

**MINUTES OF THE AUDIT & STANDARDS COMMITTEE
HELD ON**

31 July 2018

7.30 - 8.15 pm

PRESENT

Committee Members

Councillor Karen Clempner (Chair)
Councillor Stefan Mullard (Vice-Chair)
Councillor Simon Carter
Councillor Jean Clark
Councillor Tony Edwards
Councillor Michael Hardware
Councillor Chris Vince

Officers

Simon Freeman, Head of Finance
John Dyson, Principal Finance Manager
Linda Grinnell, Finance Manager
Sarah Marsh, Internal Audit Manager
Jo Maskell, Governance Support Officer

External Auditors

Julie Kriek, Ernst & Young
Suresh Patel, Ernst & Young
Samantha Wileman, Ernst & Young

APOLOGIES

Councillor Ian Beckett
Councillor Russell Perrin

13. **DECLARATIONS OF INTEREST**

Councillors Simon Carter and Chris Vince declared each a non-pecuniary interest in agenda item 9 (Management Letter of Representations) as they were members of the HTS (Property & Environment) Board of Directors.

14. **MINUTES**

RESOLVED that the minutes of the meeting held on 13 June 2018 are agreed as a correct record and signed by the Chair.

15. **MATTERS ARISING**

None.

16. **WRITTEN QUESTIONS AND PETITIONS**

None.

17. **NON CONTENTIOUS BUSINESS**

RESOLVED that the Committee's Work Plan is taken as non-contentious business.

18. **COMMITTEE WORK PLAN**

The Committee received its current work plan.

RESOLVED that the work plan is noted.

19. **ANNUAL GOVERNANCE STATEMENT**

The Committee received a covering report and the Annual Governance Statement, which would form part of the Council's Statement of Accounts for 2017/18.

RESOLVED that Council's Annual Governance Statement for 2017/18 is approved.

20. **MANAGEMENT LETTER OF REPRESENTATIONS 2017/18**

The Committee received a report and draft letter of representation, which was required to be issued upon approval of the Council's audited accounts.

However, as the financial statements would be subject to further discussions, it was agreed that the letter to the external auditors could not be formally acknowledged at present (see Minute 21 below).

RESOLVED that

(a) the acknowledgement of the draft letter of Representation, at Appendix 1 of the report, is deferred pending further consideration of the Statement of Accounts;

(b) in the meantime the letter at Appendix 1 of the report be amended to clarify that all references to the 'Group' refer to the 'HTS Group'.

21. **AUDIT RESULTS REPORT 2017/18 (ISA 260)**

The Committee received a covering report and the external auditor's draft findings on their audit of the Council's financial statements.

Unfortunately, the external auditor reported that elements of their audit work remained outstanding and they had been unable to meet the deadline of 31 July 2018 for finalisation of the audit of the accounts. Their audit results report would need to be re-issued once their audit was complete.

Whilst certain amendments arising from the audit had been agreed with the Council, or were soon to be completed, their conclusion on the accounting treatment relating to HTS Limited pensions and HRA depreciation was still in progress.

The Committee was disappointed that the auditors could not give their assurance by the required deadline and was concerned about the implications to the Council from the extended time the auditors needed to complete their work.

However, the Committee was heartened to note that the auditors had no matters to report about the Council's arrangements to secure economy, efficiency and effectiveness in the use of its resources; so had an assurance on its Value for Money (VFM) assessment.

RESOLVED that

- (a) The report is noted;
- (b) The VFM assessment of the use of resources, as contained in the report from the Council's appointed auditor, is noted.

22. **AUDITED ANNUAL ACCOUNTS**

The Committee did not receive the audited annual accounts as the audit was incomplete (see minute 21 above).

It was noted that, in line with regulations, an explanation for the missed deadline for producing the final audited accounts was available on the Council's website.

The auditors indicated that their audit was nearing completion and as the Committee was eager to finalise the accounts as soon as was practically possible, it was agreed to hold a special meeting for this purpose.

RESOLVED that a Special Meeting of this Committee be arranged for 5 September 2018 to receive the audited annual accounts, revised management letter of representation and the updated audit results report.

23. **REFERENCES FROM OTHER COMMITTEES**

None.

24. **MATTERS OF URGENT BUSINESS**

None.

CHAIR OF THE COMMITTEE