

**MINUTES OF THE
AUDIT AND RISK COMMITTEE**
held on 11 December 2024 at 7pm

Present:

Councillor N. Walsh (Chair)

Councillors, H. Clark, N. Dudley, J. Raven, M. Sismey and A. Sosin,

Independent Person –
Ms J Hoeckx

1. Apologies for Absence and Substitutions

Apologies for absence was received from Councillors Bugbee, Franks and Whitehead. No substitutions were made.

2. Minutes

The minutes of the meeting on 18 September 2024 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. None were made.

4. Public Questions

There were no questions or statements from members of the public.

5. Announcements

The Committee held a minutes silence in memory of Cllr Ian Grundy, who had previously been the Vice Chair of the Committee and had sadly recently passed away.

6. Audit completion 2021/22 & 2022/23

The Committee considered and were asked to formally approve the Council's Statement of Accounts for 2021/22 and 2022/23. The Committee were informed that the two sets of accounts being looked at by the Committee related to the existing audit backlog. The Committee heard that the accounts had been published on time within their relevant years, but as part of the national audit backlog they had not been audited (a disclaimed audit opinion) due to a lack of external auditor resources. In effect the Committee were not being provided with any assurance from the external auditors, regarding the quality or content. Prior to the meeting the s151 officer obtained confirmation from the auditor that the lack of audit was in no way due to the Council.

The Committee were informed that by approving the unaudited accounts it would be taking a step to enable the new Auditor over the next few years to return to undertaking full audits of the accounts. It would also assist the new auditor who must produce an audit report for 2023/24, by the end of February 2025, even if as expected they do not complete a full audit.

In response to questions from members of the Committee, officers confirmed that;

- The external auditors had not started any significant work on the 21/22 accounts, after being delayed on the previous set. This was common position repeated nationally.
- The legal requirements for auditors do not allow performance clauses to be inserted into their contracts, although the newly issued contracts did have additional performance measures. However, they would be difficult to use to enforce a timely completion of an audit.
- It was anticipated that it would still take three to four years, for the position of external audits to get back to the expected timescales.
- There would still need to be an obligatory payment made to the external auditors, as required by the PSAA contract, as they had produced a report, but it was not clear yet what the amount would be.
- The new external auditors would have a difficult starting position, due to having no validated closing figures from the previous set of accounts.
- The third recommendation would ensure that any formalities with regards to signing off the accounts would be completed before the deadline.

RESOLVED that;

1. The Committee noted;
 - a. the Auditor's report 2021-23 (Appendix 1)
 - b. the audit completion reports –
 - i. 2021/22 (Appendix 2)
 - ii. 2022/23 (Appendix 3)
 - c. the disclaimed Audit opinions for
 - i. 2021/22 (Appendix 4)
 - ii. 2022/23 (Appendix 5)
 - d. that they have reduced assurance over the 2021/22 and 2022/23 accounting years, due the failure nationally and locally of the external audit sector to complete their work.

2. The Committee approved the Statement of Accounts for
 - a. 2021/22 (Appendix 6)
 - b. 2022/23 (Appendix 7)
3. A delegation be approved by the Committee for contingency purposes in the unlikely event further formal actions are needed after the meeting to approve the accounts; that the Section 151 officer and Chair be given authority to finalise the audits and approve the accounts.

(7.02pm to 7.14pm)

7. Urgent Business

There were no matters of urgent business.

The meeting closed at 7.14 pm.

Chair