



**MINUTES of  
PERFORMANCE, GOVERNANCE AND AUDIT COMMITTEE  
5 DECEMBER 2024**

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**PRESENT**

Chairperson	Councillor W Stamp, CC
Vice-Chairperson	Councillor N D Spenceley
Councillors	M G Bassenger, S J Burwood, R G Pratt, U C G Siddall-Norman and K M H Lagan (Substitute for J C Stilts)

**1. CHAIRPERSON'S NOTICES**

The Chairperson welcomed everyone to the meeting and went through some general housekeeping arrangements for the meeting.

**2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors J C Hughes, N R Miller, J C Stilts and M E Thompson and Mr Derek Smith, Independent Person.

In according with notice duly given it was noted that Councillor K M H Lagan was attending as a substitute for Councillor Hughes.

At this point the Chairperson referred to the Assistant Director - Strategy, Partnerships and Communications who advised that Mr Smith, Independent Person had submitted a number of questions, some of which were in relation to items on the agenda for this meeting. As Mr Smith was absent, it was noted that Officers would provide a written response to these questions outside of the meeting and a copy of this would be circulated to Members of the Committee.

**3. MINUTES OF THE LAST MEETING**

**RESOLVED** that the Minutes of the meeting of the Committee held on 19 September 2024 be approved and confirmed.

**4. MATTERS ARISING**

The Chairperson took Members through the matters arising report and the following updates were provided:

<b>Date of Meeting</b>	<b>Minute Title</b>	<b>Action</b>	<b>Update</b>
18 June 2024	Infrastructure Funding Statement	Details regarding the allotments at Handley Green to be provided to Councillor J Driver.	The Chairperson requested that this item remained on the matters arising list.

<b>Date of Meeting</b>	<b>Minute Title</b>	<b>Action</b>	<b>Update</b>
19 Sept. 2024	Minutes of the last meeting	A further update on Audit fees would be brought to a future meeting of the Committee	It was noted that the External Auditors would provide an update as part of their report later on the agenda.
		Officers would have an offline discussion with the Independent Person (Mr Smith) regarding some of the queries he raised.	The Chairperson and Deputy Chief Executive had met with Mr Smith and a further meeting would be arranged to provide further guidance.
	Annual Governance Statement Actions Update	Councillor R Pratt referred to the induction programme and suggested there were some areas for further development. In response the Chairperson suggested that the Assistant Director – Programmes, Performance and Governance or the Chairperson of the Working Group speak with Councillor Pratt regarding this.	Councillor R Pratt provided an update on the discussions that had taken place.  The Chairperson requested that this remain on the matters arising list and that the Assistant Director - Programmes, Performance and Governance provide an update to the Committee.

## 5. DISCLOSURE OF INTEREST

There were none.

## 6. PUBLIC PARTICIPATION

No requests had been received.

## 7. INTERNAL AUDIT REPORT

The Committee considered the report of the Interim Chief Finance Officer and associated Internal Audit reports from BDP LLP, attached on the agenda as follows:

- 7a) Progress report
- 7b) Follow-Up of Recommendations
- 7c) Health and Safety 2024 / 25

### **Progress Report**

Mr Aaron Winter (BDO LLP) presented his report to the Committee which summarised the current progress made against the 2024 / 25 internal audit plans. It was noted that since the last report to the Committee one review had been finalised, five were underway with management reporting taking place early in the new year and three remaining reviews were planned and scheduled for delivery early within quarter four.

### **Follow-Up of Recommendations**

Mr Aaron Winter (BDO LLP) presented the report and advised that four recommendations had been closed including all outstanding recommendations for the 2020 / 21 year. There was one overdue recommendation from 2021 / 22, it was noted this was overdue to the number of times the timescales had changes, although the Council's management team had advised they were on track to meet the current deadline. One recommendation regarding the Licensing Audit was in progress and having agreed actions with management further work was being undertaken. The remainder three recommendations were not yet due for follow up.

Mr Winter thanked the Council's management team for their help which resulted in a number of recommendations being closed.

