

LEE VALLEY REGIONAL PARK AUTHORITY

AUDIT COMMITTEE MINUTES 29 FEBRUARY 2024

Members Present: David Gardner (Chairman) Mike Garnett
Lesley Greensmyth (Vice Chairman) Terry Wheeler
John Bevan

Apologies Received From: Barry Lewis, Clive Souter

Officers Present: Shaun Dawson - Chief Executive
Dan Buck - Corporate Director
Kevin Bartle - S151 Officer
Keith Kellard - Head of Finance
Michael Sterry - Senior Accountant
Julie Smith - Head of Legal
Sandra Bertschin - Committee & Members' Services Manager

Also remotely attending: Raheel Mallick and Robert Grant – Mazars
Debbie Hanson - EY

Part I

271 DECLARATIONS OF INTEREST

There were no declarations of interest.

272 MINUTES OF LAST MEETING

THAT the minutes of the meeting held on 19 October 2023 be approved and signed.

273 PUBLIC SPEAKING

No requests from the public to speak or present petitions had been received for this meeting.

274 INTERNAL AUDIT UPDATE

Paper AUD/142/24

The report was introduced by the Senior Accountant including that the 2 year extension of the London Borough of Croydon's Framework agreement had now been signed.

In response to Members it was advised:

- a Moderate Assurance audit opinion for Creditors and Credit Cards had been issued and that the medium priority recommendation had been progressed;
- the cyclical nature of audits meant that recommendations could have a life span of 3 or 4 years. However most of the older recommendations will have been superseded or implemented and therefore were no longer potential risks;
- following a fact-finding investigation of a potential fraud and/or corruption incident it was concluded there were no fundamental issues of concern but some processes and procedures have been improved and refined;

- contract management in relation to function and procedures was under review and recruitment was in progress to fill the current vacancy in procurement;
- scoping, including approach and testing strategy, for the audit on Leisure Services Contract contract management was being considered and it was expected that the audit report would be reported to the next Audit Committee;
- any financial difficulties experienced by Croydon Council would not impact the Authority's internal audit arrangements with Mazars which were secured by independent contract under the Croydon Framework agreement; and
- the Leisure Services Contract specified that volunteer management was to be determined by the contractor, however any issues with this should be reported to the Corporate Director.

(1) the report was noted.

Raheel Mallick and Robert Grant left the meeting.

275 DRAFT UNAUDITED FINAL ACCOUNTS 2021/22

Paper AUD/143/24

The report was introduced by the Head of Finance including:

- the Authority had engaged in the ongoing Department for Levelling Up, Housing and Communities (DLUHC) consultation on proposals for clearing the local authority audit backlog;
- it was expected that the 2022/23 draft accounts would be published in March and will be included on the website for public inspection and reported to the next Audit Committee;
- in respect of the lack of audit opinions for outstanding audits it was expected that 2021/22 and 2022/23 audited accounts would include a disclaimer, but it was hoped that DLUHC would issue some form of statement that assurance could be gained from audited accounts.

The external auditor advised:

- pending the outcome of the DLUHC consultation EY was making good progress in Value for Money work on the 2021/22 draft accounts;
- should requirements change as a result of the DLUHC consultation work to date might need to be revisited. If no significant changes arise from the consultation it was expected that a disclaimer for the 2021/22 and 2022/23 accounts would be issued and audit would move on to the 2023/24 accounts;
- any modifications to audit opinions take a number of years to clear and therefore qualified opinions would be issued with a residual impact. This residual impact lessens over two years but would have an impact for 3 years;
- audit firms were working together to ensure disclaimer consistency in that relevant audit opinion qualifications arose from the audit process and not from any weakness in financial statements.

In response to Members it was advised:

- the number of backlogged local authority audits was difficult to quantify but EY were anticipating approximately 200 disclaimed audit opinions over the 3 years and Public Sector Audit Appointments had announced 755 audits were affected within their contract;
- a disclaimer audit opinion still involved some work by audit firms and potential charges for this work were being considered by Public Sector Audit Appointments.

The S151 Officer commented that the backlog of audits was an unsatisfactory situation for all those involved and looked forward to the outcome of the DLUHC consultation.

- (1) the draft Statement of Accounts for 2021/22; and**
- (2) that any changes recommended by the Auditor at the conclusion of the Audit will be incorporated into the revised Financial Statements, for approval by Audit Committee was noted.**

Debbie Hanson left the meeting.

276 ACCOUNTING POLICIES AND ACCOUNTS
CLOSEDOWN TIMETABLE 2023/24

Paper AUD/141/24

The report was introduced by the Head of Finance including that following conclusion of outstanding audits the Authority was aiming to return to timely publication of audited accounts. The S151 Officer commented that it was important that the Authority publish accounts in accordance with regulations

- (1) the Accounting Policies set out in Appendix A to Paper AUD/141/24 was approved; and**
- (2) the key judgements and assumptions set out in paragraphs 8 to 10 of Paper AUD/141/24 was noted.**

277 RISK REGISTER 2023/24

Paper AUD/144/24

The report was introduced by the Corporate Director highlighting that following movements in the Strategic Risk Register, only 1 risk, SR2.4 Contractor Stability, remained in the residual score red zone.

In response to Members it was advised that the Lee Valley Ice Centre redevelopment snagging list was being progressed but there had been little contact from the administrators for Buckingham Group Contracting Ltd and until these issues were concluded the SR2.4 residual score was unlikely to improve.

- (1) the Corporate Risk Register included at Appendix A to Paper AUD/144/24 was approved.**

Chairman

Date

The meeting started at 1.05pm and ended at 2.04pm