

Appendix A

Governance and Audit Committee Annual Report 2024/25

1. Introduction from the Chairman of Governance and Audit Committee

I am pleased to present the Annual Report of the Governance and Audit Committee for 2024/25.

Governance and Audit Committee gained assurance that the Council's governance, risk, and internal control environment remained robust and fit for purpose.

The Committee received various reports throughout the year, which are detailed in Section 5, and summarised within Appendix 1.

In February 2025 the Committee approved the Statement of Accounts and Annual Governance Statement 2023/24 along with the External Audit Year End Report 2023/24 from KPMG.

I am pleased to report that the Council's new internal auditors, BDO LLP, have completed its first year and delivered 100% of the internal audit plan.

The work of the Committee is varied and extremely important and I would invite all members to attend a meeting of the Committee and see our work in operation.

Finally, I would like to take this opportunity to thank all those Members and Officers who have contributed to the work of the Governance and Audit Committee over the last 12 months.

Councillor Tim Harrison
Chairman of Governance and Audit Committee

2. Terms of Reference

The Terms of Reference, which the Committee operated to during 2024/25, is detailed at Article 10 of the Constitution.

3. Member and Officer Attendance

The Governance and Audit Committee met eight times during the 2024/25 municipal year.

Officers from the Council also attend Governance and Audit Committee as appropriate to present reports. Also in regular attendance are the Monitoring Officer, Deputy Chief Executive and Section 151 Officer, Assistant Director of Finance, Governance and Risk Officer, Internal Audit and External Audit.

4. Training and Effectiveness

During 2024/25 Governance and Audit Committee received appropriate and proportionate training including annual refresher training, local government finance training and treasury management training.

Further training, and ongoing development, will continue throughout 2025/26.

5. Sources of Assurance during 2024/25

In fulfilling its Terms of Reference, the business conducted by the Governance and Audit Committee during 2024/25 is detailed under the following themes:

- Internal Audit
- External Audit
- Finance
- Risk Management
- Governance/Regulatory

A summary of all reports considered, and action taken, is captured within Appendix 1.

The Committee gained assurance in 2024/25 from these themes as follows:

Internal Audit

Governance and Audit Committee approved the internal audit plan for 2024/25 and received progress reports from the Council's internal auditors, BDO, during the year. BDO will be providing their opinion on the overall adequacy and effectiveness of the Council's risk management, governance, and internal control arrangements, for the 12 months ended 31 March 2025, at the June 2025 meeting

of Governance and Audit Committee.

Seven assurance, one consultancy (Arts Council Grant) and two follow up reviews were undertaken during 2024/25. The seven assurance reviews were given the following assurance:

| Audit | Design Opinion | Design Effectiveness |
|---|----------------|----------------------|
| Arts Council Grant | N/A | N/A |
| Social Housing Decarbonisation Fund | Moderate | Moderate |
| Staffing Capacity and Capability | Moderate | Substantial |
| Homelessness | Moderate | Moderate |
| Income Generation | Substantial | Moderate |
| Business Continuity and Disaster Recovery | Moderate | Moderate |
| Council Tax and NNDR | Substantial | Moderate |
| Data Protection, FOI, EIR and SAR | Moderate | Moderate |

Action plans have been put in place to address internal audit actions, particularly in those areas where management concerns have also been raised, and further work is required to strengthen the control framework. Governance and Audit Committee is well established with its terms of reference complying fully with CIPFA guidance.

External Audit

The main responsibility of the External Auditor is to report on the Council's accounts and whether the Council has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. In KPMG's Annual Report for 2023/24, they concluded that they did not identify any significant weaknesses in arrangements to ensure the Council manages risk to its financial sustainability.

Committee accepted the External Audit Plan and Strategy for 2023/24 and the Value for Money Conclusion.

Finance

In respect of the 2023/24 Statement of Accounts and Annual Governance Statement the Committee scrutinised the accounts and delegated authority to the Chief Finance Officer to make any final wording changes and accounting adjustments following the conclusion of any outstanding audit queries.

In respect of the 2023/24 Statement of Account and Annual Governance Statement, the Committee delegated approval of the audited Statement of

Accounts and the Letter of Representation to the Chairman of Governance and Audit Committee, on behalf of the Governance and Audit Committee, in consultation with the Chief Finance Officer.

Committee also received reports on the following:

- Treasury Management: Committee approved the annual report, quarterly activity reports and recommended to Council the 2025/26 Strategy
- Accounting Policies: Committee approved the policies and noted the proposed dates for the publication of the draft and final audited accounts

Risk Management

The Committee received two updates on the Council's risk management arrangements via review of the Strategic Risk Register and the adoption of an Emerging Risk Radar.

