

# AUDIT AND RISK MANAGEMENT COMMITTEE

MONDAY, 29 NOVEMBER 2021 - 4.00 PM



**PRESENT:** Councillor K French (Chairman), Councillor Mrs M Davis (Vice-Chairman), Councillor I Benney, Councillor Mrs J French, Councillor Miss S Hoy (Substitute), Councillor N Meekins, Councillor M Purser, Councillor S Tierney, Councillor R Wicks and Councillor F Yeulett

**APOLOGIES:** Councillor G Booth and Councillor J Mockett

**OFFICERS IN ATTENDANCE:** Sam Anthony (Head of HR and OD), Stephen Beacher, Peter Catchpole (Corporate Director and Chief Finance Officer), Neil Krajewski (Deputy Chief Accountant) and Mark Saunders (Chief Accountant)

**GUESTS:** Mark Hodgson (Ernst and Young), Amalia Valdez Herrera (Ernst and Young)

## **ARMC30/21 PREVIOUS MINUTES**

The minutes of the meetings held 20 September 2021 were approved and signed.

## **ARMC31/21 AUDIT PLAN ADDENDUM - VALUE FOR MONEY**

Members considered the Audit Plan Addendum, Value for Money presented by Mark Hodgson from Ernst and Young.

- Mark Hodgson informed the committee that no significant risks were identified.

**Members AGREED to note the contents of the Audit Plan Addendum report.**

## **ARMC32/21 AUDIT RESULTS REPORT (ISA 260)**

Members considered the Audit Results Report presented by Mark Hodgson.

Members made comments, asked questions, and received responses as follows:

- Peter Catchpole noted that the numbers in the audit fees table did not add up. Mark Hodgson stated that this would be amended for the website version.
- Councillor Wicks questioned the use of imperial and metric measurements and asked whether the necessary correction in procedures been noted and amended. Peter Catchpole explained that this was not an error on Fenland District Council's or Ernst and Young's part but that of the valuers employed by the Council.

**Members AGREED to note the contents of the Audit Results Report.**

## **ARMC33/21 STATEMENT OF ACCOUNTS 2020-21**

Members considered the Statement of Accounts 2020-21 presented by Mark Saunders.

- Mark Saunders noted that there was little change to the report since September. He

informed the committee that the adjustments needed were minor and that they would be made in due time.

Members made comments, asked questions, and received responses as follows:

- Steve Tierney stated that the explanation for not making the adjustments were reasonable and commended the simple and concise way the information had been presented. He thanked the Auditors and Officers for their work.

**Members AGREED:**

1. **the rationale for not correcting the two adjustments, as detailed in Section 4 of this report be approved.**
2. **that the Statement of Accounts and Annual Governance Statement for the financial year ended 31 March 2021 as presented be approved.**
3. **that delegation be given to the Chairman of Audit & Risk Management Committee and the Corporate Director and Chief Finance Officer to agree any further amendments to the Statement of Accounts which may arise prior to the final 'sign off' by the external auditors.**

**ARMC34/21 LETTER OF REPRESENTATION**

Members considered the Letter of Representation presented by Mark Saunders.

- Mark Saunders explained that the Letter of Representation was designed to confirm that the Council had released all the necessary information to the external auditors.

**Members approved the letter of representation**

**ARMC35/21 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW**

Members considered the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year review presented by Mark Saunders.

Members made comments, asked questions, and received responses as follows:

- Councillor J French asked when the long-term debt was due to be paid off. Mark Saunders noted that there were 2 loans which would mature in around 10 years and a fixed rate loan with Barkley's for around 3.3 million which was not due for 15-20 years. He explained that when the loans were taken out, the interest rates were considered to be very good. However, due to decreases in interest rates over the past years attempting to repay these now would incur significant penalties. He noted that the possibility of early repayment was constantly under review and that repayments would be made when financially viable.
- Councillor Yeulett urged caution regarding property funds citing an authority having to be bailed out by 100 million pounds. Mark Saunders noted that all risks are taken into consideration when deciding what investment the Council should make.
- Councillor Wicks asked about the possibility of investing into buildings that could be utilised for businesses. Mark Saunders noted that all opportunities are open for review and this will be taken into consideration if the opportunity arises.
- Councillor Benney and Councillor Tierney noted their membership on the investment board and explained that they assess all options and act with caution when deciding what to invest in. They noted that all investments do have an element of risk to them and there is always a possibility of failure. Councillor Benney explained that the investment board can only take opportunities as they arise and noted that they were open to any possible leads from Members.

- Peter Catchpole informed the Committee that the Council had been monitoring property funds for a year and had been advised not to invest in property funds due to pandemic. He noted that there had been a missed opportunity already which had been out of the Council's control but that they were constantly on the lookout for potential investment.

**Members AGREED to note the contents of the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year review.**

### **ARMC36/21 INTERNAL AUDIT PLAN 2021/22 PROGRESS REPORT Q2**

Members considered the Internal Audit Plan 2021/22 Progress report presented by Peter Catchpole.

- Peter Catchpole noted Katherine Woodward's apologies for being unable to attend the meeting and provided an update on the progress of the Internal Audit Plan.

**Members AGREED to note the Internal Audit Plan 2021/22 Progress report.**

### **ARMC37/21 CORPORATE RISK REGISTER - QUARTERLY UPDATE**

Members considered the Corporate Risk Register Quarterly update presented by Sam Anthony.

- Sam Anthony noted that this would be her last report on this item with Stephen Beacher poised to take over at the next meeting.

Members made comments, asked questions, and received responses as follows:

- Councillor Purser gave his thanks to Sam Anthony for her contribution to the committee over the years. Councillor J French and Councillor K French echoed this and thanked the officers involved for all their hard work over the past 20 months.

**Members AGREED to note the Corporate Risk Register Quarterly update.**

### **ARMC38/21 AUDIT AND RISK MANAGEMENT COMMITTEE WORK PROGRAMME**

Councillor K French presented Audit and Risk Management Committee Work Programme 2021/22 for information.

- Councillor K French noted that due to low attendance the Audit and Risk training session would be held again at a later date.

Members made comments, asked questions, and received responses as follows:

- Councillor Yeulett enquired about the appointment of an independent member to the committee. Peter Catchpole noted that there would be a debate in the future led by the committee around the need to appoint an independent member.

**The Audit and Risk Management Committee Work Programme was noted for information.**

### **ARMC39/21 ITEMS OF TOPICAL INTEREST.**

Peter Catchpole gave a verbal update on the appointment of external auditors for 2022/23.

- He noted that the Council had the option to procure their own auditors or that they could utilise the Public Sector Audit Appointments (PSAA) to do so. He explained the process that

would need to take place if the Council procured the Auditors and described the difference between procuring through the Council and using the PSAA.

Members asked questions, made comments and received responses as follows:

- Councillor Wicks asked how the scrutiny auditors are currently under could change the due process the Council undergoes. Peter Catchpole noted that the Council will keep this under surveillance and indicated that one of the benefits of using the PSAA would be that they keep on top of external developments. He explained that the Council are currently attending Various webinars to help develop the understanding.
- Councillor Tierney and Councillor Benney recommended staying with the PSAA as the current process had proven successful.

**The report was noted for information.**

5.08 pm

Chairman