

**AUDIT AND STANDARDS COMMITTEE held at COUNCIL CHAMBER -
COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, CB11 4ER, on
THURSDAY, 29 MAY 2025 at 7.00 pm**

Present: Councillor C Fiddy (Chair)
Councillors S Barker, G Driscoll, M Foley, M Lemon, S Luck and
R Silcock

Officers in attendance: P Honeybone (Internal Audit Manager), N Katevu (Head of Legal
and Monitoring Officer), A Knight (Director of Business
Performance and People), L Porteous (Director of Finance,
Revenues & Benefits), J Procter (Democratic Services Officer)
and A Webb (Strategic Director of Finance, Commercialisation
and Corporate Services)

Also in attendance: J Gudhuza (External Audit Manager), S McKean (External Audit
Director), D Pearl (Independent Person) and G Wellingbrook-
Doswell (Independent Person)

AS1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were received from Councillors Armstrong, Gregory and Oliver, and
from the Independent Persons D Paul and G Butcher.

There were no declarations of interest.

**AS2 ELECTION OF A VICE CHAIR OF THE AUDIT AND STANDARDS
COMMITTEE**

The Chair called for nominations to elect a new Vice Chair of the Audit and
Standards Committee.

The Chair nominated Councillor Lemon as Vice Chair and was seconded by
Councillor Foley.

There were no further nominations. Councillor Lemon was duly elected Vice
Chair of the Audit and Standards Committee.

RESOLVED to elect Councillor Lemon as Vice Chair of the Audit and
Standards Committee.

AS3 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting held on 25th March 2025 Were approved as
an accurate record.

ANNUAL GOVERNANCE STATEMENT

The Monitoring Officer presented the Annual Governance Statement. She drew members attention to the issues that had arisen during 2024/25 detailed in paragraphs 4.2 and 4.3 and the actions that had been taken in response.

In response to questions from members, she said: -

- Policies were reviewed once every three years or when there was a change in legislation
- She and the Internal Audit Manager were in the process of reviewing all relevant documents to ensure they were up to date. Changes in personnel meant steps were being taken to ensure consistency throughout documentation
- In conjunction with corporate directors, she was in the process of amending the scheme of delegation with the intention of bringing a revised constitution before Full Council in June 2025
- The Member Development Strategy Task and Finish Group had developed a strategy approved by Full Council that would be implemented in future training. Training attendance was recorded and group leaders were contacted to encourage further attendance.
- The Council employed the use of a Contracts Register which all officers had been advised to populate where necessary. She and the Director of Business, Performance and People monitored the register to review and ensure all records of contracts were kept up to date by the officers responsible

Members discussed the report and the following points were made: -

- Members suggested policies should be reviewed more frequently than every three years
- Concern was expressed over identified gaps in code of conduct training in the report and members suggested contacting group leaders to encourage members to complete training either in person or online

In response to a suggestion from the Chair, the Monitoring Officer said she would explore providing a standing item to Committee to keep members informed of the progress relating to the issues laid out in the Annual Governance Statement. She added that she would ensure further progress would be reported to Committee at the next meeting.

Councillor Barker noted that on p24 of the report, Regulation 19 was recorded as approved at Full Council, however the Regulation required approval from the Planning Inspector and only its submission had been approved by Full Council. The Monitoring Officer noted this and agreed to amend the detail.

RESOLVED to approve the Local Code of Corporate Governance 2024 and the Annual Governance Statement 2024/25 for publication with the Statement of Accounts subject to an amendment to page 24: "Regulation 19 was approved by Full Council" to "The submission of Regulation 19 was approved at Full Council."

AS5

COUNTER FRAUD STRATEGY UPDATE

The Internal Audit Manager presented the Counter Fraud Strategy Update. He noted that the report incorporated and updated the information provided to Committee in November 2024. Key developments since then included the extension of fraud reporting to capture more sources of intelligence, and the launch of an online counter fraud training module with the aim to be completed by all staff, the completion rates of which would be monitored.

He noted there had been no material fraud since the last update.

He provided a verbal update on the three outstanding tenancy fraud items in section 5 of the report, stating all been closed off with no issue.

The only outstanding cases were those that had already been referred to outside agencies such as the Department for Work and Pensions (DWP).

In response to questions from members, he said: -

- The anti-fraud training module was available to all staff at the time of the meeting and he would ensure it was made available to members and they would be notified

Members discussed the report and the following points were made: -

- It was suggested that members be prompted to confirm they had been notified of training and that they had completed any online modules
- The Director of Business, Performance and People said any available training would be reported in the weekly Members' Bulletin and emailed directly to members
- The Chair encouraged members to ensure they read the Member's Bulletin

The report was noted.

AS6

INTERNAL AUDIT ANNUAL REPORT & OPINION

The Internal Audit Manager presented the report. He said in his opinion the control environment had significantly improved in the last year. At the end of 2024/25 there were only 26 overdue recommendations down from 44 at the start of the year.

