

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE,
HELD ON THURSDAY, 27TH MARCH, 2025 AT 10.30 AM
IN THE COMMITTEE ROOM, AT THE TOWN HALL, STATION ROAD, CLACTON-
ON-SEA, CO15 1SE**

Present:	Councillors Sudra (Chairman), Steady (Vice-Chairman), Fairley and Morrison
In Attendance:	Ian Davidson (Chief Executive) (items 66 (part) - 71 only), Richard Barrett (Corporate Director (Finance and IT) & Section 151 Officer), Karen Hayes (Corporate Governance, Performance & Procurement Manager), Craig Clawson (Internal Audit Manager), David Ousby (Interim Assistant Director (Project Delivery)) (items 66 (part) - 71 only), Ian Ford (Committee Services Manager), Katie Koppenaal (Committee Services Officer) and Bethany Jones (Committee Services Officer)
Also in Attendance via MS Teams	Emma Larcombe (representing KPMG, the Council's External Auditor) (items 66 – 71 (part) only)

66. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were no apologies for absence submitted nor substitutions on this occasion.

67. MINUTES OF THE LAST MEETING

It was moved by Councillor Sudra, seconded by Councillor Morrison and:-

RESOLVED that the Minutes of the meeting of the Committee, held on 13th February 2025, be approved as a correct record and be signed by the Chairman.

68. DECLARATIONS OF INTEREST

There were no declarations of interest by Councillors in relation to any item on the agenda for this meeting.

69. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

On this occasion no Councillor had submitted notice of a question pursuant to Council Procedure Rule 38.

70. REPORT OF DIRECTOR (FINANCE & IT) - A.5 - EXTERNAL AUDITOR'S DRAFT AUDIT PLAN & STRATEGY FOR THE YEAR ENDING 31 MARCH 2025

The Committee heard a presentation of the External Auditor's Draft Plan and Strategy for the year ending 31 March 2025.

Emma Larcombe of KPMG, the Council's appointed External Auditor, led the Committee through the attachment to the Director's report which was:-

Attachment 1 – External Auditor's External Audit Plan & Strategy for the year ending 31 March 2025.

It was reported that, shortly after the end of each financial year, the Council prepared in accordance with proper practices a Statement of Accounts as statutorily required, which was then subject to external audit before final publication. The current publication deadline for the unaudited accounts for 2024/25 was the end of June 2025.

The Audit Plan and Strategy issued by the External Auditor (EA) highlighted at a summary level, aspects of the work they planned on undertaking and why, areas of focus including where risks were likely to be greater and the background to their required value for money activities.

The outcome of the External Auditor's work had been set out in separate reports that would be presented to the Audit Committee at a future meeting or meetings, within the proposed timescales associated with the 'backstop' date for the 2024/25 accounts, i.e. 27 February 2026.

Ian Davidson welcomed the open approach of the EA plus the clarity and completeness of their report.

<u>Summary of Questions asked by Members</u>	<u>Summary of Answers Received from Emma Larcombe</u>
Do you have any more information relating to the Journal Aspects?	That is a risk that we have on every single Audit. It reflects the potential for management to override controls. This could be manipulating positions around journal entries and estimates/Year End figures. However, this is not a heightened risk for Tendring District Council.
In relation to Internal Audit Work on Projects Management, can you share your findings?	We have not yet completed our value for money work for 2024/2025. We will focus on capitalisation of costs in particular.

It was moved by Councillor Sudra, seconded by Councillor Morrison and:-

unanimously **RESOLVED** that the External Auditor's Draft Audit Plan and Strategy for the year ending 31 March 2025 be noted.

71. **REPORT OF THE DIRECTOR (FINANCE & IT) - A.4 - TABLE OF OUTSTANDING ISSUES**

The Chief Executive Officer took Members, in depth, through Appendix D, which reported the outcome from the Spendells House Capital Scheme Review.

