

**MINUTES OF A MEETING OF THE
AUDIT COMMITTEE
Town Hall, Main Road, Romford
19 October 2022 (7.00 - 7.30 pm)**

Present:

COUNCILLORS:

Conservative Group	Judith Holt and Keith Prince
Residents' Group	Julie Wilkes, David Godwin (Vice-Chair)
Labour Group	Jane Keane
East Havering Residents Group	

Officers in Attendance:

Trevor Cook
Maria Denton
Dave McNamara
Tony Piggott
Jeremy Welburn

Councillor Michael White was absent.

Unless otherwise indicated all decisions were agreed with no vote against.

Through the Chairman, announcements were made regarding emergency evacuation arrangements and the decision making process followed by the Committee.

92 MINUTES OF THE MEETING 28 JULY 2022

The meeting minutes of the Committee held on 28 July 2022 were agreed as a correct record and would be signed by the Chairman.

Questions were raised concerning the progress of auditing accounts. The Section 151 Officer explained that in the meeting with the external auditors, Ernst & Young (EY), there were two issues remaining:

- 1) The local issue of group accounts around the Bridge Close Venture. Due to an ownership change the presentation and disclosures were being looked into.
- 2) There was a national concern about the way local authorities had been accounting the value of the highway's assets specifically related to de-componentisation.

Other concerns raised were regarding the audit company and the knock on effect on clients. The schedule for the 2021-22 audit may not start until October 2023 and the 2021 accounts were still awaiting sign off. **Action Point: The Committee**

requested a written letter be sent in advance of the next Audit meeting of points made above.

93 ASSURANCE PROGRESS REPORT

The Committee were presented with a report that detailed the work undertaken by the Assurance Service during the period from 1 April to 30 September 2022 and included the work done around the Council's standards progress, internal audit measures, counter fraud and risk functions.

Questions were raised around council transportation and the safety of children. It was explained that a meeting was held with One Source and with the Joint Commissioning Unit within the local authority to identify the issues. It was discovered that there had been some miscommunication with Transport for London (TFL); however, the relevant certificates had now been provided and acknowledged and safeguarding was now in place.

The Committee **noted** the report and **agreed** the recommendations.

94 TREASURY MANAGEMENT MID-YEAR REPORT

The Committee was provided with an update on the mid-year report on the treasury management activities as required by The Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code ("TM Code").

It was to be noted that the Authority's Treasury Management Strategy Statement (TMSS) for 2022/23 was approved at the Cabinet meeting on 16 February 2022 and at Full Council on the 2 March 2022.

The report covered activity on treasury managed investments and borrowings and the associated monitoring and control of risk. It was explained that the Authority had borrowed and invested substantial sums of money and was therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates.

The key highlights of the mid-year report were as follows:

- At the end of August 2022 the investment portfolio return was 1.00%.
- Net interest outturn was expected to be within budget.
- There was no breach of the Authority's prudential indicators and treasury.

The Committee **noted** and **accepted** the recommendations.

95 WORK PROGRAMME 2022/23

The Committee provided suggestions and recommendations for the work programme and it was agreed that these would be compiled into a working document that would be included in future meetings. The following were suggested:

- Scrutiny of Council Grants with further examination into who they are awarded to and with specific focus on assurance grants for families in need. Was there a central record of all grants?

- Invoice payments to companies and were there issues around raising pre-orders for things outside of budget
- Children's Services

Chairman