In response to a question as to why the review of assets had taken so long, the Assistant Director – Customer Services and Operations advised that delays had been caused by changes of personnel within the team and looking at what was possible in terms of IT systems. She advised that the Council had been able to utilise an existing software system, and this had been set up with a project, with dedicated resource and on target to meet the deadline of 31 March 2025.

### **Health and Safety 2024 / 25**

Mr Andrew Bilingham (BDO) presented the report and advised that the review of the Council's Health and Safety (H&S) had been undertaken. It was noted that the review only covered certain aspects of H&S which had been agreed with the Council prior to the review taking place. The report set out the areas reviewed, along with areas of good practice. A number of improvements which had been identified and set out along with the detailed findings and management response.

The Assistant Director – Customer Services and Operations then read out a statement in response to this audit. She explained that the Council had chosen areas of H&S where it was known further work was required and which could be progressed based on the recommendations in the audit report. The Audit report gave an independent view on where the risks were, and the work required to resolve them. She reported that a large amount of this work was already underway and would continue through an audit action plan to achieve the deadlines stated in the report. The Assistant Director reminded Members of the quarterly H&S reports received by this Committee and reassured them that a lot of work was continuing to ensure the Council improved its H&S compliance. A 'meet the service' event was being organised and would give opportunity for Members to attend, meet Officers and find out more about the work that was being done in this area. She thanked the Corporate Health and Safety Manager for his hard work and cooperation with this audit.

In response to some concern raised, the Corporate Health and Safety Manager (the Manager) provided Members with detailed information on the work undertaken to update policies, including risk assessments and management involvement. He reported that going forward every Health and Safety policy had a Working Group and owner assigned to it. It was noted that a training matrix had also been established.

In response to questions, the Manager provided explanation for the delay in the review of the Council's overarching Health and Safety policy. The Chairperson then proposed that the Committee received the draft Health and Safety Policy in order to review it on a performance basis. This was agreed.

In respect of inspections, Members were advised that Officers would firstly carry out inspections, for example on a monthly basis, and the Manager follow this up with a more in-depth inspection on an annual basis. Guidance would be provided to

Officers on the frequency of their regular reviews along with any recommendations identified.

The Assistant Director clarified that in respect of Risk 7, the Council would be implementing a basic standard checklist which would apply to every event, although depending on the type of event, additional requirements may be added. In response to a request from the Chairperson for this information to be brought back to the Committee, the Assistant Director advised the quarterly report to the Committee in January could be expanded to include details regarding this.

The Chairperson then thanked the Corporate Health and Safety Manager.

#### **Internal Audit report continued**

The Chairperson then moved the three recommendations set out in the report, taking into consideration the earlier discussions. This was duly seconded and approved.

#### **RESOLVED**

- (i) that the Committee considered, commented, and approved the following reports as set out on the agenda:
  - (a) Progress Report 2024 / 25– at 7a;
  - (b) Follow-Up of Recommendations Report – December 2024 – at 7b;
  - (c) Health and Safety 2024 / 25 Final Report – November 2024 – at 7c.
- (ii) that the draft Health and Safety Policy be brought to a future meeting of this Committee for review in respect of performance.

The Chairperson thanked the Internal Auditors for their reports and attendance.

### **8. REPORT OF THE EXTERNAL AUDITOR ON THE AUDIT OF FINANCIAL YEARS 2021 / 22 AND 2022 / 23**

The Committee considered the report of the Interim Chief Finance Officer presenting the International Standards on Auditing (ISA) 260 Audit report, attached as Appendix 1 to the report and the Annual Audit report (Appendix 2) for the financial years 2021 / 22 and 2022 / 23.

It was noted that the Audit Plan report (Appendix 3) was presented for review. Due to the constraints of the backstop dates issued by UK Government, the Audit Plan report was being presented alongside the main audit reports. Normally this would be presented before audits took place.

