

AUDIT COMMITTEE
Thursday 30 January 2020

ITEM 5 – PUBLIC QUESTIONS

Note

At the meeting a total of 30 minutes is available for public questions. The questioner may ask one supplementary question at the meeting which will be answered without discussion. The supplementary question must be relevant to the original question put to the Chairman.

Qn No	Agenda Item No	Raised By	Question Raised	Answer
1.	Item 8 – External Audit Plan 2019/20	Theresa Musgrove	<p>Audit Risks Overview - Related Party Transactions (Pp 86 & 94)</p> <p>In the light of recent revelations regarding Saracens Rugby Club, and the implications for the £22 million loan extended to the club by the authority, I would like to ask the Chair if the External Auditors will now be including in the current audit process:</p> <p>a. a review of risk arising from the council's involvement in this loan,</p> <p>b. inspection of payments made to the club, to seek assurance that the £3.2 million already paid in the last year has been properly signed off by officers, according to the terms of the agreement, after work has been completed.</p>	<p>The external auditor's audit strategy is predicated on a risk based approach, so that audit work is focused on the areas of the financial statements where the risk of material misstatement is assessed to be higher, or where there is a risk that the organisation has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. It will be for the external auditor to consider whether the loan to Saracens meets these criteria.</p>
2.	Item 7 - Internal Audit Exception Recommendations Report and Q3 Progress Report 1st October to 30th October 2019	Theresa Musgrove	<p>8. Highways, Invoice Approvals</p> <p>It seems to many residents that the council's Highways contractors are not being held to account for sub-standard work, which is paid for without being properly assessed by the appropriate officers. Why are invoices for such work being approved and processed, with insufficient evidence of completion, and does the absence of any such effective system not represent a high risk of poor value for money in terms of local taxpayers?</p>	<p>At the time of the audit there was not an effective document archive which enabled access/visibility to demonstrate that these checks had been undertaken. These were subsequently provided to demonstrate compliance through audit and checks undertaken by professionals in the audit revisit. The service now has reinforced the systems and processes in place to ensure all invoices are validated and works checked before payment is made to ensure that works are done to expected standards and offer value for money.</p>