<u>Summary of Questions asked by Members:-</u>	<u>Summary of Answers Received:-</u>
Would it be possible for annual training for relevant Officers on Project Corporate Governance etc. to be introduced?	(Ian Davidson) We will pick that up and add it to the Senior Managers Forum schedule. (Richard Barrett) We can also include this as part of new Officers' induction. An action plan will be additionally

	produced based upon the outcome of the Spendells House/Orwell Place/Sunspot Project Review outcomes.
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David Ousby, Head of the Project Delivery Unit (PDU) introduced himself and gave a presentation on the PDU including its staffing structure; its governance; its terms of reference; its project and programme controls including the Project Initiation Document (PID) and monthly highlight reports plus the key risks register and mitigations and finally the delivery programmes and their timelines.

<u>Summary of Questions asked by Members:-</u>	<u>Summary of Answers Received:-</u>
How often can we expect these updates?	(David Ousby) Members will receive the monthly highlight reports. It could be a standing item on the Committee's agendas if required.
Could this Committee receive a report on a quarterly basis at its meetings?	(Richard Barrett) Yes, this could be done in a 'dashboard' reporting mechanism.
Does each individual project have a contingency built in?	Yes, and is large at the beginning due to all the potential uncertainties. The aim is to reduce that contingency as the project progresses and the uncertainties reduce.
In relation to Local Government Reorganisation, are we aware of different approaches to project management that other local authorities in Essex take?	(David Ousby and Ian Davidson) At County Council, Members are more remote, and management is through various Committees. At District/Borough level it is more 'closer' through the relevant Portfolio Holders. We will need to understand the role and impact of an Elected Mayor under Devolution. For the new Unitary Authority, its project management ethos and structures will need to be drawn up as part of the work of the 'Shadow Authority'. Tendring District Council will not be allowed to fetter the actions of the new Unitary Authority which will be an added complexity. A joint committee between Tendring District Council and the shadow authority may well be required.

The Committee was then informed of the progress on outstanding actions identified by the Committee along with general updates on other issues that fell within the responsibilities of the Committee.

The Table of Outstanding Issues had been reviewed and updated since it had been last considered by the Committee in January 2025.

There were three main ongoing elements to this report as follows:

- 1) Updates against general items raised by the Committee – **Appendix A**
- 2) Updates against the 2023/24 Annual Governance Statement Action Plan – **Appendix B**
- 3) Updates against recommendations made by the External Auditor – **Appendix C**

In terms of item 1) above, there were no significant issues to raise, with actions remaining in progress or further details set out below.

In respect of the 2023/24 Annual Governance Statement Action Plan, the Committee at its 13 February 2025 meeting had approved for publication the audited Statement of Accounts for 2023/24 and approved for signing the Annual Governance Statement, taking into consideration any minor amendments as agreed with the External Auditor. As part of the associated work of the External Auditor, a number of recommendations had been made which were set out within **Appendix C** as highlighted above. There were no significant issues to highlight at the present time with actions and activities remained ongoing.

Spendells House Capital Scheme Review

The outcome of the recent review was attached at **Appendix D**, which also addressed one of the External Auditors recommendations as set out within **Appendix C**. It was important to highlight that this investigation formed one element of the Council's wider response to the issues identified. Those actions were referred to within the Annual Governance Action Plan set out within **Appendix B**, and along with the investigation, mitigation actions had already been undertaken that included:

- The Chief Executive issuing a directive to all Senior Managers relating to financial and budget management, which explained the consequences and expectations of them in their roles that would be supported by further collective meetings with Senior Officers.
- The commencement of arrangements for the implementation of a Senior Officer Project 'Board' that in turn would report directly to the Council's Senior Management Team on a regular basis.
- Statutory Officers had re-delivered governance awareness training at a recent Senior Managers' Forum event, where attendance had been mandatory.

