



Audit & Governance Committee
18 January 2023

2021/22 Audit Reports 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 audits of the 2021/22 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 the contents of the 2021/22 Audit Reports for the entities referred to above. The Financial Statements for each company are shared as background information.

Introduction:

- 1) The Council has four wholly owned Local Authority Trading Companies:
 - Hendeca Group 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). It 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 Reports and Financial Statements for the council's wholly owned companies are shared with the Audit & Governance Committee for information. The following documents are included:
 - Annex A – Hendeca Group audit report by UHY 21-22
 - Annex B – Hendeca Group financial statements 21-22
 - Annex C – Surrey Choices audit report by UHY 21-22
 - Annex D – Surrey Choices financial statements 21-22
 - Annex E – Halsey Garton Residential audit report by UHY 21-22
 - Annex F – Halsey Garton Residential financial statements 21-22
 - Annex G – Halsey Garton Property audit report by UHY 21-22
 - Annex H – Halsey Garton Property financial statements 21-22

Audit Findings

- 6) The Directors of the companies approved the 2021/22 Financial Statements as presenting a true and fair view of their respective company's financial position as at the 31 March 2022.
- 7) The audit reports summarise the findings of the 2021/22 audits undertaken by Hacker Young. The reports set out a summary of the work carried out and the conclusions reached.
- 8) At the beginning of each audit an Audit Plan was shared with the company Directors, which identified areas of significant risk and other risks of material misstatement. The Audit Reports summarise the work completed in relation to these areas.

Conclusions:

- 9) The Audit 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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