FINANCE, RESOURCES, AUDIT AND GOVERNANCE COMMITTEE

Minutes of a meeting of the Finance, Resources, Audit and Governance Committee of South Norfolk Council held at South Norfolk House, Long Stratton, on Friday 10 March 2017 at 9.30 am.

Committee Members Present: Councillors: P Hardy (Chairman), L Dale, W Kemp, T Lewis, T Palmer, R Savage and G Wheatley

Officers in Attendance: The Head of Resources (P Catchpole), the Internal Audit Consortium Manager (E Hodds) and the Early Help and Prevention Manager (M Pursehouse)

Others Present: Kevin Suter and Mark Russell (Ernst Young)

135 MINUTES

The minutes of the meeting held on 25 November 2016 were confirmed as a correct record and signed by the Chairman.

136 EARLY HELP AUDIT RECOMMENDATIONS - UPDATE

The Internal Audit Consortium Manager summarised her report which sought to update the Committee on the progress made in the implementation of the audit recommendations raised within the Early Help Hub audit, as requested by members at the last meeting of the Finance, Resources, Audit and Governance Committee held on 25 November 2016. Members were reminded that a limited assurance had been awarded following an internal audit of the Early Help Hub in July 2016, and that 13 recommendations had been made. The Committee was pleased to note that 12 of these recommendations had been completed since the last meeting, as detailed in the report. In response to a member’s question, the Internal Audit Consortium Manager
advised members that although the limited assurance would not be altered by the improvements, as the Council did not operate a continuous audit review, the issues would not be raised in her Annual Report and Opinion as they had since been resolved.

The Early Help and Prevention Manager clarified the remits of the various boards and executive groups, as detailed in the report, reassuring members that although the bodies did not collectively meet, their work was reported to the Hub’s management. In response to a member’s question regarding the documentation of feedback received from users and partners, officers advised that although the Hub received considerable feedback, this was not collated in a coordinated way so improvements were now required to ensure that feedback could be analysed and used to further explore the needs of its customers.

It was then;

RESOLVED: To note the updated position in relation to the implementation of the audit recommendations raised within the Early Help Hub review.

137 CERTIFICATE OF CLAIMS AND RETURNS ANNUAL REPORT 2015/16

Mark Russell from Ernst & Young presented his report which detailed the certification work for the Housing Benefit subsidy claim for the financial year 2015/16. Members were advised that the certification work had identified four errors which had required amendment by the Council. It was noted that the cost of the certification work had been reduced by £2,000 due to the high quality of the work being carried out by the Council’s officers under guidance from Ernst and Young.

Following a brief discussion, it was;

RESOLVED: to note the report on the certification of the Housing Benefit subsidy claim for 2015/16.

138 EXTERNAL AUDIT PLAN 2016/17

Mark Russell presented the External Audit Plan for the year ending March 2017, advising the Committee of the key risks identified and the planned audit strategy.
In response to a member’s query regarding the auditing of pensions, the Head of Resources reassured the Committee that, following a recent valuation, the immediate impact on the Council would not be substantial.

Members were advised that both Big Sky Ventures and Build Insight were audited by other auditing establishments and were responsible for their own costs, however there was a charge for audit work, by Ernst and Young, for the Council’s incorporation of the subsidiaries.

It was then;

RESOLVED: to note the External Audit Plan for the year ending March 2017.

139  PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY

The Internal Audit Consortium Manager presented the Committee with a report to advise it of the progress made between 16 November 2016 and 22 February 2017 in relation to delivery of the Annual Internal Audit Plan for 2016/17, and summarising the five completed audits undertaken during this period.

Members were pleased to note that all five of the audits completed had been awarded reasonable assurances and that there were no issues which would need to be considered at the year-end and included in the Annual Governance Statement. In response to a member’s question regarding the procedure for setting up new suppliers and changing details of existing suppliers to the Council, the Internal Audit Consortium Manager reassured the Committee that checks were in place to ensure that the process was secure and that there was a clear audit trail of any changes made.

It was then;

140 STRATEGIC AND ANNUAL INTERNAL AUDIT PLANS 2017/18

The Internal Audit Consortium Manager presented her report which provided members with the Internal Audit Plans for 2017/18 which would ensure that key business risks would be addressed by Internal Audit.

In response to a member’s query, it was clarified that a ‘reasonable’ assurance was a positive outcome.

Members discussed the audit and governance of Big Sky Developments and its associated risks. In response to a concern raised by Cllr Palmer regarding the Directors currently in place for the company, officers agreed to obtain more information after the meeting, and advise members accordingly.

After a short discussion, it was;

RESOLVED: to RECOMMEND that Cabinet approve:

a) the Internal Audit Charter for 2017/18;

b) the Internal Audit Strategy for 2017/18;

c) the Strategic Internal Audit Plans 2017/18 to 2019/20;

and

d) the Annual Internal Audit Plan 2017/18.

141 EXTERNAL QUALITY ASSESSMENT OF INTERNAL AUDIT

The Internal Audit Consortium Manager presented her report which sought to advise members of the results of an external review by the Institute of Internal Auditors of Eastern Internal Audit Service’s conformance with the Standards. After summarising the salient points in her report, she invited the Committee to comment on its contents.
Members queried Recommendations 8 and 10 in the report and asked the Internal Audit Consortium Manager to clarify her responses. The Committee was reassured that the points raised in Recommendation 8 were already in place but undertaken in a more informal process. Regarding the issues raised in Recommendation 10, members were advised that assurance mapping was a lengthy and time consuming practice which would be considered if it was felt that it could be done efficiently.

The Committee commended the Internal Audit Consortium Manager and her staff for their hard work in obtaining the excellent rating. It was then;

RESOLVED: To note the report, the results of the assessment and the resultant action plan.

142 ANNUAL REPORT OF THE FINANCE, RESOURCE, AUDIT AND GOVERNANCE COMMITTEE

Members considered the report of the Internal Audit Consortium Manager which summarised the work of the Finance, Resources, Audit and Governance Committee for 2016.

It was suggested and agreed that the report should be updated to incorporate the External Quality Assessment of Internal Audit. The Internal Audit Consortium Manager stated that she would add this to the report and share this with the Chairman of the Committee before the Annual Report was presented to Full Council in May 2017. There were no further comments and it was;

RESOLVED: To note the contents of the Annual Report, and the agreed addition of the External Quality Assessment of Internal Audit, before its presentation at Full Council in May 2017.

143 FINANCE, RESOURCES, AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME

Members considered the Finance, Resources, Audit & Governance Committee’s Work Programme, and noted the addition of an extra meeting of the Committee on 24 April 2017, as detailed in the agenda.

The meeting concluded at 10.20 am

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Chairman