

THREE RIVERS DISTRICT COUNCIL

At a meeting of the Audit Committee held in the Penn Chamber, Three Rivers House, Rickmansworth, on Wednesday, 25 June 2025 from Times Not Specified

Or

At a meeting of the Audit Committee held virtually remotely on Wednesday, 25 June 2025 from Times Not Specified

Present: Councillors Councillor Tony Humphreys, Councillor Keith Martin,

David Major, Ciaran Reed and Mike Sims

Also in Attendance:

Officers in Attendance:

External in Attendance:

AC53/23 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Harry Davies and Stephen King.

AC54/23 MINUTES OF PREVIOUS MEETING

The minutes of the Audit Committee held on 25 June 2025 were confirmed as a correct record and signed by the Chair of the meeting.

AC55/23 NOTICE OF ANY OTHER BUSINESS

There were no notices of any other business.

AC56/23 DECLARATIONS OF INTEREST

No Declarations of Interest were raised.

AC57/23 TRDC SIAS ANNUAL ASSURANCE STATEMENT AND INTERNAL AUDIT REPORT 2024-2025

Members received a verbal report outlining the annual audit plan for the council. Appendix A shows the position of the audit plan. An external review is due to be undertaken next year and must be undertaken every five years.

Members queried the wording surrounding the Shared Service Audit Client. Members felt it was not clear whether the council was the client or if not who it was and there had been a declaration of satisfaction, however this had not been provided by members. It was noted that the council was the client along with the shared service.

Members queried the level of assurance granted of each service, with Democratic Services being highlighted. Issues with recent elections were raised and potentially impacted the way residents voted. The audit scope focused on the committee side of Democratic Services and Elections was not in the scope of the audit. It was noted that the audit plan is dynamic and can be changed.

Councillor Keith Martin moved the Recommendations, Seconded by Councillor Mike Sims.

On being put to the Committee the motion was declared CARRIED by the Chair, the voting being by general assent.

RESOLVED:

- i. Note the Annual Assurance Statement and Internal Audit Annual Report 2024/25
- ii. Note the results of the self-assessment required by the Global Internal Audit Standards (GIAS) and the Quality Assurance and Improvement Programme (QAIP)
- iii. Approve the SIAS Audit Charter 2025/26
- iv. Seek management assurance that the scope and resources for internal audit were not subject to inappropriate limitations in 2024/25

NOTE: Councillor Reed arrived at 19:37

AC58/23 TRDC EXTERNAL AUDIT PLAN AND ANNUAL AUDITOR'S REPORT 2024-2025

Members received a verbal report on the Auditors Report. Members queried whether the council had been making adequate progress in regard to financial resilience. Officers confirmed that this would be reviewed throughout the year. Within the MRP, housing loans and any loans which were at risk of not being repaid were not included.

Members queried the general fund and whether it was sustainable due to using reserves over previous years. However, it was noted that the council was not in a red risk position.

Members were updated on the building back assurance work that would be undertaken rolling out from 2025 to 2026. Officers highlighted that it would take an approximate 3 years to build back the closing balances.

The committee queried the Audit fees and total accrual, officers clarified that the fees are dependent on the level of work, but the audit fees would be brought back for review.

Councillor Tony Humphreys moved the recommendations as set out in the report. On being put to the Committee the motion was declared CARRIED by the Chair, the voting being by general assent.

RESOLVED: that

- Management should review the minimum revenue provision in future years to ensure the annual MRP adjustment is adequate and prudent, considering the Council's CFR and borrowing levels, and ensure longer term financial risks are contained.
- The Council should consider the impact of IFRS16 on the Wimbledon income strip scheme, as this standard comes into force from the 2024/25 year of account for the Council.

- The Council should consider whether the Wimbledon income strip scheme contains an embedded derivative – and, if so, whether the derivative is closely associated – and account for this within the financial statements accordingly.
- The Council should ensure the Effective Interest Rate (EIR), and thus the net present value (NPV) of the liability for the scheme, remains appropriate given the scheme's performance, and ensure this is reflected in the financial statements accordingly.

AC59/23 STATEMENT OF ACCOUNTS UPDATE 2024/25

Members received a report setting out the timescale of the reports to be published which sought approval of the Governance Statement, the deadline for publication of draft accounts was Monday 30 June.

Early draft of accounts was incomplete, primarily missing Assets Evaluations which had been received but not yet actioned. The Asset Evaluations would be included in the draft accounts to be reviewed.

Annual Governance statement is published within statement of accounts for public inspection, risk environment and supporting strengths.

Councillor Tony Humphreys moved the recommendation as set out in the report.

On being put to the committee the motion was declared CARRIED by the Chair, the voting being by general assent.

RESOLVED:

- 1.1 To approve the Annual Governance Statement 2024/25
- 1.2 To note that the Director of Finance, or the Head of Finance under delegation from the Director of Finance, will authorise for issue a draft Statement of Accounts 2024/25 for public inspection by 30 June 2025, and a period of public inspection will commence on 1 July 2025.

AC60/23 AUDIT COMMITTEE - WORK PROGRAMME

Members raised concerns over training and felt it would be more conducive to undertake block training like licensing and planning committees rather than smaller sessions throughout the year. However, evening training was the preference.
The Committee noted the work programme.

RESOLVED:

That the Committee consider and makes necessary changes to its Work Programme

AC61/23 OTHER BUSINESS - IF APPROVED UNDER ITEM 3 ABOVE

AC62/23 EXCLUSION OF THE PRESS AND PUBLIC

CHAIR