

Audit Committee

Thursday 25 July 2019 at 7:00 pm

Present: Councillors Murtagh (Chair), Manro, Sabiers, and Young; and Mr Hyun (Independent Person).

Ealing Officers: Ross Brown (Chief Finance Officer), Louise Fearnley (Senior Finance Business Adviser), Nish Papat (Head of Accountancy), Mike Pinder (Head of Audit and Investigations), Ewan Taylor (Audit and Risk Manager), Bridget Uku (Manager (Treasury and Investments))

In Attendance: Mr Ryan Gawley (Deloitte LLP) and Mr Jonathan Gooding (Deloitte LLP)

1. Apologies for Absence

An apology for absence had been received from Councillor Nagpal.

2. Urgent Matters

There were none.

3. Matters to be Considered in Private

Agenda Items 6, 7 and 8 contained information that was exempt from disclosure by virtue of Paragraphs 3 of Part 1 of Schedule 12A of the Local Government Act 1972. This information was not considered in private, as it was not necessary to discuss the details of the exempt information provided.

4. Declarations of Interest

There were none.

5. Minutes

Resolved:

- i. The Audit Committee noted that the answers to questions raised by Mr Hyun at the time of the last meeting would be sent to Mr Hyun on 26 July and, once agreed, would be circulated to members of the committee – Chief Finance Officer to action.
- ii. That the minutes of the meeting held on 22 May 2019 be agreed and signed by the Chair, as a true and correct record.

6. Risk Management Performance Report

The Audit and Risk Manager introduced a report which updated the Audit Committee on the review by Corporate Board of the strategic risks facing the Council at the end of quarter 1, 2019/20.

Members noted that the residual risk scores and medium risk scores had not changed but actions were on track. Members asked whether timeframes had changed. The Audit and Risk Manager confirmed that progress is tracked and all were within timeframes.

Members noted and appreciated that the Strategic Risk Register had expanded including more details.

Mr Hyun referred to ISR0013 and asked what the timeframe was for this. The Audit and Risk Manager agreed to try to include indicative timeframes in future reports.

Resolved:

The Audit Committee noted the current Strategic Risk Register as set out in appendix A of the report

7. Treasury Management Q1 Update 2019-29

Members considered a report providing an update on the Council's borrowing and investment activities for the quarter ending 30 June 2019.

Resolved:

The Audit Committee:

- i. noted the performance the Treasury Management activities and performance against targets for the period to 30 June 2019
- ii. noted the Council's investment balance of £224.200m as at 30 June 2019 of which £162.000m was invested in other Local Authorities (Appendix 1 of the report)
- iii. noted the Council's counterparty investment list (Confidential Appendix 2 of the report)

8. Treasury Management Outturn 2018-19

The Committee was provided with a report outlining the Council's borrowing and investment activities for the financial year ending 31 March 2019.

Resolved:

The Audit Committee:

- i. noted the Treasury Management activities and performance against targets for the period to 31 March 2019.
- ii. noted the Council's investment balance of £207.470m as at 31 March 2019 of which £148.000m was invested in other Local Authorities (set out in Appendix 1 of the report).
- iii. noted the Prudential Indicators outturn for 2018/19. These have all be maintained within the limits set by full Council in February 2018 (set out in Appendix 2 of the report).
- iv. noted the Council's counterparty investment list (set out in confidential Appendix 3 of the report).

9. Statement of Accounts 2018-19

The Chief Finance Officer introduced the report and established that all present had received the appendices which were circulated late. There had been an updated version of the statement of accounts since July which was summarised in the auditor's report.

Mr Ryan Gawley (Deloitte LLP) and Mr Jonathan Gooding (Deloitte LLP) addressed the Committee summarising the significant audit risks as detailed in their report.

The Committee questioned the increase in fees from the auditors and was informed that this was due to additional time taken to work on issues which had

arisen as a result of the accounts not being of sufficient quality; The Committee asked about future fees and was assured that there would be a reduction providing that the accounts were in good order. The Committee expressed concerns that the auditors had requested some information such as legal lists which were not essential.

Resolved:

The Audit Committee

- i. noted Deloitte’s report to those charged with governance (ISA260) at Appendix 1 which provides their opinion for the Statement of Accounts (including Pension Fund Accounts) for 2018/19;
- ii. delegated Authority to the Chair of the Audit Committee, following consultation with Councillor Young, to sign off the Council’s 2018/19 Statement of Accounts if the statement is unqualified; and for the London Borough of Ealing’s Pension Fund Accounts (Appendix 2 of the report) as Audited once external auditors have confirmed completion of the 2018/19 Audit.
- iii. agreed that if the statement of accounts is qualified then it would need to be considered by the Audit Committee.
- iv. approved the Annual Governance Statement for 2018/19 (contained within the main Statement of Accounts at Appendix 2);
- v. delegated authority to the Chair of the Audit Committee and the Chief Finance Officer, following consultation with Councillor Young to sign the Letter of Representations (Appendix 3) upon completion of the 2018/19 audit.
- vi. delegated authority to the Chair of the Audit Committee to agree an extension to the Audit beyond the 31st July 2019 deadline in the event the Audit cannot be completed by 31st July 2019.

10. Date of Next Meeting

The date of the next meeting is 27 November 2019.

The meeting ended at 8:15 pm.

Councillor Tim Murtagh, Chair

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