

MINUTES
OF A MEETING OF THE
STANDARDS AND AUDIT COMMITTEE

held on 11 April 2024

Present:

Mrs C Storey (Chairman)
Cllr H Akberali Cllr S Greentree
Cllr J Brown Cllr S Oades
Cllr G Cosnahan

1. MINUTES

RESOLVED

That the minutes of the Committee held on 29 February 2024 be approved and signed as a true and correct record.

2. APOLOGIES FOR ABSENCE

No apologies for absence were received.

3. DECLARATIONS OF INTEREST

In accordance with the Officer Employment Procedure Rules, the Strategic Director - Corporate Resources, Kevin Foster declared a disclosable personal interest (non-pecuniary) in any items concerning the companies of which he is a Council-appointed director. The interests were such that Mr Foster could advise on those items.

4. URGENT BUSINESS

There were no items of Urgent Business.

5. INTERNAL AUDIT CHARTER STA24-007

Graeme Clarke of Mazars introduced the Internal Audit Charter report which had been deferred from the previous meeting, following which it had been clarified that the Internal and External Auditors would collaborate to ensure efficient audit coverage with the exchange of hold harmless letters. Following a question by the Chairman, it was stated that in light of the S114 announcement it was vital to ensure that the Internal Audit Plan was focused correctly to aid the S151 Officer and the Council as a whole.

A discussion ensued over whether the Internal Audit function should be internal or contracted out and it was noted that the latter was common for local authorities and in particular those which could not afford their own internal service and were seeking economies of scale. The external Head of Internal Audit reported to the Council's S151 Officer. It was noted that in addition to the internal auditing work it was important to consider how the Council received the feedback and acted upon it, in light of the organisation's financial situation.

RESOLVED

That the Internal Audit Charter be approved.

6. INTERNAL AUDIT SERVICE PROGRESS UPDATE STA24-008

Kirk Harrison of Mazars introduced the Internal Audit progress report covering the period November 2023 to March 2024. The audits in the revised 2023 plan totalled ten, of which one had been finalised and four had been issued in draft. Two audits – Pension Fund Administration and Group Companies – were proposed to be deferred to the 2024/25 financial year.

Since the last progress report, the Council's Action Management system had been migrated from Sharepoint to an online environment, with work taking place to enable Mazars to conduct a consolidation exercise in March, which had led to a definitive position of outstanding, implemented and overdue recommendations. Work was required to create an IT solution for the monitoring of actions going forward. It was noted that whilst the current position was disappointing it was expected that a number of draft reports would be finalised shortly. In particular, the Accounts receivable was an in-depth report. The Committee felt that it would be helpful to include a timetable for each report's completion alongside the reason for any delays.

The Chairman welcomed the involvement going forward of the Corporate Strategy Manager and that it was important to maintain visibility on the outcomes of the reports conducted in the previous financial year. The finalised Internal Audit reports were added to the Reference documents section in the Councillors area in Microsoft Teams. The Committee asked Democratic Services to ensure that the finalised Internal Audit reports were received by the Council's Corporate Leadership Team and subsequently added to the Councillors area in Microsoft Teams under Reference documents on a timely basis. Instructions on how to access the documents were sent to the Committee at the start of each Municipal Year. Also to be looked into were training requirements for committee members, noting the audit assurance mapping session being organised for June, and, as part of the improvement programme, the papers that would be received by the Committee, noting that all committee agendas and reports were available through mod.gov.

RESOLVED

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

7. INTERNAL AUDIT STRATEGY AND PROPOSED 2024/25 PLAN STA24-009

Kirk Harrison introduced the Internal Audit Strategy and draft Annual Plans for 2024/25 and 2025/26 which had been received by the Council's Corporate Leadership Team and the Commissioners. Included in the report were draft plans for the forthcoming two years and the overall audit universe. It was noted that the plan could be revised mid-year if required and, as the plans were focused on the areas of highest need it should be expected that some of the reports would highlight important improvements for the Council to implement.

The plans were stated to have a particular focus on financial oversight and also included the procurement and contract management provision audit, along with the previously deferred group companies audit which had been classed as medium priority due to the extensive work taking place such as the introduction of the Companies Governance Framework and an independent assurance validation of cashflow. The total number of

internal audit days allocated for 2024/25 was stated to be 181, including 12 days for the Head of Internal Audit role.

The Committee agreed to approve the report subject to an update being received at either the July or September meeting in the event of any updates received from the External Auditors or other sources regarding the Council's governance framework.

RESOLVED

That the Internal Audit Strategy and the proposed Annual Plan for 2024/25 be approved, subject to an update being received at either the July or September meeting in the event of any updates received from the External Auditors or other sources regarding the Council's governance framework.

8. ALPHA ROAD - AUDIT OUTCOME STA24-010

Adam Browne, Housing Commercial and Asset Manager, was attending the meeting on behalf of Louise Strongitharm, Strategic Director – Communities. Adam introduced the report on the Alpha Road Audit Outcome which had been selected for audit as part of the Homes England 2023-24 Compliance Audit Programme. A red grading had been awarded which indicated a serious failure to meet the scheme's requirements, with the areas of concern relating to a lack of a comprehensive scheme file, incorrect data and a premature grant claim. The Committee was advised that further dialogue had taken place with Homes England and that there was no impact on the grant funds received, and no live work remaining.

The Chairman stated that the report was similar to the other Homes England report recently received for Hale End Court identifying issues and underlined the need for the Council to be robust in project management and the handling of grant applications. It was noted that the Council now had a good project management process, and that the area for improvement in the future would be relating to compliance with the Homes England grant conditions.

Members considered that the report indicated that an experienced project manager, familiar with the Homes England grant process, would have avoided the breaches. In the event of future applications being submitted, it was likely that a specialist project manager would need to be sourced to deal with the application, the cost of which could potentially be covered by the grant. In addition, work would be taking place by an external advisor to review the Council's housing policies, many of which were in need of updating.

RESOLVED

- That (i) the Homes England Audit Report, as attached to the report, be accepted; and
(ii) the Strategic Director – Communities be authorised to officially sign off the report with Homes England.

The meeting commenced at 7.00 pm
and ended at 8.45 pm

Chairman: _____

Date: _____