

FINANCE, RESOURCES, AUDIT AND GOVERNANCE COMMITTEE

Minutes of a meeting of the Finance, Resources, Audit and Governance Committee of South Norfolk District Council, held on Friday 24 September 2021 at 9.30am.

Committee Members Present: Councillors: P Hardy (Chairman), C Brown, A Dearnley, D Elmer and S Ridley

Apologies for Absence: Councillors: B Duffin, T Laidlaw, N Legg and G Minshull

Cabinet Member in Attendance: Councillor: J Worley

Officers in Attendance: The Assistant Director of Finance (R Fincham), the Chief of Staff (E Hodds) and the Internal Audit Trainee (E Voinic)

Also in Attendance: Mr M Hodgson, from Ernst & Young (EY)

273 MINUTES

The minutes of the meetings of the Finance, Resources, Audit and Governance Committee held on 25 June 2021 and 9 July 2021 were confirmed as a correct record.

274 AUDIT PLAN ADDENDUM – VFM RISK ASSESSMENT

Members considered the Audit Plan Addendum – VFM Risk Assessment from Ernst & Young (EY), where it was reported that EY had not identified any risks of significant weaknesses in the Council's arrangements, as a result they had no risk-based procedures to carry out.

Mr Hodgson further explained that EY would revisit the risk assessment prior to issuing the audit opinion on the 2020/21 accounts, but at that stage anticipated no matters to report on VFM.

It was then,

RESOLVED

To note the contents of the report.

275 STATEMENT OF ACCOUNTS 2020/21

The Assistant Director of Finance introduced his report, which provided members with an update on the 2020/21 Statement of Accounts. He advised the Committee that there had been delays on the auditing of the accounts, which had been common across the country. The accounts were completed and published on 30 July 2021, which, whilst within the statutory deadline, was past the target date agreed with EY of 12 July 2021. As a result, EY would now complete the audit of the accounts in December 2021 – January 2022.

The Chairman informed the Committee that both himself and the Portfolio Holder for Finance and Resources had liaised with the Assistant Director of Finance regarding the delays and assured the Committee that they would continue to monitor the situation.

In response to a question on the cause of the delay, the Assistant Director of Finance explained that a number of factors had contributed to the delay in the accounts, which included; the loss of a key member of staff in June 2021 and the decision to prioritise available resources on the insurance tender.

One member queried whether the publication date for next year's Statement of Accounts had been delayed to allow for sufficient time to carry out the work. The Assistant Director of Finance explained that the publication date had not been changed. He further advised members that a plan was in place to prevent a similar occurrence next year. He explained that the appointment of temporary staff had been discussed, if this became necessary a report would be brought to Cabinet to request the allocation of additional budget. Members expressed their support for additional temporary resource if needed.

It was then,

RESOLVED

To note the progress with the 2020/21 Statement of Accounts.

276 PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY

The Chief of Staff presented the report, which reviewed the work performed by Internal Audit in delivering the Annual Internal Audit Plan for 2021/22 for the period 1 April 2021 to 16 September 2021.

She explained that 16 days of the programmed work had been completed, which equated to 11% of the Audit Plan for 2021/22. She further advised the Committee that the draft audit reports were due to be completed 10 days after the end of quarter two.

One member noted that the Performance Management Audit work had completed 1 out of 10 scheduled days, they queried whether work on this audit had progressed further. The Chief of Staff confirmed that work was underway on the audit.

A vote was then taken and it was unanimously,

RESOLVED

To note the progress in completing the Internal Audit Plan of work and the outcomes of the completed audits for the 2021/22 financial year.

277 FOLLOW UP REPORT ON INTERNAL AUDIT RECOMMENDATIONS

The Chief of Staff presented the report, which informed members on the progress made in relation to management's implementation of agreed Internal Audit recommendations which were due by 13 September 2021.

She explained that of the issues outstanding, none were urgent, and a fair explanation had been provided by officers regarding the outstanding issues.

With regard to the Accounts Payable recommendation (at appendix 2), one member queried this would be delivered by the agreed deadline. The Assistant Director of Finance informed members that the team had been carrying out the necessary work yesterday and that he would ensure that the recommendation was delivered by the deadline.

One member further queried how quickly the Council paid suppliers. The Assistant Director of Finance explained that 95% of payments were made within 30 days.

Members queried what the Remote Access audit work related to, the Chief of Staff advised the Committee that it related to how officers accessed systems remotely.

A vote was taken and it was unanimously,

RESOLVED

To note the position in relation to the completion of agreed Internal Audit recommendations.

278 WORK PROGRAMME

Members considered and noted the Finance, Resources, Audit and Governance Committee's Work Programme.

The Chairman noted that there was a large number of items were expected at the February 2022 meeting, he explained that he would discuss with the Head of Internal Audit whether any of the items could be postponed until a later meeting.

(The meeting concluded at 10.00am)

Chairman