

**Minutes of a Meeting of the Audit and  
Standards Committee held at Virtually  
- Public Meeting on 26 April 2021**

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+ Cllr Cliff Betton (Chairman)  
+ Cllr Darryl Ratiram (Vice Chairman)

+ Cllr Rodney Bates  
+ Cllr Edward Hawkins  
Cllr Charlotte Morley

+ Cllr Sashi Mylvaganam  
+ Cllr Valerie White

+ Present  
- Apologies for absence presented

Members in Attendance: Cllrs Adrian Page, Sharon Galliford, Rebecca Jennings-Evans, David Mansfield and Pat Tedder

Officers Present: Michael Asare-Bediako, BDO  
Stephen Bladon, BDO  
Adrian Flynn, Chief Accountant  
Martin Hone, Interim Executive Head: Finance  
Alex Middleton, Senior Auditor  
Gavin Ramtohal, Head of legal Services

**20/AS Minutes of Previous Meeting**

**RESOLVED** that the minutes of the meeting of the Audit and Standards Committee held on 23<sup>rd</sup> November 2021 be approved as a correct record and signed by the Chairman.

**21/AS Declarations of Interest**

There were no declarations of interest.

**22/AS Internal Audit Annual Plan**

The Committee received a report setting out the proposed work programme for the Council's Internal Audit function for the 2021/22 financial year.

The Committee was informed that the proposed work plan had been based on the draft Internal Audit Three Year Strategic Plan, agreed by the Committee at its meeting on 20<sup>th</sup> April 2020. The proposals consisted of a combination of audit activities carried out on an annual basis, activities conducted on a triannual basis and one off audit projects. It was expected that the activities proposed in the Annual Plan would require 430 working days to be delivered by the Council's two internal auditors.

It was reported that the impact of the Covid-19 pandemic would be included in service audits.

It was noted that responsibility for running the Community Services functions had now transferred across to Runnymede Borough Council and the audit of this service area would focus on ensuring that the transfer of staff, equipment and resources had been completed properly and that the separation of duties was correct. It was expected that this would be Surrey Heath's final audit of the service.

The Committee was informed that the audit of Joint Waste Solutions was conducted in the Council's capacity as the administering body. It was questioned whether there was scope for either recharging the other joint contract authorities for a proportion of any audit costs incurred.

It was requested that future audit plans include reference to when the service was last audited and the length of time that the audit was expected to take. The Committee's reservations about the capacity of the Internal Audit function were noted and this would be monitored.

It was noted that reports and working papers from internal audit were made available to the Council's external audit team.

**RESOLVED** that:

- i. the Internal Audit Plan for 2021/22 be agreed.
- ii. future audit plans include reference to when the service was last audited and the length of time that the audit was expected to take.

## **23/AS Audit of 2019/20 Financial Statements Progress Update**

The Committee received a report from BDO, the Council's external auditor, on the progress being made to finalise their audit of the Council's 2019/20 accounts.

It was acknowledged that there had been significant delays in completing the audit of the accounts for the 2019/20 financial year. There had been a number of reasons for the delays including changes to the regulatory requirements for external audit work and the Covid-19 pandemic which had impacted not only on staffing levels at BDO but also raised practical challenges when sharing evidence and conducting testing under remote working conditions.

It was reported that, notwithstanding the Government's decision to extend the deadline for completion of the audit of local authority accounts to 30<sup>th</sup> November 2020, figures obtained by Public Sector Audit Appointments Ltd. showed that 55% (267) of local authority accounts audits for the 2019/20 financial year had still not been completed by the date of the extended deadline.

The Committee was informed that whilst the audit had not yet been completed the work carried out to date had concluded that the mechanisms in place to prevent management override of controls were appropriate, that sample testing of revenue and expenditure had confirmed processes were appropriate and that the assumptions and estimates used in the valuation of the Council's land, buildings and investment properties were reasonable. Audit work still to be completed

included the valuation of non-current assets, allowances for non-collection of receivables and an assessment of going concern. It was BDO's contention that whilst the audit was substantially complete they still required a number of pieces of information before the audit could be finalised.

The Auditors informed the Committee that Government changes to the regulatory requirements governing audit work had resulted in a significant increase in the scale of work required for each audit; consequently BDO would be seeking a variation in their fee to cover this increased work.

The Committee stressed that the delay in completing the audit was unacceptable particularly in view of the fact that the Committee had been assured by BDO in November that the audit would be completed by January 2021. Officers were instructed to work with BDO to establish all issues which were still outstanding and develop a timetable to expedite their resolution so that the audit would be completed.

The Committee noted BDO's stated commitment to bring an audit completion report to the Committee's next meeting in July 2021; however whilst noting the pressures on DBO's work load the Committee stressed that this ongoing delay was considered to be unacceptable.

**RESOLVED** that:

- i. The progress made by BDO to audit the Council's accounts for the 2019/20 financial year be noted
- ii. Officers to work with BDO to establish all outstanding issues and develop a timetable to expedite their resolution which would be shared with the Committee.
- iii. The Committee's concerns about the delays to the audit be raised with the Council's Chief Executive.

## **24/AS Date of Next Meeting**

It was noted that the next scheduled meeting of the Audit and Standards Committee would take place on Monday 26<sup>th</sup> July 2021 at 7pm.

Chairman