

Minutes of the Finance & General Purposes Committee held on 28 September 2010 in the Old Abbey House, Abingdon.

**Present**

Cllr Alastair Fear	Chair of Amenities & Recreation Committee
Cllr Jim Halliday	Vice Chair
Cllr Lesley Legge	Chair/Leader
Cllr Patrick Lonergan	
Cllr Julie Mayhew-Archer	Chair of County Hall Museum Management Committee

**In Attendance**

Mr Nigel Warner	Town Clerk
Mrs Sandra Hill	Deputy Town Clerk
Mr Steve Rich	Projects & Technical Manager

56 **Apologies**

Apologies were received from Cllrs Lawrence, Rooke, Tim Oates and the Mayor of Abingdon, Cllr Duncan Brown.

57 **Declarations of interest**

Cllrs Halliday, Lonergan and Mayhew-Archer declared personal interests in any matters relating to the Vale of White Horse District Council as they are members of that authority, and specifically in relation to Property Matters (confidential, item 3). They also declared personal and prejudicial interests in the Open Air Swimming Pool (confidential item 4) as they are members of the Vale of White Horse District Council which owns and operates the open air swimming pool.

Cllr Alastair Fear declared a personal and prejudicial interest in the Storage Facilities (confidential, item 3 (i) ) as he is a nominative Governor of Christ's Hospital.

58 **Draft Annual Governance Report**

**Resolved** that Standing Orders be suspended in order for Mr Michael Yeats, Audit and Engagement Manager (Audit Commission) to verbally report key issues within in the tabled draft Annual Governance Report.

Mr Yeats highlighted the changes which the Council had been required to make to accounting practices from 1 April 2009. This was the first year that larger councils had to prepare their accounts in accordance with the Financial Reporting Standards for Smaller Entities (FRSSE) instead of the Statement of Recommended Practice for Local Authority Accounting ("the SORP"). This had resulted in a number of changes to the way in which accounts had to be prepared and as a result, a number of the key issues raised within the draft report were due to the transfer from one accounting convention to another. This was not unique to the Town Council and a number of the audit issues raised were common across the Town Councils audited.

During the audit process, the auditors had identified a number of changes which needed to be made to the accounts. These were detailed in the report and all the material changes had been agreed by the Council. There was one recently identified issue in relation to the Income and Expenditure Account titled "Pension Fund Financing;" originally this had not been deemed to be material but was now deemed to be so. Subject to the treatment of this item, it was anticipated that an unqualified audit opinion would be issued on the accounts.

Mr Yeats explained the value for money aspect of the audit. This assessed the Town Council against four criteria or “key lines of enquiry” (KLOE). The Council had met the requirements in three of the KLOE. However, because the accounts presented for audit had required a large number of amendments this would result in a qualified audit opinion in relation to financial reporting. Mr Yeats stated that a similarly qualified opinion on value for money was being given for all the other Town Councils in Oxfordshire which were subject to this audit regime and all of whom had faced similar issues.

Members appreciated that audit reports are written on an exception and negative assurance basis but some concern was raised by the committee that the report was, as a result is not consumer friendly for the public to read. Mr Yeats stated that the report was a draft and he would consider this point ahead of the issue of the final draft.

With regard to the annual report Mr Yeats stated that this needed to be ready to sit alongside the submission of the accounts by 30<sup>th</sup> June each year. The auditors are required to review the annual report to ensure it is consistent with the accounts; in effect issuing a 'negative assurance' in that they would only identify issues that were clearly contrary to their understanding of the Town Council and/or if the report contained manifest contradictions.

He made an analogy to the NHS where the annual report is usually ready in skeleton format at the end of the financial year, ie 31<sup>st</sup> March, and then finalised between the year end and the audit opinion (beginning of June). The aim should be that the annual report sits alongside the closedown process for the accounts so that both are ready for the end June deadline.

