

Audit Committee



Date	Tuesday, 30 th June 2009
Venue	Town Hall, St. Annes
Committee members	Councillor John Singleton (Chairman) Councillor Linda Nulty (Vice-Chairman) Councillors Christine Akeroyd, Ben Aitken, Fabian Craig-Wilson, Keith Hyde, Elizabeth Oades, Janine Owen, Louis Rigby
Other Councillors	none
Officers	Bernard Hayes, Lyndsey Lacey
Other Attendees	none

1. Declarations of interest

Members were reminded that any personal/prejudicial interests should be declared as required by the Council's Code of Conduct adopted in accordance with the Local Government Act 2000.

2. Substitute members

The following substitution was reported under council procedure rule 22.3:

Councillor Christine Akeroyd for the Mayor, Councillor Paul Rigby.

3. Medium Term Financial Strategy - Outturn 2008/09 (including General Fund, Capital Programme & Treasury Management)

Bernard Hayes (Finance Director) presented a comprehensive report to committee on the General Fund Outturn (including Revenue, Capital and Treasury Management) for 2008/09. The report explained major variations between the latest approved Budget and Actual Expenditure and quantified the impact on the Council's reserves.

Members were advised that the Medium Term Financial Strategy was presented to Cabinet on 29 June and subsequently approved.

Mr Hayes reminded the committee that in line with the Accounts and Audit Regulations 2003, the Council is required to approve the Statement of Accounts by 30th June each year. The Audit Committee has delegated powers to approve the Statement of Accounts.

The General Fund Expenditure and Income Account comparing Actual Expenditure against Latest Approved Estimate by service together with a detailed list of major

variances within services which contributed to the outturn position were set out in appendices to the report.

Mr Hayes stated that work was currently being undertaken to verify whether the budget variances reported were 'one off' or recurring items. He added that the outcome of this work would be reflected in future revenue budget forecasts.

Mr Hayes further reported that included in the outturn position was the impact of capitalisation.

Councillor Nulty made reference to paragraph 5.4 of the report relating to the costs associated with planning appeals and enquired if it was likely that the council would include a specific budget for this in the future. Mr Hayes acknowledged that planning appeal costs were not inconsiderable sums and whilst the council could opt for setting aside a budget for this, the Council's currently policy was to use General fund reserves for such purposes given the unpredictability of appeals.

Councillor Oades stressed the importance of budgeting for planning appeals. She added that the absence of a suitable budget would undermine the planning appeal process and the work of the committee on such matters. She also enquired about the £1m short term borrowing as detailed in paragraph 12.4 of the report. Mr Hayes responded to these points.

Councillor Oades and Councillor Rigby commented on the shortfall in budgeted fee income and the associated competition from approved inspectors in relation to Building Control. Mr Hayes stated that the Audit Committee could ask the Performance and Improvement Scrutiny Committee to undertake a further review on the performance and operation of the building control section.

Councillor Nulty asked about the Council's contribution to Lowther Trust and the likelihood of it being budgeted for in the future. Mr Hayes indicated that the Council would need to look at variances to determine whether the shortfall in income was a 'one off' or a recurring item.

The Chairman enquired when it would be likely that the International Financial Reporting Standards Code (IFRS) would be in place. Mr Hayes stated that the plan should be in place by January / February next year.

Following detailed consideration the Committee noted the report.

4. Annual Statement of Accounts 2008/09

Bernard Hayes (Finance Director) presented a report on the Council's Annual Statement of Accounts. A copy of the Statement of Accounts had previously been circulated.

Members were reminded that the Council prepared its Annual Accounts and supporting financial statements in accordance with applicable laws and regulations and in line with the Statement of Recommended Practice (SORP) on Local Authority accounting in the UK.

The Chairman commenced the debate by thanking Mr Hayes and his team for their hard work in completing the accounts in a timely manner.

Councillor Aiken enquired about the Council's proposal to build up reserves. More specifically, he asked whether there it was likely that there would be an increase in the minimum level of balances of £750,000. Mr Hayes indicated that this was a moving target in the current climate and was under constant review.

Councillor Oades commented on paragraph A7 of the document relating to Government Grants and in particular, the Local Authority Business Growth Incentive Scheme and Area Based Grants. Mr Hayes provided an update on these two areas.

Councillor Oades also enquired about A8 relating to the Refuse collection contract and whether the council had taken account of the additional costs of purchasing extra bins for Wyre.

Councillor Oades also made reference to the appointments to the Clifton Lytham Housing and the associated cost implications.

Councillor Nulty enquired about the costs associated with Fylde Tourism (A4 refers) sought additional information on A8 (Goods and Services) and B22 (Section 106 agreements) and (Housing stock Transfers). Mr Hayes addressed these points.

Following discussion the Committee RESOLVED to approve the Statement of Accounts for 2008/09.

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