MINUTES OF THE MEETING OF THE AUDIT COMMITTEE, HELD ON THURSDAY, 25TH SEPTEMBER, 2025 AT 10.30 AM IN THE COMMITTEE ROOM, TOWN HALL, STATION ROAD, CLACTON-ON-SEA, CO15 1SE

Present:	Councillors Sudra (Chairman), Steady (Vice-Chairman), Fairley, Morrison and Placey
Also Present:	Councillor Calver
In Attendance:	Ian Davidson (Chief Executive), Richard Barrett (Corporate Director (Finance and IT) & Section 151 Officer), Damian Williams (Corporate Director (Operations and Delivery)), Craig Clawson (Internal Audit Manager), Clare Lewis (Resilience and Assurance Manager), Karen Hayes (Corporate Governance, Performance & Procurement Manager), Katie Koppenaal (Democratic Services Officer) and Bethany Jones (Democratic Services Officer)
Also in Attendance:	Sarah McKean (External Auditor (Director - KPMG)) and Jodie Preston (External Auditor (Manager - KPMG))

10. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

No apologies for absence or substitutions were received or notified on this occasion.

11. MINUTES OF THE LAST MEETING

It was unanimously **RESOLVED** that the Minutes of the meeting of the Committee, held on 26th June 2025, be approved as a correct record and be signed by the Chairman.

12. DECLARATIONS OF INTEREST

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

13. 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.

14. REPORT OF THE CORPORATE DIRECTOR (FINANCE & IT) - A.3 - TABLE OF OUTSTANDING ISSUES

It had been decided by the Chairman of the Committee to allow the Chief Executive and Corporate Governance, Performance & Procurement Manager to address the Committee on the Table of Outstanding Issues (report A.3) prior to consideration of the remaining agenda items.

Members heard that the Table of Outstanding Issues had been reviewed and updated since it had been last considered by the Committee in June 2025.
There had been three main ongoing elements to this report as follows:

1) Updates against general items raised by the Committee – Appendix A

2) Updates against the 2024/25 Annual Governance Statement Action Plan – Appendix B

3) Updates against recommendations made by the External Auditor – Appendix C

In terms of items 1 and 3 above, there had been no significant issues to raise, with actions having remained in progress or further details set out within the report (A.3).

It was reported that, in respect of the 2024/25 Annual Governance Statement Action Plan, although that remained subject to the Committee's final approval later in the year once the work of the External Auditor had been completed, for timely and practical reasons the version that had been published at the end of June 2025 alongside the Unaudited Statement of Accounts presented the most up to date position for the Committee's consideration. Similarly to last year, that approach had enabled the actions and associated updates to be considered as early as possible within the Committee's annual work programme. Appendix B therefore included outstanding items from last year's Annual Governance Statement alongside new items for the current year. There had been no significant issues to highlight at the present time with actions and activities having remained on-going.

Local Audit Reform

Within previous reports, timely updates to the various audit reforms announced by the Government had been included with a summary as follows:

- Simplification and Streamlining: The reforms had aimed to simplify financial reporting requirements and streamline the audit process to make it more efficient;
- Increased Capacity: Efforts would be made to increase the capacity of the audit sector, reducing reliance on a small number of auditors;
- Funding Support: Up to £49 million in funding would be provided to help local authorities clear audit backlogs and cover additional costs;
- New Local Audit Office: A new Local Audit Office would be established to coordinate functions currently spread across multiple organizations, such as the National Audit Office and the Financial Reporting Council; and
- Transparency and Accountability: The reforms had been designed to restore public trust in how councils managed and reported their finances, to ensure better value for taxpayers.

The various associated activities had remained ongoing, with a number of matters set out within the Government's recently announced English Devolution and Community Empowerment Bill 2025, which included the following:

- The establishment of the Local Audit Office to oversee the local audit system in England with its main objectives to secure the effective operation of the system of audit with a view to meeting the needs of users of the audited accounts – the key focus / activities had been that audits under the Act had been carried out to a high standard, and that there had been a suitable range of persons able and willing to carry out such audits.

- Establishing and maintaining a register of individuals and firms who had been (by virtue of their registration) entitled to carry out audits in accordance with the Act.
- Overseeing the eligibility and regulation of registered providers.
- The appointment of Auditors.
- Audit Fees.
- Preparation of the Code of Audit Practice.
- Mandating the requirement to establish Audit Committees, which must have included at least one independent member.

