

## **AUDIT AND GOVERNANCE COMMITTEE**

Wednesday 19 March 2025

### **Present:-**

Councillor Wardle (Chair)

Councillors Atkinson, Begley, Ketchin, Mitchell, M, Moore and Williams, M

### **Apologies**

Councillors Jobson, Knott, Miller-Boam, Palmer and Patrick

### **Also Present**

Chief Executive, Strategic Director for Corporate Resources, Strategic Director for Place, Head of Legal and Democratic Services & Monitoring Officer, Net Zero Project Manager and Democratic Services Officer

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### **MINUTES**

The minutes of the meeting held 12 February 2025 were taken as read, approved and signed by the Chair as correct.

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### **DECLARATION OF INTERESTS**

No declarations of disclosable pecuniary interests were made.

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### **INTERNAL AUDIT PLAN 2025/26**

The Assistant Director, SWAP, presented the Internal Audit Plan 2025/26 report making the following points:

- the Plan included the work to inform the annual opinion, and the process followed;
- the Plan and strategic risk register key;
- key financial control areas included procurement and risk management of which more detail could be found on page 16 of the report;
- the draft plan had been seen by Members and the opinion of the Chair were sought before meeting with SMB, which had been key in agreeing a programme of work;
- SWAP could provide member training;
- regarding conformance, an external assessment of SWAP had taken place in November 2024, and they were found to be compliant;
- global internal audit standards had been updated, and a plan was being put in place for compliance; and
- the Internal Audit Charter and Mandate had been updated to reflect global internal audit standards, which was presented as Appendix B of the report.

The Assistant Director, SWAP responded to questions from a Member in the following terms:

- the new Global standards presented no fundamental changes to the role of the Audit and Governance Committee and any subtle differences were being worked on; and
- processing of Housing Benefit had been added to the draft plan but with a high

number of services which could be audited there was a need to focus on areas which had not been audited in recent time.

The Chair moved, seconded by Councillor Atkinson that the Audit and Governance Committee review and approve the Internal Audit Plan 2025/26 and Internal Audit Charter and Mandate, and following a unanimous vote was CARRIED.

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### **INTERNAL AUDIT PROGRESS REPORT**

The Assistant Director, SWAP presented the Internal Audit Progress Report making the following points:

- the summary on page 36 of the report, showed that 92% of planned audits were complete or in progress and two were yet to start at the time of writing the report but had since begun;
- SWAP were confident that in July their opinion would be based on a completed plan of work;
- there was high operational risk with debt management;
- action plan monitoring was now live and being used by services and more detail was now being presented;
- there were 63 active agreed actions;
- page 39 of the report showed a table of fraud referrals in addition to the progress report;
- there was a confidential reporting line operated by SWAP and the referrals received over seven months to the beginning of February this year and half were regarding council tax. All were forwarded to the appropriate contact in the Council;
- appendix B of the report showed limited assurances, of which there were 3 which would be considered at the next agenda item;
- appendix C of the report showed advisory reviews with debt management being given an advisory report which was rated as high risk with senior management and the committee having been informed, a summary report was included. The Council had asked SWAP to conduct this work. Supporting documentation explaining how to conduct debt management which was and out of date and some incomplete. The next report would include context and an action plan; and
- appendix D of the report showed an action plan monitoring summary with 63 active actions. 14 were complete with evidence having been provided before they were closed. 22 had already been closed which related to previous limited assurances.

The Assistant Director, SWAP responded to a question from a Member stating that evidence would always be sought, and this may not always be by way of a document. It could be that SWAP accessed a system and conduct some testing and may request formal follow up to close an item.

The Chair moved, seconded by Councillor Begley that the Audit and Governance Committee note the Internal Audit Progress Report and following a unanimous vote was CARRIED.

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### **RESPONSE TO LIMITED ASSURANCE AUDIT REPORT**

The Strategic Director for Corporate Resources presented the report making the following points:

- there was commitment to improving governance across the council;

- four action plans had been created for the areas reviewed by SWAP this year,
- two areas had been put forward by officers following their concerns and requested SWAP review these;
- the occupational health review had been commissioned by the Strategic Director People and Communities and a range of recommendations were made by SWAP and subsequently included in the HR improvement plan and would be delivered as soon as possible;
- in CIL/s106 significant work had begun to address issues with an officer panel looking at governance across the area, including existing commitments;
- Council tax arrears had seen simple improvements made, despite a shared service not having been implemented and a restructure was expected within the next couple of months;
- some findings were frustrating regarding write-offs having been applied before authorisation and this practice had been stopped; and
- sundry debtors had seen increasing debt which was not necessarily unusual in post-COVID times. This work had been moved from the Revenue and Benefits team back into the Finance team and resources increased from 0.8FTE previously to a team of four. Resources within legal had been reinstated to support recovery, having been lost some years ago in a previous savings exercise. A Collection Manager and 2 Collection Officer posts had been filled and would be starting imminently and were aware of their work plan.

