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 Thursday 27 September 2012 at 9.30 a.m.

Committee
Members Present: Councillor M Edney - Chairman
Councillors K Billig, L Dale, D Goldson and L Webster
Non - Appointed: Councillor K Weeks, G Wheatley

Officers in Attendance: The Head of Finance
Senior Management Accountant for items 10, 11 and 12

Also in Attendance: Mr R Murray and Mr C Pettitt (from the Audit Commission)

8 MINUTES

The minutes of the meeting held on 28 June 2012 were confirmed as a correct record and signed by the Chairman.

In response to a query raised at the previous meeting concerning the figures shown in the Draft Statement of Accounts, the Head of Finance clarified that the reported drop in the number of senior staff salaries but increase in expenses was due to the inclusion of taxable costs, and she confirmed the figures had since been corrected. She further explained that the rise in debtors figures for former housing tenant arrears had been due to the calculation being net of any provision for bad debts. During 2011/12 a review had been carried out after which the only remaining debts were those actively being collected. The decrease in the bad debt provision had made the debtors figures appear higher.

9 DEBTORS PERFORMANCE AND POLICY

The Head of Finance presented her report which detailed the Sundry Debtors function, the current Corporate Debt position and the Corporate Debt Policy. After summarising the salient points, she invited Members to comment on the report.

It was suggested that the policy wording should stress the importance of ensuring debtor information was correct when issuing invoices. The Head of Finance agreed this
had been an important issue and had been identified in the Policy wording under ‘Definition of a debtor’.

In responding to various points raised in the report, the Head of Finance explained the procedure for reviewing payment arrangements for individual cases to ensure that changes to the circumstances of debtors were taken into account. She confirmed that the Council reserved the right to adjust payment levels where appropriate.

Members queried the rate charged to staff for the Car Purchase Scheme and officers agreed to look into this and feed back to the Committee.

It was then

**RESOLVED:** To note the contents of the Corporate Debt Policy.

### 10 ANNUAL GOVERNANCE REPORT

Members considered the Annual Governance Report for 2011/12 which was presented by the Audit Commission.

The District Auditor, Mr Murray, presented the report to Members, explaining that the majority of errors had been corrected and that he expected to be in a position to issue an unqualified audit opinion the following day. He observed that severe shortages in staffing had impacted on the quality of the accounts and advised Members that this had resulted in further work and increased costs to the Council. The Head of Finance explained the circumstances surrounding her team during the accounting period and reassured Members that restructuring steps were being put into place to ensure there would be a return to the normal high standard of work. Members and auditors thanked her and her team for their hard work and cooperation during a difficult period.

Mr Murray spoke of his concerns regarding the Council’s decision to place the Finance, Resources, Audit and Governance Committee under the Executive, suggesting that this was a move away from best practice. Although some Members agreed with this statement, Cabinet Member Cllr Wheatley stressed that as the Executive was made up of elected Members and not directors, it was important that they had a full understanding of the Council’s accounts. He further stated that there was no requirement for the Council to have an Audit Committee but CIPFA (the Chartered Institute of Public Finance and Accountancy) had suggested this was good practice. He suggested that it might be advantageous to have a committee to sign off the final accounts and that South Norfolk Council might wish to discuss this with the Auditors.

It was then

**RESOLVED:** To note the Annual Governance Report for 2011/12

### 11 STATEMENT OF ACCOUNTS(11/12) – INCLUDING LETTER OF REPRESENTATION

The Head of Finance presented the Statement of Accounts for 2011/12 and reported on the impact of the audit on the Council’s accounts. The Committee noted that six areas
of weaknesses had been identified, accepted by officers and that actions were in place to resolve these issues.

It was then

**RESOLVED:**

1. To note the adjustments to the Statement of Accounts 2011/12;
2. To delegate to the Head of Finance, authority to make any necessary trivial adjustments to the Statements for sign-off and publication by 30 September 2012;
3. To delegate to the Chair of the Finance, Resources, Audit & Governance Committee to sign off the Statement of Accounts and the letter of representation;
4. To note the findings made by the auditors for the drafting of the 2012/13 accounts;
5. To approve the Annual Governance Statement for signing by the Chief Executive and the Leader of the Council.

**12 ANNUAL GOVERNANCE STATEMENT**

The Head of Finance presented the report to members, explaining that the Statement was a reflection of the Council’s overall governance arrangements. Following a brief discussion it was

**RESOLVED:** To approve the Annual Governance Statement for 2012/13, for insertion into the Statement of Accounts 2012/13.

**13 FINANCE, RESOURCES, AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME**

It was agreed that the Audit Commission Audit Plan 12/13 should be renamed ‘External Audit Plan 12/13’.

Members requested that they receive training prior to the Self Assessment Exercise scheduled for March 2013 and it was suggested that a session be organised to explain government accounting and to look at a local authority balance sheet. It was also requested that the agenda’s glossary be simplified to assist the newer members of the Committee. The Head of Finance agreed to look into this.

The meeting concluded at 10.55 a.m.

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Chairman