It was highlighted to Members that the above formed part of a broader "Plan for Change" to bring long-term stability to the local audit system. Although practical implications had remained under review with further updates planned to be presented to the Committee later in the year, the Council had already undertaken timely steps as necessary, such as those associated with the appointment of an Independent Person.

The East of England Local Government Association (EELGA) Housing Review

Members were aware that, at the Audit Committee's meeting on 25 April 2024, the Committee had been informed of the changes happening within the Local Government Social Housing arena and that Local Housing Authorities with retained housing stock, from 1 April 2024, became part of the regulated social housing regime with a requirement to comply with a new set of Consumer standards.

Members heard that this report had built upon the previous report to provide the Committee with a 'progress' update following the continuing work to improve the management of this Council's housing stock and work carried out to achieve compliance with the Consumer Standards.

Members had recalled that, as part of the regulatory process, the Regulator of Social Housing (RSH) had introduced new consumer standards and 12 Tenant Satisfaction Measures (TSMs).

The four **Consumer Standards** that social housing landlords would be assessed against were:

- The **Safety and Quality Standard** which required landlords to provide safe and good-quality homes for their tenants, along with good-quality landlord services.
- The **Transparency, Influence and Accountability** Standard which required landlords to be open with tenants and treat them with fairness and respect so they could access services, raise concerns, when necessary, influence decision making and hold their landlord to account.
- The **Neighbourhood and Community Standard** which required landlords to engage with other relevant parties so that tenants could live in safe and well-maintained neighbourhoods and feel safe in their homes.
- The **Tenancy Standard** which set requirements for the fair allocation and letting of homes, as well as requirements for how tenancies had been managed by landlords.

Tendring District Council had been collating evidence and reporting on the new consumer standards since April 2024. The results of TSM's had been reported on an annual basis to the regulator as well as to Cabinet and the Tenants' Panel.

At the Cabinet's meeting on 27 June 2025 a report on the outturn performance against the RSH's Tenant Satisfaction Measures for 2024/25 had been presented. The report outlined the detail behind the data collection and the methodology used during consultation with the Council's tenants.

The Council's Outturn Performance Report against the TSMs had indicated a general improvement in performance and tenant satisfaction with the proportion of respondents who reported that they had been satisfied with the overall service from their landlord increasing from 80.1% in 2023/24 to 81.3% in 2024/25.

It was reported that satisfaction with repairs (both overall satisfaction with repairs and satisfaction with the time taken to complete a repair), had decreased. The reasons for this would be explored in more detail with the members of the Tenants Panel. Conversely, the proportion of non-emergency and emergency repairs completed within the Council's target timescale had increased.

It was noted that the number of complaints, both at Stage 1 and 2, that were responded to within the Housing Ombudsman's Compliant Handling Code timescales had improved significantly when compared to the 2023/24 figures.

It was highlighted to Members that the Council had requested support from the East of England LGA (EELGA) to identify areas for improvement and to develop an action plan to drive improvements.

As part of that process a Housing Board, chaired by the Portfolio Holder for Housing & Planning, had been set up to monitor performance against the consumer standards. The board met monthly.

The previous report had identified areas that had been included as part of the evaluation, and an update had been provided in each of those areas.

Strategy

The Committee was reminded that a significant amount of work had been undertaken to review existing policies as well bring forward new policies that had been needed to deliver sustainable social housing. To date over 30 policies had been reviewed and approved.

Additional Housing policies had been in the pipeline to be reviewed and delivered within the following twelve months, the new Housing Strategy 2026 – 2030 would go to Cabinet on September 26 for approval to go to consultation.

Staff Culture

Work continued to engage staff with the new requirements; regular meetings continued to be held by the Corporate Director with housing managers to discuss the progress being made to meet the regulatory requirements. Those discussions had then been fed back to the various teams via their respective team meetings. Housing Managers

attended the Housing Board and had full involvement in the performance management process.

Data Management

This had still been an area for concern, and whilst a significant amount of work had been carried out with new software purchased and installed, there had still been gaps in the collation of the data. To this end, the Housing Service had been working with the IT Service to create a register of all the data and where it had been held. Once this piece of work had been completed and further work would be carried out to then collate all the data to a central reporting tool that would aid the Housing Service to easily gather data to respond and report on the regulatory standards.

