

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, 27 September 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

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

Also in Attendance: Mark Hodgson - Ernst & Young (EY)

209 MINUTES

The minutes of the meeting held on 21 June 2019 were confirmed as a correct record and signed by the Chairman.

Officers gave an update on two outstanding audit recommendations for IT and informed members that a detailed report would be available for consideration at the meeting in November.

Regarding the IT Service Desk, officers advised members that the priority in relation to implementing the design framework had instigated audit trials and advised members that this would not be closed down until a formal board was in place, to which members agreed.

210 STATEMENT OF ACCOUNTS 2018/19

The Group Accountant presented her report, which updated members on progress on finalising the Council's Statement of Accounts for 2018/19 and provided a high-level commentary on significant changes since the draft report was published.

Members were advised that two further adjustments had been identified since the report had been issued relating to the treatment of capital receipts in advance and the reversal of prior year accruals in relation to CIL and CNC Building Control.

Officers explained that the pilot scheme for business rates was run nationally to trial proposed changes to the scheme and, although no formal feedback had been given, it was identified that the Council would receive £483k in additional income for 2019 as a one-off increase.

Responding to a member's query regarding the fair funding formula, officers informed members that they were awaiting a more detailed consultation.

Referring to the major risks related to the new homes bonus, officers confirmed the matter was being closely monitored.

Discussion took place around the Council's wholly or part-owned companies and members raised concerns around their lack of understanding of Big Sky and Build Insight. It was agreed that officers would arrange a training session with a focus on governance arrangements for Big Sky Ventures Ltd and subsidiary companies in early November.

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:
1. Note the adjustments to the Statement of Accounts 2018/19 identified to date.
 2. Delegate to the Group Accountant to make any necessary adjustments to the Statement of accounts for sign-off and publication.
 3. Delegate to the Chair of the Finance, Resources, Audit and Governance Committee to sign the letter of representation alongside the Director of Resources.

211 AUDIT RESULTS REPORT

Mark Hodgson from Ernst & Young (EY) presented his report, which summarised the preliminary audit conclusion in relation to the audit for 2018/19 and informed members that there were no outstanding matters, other than the ones identified regarding treatment of capital receipts in advance and reversal of prior year accruals.

Mr Hodgson drew members' attention to the added risk around non-domestic rates and confirmed that he was comfortable that the risk was prudent. He added that he expected to issue an unqualified audit opinion imminently.

Mr Hodgson reassured members that the resource issues at EY resulting in a delay in completing the audit, had been resolved and informed members that, although a consultation regarding the movability of the due date of 31 July was live, EY would continue to work to that date in any event.

Members thanked officers and Mr Hodgson for their professionalism and work throughout the audit.

It was then;

RESOLVED: to note the report.

212 CONTRACT STANDING ORDERS

The Procurement Consortium Manager presented his report, which detailed the review undertaken to align the framework within which both South Norfolk and Broadland Councils operated in terms of spending on goods and services, drawing attention to the key major changes.

Responding to members' questions around ensuring compliance during the process of receiving quotes, members were assured that officers would need to demonstrate value for money and that directors would have overall responsibility. He added that there was a code of conduct and a transparency code, and officers were obliged to publish the contract register for all procurement exceeding £500.

Members were advised that the Council was active in encouraging clients in the use of Fair Trade products.

In response to a number of queries on the minimum contracts procedures, the Procurement Consortium Manager agreed to amend the report accordingly and members suggested a review should be added to the work programme for July 2020.

it was then;

RESOLVED: To recommend that Council approves the Contract Standing Orders.

213 WORK PROGRAMME

Members referred to the Finance, Resources, Audit & Governance Committee's Work Programme and agreed to add Governance, Risk and the Joint Commercialisation Strategy to the work programme for November.

The meeting concluded at 11.20 am.

Chairman