As previously discussed, it had been proposed to arrange a briefing for members of the Committee jointly with the members of the Resources and Services Overview and Scrutiny Committee. That briefing had been held on 26 March 2025 ahead of this meeting of the Committee. In terms of the Audit Committee's assurance role and reflecting on the recent training / Member development session earlier in the year, it was worth highlighting the Committee's relevant terms of reference as follows, especially in comparison with that of the Resources and Services Overview and Scrutiny Committee who had a different but complementary role:

- *To provide independent assurance of the adequacy of the risk management framework and the associated control environment;*

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- *To provide independent scrutiny of the Council's financial and non-financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment;*
 - *Assessing external auditor and external regulatory reports and monitoring any quality improvement programmes where required.*
 - *Reviewing significant issues referred by the Chief Executive, Cabinet or any Council Committee.*
 - *Monitoring the effective development and operation of risk management and corporate governance.*
 - *Considering the arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.*
 - *Considering the Council's compliance with its own and other published standards and controls*

In terms of the reference to best practice within the bullet points above, it was also worth highlighting the following relevant key elements that were set out within the Government's best value standards:

- *Local Authorities must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness;*
- *Reporting on value for money, performance and the stewardship of resources is completed in a timely and understandable way, with transparent responses to recommendations from internal and external audit, and regulators;*
- *Robust system of financial controls and reporting exists, which provide clear accountability and ensure compliance with statutory requirements and accounting standards; and*
- *Procurement processes ensure economic, efficient and effective outcomes of contract procurement and management.*

The review had concluded that though the Council's underlying/current governance arrangements and internal control processes were reusable/adequate, such arrangements could be strengthened in the following areas:-

- *The scoping, management and adherence to the Council's Governance Framework.*
- *Specification – specifications must be robust, complete and clear. Specifications should be compiled by service area experts, and if these cannot be provided internally then services should be sought externally with an associated budget. Sufficient capacity should also be considered and allocated, with management oversight. A thoroughly prepared specification would negate the requirement for significant and numerous contract variations, although minor variations may still be expected.*
- *Contingency – contingency should not only be considered at the beginning of the project, but it should also be considered when tenders are returned as this may impact on the overall budget dependent on the scale of the project.*
- *Project management – the project should report progress against time, budget and potential issues. Mechanisms within the services need to be in place to ensure that senior management are aware when significant issues arise, in this instance substantial variations to the contract. Although regular meetings were occurring, these were without structure to the agenda and did not necessarily*

demonstrate the financial commitment of the project, and therefore opportunities to identify potential unauthorised earlier were missed.

- Decision making – constitutional requirements do not appear to have been adequately considered during the life of this project. It is therefore recommended that for future projects, all project leads review and consider constitutional requirements at both the planning state and during the implementation of the project, to ensure that any statutory requirements are followed in addition to the contract terms.*
- Training – adequate training for Officers should be provided before undertaking any project, including specification writing, project management and contract management, especially of this scale. Appropriate supervision and support should also be provided at the inception of the project.*
- Strategic oversight – a Project Board will provide a consistent strategic approach to all projects going forward. All project managers are to report progress against targets including any potential issues that may occur. When providing financial information, this should also include amounts already committed, potentially using GANT charts may help. The minimum expectations of reporting standards should be agreed from the outset.*
- Contract management – the Council's interests must be prioritised when managing contracts. This includes using the Council's own processes and systems and not relying on contractor processes and direction, as it may be difficult to validate information and ensure that we comply with the constitutional and statutory requirements. Control must be retained by the Council, even if the expertise lies with the contractor.*
- Contract variation – contract variations must be limited by ensuring a robust specification is produced (as aforementioned). Variations should not be approved unless quotations or financial impact is provided in advance as well as being challenged when requested by a contractor. It may be beneficial to limit variation orders that can be approved in line with current constitutional requirements. The correct financial approvals must be sought in order to negate unauthorised spend.*
- Unauthorised spend – managers should be aware of their constitutional responsibilities when authorising spends. Once Cabinet has approved an overall budget, managers should update and request additional funding in necessary from the Portfolio Holder/Cabinet, at the earliest opportunity prior to committing the Council to further expenditure.*
- To include sessions within future staff inductions to draw attention to the Council's high level governance arrangements, policies and procedures. This could be complemented via a six-monthly induction 'follow up' session aimed at senior managers that can provide further detail in key areas such as budget and financial responsibilities long with procurement and other requirements set out within the Council's Constitution.*

In addition to the above and based on the detailed findings/outcomes, the matter has been referred for review against the Council's HR policies to determine any further necessary action.