Mr Yeats highlighted other key issues in the report and there was discussion relating to these issues. He stressed that the Council’s response to the action plan should be formulated at its earliest convenience so that actions could be implemented as soon as possible. Should the Council not wish to accept certain recommendations, an explanation would be required in the response.

In response to a question from a Member Mr Yeats stated that the audit process had been more difficult this year because of the change to the accounting regime, but all things being equal the process should be easier next year.

**Resolved** that the Finance & General Purposes Committee would discuss the Council’s response to the Audit Commission’s “Annual Governance Report” at its scheduled meeting on 12<sup>th</sup> October 2010.

**Resolved** that Standing Orders be reinstated.

The Chair thanked Mr Yeats for attending the meeting and he left the meeting at this point.

59 **Minutes**

**Resolved** to approve the minutes of the Finance and General Purposes Committee meeting held on 7 September 2010 as a correct record and agree that the Chair should sign them.

60 **Matters Arising**

There were no matters arising.

61 **Grant Sub-Committee - Twinning Grant**

To consider a **recommendation** of the Grants Sub Committee of 31 August 2010 that a twinning grant of £400 be awarded to the Abingdon Marathon.

Members were requested to note that the Twinning Grant application which was recommended for approval by the Grants Sub Committee of 31 August 2010 was not minuted as having been approved by the Finance & General Purposes Committee on 7 September 2010.

**Resolved** that the Twinning Grant be approved, and that The Abingdon Marathon be asked to clearly state in their expenditure account how the grant was used to pay for hospitality and trophies for participants' from Abingdon's twin town – Argentan.

62 **Choose Abingdon Partnership Board**

The Chair stated that representation from town councillors was required at the Community Forum at 11 October 2010 at 7.30pm in the Guildhall.

**Resolved** that Cllrs Lonergan and Halliday would represent the Town and District Councils.

**Resolved** to note the minutes of the meeting of 12 July 2010.

63 **Annual Governance Report, Statement of Accounts for 2009/10, representation letter and audit action plan**

The Committee received and considered the report of the Town Clerk, as circulated with the agenda, in relation to the above. It had already been resolved (minute 58) that the Council's response to the Annual Governance Report and the Action Plan would be considered at the next meeting of the Committee on 12 October 2010.

In relation to the Statement of Accounts it was noted that the Council had delegated authority to the Town Clerk in consultation with the Vice-Chair of the Finance and General Purposes Committee, to make such changes to the financial statements for the year ended 31<sup>st</sup> March 2010 as had been suggested as a result of the issues report from the Audit Commission and further delegated authority to the Mayor and the Town Clerk to sign any revised statements of accounts. As noted above, this had been undertaken and there was one remaining issue. The Town Clerk circulated a copy of the changes made and it was **resolved** that these be endorsed.

Members considered the letter of representation as detailed in appendix 2 of the draft Annual Governance Report. This was required by the Audit Commission before they could issue their opinion, conclusion and certificate.

**Resolved** that the letter of representation be signed by the Town Clerk on behalf of the Council.

64 **National Association of Larger Local Councils (NALLC)**

In consultation with the Chair of the Committee it had been agreed that an additional item be taken to the committee for consideration under the open agenda, and this had been notified to all Members ahead of the meeting.

The Council has received notification from the NALLC for nominations for election to the NALLC Committee from December 2010 to December 2012. The committee meets four times a year, three in London and one in another part of the country.

**Resolved that**

- (a) Cllr Angela Lawrence should be put forward for nomination;
- (b) that should she be elected, a written annual report should be requested;
- (c) and reasonable travel expenses could be claimed, subject to authorisation by the Town Clerk.

65 **Exclusion of the public, including the press**

**Resolved:**

That in accordance with section 1 (2) of the Public Bodies (Admissions to Meetings) Act 1960 (as extended by Section 100 of the Local Government Act 1972), the public (including the press) be excluded from the meeting because of the confidential nature of the business to be transacted, as summarised below:

- Confidential Minutes of the Finance & General Purposes Committee held on 7 September 2010.
- Property Matters
- Open Air Swimming Pool

