted; and
- (2) the letter of representation be approved on behalf of the Council before the District Auditor issues his opinion and conclusion.

57. Council Agenda – Wednesday 23 September 2014

The Committee considered the audited Statement of Accounts 2014/15 report which was due to be presented to Council on 23 September 2015.

The report advised that the accounts had been closed in respect of the financial year 2014/15 and the outturn was duly presented to the Executive in June. An unaudited Statement had previously been presented to the Finance and Audit Scrutiny Committee in July.

The report recommended that Council approve the formal Statement of Accounts for the year ended 31 March 2015, which would then be signed by the Chairman at that meeting.

Recommended that Council approves the formal Statement of Accounts 2014/15.

58. Any Other Business

Councillor Rhead addressed the Committee and explained the difficulties he had experienced in gathering information about the Ocean Cleaning Contract, which had been discussed at the previous Finance and Audit Scrutiny Committee.

Councillor Rhead felt that his queries had not been answered by the Chief Executive or Deputy Chief Executive (BH), especially with regard to the breaches in procurement procedures, penalties being imposed or authority for signing invoices.

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The Committee agreed that the initial request should not have been seen as a request from Councillor Rhead individually but as a request from the Committee as a whole.

The Chairman agreed to write to the Chief Executive on behalf of the Committee, requesting answers to the questions asked by Councillor Rhead and reiterating the Committee's concerns about this contract.

(The meeting ended at 7.30 pm)