

AUDIT COMMITTEE 13 JULY 2020

DRAFT STATEMENT OF ACCOUNTS 2019-20 TRAINING QUESTIONS / ISSUES RAISED

1. **Importance of Narrative Statement (Pages 143-161)** – Authors commended for making the accounts accessible, through the narrative statement.
2. **Long Term Liabilities (Page 150)** – Long term liabilities includes pension fund liabilities. The reduction in long term liabilities was largely as a result of the triennial valuation in April 2019, with the pension fund's investment strategy focused on equities, whose value had increased by 32%, where the assumed growth had only been predicted to be 4%.
3. **Financial Resilience (Page 159)** – Question on extra work likely to be required from auditors on scenario and sensitivity testing to be addressed at the meeting of the Committee.
4. **Comprehensive Income and Expenditure Statement 1 April 2019 to 31 March 2020 (Page 163)** – Questions to be asked at the Committee meeting on (where there are significant differences between 2018/19 and 2019/20):
 - Sustaining and Growing Business and the Economy
 - Other Budgets
5. **Movement in Reserves Statement 1 April 2019 to 31 March 2020 (Page 164)** – The Overview and Scrutiny Management Board scrutinises earmarked reserves in detail, as part of its review of financial performance.
6. **Balance Sheet as at 31 March 2020 (Page 165)** – In relation to investment property, the County Council's strategy is to focus its capital expenditure on service provision. The Council's county farm estate is a longstanding holding dating back to the First World War.
7. **Note 35 – Members Allowances (Page 248)** – This is a high level note, as the detailed expenditure on members' allowances is a matter of public record and are determined on an annual basis following a recommendation from the Council's Independent Remuneration Panel to the County Council. It was agreed that information on the process would in the narrative report in future statement of accounts.
8. **Note 36 – Officers' Remuneration (Pages 249-251)** – These figures are presented in the required format, and reflect the fact that 2019/20 was largely a transitional year for the council's senior management.
9. **Note 37 – Exit Packages (Page 252)** – The figures in the tables include schools, and include contractual commitments and any compensation arrangements.

10. **Other questions** – In response to a question on the Council's sustainability and energy usage, advice was given that information was reported to the County Council on an annual basis, as part of a statement by the Leader of the Council.