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 6 March 2015 at 9.30 am.

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

Apologies: Councillor: K Billig

Substitute: Councillor: K Tilcock

Cabinet Member Present: Councillor: G Wheatley

Officers in Attendance: The Accountancy Manager (M Fernandez-Graham) and the Internal Audit Consortium Manager (E Hodds)

Also in Attendance: Tina Meyer and Rob Murray (Ernst & Young)

77 MINUTES

The minutes of the meeting held on 24 October 2014 were confirmed as a correct record and signed by the Chairman.

Arising from Minute No 74, the Committee was pleased to note that the transfer of the Council’s banking services successfully went live during February 2015, with no complications. The Accountancy Manager advised members that nplaw had confirmed that the Council was protected against losses in the event of a catastrophic ratings reduction which might force the bank or the Council to withdraw prior to the expiry date of the contract.

78 CERTIFICATION OF CLAIMS & RETURNS ANNUAL REPORT FOR 13/14

Tina Meyer from Ernst & Young presented her report which detailed the certification work for the Housing Benefit subsidy claim for the financial year 2013/14. Members were advised that the certification work had identified no errors which required amendment by the Council.
Following a brief discussion regarding quality checking and manual amendments, it was:

**RESOLVED:** to note the Certificate of Claims and Returns Annual Report for 2013/14.

### 79 EXTERNAL AUDIT PLAN

Rob Murray presented the External Audit Plan for 2013/14, advising the Committee of the key risks identified and the planned audit strategy.

Members were advised that, as the Council became more entrepreneurial and commercial in its business ventures, the risk factor would increase, although this did not currently present any significant concerns.

The Committee considered the timetable for the audit for 2014/15 and was advised that an early closure of the Council’s accounts would again be sought.

There was a brief discussion regarding fees, and members were advised that there had been a slight increase in audit fees payable in the last year but all fees were in line with the Audit Commission’s published scale of fees.

### 80 PROGRESS ON INTERNAL AUDIT ACTIVITY

The Internal Audit Consortium Manager presented the Committee with a report to advise it of the progress made between 16 October 2014 and 24 February 2015 in relation to delivery of the Annual Audit Plan for 2014/15, and summarising the five completed audits undertaken during this period.

Members were advised of the changes to the Audit Plan, which included the addition of Wymondham Leisure Centre and the decision not to carry out a review of corporate governance due to the impending election, but were reassured that all five of the audits completed had been awarded positive assurances.

In response to a member’s question regarding the Council’s need to comply with HMRC requirements in relation to self-employed contractors and consultants, the Internal Audit Consortium Manager advised the Committee that the Council’s responsibility was purely to ensure that contractors and consultants were made aware of their own tax obligations and that they signed a statement to confirm their agreement and understanding.

Following a discussion during which officers clarified a number of minor queries, it was:

**RESOLVED:** to note the outcomes of the five completed audits finalised in the period 16 October 2014 to 24 February 2015 and the progress made to date against the Annual Audit Plan.
81 STRATEGIC AND ANNUAL INTERNAL AUDIT PLANS 2015/16

The Internal Audit Consortium Manager presented her report which provided members with an overview of the stages followed prior to the formulation of the Strategic Audit Plan for 2015/16 to 2017/18 and the Annual Internal Audit Plan for 2015/16. Members were advised that the Plans had been simplified and were invited to ask questions.

In response to a query concerning the intention to delay the next review of property management until 2016/17, members were informed that due to the changes which would be occurring around property development, it was not deemed advisable to carry out a review until the arrangements had evolved and developed. The Internal Audit Consortium Manager reassured members that she would be checking the progress and that she would carry out an earlier review if she felt this was necessary.

It was then

RESOLVED: to note the performance measures for the new Internal Audit Contractor;

and

to recommend that Cabinet approve:

a) the minor amendments to the Internal Audit Charter as noted in the report;

b) the Internal Audit Strategy for 2015/16;

c) the Strategic Internal Audit Plans 2015/16 to 2017/18; and

d) the Annual Internal Audit Plan 2015/16.

82 INTERNAL AUDIT CONTRACT AWARD

The Internal Audit Consortium Manager presented the Committee with the final update on the award of the Internal Audit Services Contract to TIAA Ltd, following its approval by Cabinet on 24 October 2014.

The Committee was pleased to note that all consortium members had decided to continue with the current arrangements and expressed their confidence in officers, thanking them for their hard work.

It was then

RESOLVED: to note the update report.
83 ANNUAL REPORT OF THE FRAG COMMITTEE

Members considered the report of the Internal Audit Consortium Manager which summarised the work of the Finance, Resources, Audit and Governance Committee during 2014/15.

After a brief discussion, it was:

RESOLVED: To note the contents of the report before its presentation at Full Council.

84 FINANCE, RESOURCES, AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME

Members noted the Finance, Resources, Audit & Governance Committee’s work programme and the Chairman thanked the Committee and officers for their hard work over the past four years.

The meeting concluded at 10.25 am

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Chairman