

EPPING FOREST DISTRICT COUNCIL AUDIT & GOVERNANCE COMMITTEE MEETING MINUTES

**Monday 9 December 2024, 6.00 pm – 6.40 pm
Council Chamber - Civic Offices**

Members Present:	Councillors J M Whitehouse (Chairman) , M Owen, S Heather and D Sunger
Apologies:	Councillor(s) I Hadley
Officers In Attendance:	Andrew Small (Strategic Director, Corporate and Section 151 Officer), Christopher Hartgrove (Interim Director Finance / Deputy 151 Officer (Shared Services)), Gary Woodhall (Team Manager - Democratic & Electoral Services) and Steven Mitchell (PR Website Editor)
Officers In Attendance (Virtually):	Therese Larsen (Democratic Services Officer)
Co-opted Members:	S Heiberg (Vice-Chairman)
Also In Attendance (Virtually):	M Ramzan and A Parikh (External Auditors)

A [RECORDING OF THIS MEETING](#) IS AVAILABLE FOR REPEATED VIEWING

31 WEBCASTING INTRODUCTION

The Chairman made a short address to remind everyone present that the meeting would be broadcast live to the internet, and would be capable of repeated viewing, which could infringe their human and data protection rights.

32 DECLARATIONS OF INTEREST

There were no declarations of interest made pursuant to the Council's Members' Code of Conduct.

33 AUDITED STATEMENT OF ACCOUNT

The Section 151 Officer, A Small, introduced the report on the Audited Statement of Account for 2022/23 and emphasised that this Council would be in the small minority of Councils who had had their Annual Accounts up to 2022/23 audited and signed off by the 'backstop' date of 13 December 2024 set by the Government.

The Council's External Auditor presented the report on the Audited Statement of Account for 2022/23 and drew the Committee's attention to the six Key Messages listed on pages 12 and 13 of the agenda. The 3 significant risks were also highlighted to the Committee, these being:

- Property Valuation – Fixed Assets & Investment Properties;
- Revenue expenditure incorrectly capitalised; and
- Management override of controls.

Two other areas of focus were also emphasised, these being the Defined Benefits Pension Scheme and the Group Accounts. The External Auditors had issued an unmodified audit opinion on the Statement of Account for 2022/23.

In response to questions from members of the Committee:

- A Small explained that the materiality threshold for a minor adjustment to become a major adjustment for the Council's accounts was £2.5million.
- The Chief Financial Officer, C Hartgrove, explained that the largest of the Council's assets to be written down was a historical infrastructure asset, whereby it was listed on the Balance Sheet but it was not clear which of the Council's assets the entry referred to from the records kept 20 years ago. It was also emphasised that the Council's assets was valued in the £100millions so this was a small adjustment in comparison.
- A Small stated that control observations were picked up by the Finance Team when they prepared the following year's accounts. C Hartgrove added that some of the issues had already been addressed and that a lot of work had gone into improving the quality of the Council's Accounts over the past 4 years. The External Auditor reassured the Committee that the Control Observations from the previous year would get reviewed as part of the audit of the following year's Accounts.
- The External Auditor informed the Committee that, as the Council used external specialists as part of the asset valuation process, there was nothing significant to highlight here.
- A Small stated that trends over the previous 5 or 10 years could be provided for the Committee, but the number of non-cash transactions within the accounts both distorted the picture of the Council's Accounts and made them impenetrable to the casual reader in comparison to private sector accounts. In many cases, the Council's reserves and cash balances gave a truer picture of the Council's financial position than the Balance Sheet.
- A Small felt that the Council had certainly changed since the Covid pandemic, with a greater emphasis now on hybrid working, but the resultant economic changes had been due to the general economic situation rather than the pandemic. The Council had been under pressure to control its spending as support from the Government was not keeping pace with the Council's rising costs. However, the Council always aimed to do the best it could with the resources available, and to improve its processes on a continual basis.

The Committee wished to record their thanks to the Finance Team for their hard work in producing the Council's Statement of Account for 2022/23 and meeting the Government deadline.

Resolved:

- (1) That the Deloitte ISA 260 Report, setting out the findings from their audit of the Statement of Accounts for 2022/23 and their Audit Opinion, be noted.

34 AUDITOR'S ANNUAL REPORT FOR THE YEARS 2021/22 AND 2022/23

The External Auditor presented their Annual Report for the years 2021/22 and 2022/23. The report examined the Council's ability to secure Value for Money (VfM) from its use of its resources. The report studied 3 aspects: Financial Sustainability; Governance; and Improving Economy, Efficiency and Effectiveness. No risk of significant weakness had been identified in the Council's financial statements for both 2021/22 and 2022/23.

The Section 151 Officer, A Small, felt that the key finding of the report was the Council was providing Value for Money. The Chairman of the Committee believed that the report also emphasised the importance for the Council of revenue generation in general and revenue generation from the Qualis Group.

Resolved:

(1) That, having considered the Auditor's Annual Reports for the years 2021/22 and 2022/23, the audited Statement of Accounts for 2022/23 be approved subject to any minor amendments being agreed by the Chairman of the Audit & Governance Committee before 13 December 2024.

35 ANY OTHER BUSINESS

No other business was raised for consideration by the Committee.

36 EXCLUSION OF PUBLIC AND PRESS

The Committee noted that there was no business which necessitated the exclusion of the public and press from the meeting.

CHAIRMAN