

**AUDIT AND STANDARDS COMMITTEE held at COUNCIL CHAMBER -  
COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, CB11 4ER, on  
THURSDAY, 27 FEBRUARY 2025 at 7.00 pm**

Present: Councillor E Oliver (Chair)  
Councillors H Asker, S Barker, G Driscoll, N Gregory and  
R Silcock

Officers in attendance: P Honeybone (Audit Manager), N Katevu (Monitoring Officer), J Procter (Democratic Services Officer), G Robinson (Interim Director of Finance), A Webb (Strategic Director of Finance, Commercialisation and Corporate Services).

Also in attendance: D Gibbs (External Auditor)

**AS30 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies were received from Councillors Armstrong, Fiddy, Foley and Luck, and Independent Persons Georgina Butcher, Dan Paul and David Pearl.

Councillor Donald was in attendance as substitute for Councillor Luck.

Councillor Barker declared a non-pecuniary interest as Chair of the Essex Pension Fund as an Essex County Councillor.

**AS31 MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting were approved as an accurate record.

**AS32 INTERNAL AUDIT PLAN 2024/25 UPDATE**

The Audit Manager presented the Internal Audit Plan Update, which detailed the Audit Plan as of 5<sup>th</sup> December 2024.

He said: -

- There were changes proposed to the plan to add in tenant satisfaction measures. This was due to a request of management and in consideration of regulatory requirement. The deferment of the Capital Expenditure Audit would allow space for this.
- The report included 4 audits. The Idox and north gate contract audits were IT contract systems which both included moderate opinions, and CCTV and temporary accommodation audits were reported in full with limited opinions.
- The internal audit process was generally compliant with public sector internal audit standards. From April 2025 the public service internal audit standards were to be replaced by new standards. A briefing note

regarding the new standards would be presented at the next meeting alongside the Audit Strategy, Plan and Charter.

There were some changes to the plan that were not in the report: -

- Blueprint Crosscutting Workstreams Audit was not sensible to take place in light of local government review.
- He planned to bring forward the Corporate Governance Audit that would have taken place in the first quarter of 2025/26 to meet accounting requirements for the Audit and Standards Committee meeting in May 2025.

In response to questions from members, he said: -

- The presence of orange, yellow and red markers in the report were designed to identify key areas of improvement. His main concern was recommendations that were not implemented as this would delay improvement to these areas. There were historic issues with recommendations being implemented, although there had been improvement.
- He would be looking at what the audits were saying combined with the existing recommendation to make improvements.
- Some elements of the report may be outdated as its information was as of the 5<sup>th</sup> December 2024.
- There have been resourcing issues which have delayed the implementation of certain recommendations. There was a budget request in the process of being approved that was the first stage of implementing these recommendations.
- The only recommendation classed as critical was the signing off of the accounts, which would be completed should the recommendations of item 4 be passed.
- In clarification of the chart on p13 of the report, that the chart showed the 49 outstanding recommendations, 30 of which were overdue, with the remaining 19 yet to pass their deadline.

Members expressed concern over the prevalence of areas which had moderate or limited audit opinions and requested that reports in future bring further clarity as to whether recommendations have been successfully implemented.

The report was noted.

### AS33 **ACCOUNTS SIGN-OFF**

The External Auditor apologised that he was unable to attend the meeting in person. He noted there was nothing of urgent concern in the accounts.

He said the disclaimer opinion for the 2023/24 accounts was consistent with most councils which also had backlogs of audits from previous years. Although the External Auditor's opinion of these accounts was disclaimed, they had still undertaken work with the figures for these accounts.

They had been able to undertake much of the work they had anticipated, e.g. local government pension balances, investment properties, property plant and equipment, and cash.

There were areas they would have liked to give the Council more assurance e.g. income and expenditure. He noted the Council's ability to prepare the 2023/24 accounts in these areas had been affected by work needed to address the backlog of audits for previous years.

Once the accounts had been signed off, KPMG would do everything in their power to return them for the 5pm deadline on the 28<sup>th</sup> February 2025, the day that followed the meeting.

KPMG had undertaken significant work in the area of value for money assurance. The value for money reporting responsibilities had changed significantly compared to the last time the Council had had a full audit. The Auditor's Annual Report had identified areas KPMG wished to follow up further as review of the Council's value for money arrangements. These included arrangements surrounding financial sustainability, housing management and risk management.

In response to questions from members, the External Auditor said: -

- Page 26 (Local Audit – Reset and Recovery) of the Uttlesford District Council ISA260 AC report on the agenda tonight, sets out the regulator's recommendations as to how a council such as Uttlesford District Council could return to unmodified (unqualified) audits. The best case would be for this to happen for the 2026/27 audit.
- 2024/25 was likely to be a disclaimed opinion, with a target to reach a qualified opinion in 2025/26 and an unmodified (unqualified) opinion in 2026/27. This would be however dependent on working with management, as part of the 2024/25 audit, to rebuild the historic assurances.
- This would be in addition to the work that would normally be carried out as part of the 2024/25 audit.

In response to questions from members, the Strategic Director of Finance, Commercialisation and Corporate Services said: -

- The Corporate Risk Register would be reviewed monthly by the Strategic Directors and quarterly by the Corporate Management Team before being passed to Cabinet. He expected the next review to be in mid-March 2025.
- Overnight banking had been missed on two occasions, once due to human error, and once due to a technical issue on the side of the bank. The limit to the amount of money the Council held with any single banking institution was self-imposed.

Members noted a duplication of paragraphs on page 8 of the report.

The Strategic Director of Finance, Commercialisation and Corporate Services stated that the Annual Governance Statement had not changed since the previous meeting of the Committee, where it had been approved. He further clarified that the Letter of Representation was standard and would be returned to the External Auditor.

RESOLVED to:

- I. To approve the statement of Accounts 2023/24
- II. To approve the Annual Governance Statement 2023/24
- III. To approve the Letter of Representation
- IV. To note the ISA 260 Report and Audit Recommendations

*The meeting was closed at 7.30pm.*