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## **AUDIT COMMITTEE MINUTES**

Of a meeting held in the Penn Chamber, Three Rivers House, Rickmansworth on Thursday 27 July 2021 from 7.30pm to 8.29pm

Councillors present:

Cllr Margaret Hofman (Chair)	Councillor Alison Scarth (for Cllr Keith Martin)
Cllr Tony Humphreys	Cllr Shanti Maru (for Cllr David Coltman)
Cllr Raj Khiroya	Cllr Alison Wall

Officers: Alison Scott, Shared Director of Finance and Jamie Russell, Committee Manager

Also present via teleconference for item AC15/21:

Alison Kennet and Simon Luk (Ernest Young)

### **AC 11/21 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Keith Martin and David Coltman with Councillors Alison Scarth and Shanti Maru attending as substitute Members.

### **AC 12/21 MINUTES**

The Minutes of the Audit Committee meeting held on 8 July 2021 were confirmed as a correct record by the Committee and were signed by the Chair of the meeting.

### **AC 13/21 NOTICE OF OTHER BUSINESS**

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

**APPROVAL OF THE 2020/21 DRAFT STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT 2020/21 AND TREASURY MANAGEMENT ANNUAL REPORT 2020/21**

To enable the Council to publish the Draft Statement of Accounts by 31 July 2021.

With regard to these late items of business the Committee will be asked to agree the following resolution, subject to any amendments that maybe agreed at the meeting:

1. That the Treasury Management Annual Report 2020/21 be noted;
2. That the Committee approve the Draft Statement of Accounts for 2020/21 subject to final agreement by the Section 151 Officer (Shared Director of Finance);
3. That the Section 151 Officer be delegated to finalise the Draft Statement of Accounts for 2020/21;
4. That the Draft Statement of Accounts be published by 31 July 2021
5. That the published Statement of Accounts be brought back to the Audit Committee for discussion in September.

**AC 14/21      DECLARATIONS OF INTEREST**

There were no declarations in interest.

**AC 15/21      EXTERNAL AUDITORS REPORT AND EXTERNAL AUDITOR AUDIT PLAN 2020/21**

The External Auditors provided an update on Three Rivers District Councils External Audit. Members were informed that the main parts of the report had been completed, with Officers working to resolve the remaining queries relating to Property, Plant and Equipment (PP&E) and Pensions, and that the Council were not alone in their report not being finalised.

The Chair asked what the cause for the delay was.

The External Auditors stated the delay was due to the implications of Covid-19, with remote working causing obstacles in meeting people in person to work through outstanding queries.

The Chair asked whether the outstanding PP&E queries related to new or existing assets.

The External Audits stated they related to both, and that increased scrutiny was needed across the sectors as a result of feedback from their own auditing body.

A Member asked why the auditors were not present in the room.

The Shared Director of Finance said this was due to them having commitments at multiple meetings that week.

The Chair asked when the report would be completed.

The External Auditors said they were unable to provide a timeline, with the Shared Director of Finance adding that Officers were aware of the deadlines and were working towards meeting them.

The Chair asked if the External Audits could be met privately.

The Shared Director of Finance said these discussions take place in the Committee setting so that the dialogue was always in the public domain.

**RESOLVED:**

The Committee received and noted the verbal update provided by the External Auditors.

**AC 16/21 APPROVAL OF THE 2020/21 DRAFT STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT 2020/21 AND TREASURY MANAGEMENT ANNUAL REPORT 2020/21**

The Shared Director of Finance presented Members of the Committee with of the 2020/21 Draft Statement of Accounts and Annual Governance Statement 2020/21 and Treasury Management Annual Report 2020/21 for approval.

A Member asked why there was a variation in the estimate and outturn values in point 2.7, and what were the safe guards mentioned in point 2.14.

The Shared Director of Finance said the variation was due to a delay in the delivery of a scheme with Hart Homes, and Point 2.14 referred to safe investments and a desire to spread risk wherever possible.

A Member asked if the loans mentioned in point 2.8 were to purchase or maintain property.

The Shared Director of Finance said these were development loans where the authority borrowed at a low rate and loaned at market rate to realise a small profit. There was no equity involved, as the loans were purely cash plus.

A Member asked, excluding funds relating to the pandemic, how much general grant money was received from central Government.

The Shared Director of Finance confirmed this amount to be zero.

The Chair asked what the Housing Stock Transfer related to.

The Shared Director of Finance said this related to an agreement reached with Thrive Homes regarding asbestos liability.

A Member congratulated the Shared Director of Finance and the Finance team on their work in getting to this stage

**RESOLVED:**

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**AC17/21 COMMERCIAL GOVERNANCE REPORT**

The Shared Director of Finance presented the report, which had been approved at Full Council on 13 July 2021 and was coming to the Committee for noting only.

**RESOLVED:**

That the report be noted.

**AC18/21 COMMITTEE WORK PROGRAMME**

Members were shown the Committees work programme which had been updated as a result of discussions at the previous meeting.

RESOLVED:

That the work programme be noted.

**AC 19/21 ANY OTHER BUSINESS**

No other business was discussed.

CHAIR