It was reported that a contract had been placed to carry out the remainder of the stock condition surveys, and the expectation had been that the Council would have completed 75% of those surveys by the end of that financial year, with the final 25% completed in the following financial year.

A new Data Compliance Officer post had been created and filled. This post would ensure that data had been collected, collated and appropriately analysed.

Strategic Partnership Working

It was explained to the Committee that the Council continued to have several effective partnerships addressing housing related issues. Managers had been actively engaged in those partnerships and had been well regarded by other agencies. Partnership working had been delivering tangible benefits to Tendring in terms of joint working, funding, and engaging with the wider community.

In the light of Local Government Reorganisation (LGR), the Corporate Director had been engaging with other local authorities to discuss Housing Issues and the implication of LGR moving forward.

Housing Budgets

The Budgets continued to be well managed. The Portfolio Holder for Housing & Planning had met regularly with the Corporate Director and Finance officers to discuss budgets, as well as annually to review the 30-year business plan.

There had still been concerns about the historical impact of below inflation rent rises and there had been pressures on all budgets which would need to be factored in and managed for the future through the identification of savings, redirection of resources and securing external funding. The Government had confirmed a 10-year rent settlement that permitted Social Landlords to increase rents by CPI+1% every year for 10 years from April 2026 with the intention of providing “greater long-term certainty”.

For the HRA revenue budget the most significant pressures had still arisen from the increasing costs of day-to-day repairs. In the HRA capital budget pressures would come from the requirements to meet the Decent Homes Standard, safety standards and better insulation of homes.

Within the General Fund the cost of temporary accommodation had been a significant pressure. A Homelessness and Temporary Accommodation Board had been set up, chaired by the Portfolio Holder for Housing & Planning, to explore ways in which the Council could prevent homelessness as well as reduce the overall cost of temporary accommodation. The Board met every two weeks.

Complaints

It was reported that both the Ombudsman and the Regulator of Social Housing continued to strongly emphasise complaints as an indicator of how well social landlords listened to and responded to the concerns of their residents. The Council had taken this seriously and there had been a significant improvement in the response to complaints, as shown in the TSM's.

Ref Measure	2023 / 2024 Performance	2024 / 2025 Performance
Proportion of: Stage one complaints; and Stage two complaints responded to within the Housing Ombudsman's Complaint Handling Code timescales	73.9% 61.5%	93.6% 91.7%

The Council had recently introduced and adopted a Corporate and Housing Complaints Policy that had been approved at the Cabinet's meeting on 25 July 2025, that had come into effect on 1 September 2025. This enabled all complaints to be handled more consistently and in line with national codes. The importance of the updated policy had been communicated to staff via a recent Senior Managers' Forum, All Staff Briefings and other associated training sessions.

Disrepair claims continued to be a concern. However, improved record keeping and a robust approach supported by Legal Services had allowed this issue to be kept under control. Engagement with the Tenants' Panel continued as the Council sought their support to encourage tenants to engage directly with the Council rather than with legal firms.

Tenant Engagement

It was reported that the team had continued to work with tenants, via the Tenants' Panel to ensure that there had been good dialogue and challenge from the tenants as to how they supported them.

The team had also reinstated a Tenants' newsletter and had been actively looking at other ways to engage with tenants. There had been a 'recruitment' drive to increase the number of tenants on the panel that had been successful. Numbers had increased sufficiently to a point that the Tenants' Panel had been setting up sub-groups to provide greater focus on key areas, such as repairs, complaints and tenant engagement. The Chair of the Tenants' Panel had also been a member of the Housing Board. Alternative methods of tenant engagement had also been trialled.

Housing Management

It was highlighted to Members that the Council currently had several vacancies, however, the Council had advertised and had been in the process of interviewing to fill those vacant posts. The new tenancy management support posts had now been fully engaged with undertaking tenant engagement work, include tenancy checks, estate walk abouts and drop-in sessions for tenants in various locations within the District.

Repairs and Maintenance

It was reported that condition surveys continued to be carried out and with the intention that 75% of all the housing stock would be surveyed within this financial year.

