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 23 June 2017 at 2.30 pm.

Committee Members Present: Councillors: P Hardy (Chairman), L Dale, T Lewis and T Palmer

Apologies: Councillors: W Kemp, R Savage and G Wheatley

Substitute Members: Councillor: M Edney for W Kemp

Officers in Attendance: The Head of Resources (P Catchpole), the Internal Audit Consortium Manager (E Hodds), the Accountancy Manager (M Fernandez-Graham) and the Procurement Consortium Manager (I Purdom)

149 MINUTES

The minutes of the meeting held on 24 April 2017 were confirmed as a correct record and signed by the Chairman.

150 PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY

The Internal Audit Consortium Manager updated members with her report which examined the progress made between 16 November 2016 and 19 April 2017 in relation to the Annual Internal Audit Plan for 2016/17. The Committee was provided with a summary of the seven completed audits which had been finalised, and was pleased to note that two of these audits, for Risk Management and Payroll & Human resources, had been awarded ‘substantial’ audit opinions.
In response to a member’s query regarding the proposed action for the Council to consider the cost of pursuing low value debts, the Internal Audit Consortium Manager advised that there needed to be a balance between the costs incurred when chasing small debt compared to the level of debt being recovered.

After a brief discussion, it was;

**RESOLVED:** to note the outcomes of the seven completed audits in the period covered by the report, and the completion of the (revised) internal Audit Plan for 2016/17.

151 **FOLLOW UP REPORT ON INTERNAL AUDIT RECOMMENDATIONS**

The Internal Audit Consortium Manager presented her report which sought to assist the Authority in discharging its responsibilities in relation to the internal audit activity. Members were advised that the number of recommendations outstanding showed an improvement since last reported in October 2016. It was noted that only two priority two historical recommendations remained outstanding, i.e. from financial years prior to 2015/16 which were reported as Disaster Recovery and Stock Control. Members were reassured that procedures had been implemented for Stock Control and that the recommendations around Disaster Recovery would be finalised in a matter of weeks once a second internet line had been installed at Wymondham Leisure Centre. It was also noted that the Internal Consortium Manager was arranging training for managers to ensure they provided realistic deadlines and were progressed regularly.

It was then;

**RESOLVED:** to note the position in relation to the completion of agreed internal audit recommendations as at 31 March 2017.
152 INTERNAL AUDIT CONSORTIUM MANAGER’S ANNUAL REPORT AND OPINION FOR 2016/17

The Internal Audit Consortium Manager summarised her annual report which detailed the outcomes of the Internal Audit work undertaken in 2016/17. Members were advised that the report also sought to inform members of the Effectiveness of Internal Audit and to provide key information for the Annual Governance Statement.

In response to a member’s query regarding the limited assurance opinion for the Early Help Hub, the Internal Audit Consortium Manager confirmed that this was due to an audit earlier in the year but that as 10 of the 11 areas had been addressed, there was no requirement to report this on the Annual Governance Statement.

RESOLVED: 1. to note the contents of the Annual Report and Opinion of the Head of Internal Audit;
2. to note that a reasonable audit opinion had been given in relation the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control to the framework for the year ended 31 March 2017;
3. to note that the opinions expressed together with significant matters arising from internal audit work and contained within the report would be given due consideration, when developing and reviewing the Council’s Annual Governance Statement for 2016/17;
and
4. to note the conclusions of the Review of the Effectiveness of Internal Audit.

153 RULES FOR FINANCIAL GOVERNANCE

The Head of Resources presented his report which sought to inform members of the changes to the Rules for Financial Governance which had recently been reviewed. The Committee was advised that the revised document reflected changes to officer roles including the role of Section 151 Officer which was now separate from the Director of Business Development.

It was suggested and agreed that any future changes to documents which formed part of the Constitution should show ‘tracked changes’ to enable members to ascertain what alterations had been made. The Head of Resources confirmed that he would forward a copy of the document to members of the Committee to show tracked changes.

It was then;

RESOLVED: to RECOMMEND that COUNCIL approve the revised Rules for Financial Governance.
PROCUREMENT STRATEGY 2017-2021

The Procurement Consortium Manager provided members with an overview of the 2017-2021 Procurement Strategy, which had been updated following a recent review.

Members suggested a few minor grammatical and layout alterations, after which it was:

RESOLVED: to endorse the Procurement Strategy, with the above amendments, prior to its presentation to Cabinet.

FRAG WORK PROGRAMME

The Committee raised concerns that several members would not be available for the Self-Assessment training session scheduled for July 2017. It was therefore agreed that this training would be deferred to the November meeting and that the item would be reported to the FRAG Committee in March 2018.

The meeting concluded at 3.00pm

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Chairman