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 July 2015 at 9.30 am.

Committee Members Present: Councillors:  G Wheatley (Chairman), L Dale, C Hudson and R Savage

Apologies: Councillors: P Hardy and T Lewis

Substitute: Councillor:  M Gray for T Lewis

Cabinet Member Present: Councillor:  M Edney

Officers in Attendance: The Director of Business Development (D Lorimer), the Communities and Democratic Services Manager (L Mickleborough), the Accountancy Manager (M Fernandez-Graham) and the Senior Accountant (J Brown)

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

91 MINUTES

The minutes of the meeting held on 26 June 2015 were confirmed as a correct record and signed by the Chairman.
The Accountancy Manager presented the Statement of Accounts for 2014/15, advising members that unqualified opinions for both 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 increased the net worth of the Council by £167,000. Members were advised that there was a re-categorisation of return on assets in the pension scheme, as detailed in the report, and that the change had no effect on the Council’s net worth or its reserves.

In response to a member’s question regarding Business Rates Appeals, the Accountancy Manager advised that the appeals deadline had been 31 March 2015, and that it was not yet known how many appeals would be upheld. The Committee was informed that the auditors were in agreement with the estimate made by the Council to cover appeals which were successful. The Director of Business Development advised members that businesses often lodged appeals as a matter of course, withdrawing them at a later stage.

Queries were raised regarding some of the accountancy terms used within the reports. The Chairman reminded members that the role of the Committee was to ensure that the Council’s accounts were properly prepared and audited by qualified staff, and that it was not a requirement that members of the Committee themselves be fully conversant with technical accountancy terminology. Members affirmed their confidence in the Council’s finance officers and auditors.

There was some discussion regarding various matters, including CNC. Officers confirmed that the Council only held shares in CNC CS Ltd. and that these figures were reflected on the balance sheet.

After a brief discussion it was:

RESOLVED: To

1. Note the adjustments to the Statement of Accounts 2014/15;
2. Delegate to the Accountancy Manager to sign the letter of representation and to make any necessary trivial adjustments to the Statement for sign-off and publication by 31 July 2015.
3. Delegate to the Chair of the Finance, Resources, Audit and Governance Committee to sign the letter of representation alongside the Director of Business Development.
93 ANNUAL GOVERNANCE STATEMENT 2014/15

The Accountancy Manager presented the Annual Governance Statement for 2014/15 and explained to members that the statement was a reflection of the Council's overall governance arrangements. The Committee was informed that, as in the previous year, an 'adequate' audit opinion had been given by the Audit Manager.

There was a short discussion regarding risks and opportunities, after which it was:

RESOLVED: To

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

94 AUDIT RESULTS REPORT

Members considered the Audit Results Report for the year ended 31 March 2015 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.

There was a brief discussion, during which Mr Murray clarified the details regarding the corrected audit misstatements, as detailed in appendix A of the report.

Members noted the report.

95 COUNTER FRAUD ACTIVITY REPORT

Members considered the report on Counter Fraud Activity and noted the work performed by officers to mitigate both the internal and external threats faced. After summarising the salient points, the Communities and Democratic Services Manager invited comments from the Committee.
The Committee discussed the various types of fraud identified by the Council, including improper claims relating to the Council Tax Single Person Discount and Housing Benefit, and the effect of this on the Council’s finances. The Director of Business Development re-assured members that controls were in place to mitigate incidents of attempted fraud and that where these were identified, further investigations undertaken by online cross checking with the Department of Work & Pensions (DWP) and HM Revenue & Customs (HMRC) usually resulted in the discovery of additional fraudulent activity. In response to a suggestion that more regular checks be undertaken by the Council and that, as with Tax Credits, claimants should be required to make an annual statement, the Director of Business Development advised members that the Council were required to act under DWP rules for the provision of Housing Benefits.

After a short discussion it was:

RESOLVED: TO

Note and accept the Annual Report on Counter Fraud Activity.

96  FINANCE, RESOURCES, AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME

Members noted the Finance, Resources, Audit & Governance Committee’s Work Programme.

It was agreed that the meeting scheduled for 4 September 2015 be replaced by an INFORMAL meeting of the Committee, where members would consider the rental properties at the Poringland development.

It was agreed that the next FORMAL meeting of the FRAG Committee would take place on 27 November 2015, and that this would include the Internal Audit Activity Report, previously scheduled for discussion at the September meeting.

The meeting concluded at 10.25 am

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Chairman