A dedicated housing asset management plan that could inform the HRA 30-year business plan had been written and approved. A revised repairs policy had been adopted and had introduced a reduced number of categories, clear response times, and looked to strike a balance between landlord and tenant responsibilities, whilst having clear targets for performance.

Many of the issues raised here had been addressed within the Data Management section of this report, and as stated a Housing Asset Management Plan had been produced and had been followed.

The team continued to develop, and several of the items raised in the last report had been covered in the report (A.3). The continuation of the stock condition work would allow for more detailed information to inform the 30-year business plan as well as the annual capital and repairs schedules.

There had been ongoing issues with the Term Maintenance contractor, and this had been reflected in the TSM's mentioned earlier in this report. The Corporate Director had met with the Contractor to discuss their performance and how it would be improved. An improvement plan had been submitted by the contractor, and this had been reviewed by the Repairs team.

Housing Solutions and Homelessness

The Committee heard that the service had been well thought of within the Council and was described as caring and supportive. An increasing volume of referrals (caseloads of 50-70 and 7 new cases a week), linked to the cost-of -living crisis and a lack of affordable housing for those in need had been impacting on the morale and stress levels of staff working in this service area. There was a need for greater management support to address the pressures staff were under. An additional senior officer post had been created, and that person had been in post since July 2025. The officer provided additional support to the team and advice on day-to-day caseload management.

There had still been relatively high numbers in temporary accommodation but few of those had had an 'accepted' decision. The balance between homelessness prevention work and use of temporary accommodation had been reviewed. Linked to this had been greater clarity on how the budget for the Homeless Prevention Grant could be and had been spent. It had now been a requirement of MHCLG that at least 49% of this grant had been spent on homelessness prevention work. An appraisal of the value for money and standards of temporary accommodation had also been undertaken.

The team had been working closely with private sector landlords to source more affordable self-contained accommodation, with work done so far, generating high quality accommodation that had been more affordable for the Council.

Overseeing all the above had been a new Homelessness and Temporary Accommodation working group, chaired by the Portfolio Holder for Housing and Planning.

It was reported that there had been a number of supported housing schemes in Tendring meeting the needs of a variety of client groups. Partners cited a lack of supported accommodation for single people with more complex needs and challenging behaviours who might not be suitable for existing shared accommodation. A Housing First Scheme had been included in the homelessness action plan but had not yet been considered. The Council could also consider developing small sites for temporary modular homes for single people, which had been becoming recognised as very successful in other areas. Access to floating support did not appear to have a clear and consistent pathway.

Supported housing provision remained an area for future review, something that had been considered across Essex through a new Supported Housing Board in light of the Supported Housing (Regulatory Oversight) Act 2023.

Conclusion

The review of the housing service had been a positive step in understanding the current policy and practice within the service. It provided an overview to help identify what had been working well and where further work was needed. Following on from this exercise, an accurate 'position' had been identified, and an action plan developed to build upon the positive areas identified as well as to be able to address those areas that fell short of the requirements of the new regulatory standards. Regular meetings had been conducted to monitor the progress and the impact of the action plan.

The action plan had enabled the Housing Service to take a significant step forward to meet the requirements of the new Regulatory regime.

The periodic review of the Council's housing function had been included as a standing item on the Audit Committee's annual work programme and consideration would be given to the options to present this on a timely and on-going basis in future years whilst ensuring the relevant assurances had still been provided to the Committee. Although the outcome from any formal inspection would always be presented to the Audit Committee, it had currently been proposed to provide future / general updates to the Committee based on the outturn performance against the regulator of Social Housing's satisfaction measures (TSM's) each year and other relevant information.

Proposed approach to the planned review of the Corporate Risk Management Framework/Register

Members were reminded that, in accordance with the Committee's work programme, it had been planned to present the regular Corporate Risk Update to this meeting of the Committee. However, it had been proposed to take a pragmatic approach to accommodate the various existing commitments that formed part of the planned wider

review of risk, as set out within the AGS, including the associated training requested by the Committee.

With this in mind, it had been proposed to organise a 'working' session with members of the Committee outside of the formal programme of meetings, that would aim to encompass a training session alongside the planned review previously discussed. The outcome from the proposed session could therefore be considered formally, if necessary, at the subsequent scheduled meeting of the Committee in February 2026.

