



**GREAT YARMOUTH**  
BOROUGH COUNCIL

# **Audit and Risk Committee**

## **Minutes**

Monday, 31 October 2022 at 10:00

### **PRESENT:-**

Councillor Grant (in the Chair); Councillors Freeman, Galer, Wainwright & A Wright.

Ms C Whatling (Monitoring Officer), Ms K Sly (Finance Director), Ms L Snow (Finance Manager), Ms F Haywood (Head of Internal Audit) & Ms C Webb (Democratic Services Officer).

Ms D Hansen & Mrs S Powell (EY).

### **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor A Wright.

### **2 DECLARATIONS OF INTEREST**

The Chairman declared a personal interest as he is a Director of GYN, however, in accordance with the Council's Constitution, is allowed to both speak and vote on the matter.

### **3 MINUTES**

The minutes of the meeting held on 25 July 2022 were confirmed.

### **4 MATTERS ARISING**

Councillor Wainwright asked for a progress update from the Head of Internal Audit in relation to the ongoing investigation at the Market Place. The Head of Internal Audit reported that this was a substantial piece of work and that it was imperative that she had access to all of the audit documents and that she would be feeding in to the investigative process.

### **5 INTERNAL AUDIT ACTIVITY - PROGRESS AND FOLLOW UP**

The Committee received and considered the report from the Head of Internal Audit.

The Head of Internal Audit reported progress made between 1 April 2022 to 24 October 2022 in relation to the delivery of the revised Annual Internal Audit Plan for 2022/23. The report also provided an update on the implementation of internal audit recommendations.

Councillor Wainwright asked for clarification in regard to GY1901, Corporate Governance, which had a due date of 31/01/2019, which had been revised 8 times, and was now due on 31/12/2022. Councillor Wainwright asked if this would be achieved.

RESOLVED:-

That the Committee receives the progress update relating to the Internal Audit Plan for 2021/22 & 2022/23, and receives the update on the Council's implementation of internal audit recommendations.

### **6 2020/21 AUDIT RESULTS REPORT**

The Committee received and considered the report from Ernst Young, the Council's External Auditors.

Debbie Hanson, EY, presented the Provisional Audit Results report which summarised the status of the audit and further progress to date and explained the remaining steps to the issue of their final opinion. The audit was designed to express an opinion on the 2021 financial statements and addressed current statutory and regulatory requirements. This report contained our findings related to the areas of audit emphasis, our views on Great Yarmouth Borough Council's accounting policies and judgements and material internal control findings. Each year saw further enhancements to the level of audit challenge and the quality of evidence required to achieve a robust professional report. Debbie thanked the finance and management teams for supporting this process. EY had also included an update on our work on the value for money arrangements in section 4 of the report.

Debbie Hanson highlighted that EY had identified a number of audit differences in the draft statement of accounts at the time of writing their report, and until EY had completed the audit further differences may be identified:-

Uncorrected differences:-

- £0.155 million overstatement of the debtor balances; and
- £0.2 million difference between benefits paid by the pension fund and those included within the IAS 19 report and disclosed in the notes to the accounts.

Debbie Hanson suggested that the Council should update the AGS include the reference to the control deficiencies identified in relation to a number of areas as noted below, which EY had identified as risks of significant weakness in relation to the Value for Money assessment:-

- the Council's self-referral to the regulator for social housing in relation to achievement of the decent home standard and a number of issues which meant that the Council breached part 1.2 of the Home Standard;
- weaknesses identified in the management of the contract with Great Yarmouth Norse in relation to housing repairs and management; and
- weaknesses in the management of the Market Place redevelopment.

Councillor Wainwright highlighted the Market Place redevelopment and the potential overspend due to a high number of revisions and the building being carried out under a Letter of Intent as opposed to a signed contract.

Debbie Hanson informed the Committee that this was the draft wording which had yet to be reviewed and agreed by the Finance Director.

RESOLVED:-

That the Committee receive and note the 2020/21 Audit Results Report.

## **7 2020/21 FINAL ACCOUNTS AUDIT**

The Committee received training on the preparation and reporting of the draft Statement of Accounts prior to the meeting.

The Committee received and considered the draft Statement of Accounts 2020/2021.

The Finance Director reported the salient areas of the draft Statement of Accounts 2020/21 to the Committee and thanked Debbie Hanson, Sappho Powell & the EY Team and Lorna Snow and the Finance Team for all their hard work in the preparation and production of the 2020/21 Accounts. This sentiment was echoed by the Chairman and the Committee.

Councillor Wainwright asked what would happen if the Council dropped below its minimum reserve which had been set at £3.2m. The Finance Director reported that if the Council went below this figure, the Council's financial planning process would be adhered to whereby it would utilise its earmarked reserves and funds would be re-allocated to the General Reserve to protect it.

RESOLVED:-

That the Committee receive and note the draft 2020/21 Final Accounts Audit.

## **8 WORK PROGRAMME**

The Committee received and considered the Work Programme.

The Head of Internal Audit requested that the Internal Audit & Follow Up report scheduled for 5 December 2022 be moved back to the meeting scheduled for 6 March 2022.

The Finance Director reported that the Final Audit report 2020/21 would be presented to the Committee for approval at the next meeting but asked that the Committee put the next meeting back from 5 December 2022 to 23 January 2023.

## **9 ANY OTHER BUSINESS**

The Chairman reported that there was no other business being of sufficient urgency to warrant consideration at the meeting.

The meeting ended at: TBC