

MINUTES
of the
AUDIT AND RISK COMMITTEE
held on 29 July 2020 at 7pm

Present:

Councillor N.M. Walsh (Chair)

Councillors D.J.R. Clark, P.H. Clark, N.A. Dudley, J.S. Lardge, M. Sismey (present for part of Item 7) and M.D. Watson

1. Attendance and Apologies for Absence

The attendance of those present was confirmed. Apologies for absence had been received from Councillor J Raven.

2. Minutes

The minutes of the meeting on 17 June 2020 were confirmed as a correct record.

3. Declarations of Interest

All Members were reminded to disclose any interests in items of business on the meeting's agenda and that they should do so at this point on the agenda or as soon as they became aware of the interest. They were also obliged to notify the Monitoring Officer of the interest within 28 days of the meeting, if they had not been previously notified.

4. Public Questions

There were no questions or statements from members of the public.

5. Announcements

There were no announcements for the meeting.

6. External Audit Update

The Committee received an update from their external auditors, BDO. The Committee was informed that regular discussions had been ongoing with the Finance team, along with preparatory work ahead of the audit commencing later in the year. The Committee was reminded of the revised deadlines and that a provisional start date had been agreed of 25th August. It was noted that field work would start in September up until around the first week of October. The Committee heard that BDO hoped the work would be substantially completed by early October, but there would be certain procedures that would need to take place closer to the final sign off. It was also noted that the Committee were timetabled to be approving the accounts towards the end of November and that regular discussions on Covid-19 issues would continue to take place with the Finance team ahead of then.

RESOLVED that the update be noted

(7pm to 7.10pm)

7. Draft 2019/20 Accounts

The Committee were informed that due to the deadline changes this was an exceptional year and therefore rather than just approving the final accounts, officers felt it was beneficial for the Committee to see the draft accounts and bring some increased risks to their attention. The Committee received a presentation from officers that explained the Committee's role in approving the accounts, what the accounts included and the areas of importance for 2019/20. The Committee were also reminded that the final approval of the accounts would be at the additional meeting on 25th November. The presentation from officers focused on the key areas below;

- Role of the Audit and Risk Committee
- The wider system – other Council bodies, external partners, officers and the internal reporting suite
- Duties of the Audit and Risk Committee
- The steps taken to meet statutory and professional practices
- The amendments to the legislated deadlines due to Covid-19. These had been pushed back to 31st August for the preparation of accounts and 30th November for the final audited accounts
- What determined the format of the Accounts?
- The main chapters in the Accounts
- The dual use of the accounts
- Reconciling Revenue Outturn to the CI&ES
- The Statutory entries

- The Risk of Mis-Statements, due to Covid-19 and the issuing of refunds for various services close to the end of the financial year. It was noted that a small error in which year a transaction was recorded, may be extrapolated by the external auditors. Valuation of the Council's property assets had been undertaken by a new valuer which may have led to changes in value due to their approach. In addition, the current circumstances had meant there were few market transactions to inform valuations, and therefore the valuations should be treated with a higher degree of caution than in normal years. Valuations would be subject to challenge by the external auditors, as is normal practice, and it was noted that a small percentage change could lead to large movements on the balance sheet, given the size of the figures involved.

The Committee heard that the auditors would complete their audit of the draft statement of accounts in September/October. This would then be reported along with the value for money judgements to the Committee in November where they would be asked to approve the accounts to be published by 30th November.

In response to questions from the Committee, it was noted that;

- In terms of pension liability, this was determined by a yearly investment strategy, but the City Council did not influence this. This was a County Council function.
- Cost Centres for individual areas/services were used by the Finance team and to help service managers manage budgets. Officers stated the information was available for members of the Committee but it would be of a significant size. Therefore, a discussion would take place after the meeting to agree which data was required.

RESOLVED that the Committee noted the draft statement of accounts for 2019/20.

(7.10pm to 7.52pm)

8. Urgent Business

There was no urgent business for the meeting.

The meeting closed at 7.52pm

Chair