Although this presented a slight delay in formally updating the Committee regarding the Council's current risk register and associated arrangements, it had been important to highlight that various underlying risk management activities remained on-going within existing governance arrangements, which in turn had also been complemented by additional activities such as:

- The review of Departmental risks as part of the Directorate / Service Planning Process along with Management Team recently reinforcing the importance of risk management at an operational and corporate level.
- The monthly reporting of associated risks at the Regeneration and Capital Delivery Board.
- The establishment of the Senior Officer Project Board as highlighted with the AGS, with Management Team identifying a number of key risks / projects for them to review as part of their early work programme.
- A broader review undertaken during Management Team's regular project and performance meetings.

Subject to the Committee's approval of the recommendations above, Officers would make the necessary arrangements in due course.

RIPA – Regulatory Investigatory Powers Act 2000

The Committee had been informed that the Authority had not conducted any RIPA activity in the last quarter, and it had been rare that it would be required to do so.

Whistleblowing

The Committee had also been informed that the Authority had received two notifications of Whistleblowing, which had currently been in the informal/investigatory stage. A further update would be provided to the Audit Committee at a future meeting if required.

It was moved by Councillor Sudra, seconded by Councillor Fairley and **RESOLVED** that the Committee:

a) notes the progress against the actions set out in Appendices A, B and C;

b) notes the outcome of the periodic review of the Council's housing function; and

c) having considered the proposed approach to the review of Risk Management, as set out within this report, requests Officers to undertake the necessary arrangements for a facilitated session in October / November.

15. REPORT OF THE INTERNAL AUDIT MANAGER - A.1 - REPORT ON INTERNAL AUDIT

The Committee was informed that the Global Internal Audit Standards had required the Internal Audit Manager to make arrangements for reporting to senior management (Management Board) and to the board (Audit Committee) during the course of the year, and for producing an annual Internal Audit opinion and report that could be used to inform the Annual Governance Statement.

Four audits had been completed since the last Audit Committee meeting in June 2025. Three of the audits had received a satisfactory level of overall assurance of 'Adequate Assurance' or 'Substantial Assurance'.

The Housing Repairs and Maintenance audit had received an overall opinion of 'Improvement Required'.

A further 13 audits from the 2025/26 Internal Audit Plan had been allocated and seven had currently been at the fieldwork phase.

The Internal Audit manager informed Members that his team had been in the 'Key Systems' phase of the audit plan where all financial and core service systems and processes had been reviewed. Each area had been tried and tested that was very important to the Council's day-to-day activities. They had not anticipated any significant issues in that area as historically those issues had been well managed; however, the Internal Audit Manager had highlighted that it had been important to ensure that those systems and processes continued to work as expected and remained well controlled.

Fraud and Compliance work had been ongoing in that period along with GDPR priorities particularly relating to data sharing agreements, Freedom of Information Requests and Subject Access Requests.

Quality Assurance – The Internal Audit function issued satisfaction surveys for each audit completed. No unsatisfactory responses had been received in that period.

Resourcing

It was reported that the Internal Audit team currently had an establishment of 4 full time employment posts with access to a third-party provider of Internal Audit Services for specialist audit days as and when required. The Internal Audit Team currently had an Audit Technician post vacant. They currently had had an apprentice within the team for nearly a year who had been continuing to develop well and had currently been undertaking the administrative responsibilities for the Audit, Fraud and Compliance functions.

Outcomes of Internal Audit Work
The Public Sector Internal Audit Standards had 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 2025/26Plan	

Substantial		1	1	
Adequate		2	2	
Improvement Required		1	1	
Significant Improvement Required		0	0	
No Opinion Required		0	0	Three consultative engagements in 2025/26 to date

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

Issues arising from audits completed in the period under review receiving an 'Improvement Required' opinion and requiring reporting to Committee were: -

Housing Repairs and Maintenance

Issue

The Committee was made aware that there had been a number of contractors with annual spend over £50k within the Housing Repairs and Maintenance function being used where the original contract had now expired or where no contract had ever been in place. The majority of work undertaken had been made up of smaller jobs of less than £5k each with a cumulative value of more than £50k. However, if considered the same type of work over several different properties, then a tender process would have been required for each area under the Council's procurement procedure rules.

