

Finance and Audit Committee

Tuesday, 17 March 2015

7.30 pm

Present:

Cllr Colin Caller (Chair)
Cllr Les Howes (Vice-Chair)

Cllrs: Jean Averibou
Julia Burgoyne
John Cubitt
Leslie Hills
Sara Langdale
Peter Rayner
Lenny Rolles
Richard Smith

Julie Gibbs	Assistant Director (Finance)
Stuart Bobby	Assistant Director (Corporate Performance)
Katey Arrowsmith	Audit and Assurance Manager
Vaughan Matthews	External Auditor, Grant Thornton
Chris Wakeford	Committee Services Officer (Scrutiny)
Ben Clarke	Committee & Scrutiny Assistant

52. Apologies

An apology for absence was received from Cllr Derek Shelbrooke, Cllr Sara Langdale attended as his substitute.

53. Minutes

The Minutes of the meeting held on 13 January 2015 were signed by the Chair.

54. Declarations of Interest

No declarations of interest were made.

55. Internal Audit Plan 2015-16

The Audit and Assurance Manager sought Members approval of the Internal Audit Plan for 2015-16.

The Audit and Assurance Manager advised the Committee that the new Trainee Internal Auditor is progressing well and clarified that the 'Chief Audit Executive' is Stuart Bobby, Assistant Director (Corporate Performance).

Resolved that the Finance & Audit Committee approve the Internal Audit Plan for 2015-16.

56. Corporate Risk

The Assistant Director (Finance) presented the outcomes from the annual review of the council's corporate risk management arrangements for 2015-16.

The Committee considered the draft Corporate Risk Register for 2015-16 prior to its submission to Cabinet for approval.

The strategic risks facing the council are considered to have not significantly changed from those recorded in the Corporate Risk Register for 2014-15. No new or emerging risks above the council tolerance threshold have been identified. Opportunity has, however, been taken to reflect on the risks facing the council and review the way in which these are presented in the register. For ease of reference, a summary of the updates made to the risks included in the Corporate Risk Register for 2014-15 has been provided below.

Risk 1 – Challenging Financial Position – this risk has been retitled “Ongoing financial viability of the Council” and broadened to reflect the increasingly volatile environment in which the council is operating and that financial pressures may come from a number of sources.

Risk 2 – Changes in national priorities and legislative change – remains.

Risk 3 – Organisational Capacity / Resilience – remains.

Risk 4 – Changes in the UK Economy – this has been incorporated into the updated Risk 1 above.

Risk 5 – Universal Credit – now Risk 4, this has been updated to reflect that it is likely that Gravesham will be requested to adopt Universal Credit in its most basic form during the 2015-16 financial year.

Risk 6 – Introduction of Business Rates Retention – As Members will be aware; the Business Rates Retention Scheme was introduced in the 2013-14 financial year. This risk has therefore been removed from the register, although the risks associated with the volatility of the Scheme are incorporated into the updated Risk 1 above.

Risk 7 – Progression of the Local Plan – the Local Plan was adopted by Full Council on 30th September 2014. The risk has therefore been removed from the register.

Risk 8 – Changes in Refuse & Recycling – now Risk 5, the risk has been updated to reflect the successful implementation on Phase One of the scheme.

Risk 9 – Implementation of IER – Individual Elector Registration was rolled out in 2014 and has therefore been removed from the register.

Risk 10 – Council Tax Reduction Scheme – the Council Tax Reduction Scheme was introduced in the 2013-14 financial year. This risk has therefore been removed from the register, although the risks associated with the volatility of the Scheme are incorporated into the updated Risk 1 above.

Risk 11 – Change in Council Banking Arrangements – the council has secured Lloyds as its new banking services provider and activity is coming to a close to transfer transaction to the new account from the Co-operative Bank. Consequently, the risk has been removed from the register.

Following questions from Members, the Assistant Director (Finance) highlighted the following:

- New Homes Bonus is changing in Local Government Funding and will feature in the report for Cabinet.
- The Refuse & Recycling arrangement with KCC is not considered a risk. Gravesham expect the first payment from KCC in May.

Resolved that the Committee reviewed and, subject to the addition of New Homes Bonus Scheme, noted the key strategic risks included within the draft Corporate Risk Register for 2015-16 (attached at appendix two to this report) prior to its presentation to Cabinet for approval.

57. Review of Accounting Policies 2014-15

The Assistant Director (Finance) advised Members of the Accounting Policies to be used in formulating the Financial Statements for the authority for the financial year 2014-15, and sought endorsement of the use of these policies prior to completion of the Financial Statements.

Vaughan Matthews, External Auditor - Grant Thornton confirmed that he is happy with the policies.

Following questions from Members, the Assistant Director (Finance) highlighted the following:

- The Finance Team have a very detailed timetable for the closedown, a memo has been sent to all relevant officers and training sessions have begun.
- Bank reconciliation: the Finance Team are monitoring this carefully because it involves a new bank account.
- The extra cost resulting from the delayed closure of accounts had been previously reported to the Committee.

The Chair requested that the Assistant Director (Finance) inform him if there are any issues or delays with the closedown.

Resolved that the Finance and Audit Committee endorse the use of the Accounting Policies as outlined at Appendix Two to the report.

Close of meeting

The meeting ended at 7:55pm