

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, 22 November 2019 at 9.30am.

Committee Members Present: Councillors: P Hardy (Chairman), V Clifford-Jackson, A Dearnley, B Duffin, D Elmer, T Laidlaw, N Legg, S Ridley and R Savage

Cabinet Member in Attendance: Councillor: A Thomas (for items 1 – 9)

Officers in Attendance: The Director of Resources (D Lorimer), the Assistant Director of Governance & Business Support (E Hodds), the Group Accountant (J Brown), the Capital and Management Accountant (H Craske), the Executive Assistant (C Baldwin)

214 MINUTES

The minutes of the meeting held on 27 September 2019 were confirmed as a correct record and signed by the Chairman.

Following discussion on the lateness of the audit undertaken by Ernst and Young, it was agreed to add the assurances by the auditors that resources would be in place to ensure the following year's audit would be carried out in a timely manner.

The Director of Resources informed members that Broadland District Council had discussed Contract Standing Orders and had changed some of the wording in preparation for consideration at both Full Council meetings in December 2019. The Committee was happy to proceed with the amended wording proposed by Broadland District Council.

215 PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY

The Internal Audit Manager presented the progress report on Internal Audit activity during the period between 1 April and 11 November 2019, highlighting the changes made to the annual plan since the Audit Plan was approved in March 2019. Members noted that 45% of the Audit Plan had been completed and that all five areas covered had been awarded a reasonable assurance.

The Officer also highlighted one important recommendation that a risk register for Big Sky Development Ltd and, in particular, Big Sky Property Management Ltd are included to reflect the extended loan agreement for better scrutiny. Members were also assured

that the loan arrangements were being reviewed to ensure a more realistic time frame for repayment.

In response to a member's question regarding what measures had been put in place following the discovery that a small number of MOT checks had not been carried out at the Depot on time, officers assured members that more robust procedures were in place and being followed.

After officers had responded to a number of queries on points of detail, it was;

RESOLVED: To note the outcomes of the five completed audits in the period covered by this report, and the position of the internal audit plan for 2019/20.

216 FOLLOW-UP REPORT ON INTERNAL AUDIT RECOMMENDATIONS

The Internal Audit Manager presented her report which detailed the progress made in relation to the Council's implementation of the agreed audit recommendations as at 11 November 2019, drawing attention to the important priority recommendations outstanding and where revised deadlines had been set.

In response to a member's question regarding delays for the completion of some recommendations due to joint policies needing to be written, officers reassured members that this was to avoid policies being written twice. Officers also confirmed that all historic and future recommendations would be referred and assigned to Assistant Directors and considered by the Corporate Management Leadership Team on a quarterly basis.

Regarding the resilience of the disaster recovery plan following the remote working breakdown earlier in the year, the Director of Resources assured members that remote access had been improved. She also explained how the service desk would be operated with one system and one set of processes to make it easier to work from both council sites.

Following discussion on points of detail, it was;

RESOLVED: To note the position in relation to the completion of agreed internal audit recommendations as at 11 November 2019.

217 ANNUAL AUDIT LETTER

In the absence of a representative from Ernst and Young, the Group Accountant informed the Committee that no risks have been identified in the report.

Officers also confirmed that the auditor's final fee was still to be agreed. The Director of Resources informed members that she would be attending a meeting in January which had been called by Ernst and Young. Members asked for their concerns regarding the delay in auditing to be relayed at the meeting and questioned what the ramifications would be to leave the contract early. Cllr Thomas agreed to investigate any breach of the contract on Ernst and Young's part.

It was;

RESOLVED: To note the report.

218 UPDATE ON THE LONGER-TERM CAPITAL STRATEGY

The Group Accountant presented her report, which updated members on the progress of the development of a longer-term Capital Strategy, highlighting the further development needed to be presented for approval at Cabinet and Full Council in February 2020.

In response to a member's question regarding how tenants would be monitored to fulfill their obligation to maintain the properties, officers confirmed that Big Sky hold regular client meetings and also hold deposits from tenants.

It was;

RESOLVED: To note the progress that has been made on developing a longer-term Capital Strategy.

219 RISK MATURITY ASSESSMENT RESULTS

The Internal Audit Manager presented her report, which outlined the results from the South Norfolk Council Risk Maturity Assessment undertaken by Internal Audit, highlighting the recommended actions to improve the risk management framework at the Council.

After officers had responded to a number of queries on points of detail, the Chairman thanked officers for their hard work and it was;

RESOLVED: To note the results and suggested improvements from the South Norfolk Council Risk Maturity Assessment undertaken by Internal Audit.

220 JOINT COMMERCIALISATION STRATEGY

The Director of Resources presented her report, which outlined the approach for commercial opportunities to achieve greater long-term financial stability that can be adapted according to South Norfolk and Broadland Councils' ambitions and risk appetite to deliver these opportunities.

Officers drew members' attention the high-level action plan that would be put into practice over the next few years.

Members were pleased to note that staff would have the opportunity to develop their commercial skills and suggested having an incentive scheme to further encourage staff, which the Director of Resources agreed to look at developing.

Responding to a member's question regarding the savings made on the waste service review, officers confirmed that trade waste does make a profit.

After officers had responded to a number of queries on points of detail, the Chairman thanked officers for their hard work and it was;

RESOLVED: To recommend that Cabinet recommends to Council the approval and adoption of the Joint Commercialisation Strategy

221 REVIEW OF THE LOCAL GOVERNMENT OMBUDSMAN 2019

The Executive Assistant to the Managing Director and Leader presented her report, which provided a summary of the Local Government and Social Care Ombudsman report of complaints referred for the year ending 31 March 2019.

Members were pleased to note that there was no rise in the number of complaints received from the previous year.

RESOLVED: To note the contents of the report and provide any views or comments regarding our approach to dealing with complaints.

222 WORK PROGRAMME

Members referred to the Finance, Resources, Audit & Governance Committee's Work Programme and agreed to add.

The meeting concluded at 11.20 am.

Chairman