

AUDIT COMMITTEE

A meeting of the Audit Committee was held on Thursday, 31 July 2025.

PRESENT: Councillors J Ewan (Chair), D Coupe (Vice-Chair), D Branson, B Hubbard and L Young

PRESENT BY INVITATION: Councillors

ALSO IN ATTENDANCE: P Jeffrey (Internal Auditor) (Veritau), Kirkham (Mazars) and Scarr

OFFICERS: C Benjamin, J Weston, A Humble, S Lightwing and Johansson

APOLOGIES FOR ABSENCE: Councillors M Nugent and G Wilson

24/1 **WELCOME AND EVACUATION PROCEDURE**

The Chair welcomed all present to the meeting and read out the Building Evacuation Procedure.

24/2 **DECLARATIONS OF INTEREST**

There were no declarations of interest received at this point in the meeting.

24/3 **WORK PROGRAMME (STANDARD ITEM)**

Members reviewed the Audit Committee Draft Work Program 2025/205.

AGREED as follows that the following amendments were made:

11 December:

- Letter of Representation on the Accounts from the Director of Finance – (move to committee date 19 February 2026)

19 February:

- Forvis Mazars Auditors Annual Report 2023/2024 – (change dates to 2024/2025)
- Forvis Mazars Audit Completion Report 2023/2024 – (change dates to 2024/2025)
- Final Statement of Accounts 2024/2025 (could be a special meeting depending on capacity and timescales to happen around 20 February 2025)
– (change to 20 February 2026)

16 April:

- Veritau Internal Audit Work Program 2026/2027 – (bring forward to Committee date 19 February 2026)
- Veritau Counter Fraud Plan 2026/2027 – (bring forward to Committee date 19 February 2026 with the lead/author being J Dodsworth)

24/4 **REVIEW OF THE EFFECTIVENESS OF AUDIT COMMITTEE - FINAL REPORT, RECOMMENDATIONS AND NEXT STEPS**

A report from the Director of Legal and Governance Services was presented, the purpose of which was to submit proposed decisions in relation to the review that was carried out in the effectiveness of the Audit Committee.

The Local Government Association Financial Improvement and Sustainability Advisor carried out this review and presented the report.

During the consideration of the report, the following points were raised:

- Publishing an annual report to the full Council and having feedback raised to the Audit Committee.
- Carrying out an Effectiveness Assessment - it was suggested that a swap with another Council could be arranged, rather than it being a formally commissioned process.
- Members to set time aside, thirty minutes before meetings, to speak with internal and external auditors, without the presence of Officers. It was agreed that a discussion pre meeting would need to be held away from the actual committee meeting room.
- Stopping or Limiting Members Substitution - the review found that substitutions are rarely used and although the system works well it was suggested that substitutions needed to be limited and best practice was not to have them at all.
- Members preference was to have a limitation and a pool of audit committee trained members for this purpose. A Member raised that there needs to be more training in this area, rather than just the one-hour compulsory training per year.
- Appointing two Independent Members to the Audit Committee, with remuneration at an appropriate level. This review highlighted that most Councils have this, and it is best practice. Concerns were raised regarding the cost of the remuneration which was potentially £5,000 to £7,000 per year. The advantages of this were discussed, such as having specific individuals who can bring a specialist accounting skill set to the committee, but Members would like to see how this works in other Councils and what value this has added. A Member spoke about this being a compliance point as the English Devolution Bill states a requirement of one Independent Member to be part of the committee. Advice was given that the standard is a minimum of two Independent Members, as best practice and there will need to be good enough reasons for not implementing this and to also consider external scrutiny.
- A training needs analysis and a training plan was recommended for each Audit Committee Member, covering all CIPFA best practises, risk, governance and control. This training needed to be for substitute members also. It was mentioned that this kind of training had been offered before, but there was low take up from Members. Members discussed that they each had different skills sets and that some of the training was not needed for everyone. The review highlighted individual training needs analysis should be carried out per member. A Councillor, who was in attendance as an observer in the public gallery, stated that he could not attend the substitute training for Audit Committee as he had other Council commitments during the time that the training was taking place. It was suggested that training times and dates need to more flexible and have more options to attend. A discussion took place about having an external body to implement and deliver training, for a more standardised approach. The Local Government Authority had been used to deliver training in the past and it was suggested that this can be investigated again.
- Members approved all three recommendations in principle. The next steps are to prioritise each recommendation and to investigate the options that have been referred to.

AGREED as follows that the Audit Committee approved:

1. The recommendations of the Local Government Financial Improvement and Sustainability Advisor as set out at Appendix 1 of this report in principle.
2. That the Chair, Director of Legal and Governance and the Director of Finance draft a response to the recommendations for consideration by Committee Members and that agreed responses were reflected in the first Annual report of the Committee as per the engagement timetable set out in the submitted report at Paragraph 3.6.
3. Thanks to the Local Government Financial Improvement and Sustainability Advisor for his timely work in providing a framework against which the Committee could plan a series of improvements to its effectiveness.

CONSIDERED.

None.