The Strategic Directors for Corporate Governance and Place responded to questions from Members in the following terms:

- the occupational health action plan would form part of the work of the new Head of HR including undertaking a review of whether the current provider was fit for purpose;
- this was the second audit undertaken for CIL and the actions found previously had been undertaken and implemented.
- there was a further linked audit regarding s106 and officers would like to bring before together;
- CIL process was being followed and there had been improvements since the previous audit including the formation of a CIL task group who now had almost full use of the system with the ability to monitor CIL;
- all CIL decision-making had been made in the proper way by the Executive;
- a governance framework was being designed which would look at part, present and future expenditure in an open and transparent way;
- the suggestion to register how outside agencies were spending the money would be incorporated into the process;
- there was no new finance system in place yet as there had been challenges with the supplier;
- there had been a new system introduced for part of sundry debt, housing benefit overpayments but the DWP required a lot more information and reporting, but this was working well;
- a write-off assessment was made each year which included a bad debt provision, a conservative approach was taken;
- in respect of material debts an individual view would be taken of recovery and there would be additional income if recovery were made;
- this was an important area of work which the finance team had a lot of experience in managing;
- there were several services where there was a significant amount of debt and those would be targeted;
- sundry debt was increasing slightly but there had been high debt for several years, so this had not been a sudden rise;
- Housing benefit overpayment could be anything from a few pounds to

thousands, but this was underpinned by £1 million debt which would be paid off in line with statutory payments each month;

- this would always be significant due to legislation;
- commercial property debt was being addressed by the new officer in post;
- financial regulations would be fully reviewed as part of the constitution review and would come before Members for consideration;
- a range of Portfolio Holders would be responsible for determining write-offs; and
- all write-offs were reported in the Outturn report.

The Chair moved the recommendation that the Audit and Governance Committee note the content of the audit reports contained at Appendix A and the actions that would be taken in response to the recommendations, which were seconded by Councillor Begley, voted upon, and CARRIED unanimously.

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### **REVIEW OF CORPORATE RISK REGISTER**

The Strategic Director for Corporate Resources presented the Review of the Corporate Risk Register Report making the following points:

- this was a quarterly update;
- there were no significant changes this quarter;
- the Council was in the final stages of the process in refreshing and producing the new Corporate Plan after which a review of the risk register would be undertaken; and
- the finance risk had been updated due to a balanced budget being agreed for 2025/26.

The Strategic Director for Corporate Resources and the Strategic Director for Place responded to questions from Members in the following terms:

- the increase in parking charges agreed for 2024/25 had not been implemented which impacted the 2024/25 budget rather than 2025/26;
- the new Parking Places Order for 2025/26 would come before Council and any shortfall in the financial year should be addressed;
- indication could be provided in future as to which risks have changed since last reporting and whether they had increased or decreased;
- the net zero risk rating had not changed but the updated showed the efforts which had been made with partners to address net zero 2030 targets, but challenges remained which included government announcements and with limited resources there was a reliance on government funding;
- a review was in progress of the Net Zero 2030 plan and the Council's stated aims remained;
- the risk appetite rating was determined by Strategic Directors with Portfolio Holders; and
- the new Corporate Plan would be the first step towards monitoring progress before development of a full matrix began.

The Chair moved the recommendations, which were seconded by Councillor Atkinson, voted upon, and CARRIED unanimously.

Having considered the Council's Corporate Risk Register the Audit and Governance Committee **RECOMMENDED** its approval to the Executive.

## **LOCAL GOVERNMENT OMBUDSMAN ANNUAL REVIEW OF COMPLAINTS**

The Monitoring Officer presented the report making the following points:

- the report covered 2023/24;
- compensation of £200 had been made in respect of one complaint; and
- section 8.3 of the report gave details of the complaints received and it could be seen that seven cases had been considered.

The Monitoring Officer and Chief Executive responded to questions from Members in the following terms:

- ensuring adequate training for staff would be discussed with the relevant officer;
- there was no requirement for the reporting of issues relating to Members' Code of Conduct;
- there was an internal appeals process before complaints came before the Ombudsman;
- the service would be aware of complaints and have taken on board any learning before this report; and
- agreed actions were contained within the report.

The Chair moved, seconded by Councillor Atkinson that the Audit and Governance Committee note the Local Government Ombudsman Annual Review of Complaints and following a unanimous vote was CARRIED.

## **CODE OF CORPORATE GOVERNANCE 2025/26**

The Strategic Director for Corporate Resources presented the Code of Corporate Governance 2025/26 report making the following points:

- the report underpinned the statutory Annual Governance Statement at the end of each financial year and accompanied the Statement of Accounts; and
- last year the Code of Corporate Governance had changed to better reflect the Governance structure in place and this year had been updated following the SMB restructure and SWAP having taken over internal audit.

The Strategic Director for Corporate Resources responded to a question from a Member regarding the role of scrutiny by agreeing to make a change to reflect the practice of post rather than pre-scrutiny.

The Chair moved the recommendations, which were seconded by Councillor Mitchell, voted upon, and CARRIED unanimously.