He identified the following key improvements to the control environment:

- The accounts were signed off
- Risk management processes had been reviewed and updated
- New processes for procurement and contract management had been implemented

He noted that there were almost as many limited opinion reports as there were moderate and therefore said that while overall there had been good progress in 2025, it was not enough to raise his audit opinion from limited to moderate.

He issued corrections to the table in Appendix C on page 81, noting that the figures listed under the Homeless Rough Sleeping Strategy column should instead be under the Temporary Accommodation column and the heading that read “Recommendations in Progress 1 April 2025” should read “Recommendations in progress as at 1 April 2026.”

In response to questions from members, he said: -

- The Internal Audit team used a recommendation tracker and worked with directors and service managers to stay informed on each recommendation’s progress.
- It was his intention to provide members with an updated version of this tracker at every meeting

The Director of Business, Performance and People added that the Chief Executive had asked all managers to incorporate strategy assist the Council in moving from a limited to a moderate audit opinion.

In response to a question from the Chair, she said she had emailed the previous Chair of Audit and Standards regarding the Audit Manager performance assessment (page 54, item 6) and would follow up with this outside of the meeting.

The report was noted.

AS7 CORPORATE RISK REGISTER

The Director of Business, Performance and People presented the report. She said Committee had last seen the updated register in November. This was a new process as part of the Corporate Risk Strategy and seemed to be working well. A requirement of the Risk Management Policy was for the Corporate Management Team (CMT) review all service risks. She noted that the Corporate Risk Register was a live document that was continually updated and the version presented at Committee only represented a fixed point in time. The version brought to Committee at the time of the meeting was dated to the end of April 2025.

In response to questions from members, she said the risk relating to Thurrock Council’s proceedings against Association for Public Service Excellence (APSE) was considered low enough that it had been removed from the register.

The report was noted.

AS8 ACCOUNTING POLICIES

The Chair noted that Appendix A of the report had a reader-friendly and accessible approach but expressed concerns that the omission of information detailed in Appendix B could make the Council appear less transparent. She had therefore asked the Strategic Director of Finance, Commercialisation and Corporate Services whether Appendix A could include a link to Appendix B to which he had agreed.

The Strategic Director of Finance, Commercialisation and Corporate Services agreed with the Chair's concerns and noted that while it was important for the accounts to be easy to read, he appreciated the transparency concerns and therefore recommended including a link to Appendix B.

Members commended efforts to ensure clarity in the presentation of the accounts.

The Director of Finance presented the report.

RESOLVED to approve the Proposed Accounting Policies (Appendix A), subject to the Current Accounting Policies Disclosure Note (Appendix B) being made available to the public.

AS9 UPDATE TO FINANCIAL RULES AND REGULATIONS

The Chair said that the Update to Financial Rules and Regulations was recommended to be withdrawn from the agenda and deferred to a later date due to comments received from members to which the Strategic Director of Finance, Commercialisation and Corporate Services agreed.

The Chair proposed to withdraw and defer the item to a later date.

RESOLVED to defer consideration of the Update to Financial Rules and Regulations to a later date.

AS10 EXTERNAL AUDIT PLAN AND STRATEGY 2024/25

In response to a question from the Chair, the Strategic Director of Finance, Commercialisation and Corporate Services said the finance team had been strengthened since the challenges relating to the audit backstop that were faced in 2023/24, having hired new staff including the new Director of Finance and the new role of the Head of Finance. Two trainee accountants in the team were in the process of passing their exams and would therefore be promoted to full accountant roles. In light of this a new trainee accountant had been hired.

S McKean introduced herself as the External Audit Director at KPMG and presented the External Audit Plan and Strategy report. Regarding the audit for 2024/25, she said they would carry out a value for money audit set to begin in July 2025 which had a deadline of the 30th November 2025. The final audit field work for was scheduled to begin in September 2025. There was a deadline of 27th February 2026 for the Financial Statement Audit.

She noted that their goal for 2024/25 was to complete fully all audit procedures if possible but stressed that even if they were successful the audit opinion would still be disclaimed as they would not have assurance on the opening balances. The plan was to move the Council from a disclaimed to qualified opinion before eventually reaching an unmodified opinion. She reminded members that this

situation was not unique to Uttlesford and many councils were in a similar position.

The Strategic Director of Finance, Commercialisation and Corporate Services added that if their strategy was successful, they would reach an unqualified opinion no sooner than November 2027 and noted that if this were to be delayed by a further year it would likely be the successive authority to UDC that would approve the opinion.

In response to a question from a member S McKean said KPMG was waiting for guidance from the sector on how to measure and gather credibility on a day-to-day and month-to-month basis. She said the move from a disclaimed to a modified opinion would require two fully audited years in a row. The Strategic Director of Finance, Commercialisation and Corporate Services added that he had asked KPMG to bring a separate report to Committee once the guidance had been received.

J Gudhuza introduced himself as External Audit Manager at KPMG and presented to Committee the areas with special consideration of risk. He highlighted the main risk areas and noted a range of potential outcomes.

The report was noted.

Members additionally discussed technical issues in receiving agendas and the members' bulletin to Essex County Council email addresses.

The meeting closed at 19.50.