

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Board Room, Council Offices, Coalville on WEDNESDAY, 15 MARCH 2023

Present: Councillor S Gillard (Chairman)

Councillors N Smith, E G C Allman, J Clarke, R L Morris, V Richichi and S Sheahan

In Attendance: Councillors

Officers: Ms K Beavis, Mrs A Crouch, Mr G Hammons, Mrs R Wallace and Miss E Warhurst

External Audit: Mrs L Parsons and Mr M Surridge

**79. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors C Benfield and M Hay.

**80. DECLARATION OF INTERESTS**

There were no declarations of interest.

**81. MINUTES**

Consideration was given to the minutes of the meeting held on 25 January 2023.

It was moved by Councillor R Morris, seconded by Councillor E Allman and

RESOLVED THAT:

The minutes of the meeting held on 25 January 2023 be approved and signed by the Chair as a correct record.

**82. COMMITTEE WORK PLAN**

Consideration was given to the committee work plan.

No comments were received.

By affirmation of the meeting it was

RESOLVED THAT:

The committee work plan be noted.

**83. 2020/21 AUDIT COMPLETION REPORT**

The Interim Head of Finance introduced the item and handed over to the External Auditor to present the report. Members were directed to the Executive Summary, and it was confirmed that although there were a few 'snagging issues' to complete, an unqualified opinion of the financial statements was to be issued. To clarify, this meant that the financial statements were true and fair.

The External Auditor informed Members that the delay in issuing the opinion was multifaceted and would be investigated. It was anticipated that a conclusion as to the reasons would be available in the coming months. The importance of getting up to date with all previous year's financial statements was now a priority but he was confident this

Chairman's initials

would be possible due to the ongoing support from officers. The External Auditor thanked officers for the level of support to date.

Concerns were raised from Members at the lengthy delay and reassurances were sought that it would not be repeated in the future. The External Auditor reiterated that there were several underlying causes and although assurances couldn't be made in relation to delays in the future, Members were reassured that, the work undertaken to date, had put the council in a much better position for future years accounts. The Interim Head of Finance reminded Members that it was an early review that identified issues within the accounts and much work had been undertaken to resolve them. He added that there was a plan in place to catch up with previous financial years.

A Member asked if the delay would result in an increase in costs and if so, what the increase would be. The External Auditor confirmed that there would be an increase in costs, but it was impossible to say what they would be at this point. It was noted that this detail would be included on completion and form part of the annual report to the committee.

In response to a question about the impact of the Covid Pandemic on the Council's finances, the External Auditor explained that any concerns would be flagged as part of the audit of the 2021/22 and 2022/23 accounts, but he did not have any concerns regarding the financial stability of the authority. The Interim Head of Finance commented that the Government provided lots of financial support during the Covid Pandemic and there could be some ongoing service provision which might have a more long-term impact. It was noted that where known, the impact had been factored into budgets, but we were yet to see any long-term impact.

It was moved by Councillor S Gillard, seconded by Councillor J Clarke and

RESOLVED THAT:

1. The External Auditor's Audit Completion Report as set out in appendix A be noted.
2. The Management Representation Letter attached at appendix B be approved.

#### **84. ANNUAL STATEMENT OF ACCOUNTS 2020/21**

The Interim Head of Finance presented the report and referred Members to the briefing held the previous week at which the content of the accounts was explained, as well as the process for approving and issuing the accounts. The reasons for delay in approving the 2020/21 accounts were highlighted at sections 2.0 and 3.0 of the report, along with the core statements at page 31 of the Statement of Accounts as detailed within the additional papers.

At the request of a Member, the Finance Team Manager agreed to provide the total cost of the revised valuation of property, plant and equipment outside of the meeting.

A general discussion followed during which several questions of clarity were raised and responded to.

It was moved by Councillor J Clarke, seconded by Councillor V Richichi and

RESOLVED THAT:

1. The Annual Statement of Accounts 2020/21 be approved.

Chairman's initials

2. The Chair of the Audit and Governance Committee be authorised to sign the Statement of Accounts 2020/21.
3. Authority be delegated to the Chair of the Audit and Governance Committee and the Section 151 Officer to approve any minor non-material amendments, as agreed with the External Auditors, to the Statement of Accounts 2020/21 on behalf of the Committee.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.07 pm

Chairman's initials