

## **AUDIT AND GOVERNANCE COMMITTEE**

A meeting of Audit and Governance Committee was held on Monday 29 July 2024.

**Present:** Cllr Barry Woodhouse (Chair), Cllr Stefan Houghton (Vice-Chair), Cllr Ross Patterson, Cllr Paul Rowling, Cllr Susan Scott, Cllr Mick Stoker and Cllr Eileen Johnson.

**Officers:** Andy Bryson (CA), Andrew Barber(AM), Nora Natova (Forvis Mazars) and John Devine (DS).

**Also in attendance:**

**Apologies:** Cllr Emily Tate, Cllr Laura Tunney and Cllr Katie Weston.

### **AGC/18/24 Evacuation Procedure**

The Evacuation Procedure was noted.

### **AGC/19/24 Declarations of Interest**

There were no Declarations of Interest.

### **AGC/20/24 Minutes**

Consideration was given to the minutes from the meeting held on the 27th June 2024 for approval and signature.

Resolved that the minutes be approved and signed as a correct record by the Chairman.

### **AGC/21/24 Health & Safety Report**

The Health & Safety report covered the period from May 2024 to Jun 2024, Officers noted that it had been a quiet period, but a lot of training had been undertaken.

There had been nine incidents of Violence & Aggression reported which was a decrease from twenty-eight in the same period in the year previous. While 17 incidents of general Health & Safety had been reported, these were classified as generally being slips or trips.

Members asked about the new format which was mentioned the report and if it had come through the Powering Our Future programme. The new format was undertaken by the service and was unconnected the to the Powering Our Future programme.

Members Agreed to note the report.

### **AGC/22/24 Treasury Management Annual Report**

Members were presented with the Treasury Management Annual Report which informed the committee of the performance against the treasury management and prudential indicators set in the Treasury Management Strategy approved by the Council in February 2023.

The main topics of discussion were as follows:

The Councils borrowing and investments were highlighted by Officers, two medium term loans had been taken out to cover the capital programme. The two loans were entered into via the Public Works Loan Board (PWLB). One was for a 7 year period and the second was for 5 years.

Short term loans had also increased in the year after other short-term loans had matured during the year, there was a requirement for cash flow purposes to enter into these loans during the last months of the financial year.

Members enquired why it was required during the last months of the financial year, which Officers explained is due to Council tax only being collected for the first 10 months of the year.

The report showed that the Council had complied fully with the CIPFA Code of Practice, and the Councils approved Treasury Management Strategy.

Members expressed their gratitude to Officers for making the report and hoped that members of the public would read the reports brought to the Audit & Governance Committee. To better inform them of the real financial position of the Council instead of the rumours which are circulated on social media.

Members Agreed to note the report.

#### **AGC/23/24 External Audit - Audit Progress Report**

Officers of Forvis Mazars presented the External Auditors Progress Report to members of the Committee. The report started with an update on the 2023/24 Financial Statements Audit, and the change over of lead Officers for the Councils External Audits.

Preliminary plans had been started for the 2023/24 Audit with members advised of a broad outlined timetable in the agenda papers. Officers planned to present their Audit Strategy Memorandum 2023/24 to the Committee at the September meeting, and at this stage Forvis Mazars did not anticipate any significant changes to the overall risk profile, or audit approach since 2022/23.

The Audit completion deadline of November 2024 was expected to be missed due to expected delays in receiving the required assurances needed from the Pension Fund auditors. Forvis Mazars anticipated to receive the required assurances in January/February 2025 which would then enable them to conclude the audit.

Members Agreed to note the report.

#### **AGC/24/24 New Risk Management Arrangements Report**

The Risk Management update report was presented to Members, to inform them of the progress made in revising the Councils approach to the management of risk.

Officers explained that the current strategic risk register was primarily linked to the objectives outlined in the Council Plan. The report included a list of the proposed revised strategic risks.

These risks would be assessed by an independent Risk Review Group supported by an assurance framework, which would bring together evidence from different courses to establish the status of the risk:

- Performance Information
- Finance
- Workforce
- Contracts/Partnerships
- Governance
- Independent Feedback (Incorporating Internal Audit and other external sources such as Ofsted & CQC)

The Risk Review Group would be made up of senior officers from each of the above areas who have detailed knowledge of the issues in their area and how they would relate to any risks in the risk register.

Officers also highlighted that another feature of the revised approach was a simplification of the way the current risk status was assessed. Risks would be rated using the RAG rating.

- Red - Immediate concerns, actions must be developed to mitigate some of those immediate concerns in the short-term
- Amber - Concerns identified, actions required but these can be planned over the medium term
- Green - No current concerns

The report had a note giving some more context on the rating system. Red/Amber risks may be tolerated, the concerns will still exist, but it may be decided not to take any action depending on resources/priorities, this needs to be recorded.

Members AGREED to note the report.

## **AGC/25/24 Risk Register Update and Audit Activity**

Members were presented with the Risk Register Update and Audit Activity Report, the purpose of the report was to inform members of the progress of audit testing undertaken to date.

Officers broke down work undertaken to provide members with an updated picture of where audit resources had been employed and the results from that work. Three sections which had been highlighted as red in the report, the first was around the achievement of recycling targets. A project had been put in place to review the arrangements. The second related to the completion of the Public Health Research Assessment but a working group had been established for this to progress. The third related to a requirement to have produced a Business Continuity Plan for Adoptions Tees Valley, the final red control related to the management oversight of unregulated

placements. Officers explained that arrangements were in place but because of the high demand there remained a significant pressure on placements.

The assurance by governance themes section of the report was also highlighted by Officers, it showed that the Council was over 80% assurance in all areas. 91% of matches had been checked, with no fraud had been identified and only 2 errors had been found.

Members noted the Report.

#### **AGC/26/24 Work Programme 2024 - 2025**

Members agreed to note the Work Programme.