



Audit & Governance Committee
24 January 2022

**2020/21 Audit Findings Report and Annual Statement of Accounts for
Hendeca Group Ltd, Surrey Choices Ltd, Halsey Garton Residential Ltd,
and Halsey Garton Group Ltd**

Purpose of the report:

This report provides the Audit & Governance Committee with the outcome and findings of the external audit of the 2020/21 financial statements of Hendeca Group Ltd, Surrey Choices Ltd, Halsey Garton Residential Ltd, and Halsey Garton Property Ltd.

Recommendations:

It is recommended that the Audit and Governance Committee consider and note the contents of the 2020/21 Audit Findings Reports for Hendeca Group Ltd (formerly S. E. Business Services Ltd), Surrey Choices Ltd, Halsey Garton Residential Ltd, and Halsey Garton Property Ltd. The Annual Accounts for each company are shared as background information.

Introduction:

- 1) The Council has four wholly owned Local Authority Trading Companies:
 - Hendeca Group Ltd (formerly S.E.Business Services Ltd)
 - Surrey Choices Ltd
 - Halsey Garton Residential Ltd
 - Halsey Garton Property Ltd

- 2) The oversight of these companies is provided by the Council's Shareholder and Investment Panel (SHIP - an Officer Panel) and the Strategic Investment Board (SIB - a Member led Board). SIB has been established in accordance with best practice governance principles to ensure effective over-sight and alignment with the strategic objectives and values of the Council. The Board's responsibilities and powers include:
 - appointing and removing directors
 - approval of annual business plans
 - reviewing the financial and overall performance of trading companies

- 3) The SHIP and SIB, both safeguard the Council's interest and takes decisions in matters that require the approval of the Council as owner or a shareholder of a company. Shareholder control is exercised over all companies owned by the Council, and in relation to any shares held whether the purpose is trading, service provision, or investment. Decisions in relation to the day-to-day operation of companies are taken by the directors of each company.
- 4) The SIB provides an Annual and Mid-Year Report which is considered by Cabinet.
- 5) The audit findings report and financial statements for the council's wholly owned companies is shared with the Audit & Governance Committee for information. The following documents are included:
 - Annex A – Hendeca Group Ltd financial statements 2020/21
 - Annex B – Hacker Young report to the Board of Hendeca Group Ltd
 - Annex C – Surrey Choices Ltd financial statements 2020/21
 - Annex D – Hacker Young report to the Board of Surrey Choices Ltd
 - Annex E – Halsey Garton Residential Ltd financial statements 2020/21
 - Annex F – Hacker Young report to the Board of Halsey Garton Residential Ltd
 - Annex G – Halsey Garton Property Ltd financial statements 2020/21
 - Annex H – Halsey Garton Property Investments Ltd financial statements 2020/21
 - Annex I – Hacker Young report to the Boards of Halsey Garton Property Ltd & Halsey Garton Investments Ltd

Audit Findings

- 6) The Directors of the companies approved the 2020/21 financial statements as presenting a true and fair view of the company's financial position as at the 31 March 2021.
- 7) The report to the respective company boards summarise the findings of the 2020/21 audit undertaken by Hacker Young. The reports set out a summary of the work carried out and the conclusions reached.
- 8) At the beginning of an audit an Audit Plan was shared with the company directors, which identified areas of significant risk and other risks of material misstatement. The Audit Findings Report summaries the work completed in relation to these areas.

Conclusions:

- 9) The Audit Findings Reports are presented to this Committee for information.

Financial and value for money implications

- 10) None

Equalities and Diversity Implications

11) There are no direct equalities and diversity implications from this report.

Risk Management Implications

12) The risk management implications are contained within the annexes of the report relating to the individual companies.

Next steps:

Identify future actions and dates.

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