**RESOLVED** that the Audit and Governance Committee supports the Code of Corporate Governance for 2025/26

**RECOMMENDED** that Council approves the Code of Corporate Governance for 2025/26.

## **REGULATION OF INVESTIGATORY POWERS ACT 2000 UPDATE**

The Monitoring Officer presented the report making the following points:

- this had previously been reported to Members by Internal audit, but was now the responsibility of the Monitoring Officer along with policy;

- it was of note that this power had not been exercised;
- the updated policy was attached and was important legislation;
- the detail of the report set out the powers including covert powers; and
- those making requests to use these powers must appear before magistrates; and
- local authorities were not keen on using these powers as Article 8 was of paramount importance.

The Monitoring Officer responded to questions from Members in the following terms:

- technically a renewal could be applied for, and this would go through both internal and court processes;
- it would be unlikely for an officer dealing with a matter to grant repeat authorisation and this would still need to go before a magistrate as well; and
- whether this would apply to Councillors would need to be investigated.

The Chair moved the recommendations, which were seconded by Councillor Begley, voted upon, and CARRIED unanimously.

**RESOLVED** that the Audit and Governance Committee consider this report and in particular note that the powers of surveillance under the Regulation of Investigatory Powers Act 2000 have not been exercised for the period 1 April 2023 to 31 March 2024; and

**RECOMMENDED** that Council note and approve the updated 'Regulation of Investigatory Powers Act 2000 Joint Policy and Procedure'.

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### **CORPORATE NET ZERO RISK REGISTER**

The Net Zero Project Manager presented the report making the following points:

- this was a six-monthly review and an assessment of the risk of carbon emissions;
- the register was developed in July 2022 and reviewed six-monthly and included 2030 targets;
- risks remained high and funding, capacity and skills were all issues;
- this report linked to the carbon reduction plan and the net zero team worked with other services and target grants where appropriate; and
- the recommendation was as set out in the report.

The Net Zero Project Manager, Chief Executive and Strategic Director for Place responded to questions from Members in the following terms:

- funding potentially ending was a risk, but the role of the team was to bring together work across all services and there were several initiatives being delivered to help achieve targets and these would continue with or without the team;
- in the last year SMB had seen this report and coordinated at that level meaning work to achieve targets was infused through all council services;
- reports showed that SMB and the relevant Portfolio Holder would address carbon implications;
- a review of the Green Travel Plan was underway, and the policy was outdated;
- offsetting was a last resort and policy in relation to this would come forward with the costed Carbon Descent report; and
- Parks and Green Spaces were working on a Biodiversity Strategy.

The Chair moved the recommendations, which were seconded by Councillor Atkinson, voted upon, and CARRIED unanimously.

**RECOMMENDED** that Council approve the updated Net Zero Risk Register.

**RESOLVED** that further work is underway to reduce risk, and the Council's Costed Organisational Carbon Footprint projections be reported to Executive in June, will be fed into a service led Carbon Reduction Plan to progress with carbon reduction measures.

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### **GOVERNANCE SOUNDING BOARD**

The Chair put forward the recommendation to form a Governance Sounding Board as a working group of this committee with the following remit and composition:

- to provide feedback to officers and Portfolio Holder on proposals to amend the constitution in advance of full proposals being brought before this Audit & Governance Committee;
- the feedback would be noted and included in the report to the Audit & Governance Committee; and
- to comprise, the Chair of this Committee, one member of each other political party represented on this Audit & Governance Committee along with the Portfolio Holder who would be invited to attend.

The Monitoring Officer in providing context to the item, advised:

- the process would be that proposals from the Sounding Board would be put before the Audit and Governance Committee before going to full Council;
- a working group would give Members of this committee, the opportunity to provide input before the revised constitution formally came before Audit and Governance Committee; and
- the working group would look at work done so far by officers which had been on the areas of Planning and Council procedure.

The Monitoring Officer responded to questions from Members in the following terms:

- this would be a forward-looking piece of work;
- officers had looked at best practice;
- proposals would be open to discussion;
- the aim would be to have a constitution which was not political but would make processes efficient;
- it was not anticipated to be controversial, and feedback would be noted and included in the ensuing report; and
- points where agreement was not reached would be addressed at Audit and Governance Committee.

The Chair moved the recommendation to for a Governance Sounding Board, which Councillor Atkinson seconded and following a unanimous vote was CARRIED.

The Monitoring Officer explained the proposed representation of the Governance Sounding Board as detailed below:

Political Party	Nominated Member
Conservative	Cllr Jobson

Green	Cllr Ketchin
Liberal Democrat	Cllr Palmer
Labour	Cllr Wardle (Chair)

It was proposed that the Portfolio Holder would be invited to attend the Sounding Board.

The Chair moved the recommendation that the Audit and Governance Committee agreed to the representation on the Governance Sounding Board, which was seconded by Councillor Mitchell and following a unanimous vote was CARRIED.

(The meeting commenced at 5.32 pm and closed at 7.27 pm)

Chair