

**AUDIT COMMITTEE
MINUTES**

Date: Wednesday, 6 November 2024

Time: 6.00pm

Place: Council Chamber - Daneshill House, Danestrete

Present: Councillors: Carolina Veres (Chair), Tom Plater (Vice Chair),
Lloyd Briscoe, Philip Bibby CC, Robert Boyle, Lynda Guy,
Ceara Roopchand and Anne Wells

Independent Member – Syeed Udin

Start / End Start Time: 6.00pm
Time: End Time: 7.24pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were submitted on behalf of Councillors Mason Humberstone and Tom Wren.

There were no declarations of interest.

2 MINUTES OF PREVIOUS MEETING

It was **RESOLVED** that the Minutes of the meeting of the Audit Committee held on 4 September 2024 be approved as a correct record and signed by the Chair.

3 EXTERNAL AUDIT 2023/24 - PROGRESS REPORT

The Committee received a report from Azets highlighting the progress of the audit to date for the benefit of those charged with governance, as required by International Standard on Auditing (UK) 260 and the National Audit Office Code of Practice 2020 (the 'Code') and associated Auditor Guidance Notes.

Members were advised that Azets would not be able to fully complete the audit, issue their auditor's report and certify the closure of the audit until the Council's predecessor auditor had completed their audit for the year ended 31 March 2023. Once the 2023 audit had been completed, they would need to review the predecessor auditor's audit file and consider the impact on this audit of any modifications to their auditor's report.

Azets also advised that they would need to revisit their planning procedures and audit plan to assess whether any additional procedures were required over and above those previously identified in their audit plan. Should any additional procedures or changes to the plan be required, they would be reported to the Committee. Members noted that the cost of additional work to revisit planning, upon

completion of the prior year audits would also be reported.

Azets confirmed that providing the Council met the minimum requirements for producing the 2022/23 accounts (and earlier years), including the statutory inspection period, they anticipated the predecessor audit would have completed their audit by 13 December 2024.

Due to the limited time between that backstop date and the 2023/24 backstop date of 28 February 2025, Azets were therefore unlikely to have time to gain sufficient assurance over opening balances, closing balances and in year transactions and advised that they would need to give a disclaimed opinion for 2023/24.

The Committee were advised of the 2023/24 Planned Procedures including a number of findings where it was not anticipated that assurance would be obtained over the balance in 2023/24.

In relation to Value for Money, the work on the Council's arrangements for securing this would be completed during the final accounts window. The Committee was pleased to note that to date no areas of significant weakness had been identified.

Azets reported a number of issues assessed with an amber assessment identified during the course of their audit and the management comments received in response to the recommendations.

In response to a number of questions, Paul Grady from Azets advised:

- that in relation to Housing Benefit payments, assurance was required to be provided to the DWP in a prescribed manner, that the Council's claim was accurate;
- additional work that was required as a result in the delays would be outside of the original contract. The PSAA would consider the situation and determine the liability and potential mitigation;
- many local authorities had been affected by the delays with ever more complex audits. The Government were aware of the situation and were looking at a whole system approach to respond to the issue;
- Azets were a continuously growing company with an increasing workforce and assurances were given that they were in a healthy position to ensure resources would be available to complete their audits.

The Chair thanked Martha and Paul from Azets for their attendance.

It was **RESOLVED** that the progress to date be noted.

4 **SAFS - ANTI-FRAUD PROGRESS REPORT**

The Shared Anti-Fraud Service (SAFS) Manager presented a report in respect of progress with delivery of the 2024/25 Anti-Fraud Plan.

The Committee was advised that between April and September this year SAFS had issued 22 Urgent Fraud Alerts alongside three threat reports focussed on multiple

employment fraud, 'Overpayments' linked to money laundering, and MS account take-over. The Anti-Fraud Manager advised that in relation to Executive Reports (ER) to senior management and internal audit, one ER had been issued associated with the use of external recruitment or temporary staff providers. All recommendations made by SAFS had been accepted and implemented.

The Committee was advised that all KPI's were mainly on target with a couple of exceptions but assurance was given that SAFS were confident of dealing with those quickly.

In response to a question regarding budgeting, the Anti-Fraud Manager advised that the Local Authority would seek to recover money where it could with the assistance of SAFS and anything returned would be a windfall to the Council.

It was **RESOLVED** that the progress by officers and the Shared Anti-Fraud Service to deliver the Anti-Fraud Plan for the Council be noted.

5 **MID-YEAR REVIEW OF TREASURY MANAGEMENT STRATEGY 2024-25**

The Assistant Director (Finance) presented a report in respect of the 2024/25 Mid Year Treasury Management review, including the 2024/25 prudential and treasury indicators.

The Committee noted that the report would be submitted to Cabinet and then on to Council in December 2024.

It was **RESOLVED** that the 2024/25 Mid Year Treasury Management Review and Prudential Indicators be recommended to Council for approval.

6 **URGENT PART 1 BUSINESS**

There was no Urgent Part I Business.

7 **EXCLUSION OF PUBLIC AND PRESS**

It was **RESOLVED** that:

1. Under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in Paragraphs 1 - 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to information) (Variation) Order 2006.
2. Members considered the reasons for the following reports being in Part II and determined that the exemption from disclosure of the information contained therein outweighed the public interest in disclosure.

8 **STRATEGIC RISK REGISTER**

The Corporate Policy and Performance Manager presented a report providing an

update in respect of the latest Strategic Risk Register for the Council

The Corporate Policy and Performance Manager, assisted by the Assistant Director Finance, responded to a number of questions raised by Members on the report.

It was **RESOLVED** that the latest Strategic Risk Register, as set out in the report, be noted.

9 **ICT UPDATE**

The Committee were given a presentation on Cyber Security from the Assistant Director Shared ICT Partnership.

The Assistant Director responded to a number of questions raised by Members on the presentation.

It was **RESOLVED** that the presentation be noted.

10 **PART II MINUTES OF PREVIOUS MEETING**

It was **RESOLVED** that the part II Minutes of the meeting of the Audit Committee held on 4 September 2024 be approved as a correct record and signed by the Chair.

11 **URGENT PART II BUSINESS**

There was no urgent Part II business.

CHAIR