

Broads Authority
Financial Scrutiny and Audit Committee

Minutes of the Special meeting held on 21 September 2012

Present

Mr D A Broad
Mr P Durrant
Mr G McGregor

In Attendance

Dr J Packman – Chief Executive
Mr T Adam – Head of Finance
Mr R G Holman – Director of Change Management and Resources
Mr J W Organ – Head of Governance and Executive Assistant

Also Present

Mr D Riglar – Audit Manager, Audit Commission

1/1 Apologies for Absence

Apologies had been received from Dr Johnson and Mr Dixon.

1/2 Appointment of Chairman

The Chief Executive invited nominations for the position of Chairman for the forthcoming year.

It was proposed and duly seconded that Mr McGregor be appointed as Chairman.

There being no other nominations, it was

RESOLVED

that Mr McGregor be appointed as Chairman of the Financial Scrutiny and Audit Committee for the forthcoming year.

1/3 Appointment of Vice-Chairman

The Chairman invited nominations for the position of Vice-Chairman for the forthcoming year.

It was proposed and duly seconded that Mr Dixon be appointed as Vice-Chairman for the forthcoming year.

There being no other nominations, it was

RESOLVED

that Mr Dixon be appointed as Vice-Chairman of the Financial Scrutiny and Audit Committee for the forthcoming year.

1/4 Matters of Urgent Business

There were no items of urgent business.

1/5 Declarations of Interests

There were no declarations of interest expressed by members.

1/6 Public Question Time

No questions were raised by members of the public.

1/7 Audit Commission Annual Governance Report 2011/12

The Audit Manager reported that the Audit Commission had substantially completed its audit of the Authority's 2011/12 accounts. He briefed members on the key findings arising out of the audit, which were set out in the Commission's Annual Governance Report, a copy of which had been circulated to members in advance of the meeting.

Members noted that the Audit Commission expected to issue an unqualified audit opinion on the financial statements by the 30 September 2012 deadline. In addition the Audit Commission expected to conclude that there were no matters arising from the Value for Money work that needed to be reported.

There had been three material classification errors which had been identified in the financial statements presented for audit above the limit of £145,000.

Misclassification errors of £237,000 had been identified due to coding errors, which had been identified as a result of the recoding of the accounts. These were all within National Park expenditure and did not relate to Navigation expenditure. There had also been an incorrectly disclosed receipt of Sustainable Development Fund (SDF) grant in 2011/12 as no grant income was received and this had been allocated to the SDF from the core budget. Members noted that the errors had already been adjusted and that they did not impact on net assets or the surplus on provision of services.

The 2011/12 Audit Plan had identified a significant risk relevant to the audit of the financial statements concerning the changes to the key finance staff. However, the draft financial statements were prepared before 30 June 2012 and testing had not identified any significant issues.

No significant weaknesses in internal control had been identified and there were no other matters raised that were significant oversights within the Authority's financial reporting process.

The draft letter of management representation had noted that the extent of provisions and contingent liabilities for Dragonfly House accommodation charges had been fully considered and reflected the latest position on the additional costs being charged to the Authority. Further updates on this matter would be appreciated in due course.

One member commented that the upheaval of the forthcoming head office relocation and relocation from the Field Base to the Dockyard might increase risk on budgeted expenditure. Members stressed the need to determine the level of any underspend by January at the latest and to have well considered, well structured priority projects ready to be implemented before the end of the year to make use of any identified underspends.

Following a question by the Chairman, the Audit Manager confirmed that there were no issues or risks identified in the audit which he considered could damage the reputation of the Authority.

The Committee reviewed the Strategic Risk Register on an annual basis, however members considered that a more in-depth external review of the risks would be beneficial on a periodic triennial basis.

The Committee noted that this was a positive report from the Audit Commission and recorded its appreciation to the Finance Team for its work in this regard.

RESOLVED

- (i) that the adjustments to the financial statements as set out in the Audit Commission Report be noted; and
- (ii) that the Letter of Representation be approved for signature on behalf of the Authority.

1/8 Other Items of Business

There were no further items of business which the Chairman decided should be considered as a matter of urgency pursuant to Section 100B (4) (b) of the Local Government Act.

1/9 Formal Questions

There were no formal questions of which due notice had been given.

1/10 Date of Next Meeting

The next meeting of the Committee would be held on Tuesday 23 October 2012 at Dragonfly House , 2 Gilders Way, Norwich, commencing at 2:00pm.

The meeting concluded at 9:05am

CHAIRMAN