

<p><u>Meeting</u></p> <p>Audit Committee</p>
<p><u>Date and time</u></p> <p>Wednesday 2nd November, 2022</p> <p>At 7.00 pm</p>
<p><u>Venue</u></p> <p>Hendon Town Hall, The Burroughs, London NW4 4BG</p>

Dear Councillors,

Please find enclosed additional papers relating to the following items for the above mentioned meeting which were not available at the time of collation of the agenda.

Item No	Title of Report	Pages
7	Update on the audit of the 2020.21 Statement of Accounts	3 - 4

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UPDATE ON 2021 AUDIT OUTSTANDING MATTERS

At the Audit Committee meeting on 15 September 2022, we brought to members attention key areas of the 2021 audit work that remain in progress. This document tracks the progress we have made in those areas since the meeting.

1. PPE valuations testing

Progress:

- We have received evidence supporting 25 out of the 45 valuation input data that remained outstanding at the last Audit Committee meeting. Evidence to support the remaining 18 is outstanding as at the date of this report.
- Audit work on valuation of schools' properties is complete subject to internal quality review queries being addressed
- Audit work on valuation of surplus asset is substantially complete subject to internal quality reviews
- Brent cross asset valuation remains in progress. Queries raised on the valuation have been responded to by management and their valuers. BDO to review response
- Audit work on other residential properties(excluding HRA properties) is complete.

2. Investment properties valuation

Progress: Audit work remains in progress. Outstanding queries on valuation certificates resolved on 28/10/22- BDO currently reviewing evidence provided.

3. HRA properties valuation

Progress: Audit work on valuation of HRA properties is complete subject to internal quality reviews.

4. Completeness and Existence of properties

- Our audit work on the existence of properties is yet to be concluded following on from evidence received earlier this week.
- Progress: Audit work substantially complete. We could not trace three properties to the asset register. BDO to evaluate the impact of these properties not found on the asset register.

5. Cashflow testing (the working paper has been received from the Council, BDO in process of updating working papers)..

Progress: No progress since our last update. The cash flow statement is usually one of the areas to be audited in the final stages of the audit to ensure all adjustments impacting on it have been fully reflected. This will therefore only be finalised when the audit is fully complete.

6. Clearing down quality review points raised on file following on from Manager, RI, EQCR and technical reviews

Progress: Quality reviews remain in progress as audit of key areas such as valuation are still on going. Remaining queries on the draft financial statements have been responded to by management and subject to BDO's clearance of the points.

7. Infrastructure assets

Update: At the last Audit Committee meeting we updated members that we anticipate that a direction will be made, by way of a Statutory Instrument, that seeks a way forward on the issue which seeks to limit instances of qualification of the accounts. We noted the Statutory Instrument will need to be approved by Parliament and once it is laid before Parliament it will take 21 days for it to clear the process. We are now expecting confirmation of a timetable for laying the Statutory Instrument before Parliament to come in the next couple of weeks

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