

LEE VALLEY REGIONAL PARK AUTHORITY

AUDIT COMMITTEE MINUTES 27 FEBRUARY 2025

Members Present: David Gardner (Chairman) Mike Garnett
Lesley Greensmyth (Vice Chairman) Steven Watson
John Bevan Terry Wheeler

Apologies Received From: Clive Souter

Officers Present: Beryl Foster - Deputy Chief Executive
Keith Kellard - Head of Finance
Michael Sterry - Senior Accountant
Dan Buck - Corporate Director
Jon Carney - Corporate Director
Simon Clark - Head of IT and Business Support
Julie Smith - Head of Legal
Sandra Bertschin - Committee & Member Services Manager

Also Present: Claire Mellons - Ernst & Young (external auditors) remote access
Robert Garnett - Ernst & Young (external auditors) remote access
Sam Lowe - Forvis Mazars (internal auditors) remote access
Kevin Bartle - S151 Officer (London Borough of Enfield)

Part I

300 DECLARATIONS OF INTEREST

There were no declarations of interest.

301 MINUTES OF LAST MEETINGS

THAT the minutes of the meetings held on 19 September 2024 and 11 December 2024 be approved and signed.

302 PUBLIC SPEAKING

No requests from the public to speak or present petitions had been received for this meeting.

303 INTERNAL AUDIT UPDATE

Paper AUD/156/25

The report was introduced by the Senior Accountant highlighting that implementation of recommendations had improved to 82%.

Sam Lowe (Forvis Mazars) advised that if superseded actions were included in implementation of recommendations analysis, performance would be 91%.

The Chairman congratulated officers on this greatly improved performance.

In response to Member queries regarding a drop of one rating level in the audit opinion on Cyber Security it was advised:

- the audit opinion reflected a change in Forvis Mazars rating system;

- the recent audit was more in depth than previous audits in response to the fast changing Cyber Security landscape;
- most of the audit recommendations were strategic and procedural based;
- a lot of the recommendations were now in place or were being put in place; and
- audit of Cyber Security will be included on the audit plan every two years.

Sam Lowe (Forvis Mazars) remarked that Cyber Security was one of the fastest moving risks and consequently the shelf-life of audit opinions had decreased. The audit opinion reflected that there were new challenges constantly emerging and the Authority's performance was not widely out of line with other local authorities.

In response to Members it was advised:

- the investigation into a payment being made from a scam e-mail being led by the Authority's bank was ongoing; and
- the Asset Maintenance department was now fully resourced and a formal system for sign-off of completed reactive repairs was being put in place.

(1) the report was noted.

Sam Lowe (Forvis Mazars) left the meeting.

**304 EXTERNAL AUDITORS' ANNUAL RESULTS REPORT -
2023/24 ACCOUNTS**

Paper AUD/158/25

The report was introduced by the Head of Finance.

Claire Mellons and Robert Garnett (EY) advised that:

- a disclaimed audit opinion for 2023/24 was as anticipated and in line with National Audit Office guidance;
- a no assurance rating for Property, Plant and Equipment, including Investment Property, reflected that the Authority had not submitted certified asset valuation for 2023/24 until the end of December so there was insufficient time to complete required audit procedures before the backstop date;
- a substantial assurance rating had been given for a number of account areas;
- for Pension Liabilities/Assets some assurances had been provided by the Pension Fund auditors and will be followed up in 2024/25 to hopefully get to substantial or partial assurance;
- it had not been possible to complete required audit procedures for Leases as a complete list of leases and lease type arrangements had not been provided. As required by IFRS16 for the 2024/25 audit it was critical that a full list of leases be provided;
- a partial rating for Other Disclosures was proposed which was not completely out of line with the rest of the sector, but there were some major areas which will need to be worked on with management to move this opinion forward;
- Value for Money work had been completed and no significant weaknesses were identified.