Risk

Without works being carried out by contractors appointed in accordance with the Procurement Rules, there had been significant risks of overspend (where contractors had no budget or the Council had limited remit to set pricing), disaggregation of spend and poor governance (in the event of dispute).

There could have also been issues of probity and how companies were chosen without a transparent procurement process.

Agreed Action

The Internal Audit Manager alerted the Committee to an action plan that would be created to review all contracts within the department, including their status and time remaining. Given the potential of working with other councils and LGR, all contracts would be regulated with use of retendering, exemption or extension as considered appropriate and practical.

In addition, a departmental contract register would also be created to help ensure contracts had been centrally monitored and prevent repetition of that situation.

The service had also been undertaking a full review of all contractors with an overall spend of more than £50k and determining the best course of action required in line with procurement procedure rules.

Members heard that where significant spend had been identified with contractors without any form of contract in place, all works with them had been ceased in the short term until appropriate action could be taken.

Management Response to Internal Audit Findings – There had been 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 had been as follows: -

Status	Number	Comments
Overdue more than 3 months	0	
Overdue less than 3 months	0	
Not yet due	2	

The Audit Committee had requested more detail on the outstanding actions within the above table and on previous significant findings as a matter of context. Appendix B showed a summary of those findings and agreed actions including the service response and an internal audit status. That would become a regular appendix of the periodic progress reports going forwards.

Update on previous significant issues reported

All previous significant issues had been provided within Appendix B of the report.

Internal Audit Charter

It was reported that a requirement of the Global Internal Audit Standards (GIAS) had been for the Audit Committee to review and approve the Internal Audit Charter on an annual basis. The Charter had last been updated and approved in September 2024.

It had previously been reported that new Global Internal Audit Standards had been introduced in January 2024 with a view to becoming mandatory in January 2025. The team had been awaiting CIPFA's response with a view on the impact to the public sector.

CIPFA had provided an application note relating to any differences between the Public Sector Internal Audit Standards (PSIAS) and the Global Internal Audit Standards and how they should be addressed going forwards.

The Internal Audit Charter had now been reviewed in line with the GIAS and provided for review in Appendix C. No significant changes had been required other than

terminology changes. The high-level categories within the charter remained similar to those under the previous standards.

Quality Assurance Improvement Programme (QAIP)

The Internal Audit Manager had been required to undertake an annual QAIP undertaking a self-assessment of the Internal Audit function against the Global Internal Audit Standards. That had been a full review of the working practices against the standards set by the Institute of Internal Audit and adopted by CIPFA. The team had been waiting on the CIPFA application note before completing the assessment.

The assessment against the standards had been completed with any actions and recommendations to be reported at the next Audit Committee for its review.

It was reported that there had been an expectation that there would be a programme to work to because there had been some changes to the Global Standards that had been new in comparison to the Public Sector Internal Audit Standards. The QAIP would be periodically provided to the Audit Committee with updates on progress against implementation.

It was moved by Councillor Sudra, seconded by Councillor Placey and **RESOLVED** that:

(a) the contents of the report (A.1) be noted; and

(b) having duly reviewed the Internal Audit Charter, the Charter be approved for the 2025/26 financial year.

16. REPORT OF THE CORPORATE DIRECTOR (FINANCE & IT) - A.2 - EXTERNAL AUDITOR'S INTERIM ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2025

Members heard that, during the year, a number of reports had been issued by the Council's External Auditor as part of their work associated with the Statement of Accounts and review of the Council's arrangements to secure value for money.

The first such report had been their Audit Plan and Strategy that had been presented to the Audit Committee in March 2025. That report had set out the various elements of the work that the External Auditor had planned on undertaking in respect of the year ending 31 March 2025 and had included their value for money risk assessment / approach that was set against the following three key elements:

1. Financial Sustainability;
2. Governance; and
3. Improving economy, efficiency and effectiveness.

The External Auditors had now broadly completed their work associated with their value for money review.

The Committee was reminded that, ordinarily, this would be presented alongside the outcome of their work on the Council's Statement of Accounts within their final annual report for the year, but due to the back stop date arrangements introduced by the Government in response to the national recovery from the previous years' audit delays,

they had been required to publish their value for money commentary for 2024/25 by 30 November 2025.

