

## Audit Committee

**Wednesday, 13 November 2024**

Present: Dr S Green (Chair)  
Ms L Sproats (Deputy Chair)  
Councillors A Spowart, T Bailey, J Bartoli,  
J Montague, J Sharp, J Webster and L Sproats

Apologies: Councillors L McMullen

### **AC17/24 Appointment of Substitute Members**

There were no substitute members present.

### **AC18/24 Declarations of Interest**

There were no declarations of interest reported.

### **AC19/24 Minutes**

**Resolved** – that the minutes of the meeting held on Wednesday 25 September 2024 be confirmed as a correct record and signed by the Chair.

### **AC20/24 External Audit Update - 2022/23**

The Committee heard from Ernst and Young with regards to the delay in the external audit of the financial statements for 2022/23 which is having a consequential impact on the 2023/24 audit approach.

The Committee were advised that a draft condition report has been issued and management comments are being prepared.

The Chair asked for the Committee to be provided with an update on the drivers

in respect of the delay for some of the members of the Committee were new to either this Committee and/or the Council.

It was noted that in relation to the initial audit reports the primary drivers were around infrastructure and statutory instrument which did not come out until Christmas Day 2022. It was noted that the longer anything takes the more difficult it is to put resource in.

It was noted that the backstop position ends on Friday 13 December, it was therefore suggested that rather than agree to an Extraordinary meeting a delegation is made to the Chair of Audit Committee in consultation with the Director of Resources in finalising the Ernst and Young Report and then circulate to the Committee.

It was noted that the Council's final audited statement of accounts will also be circulated to the Committee. It was noted that it was disappointing that it will be a disclaimed opinion.

**Resolved** - That the current position be noted and the Ernst and Young be finalised in consultation with the Director of Resources and the Chair of the Committee.

## **AC21/24      Audit Progress Report – Forvis Mazars**

The Committee heard from Forvis Mazars with an update on their progress for the Audit Report for 2023/24. It was noted that the 28 February 2025 is the backstop date and it was noted that combined with the previous auditors disclaimed opinion it has been decided that Forvis Mazars will have to issue a disclaimed opinion.

The Committee were advised that they will have to carry out Value For Money work and it was noted that there will be a focus on 3 key areas which are:

- Financial Sustainability
- Governance; and
- Improving economy, efficiency and effectiveness

The Committee were advised that there have been no identified risk of any significant weakness.

The Committee noted that quite a lot of planning work has been undertaken and work had started on looking at our financial systems. Some areas of assurance work have been agreed around Teachers Pensions, Capital Receipts and Revenues and Benefits.

It was noted that due to the backstop date an earlier meeting would be required, however, if the Committee agreed to move the meeting the March meeting would not also be needed.

It was noted that the Committee were fine with the concept of the Value For Money arrangement, it was just felt to be really important given the current position with the accounts. It was noted that reports are provided by exception on those three areas and commentary is also provided, it would therefore be really clear if there was any concerns.

It was queried whether plans were in place for 2024/25? It was noted that a definite conclusion has not yet been reached, it was also noted that the auditors are awaiting national guidance and looking at rebuilding assurance. We are not anticipating the guidance until nearer to Christmas.

**Resolved** - that the information presented be noted.

#### **AC22/24      Exclusion Resolution**

**Resolved** - that under Section 100A of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 2 of Schedule 12A of the Act 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 defined in Paragraphs 1, 3 and 7 of Part 1 of Schedule 12A to the Act.

**AC23/24 Internal Audit Progress Report**

Consideration was given to a report which provided an update on Internal Audit activity and performance in relation to the 2024/25 Internal Audit Plan. It also provided an update on the outcomes of the services activity completed between May and November 2024.

**Resolved** - that the report be noted

**AC24/24 Corporate Risk Management Summary Report**

Consideration was given to a report which provided an update on the latest position in relation to the Authority's corporate risks which had been reported to Cabinet on the 14 October 2024. The report provided detailed information on each of the corporate risks including the cause of the risk, the consequences for the Authority if the risk were to materialise, the existing and new controls in place to address the risks and an assessment of their likelihood and potential impact.

Members were reminded that at the previous meeting they had received more detailed information from the Director of Children's Services in order to provide assurance of the risk in relation to that area.

Members of the Committee were advised that where appropriate risks were escalated to Strategic Level or to Corporate Level where necessary to make sure of the appropriate level of intervention where needed.

Members of the Committee were advised that the Chief Executive would be invited to a future meeting so that the Committee can be assured that he is fully aware of the risks and how they are rated.

**Resolved** - That the comments of the Audit Committee be noted and that the Audit Committee were assured of the effectiveness of the Authority's Risk Management arrangements.

**AC25/24**      **Date and Time of Next Meeting**

The next meeting will take place on Tuesday 18 February 2025 at 6.00pm.