In response to the Chairman, EY advised:

- it was not anticipated that the Value for Money opinion would be modified which was the case with many local authorities; and
- review by EY's Real Estate team of certified asset valuation for Property, Plant and Equipment was a lengthy process which took approximately three months to complete.

In response to Members it was advised that:

- the Authority as an organisation had very few assets it leased other than a few small areas of land and small value items such as photocopiers;
- procedures would be put in place to comply with IFRS16 for the 2024/25 Statement of Accounts;
- the auditors had identified an issue with a specific lease at Picketts Lock, but the Authority considered there was a reason for this and a rationale had been provided;
- for the reported uncorrected misstatements the Authority had provided a rationale as to why there remains unadjusted differences; and
- Members were reminded of the need for timely compliance with submitting declaration of interests.

The S151 Officer requested clarification on the purpose of the proposed report in 3 months time given that no issues had been raised with regard to Value for Money; accepting the late submission of the certified asset valuation data commented that pragmatically it shouldn't have been too difficult to validate this opinion; and sought assurance that the audit opinion would be issued tomorrow. In response EY advised that:

- the auditors were required to produce an auditors' report and the narrative arrangements on completed Value for Money work would be provided in that report;
- procedures placed on auditors regarding valuation of assets were rigorous and because of the late submission of data insufficient resources were available to undertake the required audit work; and
- EY were fairly confident that the audit opinion would be issued tomorrow as only the final routine audit stages needed to be completed.

Whilst accepting the Audit Results Report the Committee agreed to meet with the auditors again to discuss this in more detail and agreed to delegate authority to the S151 Officer in consultation with the Audit Chairman to undertake any emergency action in the issuing of the audit opinion.

The Chairman remarked that it was important that the Authority receive the audit opinion tomorrow to avoid having to issue a statutory notice. In response EY advised that subject to completing final checks it was intended to issue an opinion on 28 February.

The Committee expressed concern about the length of time the audit had taken and consequent very late publishing of the audit opinion given that the Authority was not a complex body compared to a local authority. Assurances were sought that the same situation would not arise for the 2024/25 audit. In response EY advised that it was intended to agree an audit timetable with management to enable publishing of the 2024/25 audit opinion prior to Christmas.

- (1) the draft 2023/24 External Auditors' Audit Results Report for the Authority set out in Appendix A to Paper AUD/158/25 was noted; and**
- (2) the rationale behind the unadjusted differences, as stated in paragraph 4 of Paper AUD/158/25;**
- (3) the financial statement of accounts for 2023/24 for issue, attached at Appendix B to Paper AUD/158/25; and**

- (4) in light of the failure to issue an audit opinion to delegate any emergency action to the S151 Officer in consultation with the Audit Chairman was approved.**

The Chairman thanked the auditors for their attendance.

305 ACCOUNTING POLICIES AND ACCOUNTS CLOSEDOWN TIMETABLE 2024/25 Paper AUD/157/25

The report was introduced by the Head of Finance.

A Member commented that the Statement of Accounting Policy - Biological Assets should be amended to reflect that the Authority no longer had a dairy herd.

- (1) subject to the above amendment the Accounting Policies set out in Appendix A of Paper AUD/157/25 was approved; and**
- (2) the key judgements and assumptions set out in paragraphs 9 to 10 of Paper AUD/157/25 was noted.**

306 RISK REGISTER 2024/25 Paper AUD/159/25

The report was introduced by the Corporate Director, including:

- the risk register was actively monitored by officers as updates to the comments column reflected; and
- as previously discussed an Issues Register would be created to record risks which have been resolved.

A Member commented that for the majority of risks there had been very little change in the direction of travel. In response it was advised that some risks involving external parties, such as the Buckingham administration, were out of the Authority's control and therefore progress was not as swift as the Authority would like.

Members commended the format and detail of the Risk Register.

- (1) the Corporate Risk Register included at Appendix A to Paper AUD/159/25 was approved; and**
- (2) the review and revision of risk SR5.3 on the Risk Register was noted.**

Chairman

Date

The meeting started at 12.31pm and ended at 1.35pm