In terms of a practical and pragmatic response to the various issues and elements of good governance and best practice above, it was proposed to bring together the outcome from the Spendells House review set out within **Appendix D**, together with the outcome from reviews of other major projects such as the Orwell Place Car Park and Events space capital scheme in Dovercourt that had been reported to Cabinet on 21

February 2025. Reporting the outcome from major capital investment formed part of the Council's underlying approach as set out within the Annual Capital and Treasury Management Strategy and highlighted within the Annual Governance Statement Action Plan within **Appendix B**. Along with further planned reports such as the upcoming review of the flexible workspaces in Jaywick (Sunspot), various learning points could be brought together as part of the annual review of the Council's governance arrangements that in turn informed the associated action plan, that would be presented to the Committee in the first half of 2025/26.

Appointment of Independent Person(s) to the Audit Committee

It was reported that a draft person specification had been set out in **Appendix E**. It was proposed to further develop the specification in consultation with Members of the Committee in advance of a final version being presented to the June 2025 meeting of the Committee. Once agreed the actions associated with establishing and recruiting to this post would be undertaken which would include recommendations being made to Full Council, the appointment process and induction programme. A recommendation had been included within the report that reflected this proposed approach.

External Funding Review

As highlighted within the report to the Audit Committee at its September 2024 meeting, this Committee had been asked by Cabinet for their support and assurance on the associated governance processes. This item had subsequently been captured within the Committee's proposed work programme for 2025/26 as set out elsewhere on the agenda.

External Audit Delays

Following the Committee's consideration and approval of the Statement of Accounts for 2023/24 and associated External Auditor reports, there were no longer any years outstanding. Work was underway in terms of the Council's 2024/25 accounts which would be subject to audit later in the year and would be reported to the Committee accordingly.

Local Audit Reform

There were currently no further updates over and above the detailed information presented to the Committee at its January 2025 meeting. Updates would be included in future reports as necessary.

RIPA – Regulatory Investigatory Powers Act 2000

To inform the Committee of any activity conducted under RIPA by the Authority – the Authority had not conducted any RIPA activity in the last quarter and it was rare that it would be required to do so.

Whistleblowing

To inform the Committee of any activity under the Whistleblowing Policy as part of the monitoring arrangements. The Authority had not received any Whistleblowing notifications since the adoption of its policy in July 2023.

It was moved by Councillor Sudra, seconded by Councillor Fairley and:-

RESOLVED that:-

- (a) the progress against the actions set out in Appendices A, B and C be noted.
- (b) in respect of the Spendells review set out in Appendix D, that the findings be noted and that Officers be requested to bring these together with the outcomes from other various reviews of major projects, in addition to any associated recommendations from External/Internal Audit for consideration as part of the annual review of the Council's governance arrangements at the earliest opportunity in 2025/26;
- (c) the draft Independent Person specification set out in Appendix E be noted and Officers requested to further develop the specification for consideration at the next meeting of the Committee in June 2025, with consultation undertaken with Members of the Committee in the interim period.
- (d) the Chief Executive Officer be invited to attend a future meeting of the Committee to give a half yearly update on the matters raised in the review of the Spendells Capital Scheme Review; and
- (e) that Officers be requested to explore opportunities for a 'dashboard' style reporting mechanism for updates on the work of the Project Delivery Unit on major projects that could be submitted to the Audit Committee and Full Council, as appropriate, on a regular basis.

72. REPORT OF THE INTERNAL AUDIT MANAGER - A.1 - REPORT ON INTERNAL AUDIT - JANUARY 2025 TO MARCH 2025 AND THE INTERNAL AUDIT STRATEGY & OPERATIONAL PLAN 2025/26

The Committee was provided with a progress report on the Internal Audit function for the period January 2025 – March 2025 and approval was sought from the Committee for the Internal Audit Strategy and Operational Plan 2025/26.

