

**MINUTES**  
of the  
**AUDIT AND RISK COMMITTEE**  
held on 25 November 2020 at 7pm

Present:

Councillor N.M. Walsh (Chair)

Councillors D.J.R. Clark, P.H. Clark, N.A. Dudley, J. Galley, J.M.C. Raven, E.J. Sampson, M. Sismey and C.R. Tron

### 1. Attendance and Apologies for Absence

Apologies for absence had been received from Cllrs Lardge and Watson. Cllrs Tron and Galley were their substitutes.

### 2. Minutes

The minutes of the meeting on 23 September 2020 were confirmed as a correct record.

### 3. Declarations of Interests

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

No announcements were made.

## 6. 2019/20 Accounts/ Audit Opinion and Completion Certificate

The Committee considered a report from the Council's External Auditors, BDO, presented in accordance with the provision of the International Standards on Auditing (ISA 260). This required the Auditors to report to those charged with governance relevant matters arising from the audit prior to issuing the 2019/20 Statement of Accounts.

Officers informed the Committee that there had been significant improvements compared to last year's audit process, specifically in that communications had been improved between officers and the external auditors. It was noted that regular meetings had been held, in addition to the external auditors attending every meeting of the Committee. The Committee heard that new software had been used to track data exchanges between the Council and BDO that had helped everything to stay in one place, minimising the risk of missing documents. The Committee was also informed that the Council had retendered for their valuers to help facilitate the audit of this complex area, and some work in the area was outstanding.

The Committee noted that there was not a final set of accounts being presented at the meeting as had been originally intended for recommendation two in the report. The Committee heard that this was due to some areas of the audit not yet being completed, but officers were pleased to report that any changes to date had been on a presentational basis. The Committee heard that at the time of the meeting, no value for money or use of resources qualifications were anticipated. Officers informed the Committee of recommendation three, detailed in the report. It was noted that this recommendation would delegate the formal sign off for the accounts to the Chair in consultation with the Director of Finance. The Committee heard that it was hoped that this could be completed before the deadline of 30<sup>th</sup> November and a meeting between the Chair and BDO had been planned for this. It was clarified that if the audit was still not ready by that point that a notice would be posted on the website and the audited Accounts would be published as soon as possible. The Committee heard that if there were any significant issues, it would be at the Chair's discretion, to bring the accounts back to a future meeting to be agreed.

The external auditors attended the meeting to present their audit report, detailing the key sections and to answer any questions from the Committee. It was noted that there were still some areas of the audit to be completed, but that subject to that, no material misstatements or unadjusted audit differences were to be reported. The Committee were taken through the report and key sections were highlighted. These included, the overview of the audit risks reported in March, to which no changes had been identified, management override of controls, to which no matters were to report, valuation of land and buildings, which was still ongoing. The Committee heard that there were no matters to report in terms of revenue recognition and no identified issues in expenditure either. It was noted that values of land and properties were a significant part of the audit due to the size of the council's portfolio and further information had recently been received on this. The Committee heard that as guided by the RICS, valuers had included in their valuation costs a material uncertainty disclosure to reflect the impact of the pandemic. It was noted that in the audit opinion an

emphasis of matter paragraph would draw the reader's attention to this area. The external auditors also informed the Committee, that the valuation of pension liability had also be linked to the emphasis of matter paragraph too. It was noted that no matters had been identified from the related party transactions and members were reminded that suspicions of fraud could be raised with the auditors at any point. The Committee heard that there had been no concerns on the value for money risks and an unqualified opinion was expected, but it was reiterated that this related to the 2019/20 financial year and therefore had not been impacted significantly by the pandemic. The Committee were reminded of the outstanding matters detailed on page 43 of the agenda pack and it was noted that some of these had to be done at the end of the process due to potential impacts from other areas. The external auditors also noted that the management letter of representation attached as Appendix E would need to be signed and sent to them prior to finalising the audit.

The Committee thanked officers and the external auditors for their hard work in a difficult period and asked if the 30<sup>th</sup> November deadline would be met. It was noted by the external auditors that the deadline of 30<sup>th</sup> November was being worked towards by everyone, but no guarantees could be made that it would be met. This was due to potential issues arising at a late stage that may require further investigation.

RESOLVED that;

1. the audit completion report – ISA 260 (Appendix 1) be noted and,
2. that authority is delegated to the Chair of the Audit and Risk Committee, in consultation with the Director of Financial Services/Section 151 Officer, to approve any additional amendments to the Statement of Accounts and the letter of representation, arising out of any outstanding audit work, and to publish the final Statement alongside the audit opinion.

(7.01pm to 7.29pm)

## 7. Urgent Business

There was no urgent business for the meeting

The meeting closed at 7.29pm

Chair