

Broads Authority

Financial Scrutiny and Audit Committee

Minutes of the meeting held on 23 November 2011

Present

Mr N Dixon
Mr P Durrant
Dr J S Johnson
Mr A S Mallett
Mr G McGregor

In Attendance

Dr J Packman – Chief Executive
Miss M Fox – 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 J Duvall – Treasurer and Financial Adviser / Section 17 Officer
Mr N Harris – District Auditor , Audit Commission
Mr D Rigler – Principal Auditor, Audit Commission

1/1 Apologies for Absence

All Financial Scrutiny and Audit Committee members were present at the meeting.

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

The Chairman informed members that he proposed to take an item of urgent business following the main business of the meeting, in view of the important financial implications of the matter, the need to appraise members and to consider the action required as soon as possible.

1/5 Declarations of Interests

Members expressed declarations of interest as set out in Appendix 1 to these minutes.

1/6 Public Question Time

No questions were raised by members of the public.

1/7 Audit Commission Annual Governance Report 2010/11

The District Auditor reported that the Audit Commission had substantially completed its audit of the Authority's 2010/11 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 number of errors had been found in the draft financial statements provided for audit, resulting in the need for the Authority to redraft its financial statements. This had led to extra delays in the audit, which contributed to the audit opinion not being issued by 30 September 2011.

Members noted that the Audit Commission planned to issue an unqualified opinion on the financial statements on 5 December 2011. This was considered to be a particularly noteworthy achievement considering the challenge presented by the new International Financial Reporting Standards (IFRS). Members also noted that the Audit Commission expected to issue an unqualified opinion on the Authority's arrangements to secure value for money. The improvements made by the Authority in relation to strategic asset management had allowed the removal of the qualified opinion given to this area in previous years.

The District Auditor advised that the Audit Commission was aware of the issue which could lead to the Authority incurring additional costs relating to its accommodation at

Dragonfly House. This had resulted in a contingent liability disclosure in the financial statements. He added that the Audit Commission was satisfied that the Authority was effectively managing all the risks in this regard.

Members noted that the extra audit work had resulted in an additional fee which was expected to be approximately £3,000. This would be added to the estimated audit fee for 2010/11 of £26,710, which would itself be reduced by 6% as a result of the rebate of audit costs due to the adoption of IFRS.

It was noted that the Chairman and Chief Executive were required to sign the Letter of Representation on behalf of the Authority, in order that the Audit Commission is able to issue its formal opinion and conclusion. It was agreed that this Letter would be circulated to all members of the Authority, together with the Audit Commission's Annual Governance Report, to give members the opportunity to make any comments on the Letter of Representation before it is signed.

RESOLVED

- (i) that the adjustments to the financial statements which are set out in the Audit Commission Report be noted;
- (ii) that the Letter of Representation be circulated to all members of the Authority, together with the Annual Governance Report, to enable members to make comments on the Letter before it is signed by the Chairman and Chief Executive; and
- (iii) that the Authority's response to the proposed Action Plan, set out at Appendix 3 to the Annual Governance Report, be agreed.

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 14 February 2012 at Dragonfly House, 2 Gilders Way, Norwich, commencing at 2:00pm.

1/11 Exclusion of the Public

RESOLVED

that the public be excluded from the meeting under section 100A of the Local Government Act 1972 for consideration of the following item on the grounds that it involved the likely disclosure of exempt information as defined by Paragraph 3, of Part 1 of Schedule 12A to the Act as amended.

1/12 Dragonfly House Expenditure

The Committee received a proposed action plan to seek to address the Dragonfly House expenditure issues.

RESOLVED

that the action plan be agreed.

The meeting concluded at 1:00pm

CHAIRMAN

Code of Conduct for Members

Declaration of Interests

Committee: Financial Scrutiny and Audit Committee

Date of Meeting: 23 November 2011

Name Please Print	Agenda/ Minute No(s)	Nature of Interest (Please describe the nature of the interest)	Please tick here if the interest is a Prejudicial Interest ✓
N Dixon	General	Member of Norfolk County Council	
A S Mallett	General	Toll Payer	
G McGregor	General	Member of Suffolk County Council	