The report was summarised as follows:

- *A total of four audits had been completed since the previous update in January. Eight audits were still in fieldwork. The audits completed this period were Housing Benefit, Main Accounting System and Budgetary Control, Corporate Governance and Accounts Payable. All had received satisfactory opinions of Adequate or Substantial Assurance.*
- *The Global Internal Audit Standards required Internal Audit functions to have a Internal Audit Strategy in place which not only set out the annual plan but also looked to the future. A new Internal Audit Strategy and Operational Plan for 2025/26 had been developed for the Audit Committee to review and approve. The strategy included a three-year plan with provisional audits for future years which could be adjusted each year dependant on the priorities of the Council. It was designed to be resilient and flexible with the ever changing regulatory and external environment.*
- *The 2025/26 Operational Plan had been developed using a risk-based approach, taking account of the Council's Corporate Objectives, Corporate Risks, horizon scanning from other Government agencies and best value standards from the*

Ministry of Housing, Communities and Local Government (MHCLG). The plan had been collated based on the information gained from liaising with Directors, Heads of Service and entire departments to target areas that might benefit from an independent review of processes and procedures to determine potential efficiency gains, improved technology / software requirements or if the function has not been audited for a substantial period of time due to it being considered of lower risk historically.

The Committee was made aware that the Internal Audit Manager had continually risk assessed the progress of the plan against the level of resources available throughout the year to determine whether a measured annual assurance opinion could be provided based on the level of work completed. A determination had then been made as to whether audit days needed to be procured to support the delivery of the plan.

Members heard that in order to provide the Head of Internal Audit's Annual Opinion at the June 2025 Audit Committee, it was important that the following audits were completed as they formed part of the Council's key systems. Those audits were Procurement, Housing Repairs and Maintenance, Accounts Receivable, Payroll and Health & Safety. All were currently in fieldwork and close to completion.

Quality Assurance – The Internal Audit function issued satisfaction surveys for each audit completed. All satisfaction surveys were yet to be returned from the four audits completed in this period.

Resourcing

Internal Audit currently had an establishment of 4 fte posts with access to a third-party provider of Internal Audit Services for specialist audit days as and when required. There was currently an Audit Technician post vacant.

Outcomes of Internal Audit Work

The Public Sector Internal Audit Standards required the Internal Audit manager to report to the Audit Committee on significant risk exposures and control issues. Since the last report four audits had been completed and the final report issued.

Assurance	Colour	Number this Period	Total for 2023/24 Plan	
Substantial		2	4	
Adequate		2	13	
Required Improvement		0	1	
Significant Improvement Required		0	0	
No Opinion Required		0	2	Two consultative engagement in 2025/26 to date

For the purpose of the colour coding approach, both the substantial and adequate opinions were shown in green as both were within acceptable tolerances.

There were no issues arising from the audits completed in the period under review as none had received an 'Improvement Required' opinion that required reporting to Committee.

Management Response to Internal Audit Findings – There were processes in place to track the action taken regarding findings raised in Internal Audit reports and to seek assurance that appropriate corrective action had been taken. Where appropriate follow up audits had been arranged to revisit significant issues identified after an appropriate time.

The number of high severity issues outstanding was as follows:-

Overdue more than 3 months	4	Long term actions reported to the Audit Committee periodically (Appendix B)
Overdue less than 3 months	0	
Not due yet	0	

Update on previous significant issues reported:-

All previously significant issues were now provided within Appendix B of this report.

Development of the Audit Plan

The Committee heard that the Internal Audit Plan had been produced taking into account the requirements as set out in the Global Internal Audit Standards and the current Internal Audit Charter. The Internal Audit Team continued to aspire to add value by targeting particular areas of the Council that could benefit from an independent review of processes and procedures to determine potential efficiency gains, improved technology / software requirements or changed through new innovative ways of working.

Risk Management was also an aspect that required consideration when developing an audit plan. Although risk registers were considered as part of this process, leadership, managers and officers considered risk every day in the work they did, therefore interviews with Officers at all levels were key when reviewing whether risks were considered in decision making.

Risk was defined as 'the possibility of an event occurring that will have an impact on the achievement of objectives'. Therefore, risk could have a positive and negative aspect, so as well as managing things that could have had an adverse impact (downside risk) it was also important to look at potential benefits (upside risk). All audits would look at adverse impact and potential opportunities and all significant areas were reported to the Audit Committee periodically.