The Interim Chief Finance Officer presented the report and introduced the Council's External Auditors - Paul Hewitson (Associate Partner) and Tope Odunsi from Deloitte. He commented on the new backstop dates introduced by the Government and the work undertaken to deliver the audits on time in light of these, highlighting the work done by the Finance team in respect of this. Members were informed that the Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committee had just published a guidance document 'the Local Audit Backstop: Key Questions Answered for Audit Committees' regarding the backstop dates and how Audit Committees could help, and the Officer advised he would circulate this following the meeting. At this point the Chairperson, thanked the Interim Chief Finance Officer for his hard work since joining the Council.

The Chairperson then invited the Associate Partner from Deloitte to take the Committee through the report. He drew Members' attention to the key points in the report specifically in relation to ISA 260. It was noted that because of the backstop dates issued by the Government a disclosure of opinion in respect of both financial years would be provided and Members were informed that some key paragraphs in the 2021 / 21 Audit would be different to previous years because of this. Appendix 1 detailed any uncorrected and principle corrected mistakes, along with the response from the Council's management team. In respect of Value for Money (VFM) no risk of significant weakness in the Council's arrangement had been identified. No objections or queries had been received from local objectors, there were no matters resulting in the need to issue a public interest report and no further powers under the Local Accountability Act had been exercised. The Associate Partner informed Members the External Auditors would work the Council's appointed Auditor for 2023 / 24 onwards, KPMG, in respect of the handover of the audit of the Council and to ensure they understood the work completed and what was outstanding.

In response to questions the Interim Chief Finance Officer provided the Committee with the following information:

- In respect of the outstanding management responses, Officers had been through and addressed all efficiencies and management responses given. It was agreed that the Committee would be provided with a copy of the management response outside of the meeting.
- An update in respect of the work to build resilience within the finance team was provided along with proposals to continue this, including gaining CIPFA accreditation.
- The backstop deadline for the 2023 / 24 audit was tight, with accounts having to be published by next Friday. However, the Interim Chief Finance Officer advised he had confidence in the finance team that this would be delivered.

The Associate Partner then took the Committee through the Annual report for the financial years 2021 / 22 and 2022 / 23(Appendix 2 to the report). It was noted that under the backstop provisions, the areas considered in respect of VFM had been amended and the criteria 'improving economy, efficiency and effectiveness' dropped. No significant weaknesses or risk of significant weakness had been found and moderate assurance had been given. The Associate Partner commented that within the Council there was challenge, appropriate promotion of standards of conduct and a good commitment to budget reconciliation. There was one recommendation from the Auditors regarding triangulation and the Chairperson read this out, asking that it be Minuted.

The recommendation from the external Auditors was as follows:

"We recommend the Council clearly articulate how prioritised savings will support the long-term delivery of statutory services and explicitly link these savings to the financial projections within the MTFs. This will provide greater transparency and assurance to stakeholders regarding the financial sustainability of the Council's operations. We encourage the Council to embed this approach within its planning processes to ensure ongoing alignment between financial plans and service delivery."

In response to a question, the Associate Partner highlighted that they were satisfied that there were no significant weaknesses in the Council's arrangements. Along with sufficient financial stability, reserves and a programme of planning, management, and efficiency to secure financial sustainability.

The interim Chief Finance Officer expressed his thanks to the External Auditors for their commitment of hitting the backstop and supporting him and his team. The External Auditors also thanked the Officer and his team. The Chairperson asked that the Committee's thanks be given to the previous Interim Chief Finance Officer for the work she had done for the Council.

The Chairperson then moved the recommendations which were duly seconded and agreed.

### **RESOLVED**

- (i) That Members considered the ISA 260 Audit Report for 2021 / 22 and 2022 / 23 at Appendix 1 to the report. The ISA 260 report aims to ensure that auditors communicate significant findings from the audit to those responsible for governance, such as the board of directors or Audit Committee;
- (ii) That Members considered the Annual Audit Report for 2021 / 22 and 2022 / 23 at Appendix 2 to the report. This report evaluates how effectively an organisation uses its resources to achieve its objectives;
- (iii) That Members considered the Audit Plan Report for 2021 / 22 and 2022 / 23 at Appendix 3 to the report. This report sets out the plan for the upcoming audit.

There being no other items of business the Chairperson closed the meeting at 8.35 pm.

W STAMP, CC  
CHAIRPERSON