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 25 July 2014 at 9.30 am.

Committee Members Present: Councillors M Edney, L Dale, D Goldson, T Palmer and L Webster

Apologies: Councillor K Billig

Officers in Attendance: The Head of Finance (D Lorimer), the Accountancy Manager (M Fernandez-Graham) and the Senior Accountant (J Brown)

Also in Attendance: Mr R Murray and Mr R Russell (Ernst & Young)

61 MINUTES

The minutes of the meeting held on 27 June 2014 were confirmed as a correct record and signed by Cllr Goldson and the Chairman.

62 STATEMENT OF ACCOUNTS 2013-14

The Senior Accountant presented the Statement of Accounts for 2013/14, advising members that since the agenda had been produced, the external auditors had completed their work and an unqualified opinion for the financial statements and value for money had been issued. The Committee noted that a number of adjustments had been made to the accounts as a result of the audit, which had reduced the net worth of the Council by £904,000. Members were advised that this reduction was due to asset revaluations, and amendments to Council Tax and business rate provision balances. The effect of the changes on Council Tax payers was nil as an accounting adjustment was made through the Movement in Reserves Statement in line with regulations.

In response to a member’s question, the Head of Finance clarified the difference between non-current assets and non usable reserves, advising the Committee that non-current assets related to long term, fixed assets whereas non usable reserves related in the main to technical accounting changes and revaluations and that these reserves could not be utilised.
After a brief discussion it was:

RESOLVED: To

1. Note the adjustments to the Statement of Accounts 2013/14;
2. Delegate the Chair of the Finance, Resources, Audit and Governance Committee to sign the letter of representation alongside the Head of Finance.
3. Note the findings made by the auditors for the drafting of the 2014/15 accounts (detailed in a separate report).

63 ANNUAL GOVERNANCE STATEMENT 2013/14

The Head of Finance presented the Annual Governance Statement for 2013/14 and explained to members that the statement was a reflection of the Council’s overall governance arrangements. The Committee was informed that an ‘adequate’ audit opinion had been given by the Audit Manager.

In response to a query raised by a member regarding a potential risk to the Council due to the frequent changes and reorganisation of staff, the Head of Finance advised that it was often necessary to re-align teams to deal with new emerging priorities and changes in legislation. She added that each change was reviewed by the Council’s Strategic Leadership Team and that every effort was made to balance resources when changes were required. It was also noted that training staff to become multi-skilled gave the Council more resilience. Members spoke of their concerns regarding the difficulty in keeping up with changes in staffing, stating that there was confusion around who they should contact at the Council for various queries. The Head of Finance agreed that she would feed this back to officers. The Committee was reminded that the South Norfolk Council Yearbook was available on the website and it was agreed that the link to this document would be provided on the Members’ Bulletin each month.

It was then:

RESOLVED: To

Approve the Annual Governance Statement for signature by the Chief Executive and the Leader of the Council.

65 AUDIT RESULTS REPORT

Members considered the Audit Results Report for the year ended 31 March 2014 which was presented by Mr R Murray from Ernst & Young. Mr Murray advised members that the audit was now complete and summarised the salient points in the report, reminding the Committee that robust plans put in place by the Council, working with the auditors, had resulted in the delivery of an audit two months ahead of those in previous years. Members noted the report and acknowledged the extra work undertaken for early delivery of the audit.
66  EY LOCAL GOVERNMENT AUDIT COMMITTEE BRIEFING

Members considered the EY Local Government Audit Committee Briefing which detailed the Council’s response to a number of areas identified by Ernst & Young on which Audit Committees should be focussing.

In response to a member’s question, the Head of Finance advised the Committee that, as an impact of the introduction of the Single Fraud Investigation Service (SFIS), the Council had identified one full time member of staff who would be transferred to the Department for Work and Pensions (DWP) to tackle fraud. Members were concerned that, as existing arrangements allowed officers investigating fraud to simultaneously identify other areas of fraud in areas such as Council Tax, this resource would be lost, putting the Council at risk. The Head of Finance advised that the Council would retain a 0.5 FTE post to deal with fraud, but added that the Government had recently announced that a £16M fund would be available for Councils to bid for funding for two years of support to tackle non-benefit related fraud, and that the Council intended to make a bid.

After a brief discussion, it was:

RESOLVED: To

Note the report from Ernst & Young.

67  PROGRESS ON INTERNAL AUDIT PROCUREMENT

The Head of Finance gave a brief update on the progress of the Internal Audit Procurement, advising members that five weeks of competitive dialogue was due to be concluded that day. She informed the Committee of the next steps to be undertaken, advising that final tenders would be sent out and that assessments would take place once the tender process had been completed. Members were pleased to note that the level of engagement from competitors was good, and that officers expected that the process would be progressing well by the time of the next Committee meeting.

68  FINANCE, RESOURCES, AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME

Members noted the Finance, Resources, Audit & Governance Committee’s work programme.

It was agreed that, as the arrangements for the Committee had worked well in June and July 2014 with regard to approving the Annual Reports and signing off the Statement of Accounts, a similar process should be put in place for 2015.

The meeting concluded at 10.10 am

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Chairman