Discussions had been held with Management Team members individually and collectively. The feedback from Management Team had been taken into account and incorporated within the plan presented to the Committee. The Committee now had the opportunity to input into the draft plan provided.

Other factors also considered when developing the plan were:-

- The risk maturity of the organisation;
- The need to use specialists e.g. IT Auditors
- Contingency time to undertake ad-hoc reviews and fraud investigations; and
- Having the right balance of different reviews e.g. Systems and risk-based versus added value and consultative assessments

Internal Audit Resource Requirements

The establishment for the Internal Audit function was currently four full-time equivalents (fte). The team currently held a vacancy for a full-time Audit Technician post.

The Committee was informed that the proposed plan had been developed based on the current resource available as well as consideration to the continued oversight of the Fraud and Compliance team. The number of audit days proposed was 400 per year. The plan had been created with the following in mind:-

- A leaner more practical audit plan had been developed using a risk-based approach, knowledge of all operational processes within service areas, historical assurance opinions and an understanding of where procedural changes had occurred around the Council.
- A hybrid structure of both internal and external resource had provided additional resilience within the team as well as different experience, skills transfer for more junior staff and access to a hub of audit resource. The combination of staff between Internal Audit and Fraud and Compliance had added an extra level of resilience and allowed both teams to share knowledge and skills in different areas.
- Emphasis on adding value in delivering objectives by providing more consultative work and advice on upcoming initiatives, projects, programmes and emerging risks.

Internal Audit Operational Plan Detail

The plan provided an outline of the work currently proposed to be undertaken during the 2025/26 financial year. In order to continue to provide a proactive and flexible approach, the plan should be considered indicative of the work currently intended. The Internal Audit Plan needed to be flexible to ensure that Internal Audit resources were directed where they were most needed and added as much value as possible to the organisation.

The plan would be kept under review during the year, in consultation with the Council's senior management, and taking account of changes to the Council's priorities, operations and risk. Changes to the plan would be brought to the attention of the Committee for its approval.

The plan was considered to be in effect a rolling programme of work, rather than specific to one year, and audits scheduled, but incomplete at the end of any financial year would roll forwards and would be completed in the new financial year.

A detailed breakdown of the Audit Plan was included in Appendix C.

As referred to above, mechanisms existed to allow amendments to the plan and if any issues had arisen regarding the risks in the current Corporate Risk Register, or new risks emerge including any identified by the Council's external auditors, then plan adjustments would be considered.

The level and range of coverage was considered sufficient for the Internal Audit Manager to be able to provide an annual opinion on the Council's assurance framework.

After discussion it was moved by Councillor Sudra, seconded by Councillor Fairley and unanimously:-

RESOLVED that –

- (a) the periodic update and the action tracking report be noted; and
- (b) the proposed Internal Audit Strategy and Operational Plan for the 2025/26 financial year be approved.

73. REPORT OF THE INTERNAL AUDIT MANAGER - A.2 - ANTI FRAUD AND CORRUPTION STRATEGY & FRAUD RISK REGISTER

The Committee was presented with an updated Anti-Fraud and Corruption Strategy.

The report was summarised as follows:

- the Council's Anti-Fraud and Corruption Strategy had been last updated in April 2024 and was therefore in need of review by the Audit Committee.
- An amended strategy was attached as **Appendix A**, which reflected a number of amendments emerging as part of the annual review process but remained based on CIPFA's Code of Practice on managing the risk of fraud and corruption as previously adopted by the Committee.
- The updated strategy provided details of actions and provided a realistic timescale for those to be implemented.
- A Fraud Risk Register (**Appendix B**) had been created to address the action required within the Anti-Fraud and Corruption Strategy. At this stage only the risks had been populated with the relevant mitigation measures to be provided at a later date.

Members heard that the Council was required to have an Anti-Fraud and Corruption Strategy. The strategy was subject to an annual review process.

The amended strategy was set out in **Appendix A**. Amendments made since the last review had been highlighted in red font.

