

**Minutes** of the meeting of the **Audit Committee** held on 30 September 2013 at 10:00 am in the Elisabeth Room, Endeavour House, Ipswich.

Present: Councillors Michael Bond (**Chairman**), Jenny Antill (**Vice-Chairman**), Peter Bellfield, David Busby, Peter Byatt, Bert Poole and Chris Punt

Supporting officers present: Peter Frost, Interim Head of Audit Services  
Linda Pattle, Democratic Services Officer

For Agenda Item 29 below:  
Louise Aynsley, Corporate Finance Manager, CSD  
Geoff Dobson, Head of Strategic Finance  
Holly Field, Corporate Business Partner, CSD

For Agenda Item 30 below:  
Tracey Quennell, Business Support and Corporate Manager  
Tim Ryder, Monitoring Officer

25. **Public Participation Session**

There were no applications to speak in the Public Participation Session.

26. **Apologies for Absence and Substitutions**

There were no apologies for absence. The Chairman welcomed Councillor Bert Poole to his first meeting of the Committee.

27. **Declarations of Interests and Dispensations**

There were no declarations of interest or dispensations.

28. **Minutes of the Previous Meeting**

The minutes of the meeting held on 23 July 2013 were confirmed as a correct record and signed by the Chairman.

29. **2012/13 Statement of Accounts**  
**2012/13 Audit Results Report – ISA260 Suffolk County Council**  
**2012/13 Interim Audit Results Report Suffolk Pension Fund**

The Committee received the following documents at Agenda Item 6:

2012/2013 Statement of Accounts Covering Report  
2012/13 Audit Results Report – ISA260 Suffolk County Council  
(Appendix A)  
2012/13 Interim Audit Results Report Suffolk Pension Fund  
(Appendix B)

The Unaudited Statement of Accounts 2012/13 had been circulated to the Committee as a separate document.

The Committee noted that at its meeting on 26 September 2013 the Pension Fund Committee had received the 2012/13 Pension Fund. Accounts and the Interim audit results report at Agenda Item 5, Appendix B. The Pension Fund had unanimously endorsed the report, and had congratulated officers on a very good set of accounts.

Neil Harris and Tina Meyer of Ernst & Young introduced the two external auditor's reports before the Committee. The following were among the points noted:

- a) Since the document at Agenda Item 5 Appendix A had been produced, the 2012/13 audit had been completed. Mr Harris was now able to state that he intended to issue an unqualified opinion, confirming that the Council had prepared its financial statements well and made appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.
- b) Mr Harris also stated that he expected to issue an unqualified confirmation to the National Audit Office regarding the Whole of Government Accounts submission within the following week.
- c) Mr Harris drew attention to the identified errors set out on page 19 of the report at Agenda Item 5 Appendix A. He referred in particular to the following:
  - (i) Capital expenditure of £1.084 million had been incorrectly classified as an addition to Property, Plant and Equipment, instead of being charged to the comprehensive Income and Expenditure Account as Revenue Expenditure funded from Capital. Officers proposed not to amend the Statement of Accounts, for the reasons explained in the Statement of Accounts covering report at Agenda Item 5. The Committee was requested to confirm that it accepted this proposal.
  - (ii) Mr Harris stated that he was now satisfied with the Council's approach relating to landfill costs and no provision was required.
- d) Mr Harris drew attention to the fact that Ernst & Young were considering an additional fee for additional work on restatements of property, plant and equipment in year and for Value for Money work to address the significant risk relating to contract management and divestment. He confirmed that a clear break-down of any additional fees would be brought before the Committee.
- e) Mr Harris thanked officers of the Council and CSD for producing a good set of accounts and working papers, and for responding to queries in a timely manner during what had been a year of significant change for the external auditors.

**Decision:** The Committee agreed:

- (i) To approve the Council's Audit Results Report – ISA 260, as set out at Agenda Item 5, Appendix A and as amended orally at the meeting and recorded in paragraph (c) (ii) above.
- (ii) To approve the Suffolk Pension Fund's Audit Results Report, as set out at Agenda Item 5, Appendix B.
- (iii) To authorise the Head of Strategic Finance (Section 151 Officer) to re-certify the Statement of Accounts for 2012/13.
- (iv) To approve the Statement of Accounts for 2012/13. In doing so, the Committee approved the proposal not to amend the error identified by the external auditor set out in paragraph (c) (i) above.
- (v) To authorise the Chairman to sign and date the approved Statement of Accounts for 2012/13.

The Chairman countersigned the letters of representation to Ernst & Young LLP, confirming the responsibilities and actions taken in completing the Statement of Accounts.

**Reason for Decision:** The Committee was satisfied that the Statement of Accounts gave a true and fair view of the Council's financial position at 31 March 2013. Members accepted that the classification error referred to in paragraph (c) (i) above did not have a material impact for the user of the accounts.

**Alternative options:** None considered.

**Declarations of interest:** None declared.

**Dispensations:** None noted.

30. **Local Government Ombudsman (LGO) Annual Review 2012/13**

The Committee considered a report at Agenda Item 6 concerning the Local Government Ombudsman's Annual Review for 2012/13.

**Decision:** The Committee agreed to receive the Local Government Ombudsman Annual Review for 2012/13.

**Reason for Decision:** The Committee accepted the annual letter from the Local Government Ombudsman, whilst noting that its usefulness to the Council was limited by the fact that this year, because of changes to their business processes, the LGO was not able to provide the same level of data as in previous years.

**Alternative options:** None considered.

**Declarations of interest:** None declared.

**Dispensations:** None noted.

31. **Forward Work Programme**

The Committee approved the Forward Work Programme at Agenda Item 6.

32. **Urgent Business**

There was no urgent business.

The meeting closed at 10:39 am.