The External Auditor would continue their work associated with the wider Statement of Accounts review, with the aim of reporting their findings within a final annual report for the year by the back stop date for the publication of the audited accounts, which for 2024/25 would be 27 February 2026.

It was reported that, to meet the 30 November 2025 deadline associated with reporting value for the money issues highlighted, the External Auditors had helpfully issued an interim Annual Report, which had been attached to the main agenda report (Appendix A) and had set out the outcome of their work to date.

The outcome had been welcomed with no significant risks associated with the Council's value for money arrangements across the aforementioned 3 key areas.

The External Auditor had revisited the recommendations they had made last year within the attached interim report. The Council's planned responses had now either been put in place or had remained on-going, which had been reported separately to the Audit Committee as part of providing the necessary assurances.

The Committee was informed that the External Auditors had made a recommendation within their report (page 15 of Appendix A), which had also included a management response. In respect of the proposed management response set out, it had been worth emphasising that there would be a number of practical opportunities over the next couple of years to address the point raised as part of the planning and implementation phases associated with Local Government Reorganisation, which would include activities such as contracts, procurement and performance.

In addition to the above, and having followed the Government's closure of OFLOG and sought alternative ways to support improvement, the Government had recently announced the introduction of a Local Government Outcomes Framework, which had provided a more focused approach, which in itself presented an alternative / complementary opportunity to respond to the recommendation made by the External Auditor.

Members were reminded that the External Auditor was still undertaking the necessary activities associated with the Council's Statement of Accounts for 2024/25, with the outcomes planned to be presented to the Audit Committee in February 2026. Their on-going work might identify issues that impacted on their current value for money commentary and if that proved to be the case then an update would be reported within the External Auditor's final report for the year if necessary.

It was reported that the External Auditor had also taken the timely opportunity to provide an update on providing assurance relating to the recovery from the national external audit backlog. The External Auditor's associated report had been attached (as Appendix B), which broadly had reflected information previously presented to the Audit Committee, with the Council having continued to be committed to supporting the process as necessary.

Delivering Priorities

Careful planning to ensure financial stability underpinned the Council's capacity and ability to deliver against its objectives and priorities. The outturn position and associated Statement of Accounts that had been prepared each year reflected this broad aim and had supported the successful financial planning process which had included communicating and consulting with relevant stakeholders.

Legal Requirements (including legislations & constitutional powers)

The Committee heard that the Government had put arrangements in place to clear the backlog of outstanding historical audit opinions. Those arrangements had been referenced within the attached External Auditor's Reports which had broadly reflected the detailed information previously presented to the Audit Committee.

The attached Interim Report had reflected the requirements of the Government's associated interventions and those set out within Accounts and Audit Regulations, which had included the requirement to publish value for money commentary for the year ended 31 March 2025 by 30 November 2025.

The Audited Statement of Accounts for 2024/25 would need to have been published by the backstop date of 27 February 2026.

Finance and other resource implications

There had been no direct financial implications - the External Auditor's proposed fees had been supported by additional Government funding and would be kept under review as part of their on-going work and associated costs.

Questions by Members:	Answers given:
We know that the floor measuring was an issue when the previous external auditors handed over to KPMG. How is that going to be resolved?	(Sarah McKean (KPMG)) Unfortunately, I don't think that will be resolved in this year's audit. Richard and his team are still working on that. For our audit plan this year, the other land and building section of PPE, is probably going to be only area that we don't attempt to test. But this year we will be able test all the other areas of PPE, which is part of building that assurance back year by year. (Richard Barrett) For the 2023/24 accounts, we had no measurements, this year we used our qualified internal surveyor to do that measurement and during this year, ready for the 2025/26 accounts, we will have an external independent valuation measurement for those assets.

It was moved by Councillor Steady, seconded by Councillor Fairley and **RESOLVED** that in respect of the 2024/25 Statement of Accounts process, the Audit Committee:

(a) notes the External Auditor's Interim Annual Report for the year ended 31 March 2025, and agrees the Management Response to their recommendation as set out on page 15 of the Attachment 1, along with the publication of the report as necessary; and

(b) notes the External Auditor's update attached concerning the rebuilding back of assurance associated with the Government's interventions in response to the national audit backlog

The meeting was declared closed at 12.13 pm

Chairman