

BRECKLAND COUNCIL

At a Meeting of the

GOVERNANCE & AUDIT COMMITTEE

**Held on Friday, 28 July 2017 at 10.00 am in
Norfolk Room, Conference Suite, Elizabeth House, Dereham**

PRESENT

Mr W.P. Borrett (Chairman)
Mr P. S. Wilkinson (Vice-
Chairman)

Mrs L.H. Monument
Mr M. J. Nairn

In Attendance

Julie Britton
Alison Chubbock

- Democratic Services Officer
- Chief Accountant (Deputy Section 151
Officer) (BDC)
- Manager, Ernst & Young
- Executive Director, Ernst & Young

Alison Riglar
Kevin Suter

Action By

40/17 MINUTES (AGENDA ITEM 1)

The Minutes of the meeting held on 13 June 2017 were confirmed as a correct record and signed by the Chairman.

**41/17 ACTIONS ARISING FROM THE MINUTES (IF ANY) (STANDING ITEM)
(AGENDA ITEM 2)**

None.

42/17 APOLOGIES (AGENDA ITEM 3)

Apologies for absence were received from Councillors Paul Hewett and John Newton.

43/17 URGENT BUSINESS (AGENDA ITEM 4)

None.

44/17 DECLARATION OF INTERESTS (AGENDA ITEM 5)

None.

**45/17 NON-MEMBERS WISHING TO ADDRESS THE MEETING (AGENDA
ITEM 6)**

None.

46/17 TRAINING (STANDING ITEM) (AGENDA ITEM 7)

Members were reminded of the training session that had been arranged to take place immediately following the Governance & Audit Committee meeting on Friday, 29 September 2017.

Action By

47/17 AUDIT RESULTS REPORT 2016/17 (AGENDA ITEM 8)

Kevin Suter, the Executive Director for Ernst & Young LLP presented the Audit Results report. The report summarised the key findings from the 2016/17 audit and the areas of work that had been covered. The Group Accounts had been completed and an unqualified audit opinion on the financial statements would be issued despite the fact that a response from the bank in relation to the receipt of bank and investment confirmations had not been forthcoming and therefore alternate procedures had been undertaken. Alison Chubbock the Chief Accountant and Deputy Section 151 Officer advised that there was no reason for the lack of response and she would be taking this up with the bank in question.

Members' attention was drawn to page 21 of the agenda pack. The Executive Director for Ernst & Young explained how the risks had been set out and the programme of works undertaken and was pleased to report that no major issues had been raised and he was happy with the Council's process.

Referring to property, plant and equipment valuations and the pensions' valuations and disclosures on pages 23 and 24 of the agenda pack, Members were informed that the audit focus was on the estimation techniques undertaken for these very large figures involved; but all had been reasonably assessed. The Chairman was aware that additional payments were being requested under the pension funds and asked what this would mean and what effect this would have on the end result. Members were informed that the additional payments requested were most likely an on-going process as part of the triennial valuation in order to close the deficit.

The Executive Director for Ernst & Young LLP advised that an auditor had been instructed to carry out the work undertaken in relation to Breckland Bridge subsidiary. A number of issues had not as yet been resolved on the subsidiary's statutory accounts but were not material to this audit. It was decided not to adjust the Council's accounts as it was in relation to technical accounting adjustments and had no bearing on the sale value of Breckland Bridge assets in the long term. The Chief Accountant and Deputy S151 Officer had been happy with this approach.

It was noted that the Council had strong arrangements in place for securing value for money (see page 33 of the agenda) and an unqualified conclusion had been given on the Councils' arrangements.

Referring to the fees (on page 44 of the agenda), Members were informed that the audit fees had been contained at the level planned.

The Vice-Chairman was pleased with the work carried out by the Accounting Team

The Chairman thanked everyone concerned.

The Audit Results report was otherwise noted.

Action By

48/17 AUDITED STATEMENT OF ACCOUNTS 2016-17 (AGENDA ITEM 9)

The Chief Accountant & Deputy S151 Officer was pleased to present the final audited statement of accounts which followed on from the previous item. Councillor Hewett had raised a couple of points in relation to formatting and these had been updated accordingly.

The Chairman asked if there was anything outstanding from the list of questions raised by Councillor Hewett. It was noted that one of the questions related to a colour used on the pie chart and it had already been agreed that the colour black would be changed next year. Councillor Monument felt that black and yellow should be avoided in future. It was further noted that a better narrative would be included at the start of the Accounts next year which should address one of the comments made by Councillor Hewett.

The Annual Governance Statement within the Accounts (page 156 onwards) had been signed by the Chief Executive and the Leader following a number of minor changes made (details of the changes were circulated at the meeting) and there had been another paragraph added to the letter of representation relating to Breckland Bridge covered by the external auditors earlier in the meeting.

It was **RESOLVED** that:

- a) the statement of accounts 2016-17 be approved;
- b) the Annual Governance Statement (AGS) 2016-17 be approved;
and
- c) the letter of representation 2016-17 be approved.

49/17 WORK PROGRAMME (AGENDA ITEM 10)

The Chairman felt that the Work Programme was looking a little empty and asked if anyone had anything to add.

It was agreed that discussions would take place with Mark Stinson, the Executive Manager for Governance & Deputy Monitoring Officer in relation to his Annual Standards Review report and when that should be brought back to Committee.

The Executive Director updated Members on what should be coming forward from Ernst & Young. An email would be sent to the Democratic Services accordingly.

The Work Programme was otherwise noted.

50/17 NEXT MEETING (AGENDA ITEM 11)

The arrangements for the next meeting on Friday, 29 September 2017 at 10.00am in the Norfolk Room were noted.

The meeting closed at 10.35 am

CHAIRMAN