



PUBLIC MINUTES

**of the Audit and Risk Assurance Committee (ARAC) meeting
on Monday 26 October 2020 at 0930**

MS Teams Meeting (no members were together, and the meeting was deemed to have been held in Beckenham, Kent, the location of the Chair).

4 Remote and virtual participation

4.1 Any member may validly participate in a meeting through the medium of conference telephone, video conferencing or similar form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting, or relevant part thereof. A member so participating shall be deemed to be present in person at the meeting, and shall accordingly be counted in a quorum and entitled to vote.

4.2 A meeting shall be deemed to take place where the largest group of those members participating is assembled or, if there is no group which is larger than any other group, where the Chair of the meeting is.

Members

Liz Butler (LB)	Chair
Richard Hughes (RH)	
Ceri Richards (CR)	

Invited officers

Fiona MacGregor (FM)	Chief Executive
Richard Peden (RBP)	Interim Director, Finance and Corporate Services
Emma Tarrant (ERT)	Senior Assistant Director: Head of Legal and Company Secretary
Sarah Dickinson (SD)	NAO
Abi Kudus (AK)	Finance Business Partner, MHCLG

In attendance

James Dunbar (JD)	Head of Finance
Christine Kitchen (CK)	Committee Secretary

1 Welcome and apologies

33/10/20 The Chair welcomed everyone to the meeting.

2 Declarations of Interest

34/10/20 There were no new declarations of interest.

3 NAO Audit Completion Report

35/10/20 SD presented the NAO completion report and confirmed that they anticipate recommending to the Comptroller and Auditor General (C&AG) that he should certify the 2019-20 financial statements with an unqualified audit opinion, without modification in respect of both regularity and the true and fair view on the financial statements. The key audit findings on new significant risks were:

36/10/20 *Presumed risk of management override of controls* the NAO confirmed that they did not identify any journal entries that indicated management override of

controls or any presence of bias or fraudulent financial reporting in the accounting estimates or accounting policies. Therefore, they confirmed they had obtained assurance that the financial statements were free from material misstatement due to management override of controls.

37/10/20 *Defined Benefit pension schemes:* the audit included a review of management's processes for providing complete and accurate data to the actuary; and management's challenge and review processes of the assumptions used by the actuary. They considered whether the controls in place were appropriately designed and implemented effectively. Their completed audit of the reports received from the actuarial experts in respect of the two defined benefit pension schemes confirmed that there were no issues to report.

38/10/20 *Materiality:* a management adjustment of £2,000 was noted as the net effect of adjustments on the Statement of Comprehensive Net Expenditure and the Statement of Financial Position.

39/10/20 The other information in the completion report was NOTED, including the draft Letter of Representation and the draft audit certificate, both of which will be finalised as part of the signing off process.

40/10/20 The Chair on behalf of ARAC members thanked SD and her team for the completion report and complimented them on the processes followed, in what had been a difficult time due to C-19.

4 RSH Annual Report and Accounts 2019-20

41/10/20 RBP presented the ARA which members had last seen at the meeting on 19 October 2020. He reported that there had been some minor changes since then which related to the reclassification of cashflows in relation to fixed assets, adoption of the minor amends presented by the NAO, the addition of text on the work of the IA and the addition of the AO's formal conclusion on governance. All the NAO recommendations from the previous year had been addressed and the management response to each was NOTED.

41/10/20 Members thanked RPB and the finance team for a very good Annual Report and Accounts and ARAC members AGREED to recommend the ARA to the Board for approval.

5 Draft Annual ARAC report to the Board

42/10/20 The Chair sought comments from the members on this report to the Board. Members agreed that the cross reference to the ARAC ToR was helpful and there were no further comments from members. The report to the Board was AGREED.

43/10/20 On that basis, it was AGREED that the report to the Board and the IA final report will be presented to the Board.

44/10/20 In conclusion the Chair once again recorded the Committee's thanks to the auditors, the finance team and management for their hard work to get the ARA to this point for adoption and sign-off by the Accounting Officer.

Date of next meeting: 25 January 2021