

AUDIT COMMITTEE

MINUTES

Of a virtual/remote meeting of the Audit Committee held on Monday 23 November 2020 at 7.30pm to 8.30pm.

Members of the Audit Committee:-

Councillors:-	Margaret Hofman (Chair)	Keith Martin (Vice-Chair)
	Tony Humphreys	Dominic Sokalski
	Joan King	Shanti Maru
	Michael Revan	

Also in attendance:

Alison Scott	Acting Director of Finance
Tina Stankley	Interim Head of Finance
Maria Grindley	External Auditor Ernst and Young (EY)
Jo Taylor	External Auditor Ernst and Young (EY)
Sarah Haythorpe	Principal Committee Manager
Jo Welton	Committee Manager

AC 29/20 APOLOGIES FOR ABSENCE

None received

AC 30/20 MINUTES

The Minutes of the Audit Committee virtual/remote meeting held on 11 November 2020 were confirmed as a correct record and would be signed by the Chair once it was possible to do so.

AC 31/20 NOTICE OF OTHER BUSINESS

The Chair ruled that the following item of business had not been available 5 clear working days before the meeting but was of sufficient urgency for the following reason:

Item 5 External Auditor's Report and Approval of the 2019/20 Statement of Accounts

For the Committee to consider a verbal update by the External Auditors and to enable the Council to approve the Statement of Accounts by 30 November 2020.

AC 32/20 DECLARATIONS OF INTEREST

None received.

AC 33/20 EXTERNAL AUDITORS REPORT AND APPROVAL OF THE 2019/20 STATEMENT OF ACCOUNTS

The Committee were asked to formally approve the 2019/20 Statement of Accounts and receive the report of the External Auditor. The Committee were provided with a weblink to the Statement of Accounts. The External Auditor advised the Committee that they were working to get the Audit completed by Monday 30 November. They would issue the Council with an Audit Results Report highlighting the key findings and any work outstanding.

EY explained that the following areas had been flagged at the planning stage before Covid-19: Risk of Fraud in Revenue Recognition, Land and Buildings, Pension Valuations, NDR Appeals provision and work was on-going on concern of emergency.

Since Covid-19 they had focussed on Inventory, particularly a 7 year project where the audit work was continuing. Land and Buildings which appeared within Property Plant and Equipment and Investment Properties, both of which had been audited, included some deep dive work with specialists and work at audit team level. Due to the lockdown of the entire UK economy seven days before the year end the Royal Institution of Chartered Surveyors (RICS) valuers had given an uncertainty report on valuations. Valuation testing was being carried out on floorplan figures for William Penn, South Oxhey Leisure Centre and Watersmeet, and they were awaiting a response from the Finance Team.

A Member asked whether the 7 year project was the South Oxhey Initiative, as they did not expect it to be completed within the 7 years due to works having stopped for Covid-19. The Interim Director of Finance said work had stopped for about a month and had now restarted. There had been a slight delay to the Section 106 Agreement but the delay would be a short term rather than any long term impact on the project. EY confirmed this would not be significant. The Member was concerned the delay would be longer. The Interim Director of Finance confirmed this would not affect the figures in the accounts, only the timescales for receipt of the figures.

The Land and properties issue with the valuation was due to data formatting issues.

EY had identified amendments within the Pensions Accounts. A piece of work would be carried out on cash flow projections, Reserves Balances, Liquidity and Disclosure which was due to the Covid-19 lockdown.

It was pointed out that Pension changes may take place between the draft and final accounts.

On being put to the Committee the recommendations were declared CARRIED by the Chair, the voting being agreed by general assent.

RESOLVED:

Committee agreed the following recommendations:

1. That the Committee approve the Statement of Accounts for 2019/20 subject to final agreement by the Section 151 Officer (Interim Director of Finance);
2. That the Section 151 Officer be delegated to finalise the Statement of Accounts for 2019/20 in consultation with the Members of the Audit Committee;
3. That the Committee authorise and instruct the Chair to sign the Statement of Accounts for 2019/20 once finalised and signed by the Section 151 Officer to confirm that the statement of accounts presents a true and fair view of—(a) the financial position of the authority at the end of the financial year to which it relates; and (b) that authority's income and expenditure for that financial year;
4. That the Statement of Accounts be published by 30 November 2020

CHAIR