



Audit committee

16:30 to 17:55

7 July 2015

Present: Councillors Neale (chair), Wright (vice chair), Boswell, Bradford, Driver, Harris and Kendrick

Apologies: Councillor Howard

1. Public questions/petitions

There were no public questions or petitions received.

2. Declarations of interest

There were no declarations of interest.

3. Statement of accounts 2014-15

The chief finance officer introduced the report, providing a summary of the contents and clarifying the meanings and impacts of the different funds and accounts. An information sheet was circulated to those present which illustrated the year on year differences between 2014-15 and the period 2013-14.

Referring to page 19 of the report, the chief finance officer explained that point eight (capital strategy and capital program 2014–15 to 2018–19) was a new insertion as per the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance. This paragraph, she explained, would provide surety of provision of the capital plan for the next five years.

Highlighting the chart beginning on page 24 of the report, the chief finance officer explained that this illustrated all the balances that the council had available to use, adding that page 26 detailed spending in various service areas. She added that the separate information distributed at the beginning of the meeting provided additional explanations for the differences seen within the *comprehensive income and expenditure statement*.

In response to a member's question, the chief finance officer explained that table number 27 (page 74) provided details of the re-evaluation reserve – that is, changes in value which have not yet crystallised and as such cannot yet be spent.

She went on to provide details around the cash flow statement, explaining that it detailed such items as petty cash, current accounts and cash equivalents (investments for less than three months).

Moving on to page 54, in relation to a table nine, the chief finance officer explained that although the livestock market had been sold to a private company, the city council had a legal obligation to provide a space for a livestock market. As such, the council rented back a small area of land from the private owner, which is then leased to Norwich Livestock Ltd - although this had potentially remained unpaid for three years due to an administrative error. In response to a member's question, the chief finance officer explained that she would look into the legal obligations of a council partner providing compensation for any interest lost on this amount should it be shown to be their error.

In response to a member's question, the chief finance officer explained that property valuations take place using what are known as 'beacons'. These beacons are typical houses or flats of different types in different locations. These properties are then visited every five years to ascertain the standard of the housing (including such improvements as new doors, windows etc.) Adjustments are then made to the valuations depending on the number of properties which have not had improvement works carried out.

Discussion ensued around provision of training for members prior to meetings. The chief financial officer said that she would make checks regarding the training planned for the meeting on 22 September. Members showed a preference for provision of training to include an illustration of the differences between the general / HRA / Capital and revenue funds.

RESOLVED to:

- (1) receive the formal unaudited draft statement of accounts for 2014-15;
- (2) ask the chief accountant to circulate a response on the following issues:
 - (a) whether or not there is an amount of money owed by Norwich Livestock Ltd in relation to the lease of land by the city council; and
 - (b) should there prove to be monies owed, ascertain whether or not compensation would be due in relation to loss of interest on the amount.

CHAIR