

**AUDIT COMMITTEE
25TH NOVEMBER 2020**

PRESENT: The Chair (Bev Angell)
The Vice Chair (Councillor Bolton)
Councillors S. Bradshaw, Charles, Parsons,
Boldrin and Taylor

Head of Strategic Support
Strategic Director; Environmental and Corporate
Services
Head of Financial Services
Democratic Services Officer NWLDC (TD)

APOLOGIES: none

The Chair stated that the meeting would be live streamed and the recording made available via the Council's website. He also advised that, under the Openness of Local Government Bodies Regulations 2014, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

25. MINUTES FROM THE PREVIOUS MEETING

26. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

No disclosures were made.

27. QUESTIONS UNDER OTHER COMMITTEE PROCEDURES 12.8

No questions had been submitted.

28. EXTERNAL AUDIT - 2019/20 ANNUAL GOVERNANCE REPORT

A report of the External Auditors was submitted summarising the key issues identified during the External Auditor's audit of the Council's financial statements for the year ended 31 March 2020 (item 5 on the agenda filed with these minutes).

Mark Surrige and Victoria Gittings, representing the External Auditors, attended the meeting to assist with the consideration of the item.

The committee was advised in the External Auditors presentation and in response to questions that:

- as the Value for Money conclusion covered the period up to 31 March 2020, COVID-19 and the first national lockdown had only been present for up to two weeks of the financial year and therefore did not form a substantive part of the conclusion. However, they were reflected in the Risk Assessment.
- with regard to the financial statements; the property plant and equipment valuation were areas with outstanding enquiries to receive evidence required for the External Auditors to be able to support the statements.

- having not received the evidence required from the Pension Fund Auditor due to external factors, the External Auditors were not able to issue their final conclusions in time for the reporting deadline of 30 November 2020.
- the ongoing impact of COVID-19 had led to several delays in ascertaining the most up to date and accurate information required, leading to the External Auditors' report being provided to the committee at short notice.

It was agreed that as the External Auditors' report had been made available to Members at short notice, that officers were to collate any further questions from Members arising from consideration of the report, to then be responded to outside of the meeting.

RESOLVED that the report be noted

Reason

To acknowledge the Committee's consideration of this item.

29. ANNUAL STATEMENT OF ACCOUNTS 2019-20

A report of the Head of Financial Services was submitted setting out the Council's Statement of Accounts 2019/20 (item 6 on the agenda filed with these minutes).

It was noted that there was an error on page 24 of the Statement under 'Note 6 – Expenditure and Income Analysed by Nature - Support services 2019/20' and that it be amended from £17,751 to £17,953 before the Statement was published.

The Strategic Director, Environmental and Corporate Services, the Head of Strategic Support and the Head of Financial Services attended the meeting to assist with the consideration of this item.

Queries were raised by Councillor Parsons in relation to the following areas;

- the accounting processes to ascertain the final outturn for the precepts in the NNDR, Collection Fund, Council Tax, Loughborough Special Expenses and the New Homes Bonus following the setting of the annual budget.
- the process for deciding the reallocation of funds between different revenue reserves year on year.
- income reduction figures on the HRA account compared to the previous year.
- the specifics of the Pensions Interest Costs and Returns on Assets listed in the Comprehensive Income and Expenditure Statement and on note on 34.
- the Depreciation, Impairment, Amortisation of Non-current Assets listed in the Cash Flow Statement.
- the funding status of the Members Grant Scheme, having been initially funded from the Reinvestment Reserve when it was introduced.
- the trend in figures for Sundry, Reserved Creditors and creditors related to the NNDR listed in Note 19 – Short-Term Creditors compared to previous years.

RESOLVED

1. That authority to agree the Statement of Accounts for the year ended 31 March 2020, be delegated to the Strategic Director, Environmental and Corporate Services in consultation with the Chair and Vice-Chair, for the accounts to then be signed by the Chair on behalf of the Audit Committee, and;
2. This be subject to the queries raised by Councillor Parsons being addressed to his satisfaction outside of the meeting, and for any adjustments being made to the Statement following the correction in Note 6 and the final audit of the pension fund being completed.
3. That the letter of Representation, as per Appendix B, be approved for signature by the Chief Financial Officer.

Reasons

1,2&3 To comply with the Accounts and Audit (England) Regulations 2015.

30. ANNUAL GOVERNANCE STATEMENT 2019/20 AND REVIEW OF THE CODE OF CORPORATE GOVERNANCE

Having re-established a stable internet connection, Mr Angell resumed the Chair for the remainder of the meeting.

A report of the Head of Strategic Support was submitted setting out the Annual Governance Statement 2019/20 and the results of the annual review of the Council's Code of Corporate Governance (item 7 on the agenda filed with these minutes).

The Head of Strategic Support attended the meeting to assist with the consideration of this item.

The Committee agreed that at point 13 of the Annual Governance Statement, the following sentence be amended to read

“continued issues with staff turnover and recruitment delays persisted well into the 2019 / 20 financial year, and, **which** combined with the impact of the coronavirus outbreak at the year end resulted in the internal audit programme not being completed by the year end”.

RESOLVED

1. that the Annual Governance Statement, as included in the Statement of Accounts be approved, subject to the agreed amendment at point 13.
2. that the Code of Corporate Governance, as attached as an appendix to the report be approved.

Reasons

1. So that the Annual Governance Statement can be finalised and signed by the Leader of the Council and the Chief Executive in accordance with the required timescales.
2. To ensure that the Code of Corporate Governance is kept up to date and complies with best practice.

31. WORK PROGRAMME

A report of the Head of Strategic Support was submitted to enable the Committee to consider its work programme (item 8 on the agenda filed with these minutes).

The Committee's attention was drawn to the new layout of the work programme, which listed all items by order of the date on they would be considered, in order to clearly present which items would be considered at subsequent meetings.

RESOLVED that the Committee proceeds on the basis of the current work programme as submitted during this meeting, which incorporates all decisions made at this meeting.

Reason

To enable the Committee to identify future items of business and enable planning for future meetings to be undertaken, for example preparing reports and arranging for the attendance of officers and/or others at meetings.

NOTES:

1. No reference may be made to these minutes at the next ordinary Council meeting unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of these minutes.
2. These minutes are subject to confirmation as a correct record at the next meeting of the Audit Committee.