The Strategy continued to be based on CIPFA's code of practice on managing the risk of fraud and corruption. As its foundation, the Strategy set out the Council's commitments along with the following key areas:

- Purpose, Commitment and Procedure
- Legislation and General Governance
- Definitions
- Standards, Expectations and Commitment

- Roles and Responsibilities
- Prevention
- Detection and Investigation
- Resources Invested in Counter Fraud and Corruption

It was reported that the strategy continued to be subject to an annual review process including progress against identified actions and had therefore been included within the ongoing work programme of the Committee. It was acknowledged that through its application, the Strategy would evolve to reflect the various strands of work that had been developed within the Council, which would be included in future updates presented to the Committee.

Updates to the Council's Anti-Fraud and Corruption Strategy Action Plan were also included within **Appendix A**.

The Committee had also been provided with a Fraud Risk Register within **Appendix B** to review and adopt. The Council did have mitigating controls in place for each inherent risk highlighted; however, a list of mitigating controls / processes would be provided at a later date after consultation with the different departments. The Fraud Risk Register had been developed to address the agreed actions within the Anti-Fraud and Corruption Strategy to consider fraud risks within the Council's general risk management framework.

Furthermore, to demonstrate the effectiveness of the Anti-Fraud and Corruption Strategy and address how fraud risks impacted on achieving the Council's objectives and its service users; the Internal Audit Manager would provide an update on the work undertaken by the Fraud and Risk Team and the outcomes from that work on a bi-annual basis.

It was moved by Councillor Sudra, seconded by Councillor Steady and unanimously:-

RESOLVED that the amended Anti-Fraud and Corruption Strategy, as set out in Appendix A and the Fraud Risk Register set out in Appendix B, be approved.

74. REPORT OF THE DIRECTOR (FINANCE & IT) - A.3 - AUDIT COMMITTEE WORK PROGRAMME 2025/26

Members were presented with the proposed work programme covering the period April 2025 to March 2026.

It was reported that the Audit Committee had a wide-ranging area of responsibility with statutory and regulatory functions making up a significant element of their work. The meetings of the Committee were scheduled around a quarterly basis subject to the work required of the Committee to support the statutory and regulatory timescales and deadlines. The Audit Committee's work programme therefore needed to take account of various demands whilst balancing a number of activities within the planned number of meetings scheduled for the year.

In addition to the regulatory and statutory activities undertaken by the Committee such as the Statement of Accounts, Corporate Governance and Risk Management, the Committee was also required to review and scrutinise:

- The work and performance of the Internal Audit function;
- The outcomes from the work of the Council's External Auditor; and
- Progress against audit recommendations and other items identified by the Committee.

The Committee heard that in addition to the items set out in **Appendix A**, a number of additional items would likely be presented to the Audit Committee during the year in consultation with the Chairman.

During the year other matters apart from those set out above could be presented to the Committee for consideration, for example the outcome from regulatory reviews or other external inspections. Given the on-going regulatory and statutory workload and the various additional activities undertaken by the Committee, any additional items that might arise would need to be considered against the proposed work programme and included for reporting at the appropriate meeting, or considered for inclusion in subsequent work programmes, an overview of which were included at the foot of **Appendix A**.

It was reported that considering the responsibilities of the Audit Committee as highlighted above, the proposed work programme covering the period from April 2025 up to and including March 2026 was set out in the Appendix.

It was moved by Councillor Sudra, seconded by Councillor Fairley and:-

unanimously **RESOLVED** that the Audit Committee Work Programme for 2025/26 be approved.

75. EXCLUSION OF PRESS AND PUBLIC

It was moved by Councillor Sudra, seconded by Councillor Morrison and;

RESOLVED that under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of Agenda Item 10 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 7 of Part 1 of Schedule 12A, as amended, of the Act.

76. REPORT OF THE DIRECTOR (FINANCE & IT) - B.1 - RISK BASED VERIFICATION POLICY

RESOLVED that following the annual review for 2025, the Risk Based Verification Policy, as set out in Appendix A to report B.1, be approved.

The meeting was declared closed at 12.25 pm

Chairman