

MINUTES  
OF A MEETING OF THE  
**STANDARDS AND AUDIT COMMITTEE**

held on 21 September 2023

Present:

Mrs C Storey (Chairman)  
Cllr A Caulfield (Vice-Chair)

Cllr J Brown                      Cllr S Greentree  
Cllr G Cosnahan                  Cllr S Oades

**1. MINUTES**

RESOLVED

That the minutes of the meetings of the Committee held on 22 May and 6 July 2023 be approved and signed as true and correct records.

**2. APOLOGIES FOR ABSENCE**

No apologies for absence were received.

**3. DECLARATIONS OF INTEREST**

No Declarations of Interest were received.

**4. URGENT BUSINESS**

There were no items of Urgent Business.

The Chairman noted that the update on the learning points arising from the Homes England audit on Hale End Court had been deferred to the next meeting due to work taking place on the Council's project governance framework. Also deferred were the Annual Health and Safety report and the Annual Governance Statement.

**5. UPDATE ON EXTERNAL AUDIT**

Steve Bladen of BDO updated the Committee on the progress of the External Audit since the last meeting. A meeting had taken place with Eugene Walker, the Council's Interim Director of Finance / Section 151 Officer, at which the unresolved issues relating to the 2019/20 accounts were discussed, including the underpayment of Minimum Revenue Provision (MRP), the recoverability of loans made by the Council to third parties, and access to evidence supporting the subsidiary accounts. It was stated that the Council had expressed a preference for the issues to be dealt with in the financial years subsequent to 2019/20, which would take time to work through.

The Committee was advised that in July 2023 the Secretary of State for Local Government had announced a proposal to introduce a statutory deadline for the backlog of audits from 2015/16 onwards, whilst providing as much assurance as was possible. Accordingly, BDO would need to assess the level of assurance for work that had been completed and the likelihood of a qualification, noting that limited assurance would be likely for the group accounts. It was noted that BDO held responsibility for the auditing of the years up to and including 2022/23, which would inform the opening balances for the 2023/24 accounts that would be audited by Grant Thornton. It was added that a meeting had been held with the new subsidiary companies' auditor, Menzies, regarding the prior period adjustments affecting the 2019/20 accounts.

Following a question, Steve stated that it was not the role of an External Auditor to provide advice on how MRP was calculated and that BDO's view was that it had raised the issue with the Committee as a concern previously.

Members expressed concern and frustration over the ongoing delays to finalising the Audit as the issues had been known for many months and Eugene stated that he would liaise with BDO and Grant Thornton regarding a timeline. The Chairman requested that a written update be received at the next meeting.

RESOLVED

That the update be received.

#### **6. REVISED INTERNAL AUDIT ANNUAL PLAN 2023/24 STA23-016**

The Chairman proposed and the Committee agreed for the Revised Internal Audit Annual Plan 2023/24 to be received ahead of the Internal Audit Progress Report.

Juan Fosco of Mazars introduced the Annual Plan which had been revised in light of the Government intervention and Section 114 Notice to provide greater focus on financial and expenditure controls, income collection and key financial systems. Key financial systems had been split into more focused in depth reviews of Accounts Payable, Accounts Receivable, Payroll, Council Tax, and Business Rates, alongside areas such as Income Management, Systems Reconciliation and Pensions Fund Administration. As a result of the changes there would be a reduction of 12 days to the originally agreed plan in March 2023. It was noted that the resources had been allocated to ensure that sufficient high risk areas were audited to inform the Head of Internal Audit's annual opinion on the internal control environment.

It was noted that the audits for Health and Safety and Project Planning had been deferred for consideration as part of the 2024/25 plan. The review of Pension Fund Administration would review the effectiveness and compliance of the Council's administration of pension funds. There were also some contingency days left in the plan which could be allocated if required.

Regarding the audit of the Savings Plan and Monitoring of Budgets (including MTFs), it was stated that external advisors were assisting the Council with the assessment of the deliverability of the savings identified and possible implementation risks.

RESOLVED

That the revised Internal Audit Annual Plan for 2023/24 be approved.

**7. INTERNAL AUDIT PROGRESS REPORT STA23-015**

Juan Fosco of Mazars introduced the progress report which set out audit activity and performance from 11 February 2022 to 8 September 2023.

It was stated that the two reports previously released in draft (Disabled Facility Grants and Human Resources – Recruitment and Retention) had now been finalised and eight further reports had been released in draft. To date, there had been 15 high priority recommendations made. As of 8 September 2023, there were 17 recommendations which had passed their initially agreed implementation dates, two of which were classed as high priority in relation to the Counter Fraud audit.

Following questions by the Chairman, it was agreed these two recommendations would be followed up outside the meeting; and noted that the process was for the Council's Corporate Leadership team to approve draft reports prior to them being finalised. It was added that some historic recommendations may have become less significant in light of the effects of the recent Section 114 Notice, and that there would be a greater focus on the components of key financial systems going forward.

RESOLVED

That the report be received and progress against the 2023-24 Internal Audit Plan and implementation of Internal Audit recommendations be noted.

**8. OMBUDSMEN COMPLAINTS STA23-012**

The Committee received the annual Ombudsman Complaints report and noted the outcome of the two cases investigated by the Housing Ombudsman.

RESOLVED

That the position regarding complaints to the Local Government and Social Care Ombudsman and the Housing Ombudsman be noted.

**9. MEMBERS' CODE OF CONDUCT STA23-013**

The Committee received the annual report on Members' Code of Conduct and noted that the number of complaints received by the Monitoring Officer had reduced from eleven to six.

RESOLVED

That (i) the report detailing the complaints, submitted under the Members' Code of Conduct, received by the Monitoring Officer between 1 August 2022 and 31 July 2023 be noted; and  
(ii) there were no areas of concern upon which the Committee would like the Monitoring Officer to provide further information on.

The meeting commenced at 7.30 pm  
and ended at 8.35 pm

Chairman: \_\_\_\_\_

Date: \_\_\_\_\_