The Council's Strategic Risk Register underwent a fundamental review to ensure it reflected the current external and internal operating environment. This was achieved with the assistance of the RSM Risk Management Partner who facilitated several workshops with Corporate Management Team to ensure the strategic risks were current and to identify any new/emerging risks that the local government sector is facing.

The Committee also received the Risk Management Annual Report 2023/24.

Governance/Regulatory

The Annual Governance Statement and review of effectiveness for the 2023/24 financial year, concluded that the effectiveness of the system of internal control was fit for purpose overall.

The Committee received reports on the following:

- Annual Governance Statement 2023/24
- Anti-Money Laundering Policy 2024-26
- Co-opted Member for Governance and Audit Committee
- Corporate Plan 2024-27: Key Performance Indicators
- Counter Fraud Annual Report 2023/24
- Counter Fraud Strategy 2024-26
- Health & Safety Annual Report 2023/24
- LeisureSK Limited – Board of Directors
- Local Government and Social Care Ombudsman – Annual Review Letter 2023/24
- Proposed amendments to the Council's Constitution
- Regulation of Investigatory Powers Act Policy
- Safeguarding Report 2023/24
- Whistleblowing Annual Report 2023/24
- Whistleblowing Policy 2024-26

Conclusion

The Governance and Audit Committee has been able to confirm that there were no areas of significant duplication or omission in the systems of governance in the authority that had come to the Committee's attention during 2024/25 that were not being adequately resolved.

Through Members receiving this report, the role and purpose of the Committee has been promoted, and it has demonstrated that the Committee has continued to perform, meet its Terms of Reference, and added value. This work will continue in 2025/26 with the Committee's refreshed work programme which is shown at Appendix 2.

Appendix 1

Governance and Audit Committee Summary of Work Plan 2024/25

| Meeting date and reports | Governance and Audit Committee action | Internal Audit | External Audit | Finance | Risk Management | Governance/Regulatory |
|--|---|----------------|----------------|---------|-----------------|-----------------------|
| 26 April 2024 | | | | | | |
| LeisureSK Limited – Board of Directors | – Approved the appointment of three directors to the Board | | | | | ✓ |
| 19 June 2024 | | | | | | |
| Internal Audit Annual Report 2023/24 | – Noted the annual report | ✓ | | | | |
| Internal Audit Annual Plan and Three Year Strategic Plan (2024-27) | – Noted the internal audit draft plan and three year strategic plan | ✓ | | | | |
| Treasury Management Annual Report 2023/24 | – Approved the annual report | | | ✓ | | |
| Review of Treasury Management Activities – Environmental, Social and Governance Review | – Noted and approved the review of treasury management activities | | | ✓ | | |
| Whistleblowing Policy 2024-26 | – Approved the Whistleblowing Policy | | | | | ✓ |
| Anti-Money Laundering Policy 2024-26 | – Approved the Anti-Money Laundering Policy | | | | | ✓ |
| Corporate Plan 2024-27: Key Performance Indicators | – Approved the KPIs – Noted the monitoring and review of the KPI suite | | | | | ✓ |
| 16 July 2024 | | | | | | |
| External Audit Plan and Strategy for the year ending 31 March 2024 | – Noted the external audit plan and strategy | | ✓ | | | |
| Counter Fraud Annual Report 2023/24 | – Approved the annual report | | | | | ✓ |
| Counter Fraud Strategy 2024-26 | – Approved the Counter Fraud Strategy | | | | | ✓ |

| Meeting date and reports | Governance and Audit Committee action | Internal Audit | External Audit | Finance | Risk Management | Governance/Regulatory |
|--|---|----------------|----------------|---------|-----------------|-----------------------|
| Whistleblowing Annual Report 2023/24 | <ul style="list-style-type: none"> – Noted the whistleblowing annual report | | | | | ✓ |
| Statement of Accounts Audit Update 2023/24 | <ul style="list-style-type: none"> – Noted the update on the closedown of the accounts for 2023/24 | | | ✓ | | |
| Draft Annual Governance Statement 2023/24 | <ul style="list-style-type: none"> – Noted the draft Annual Governance Statement | | | | | ✓ |
| Provisional Outturn Report 2023/24 | <ul style="list-style-type: none"> – Approved the General Fund Revenue Budget; Housing Revenue Account Budget; Capital Programmes; and Reserves Overview | | | ✓ | | |
| Proposed Amendments to the Council's Constitution | <ul style="list-style-type: none"> – Recommended to Full Council: <ul style="list-style-type: none"> a) Provision of a public open forum at meetings of Cabinet. b) Provision of Member questions at meetings of Cabinet. c) Provision of Member questions at the annual meeting of Full Council | | | | | ✓ |
| 24 September 2024 | | | | | | |
| Internal Audit Progress Report | <ul style="list-style-type: none"> – Noted the progress made against the plan | ✓ | | | | |
| Health & Safety Annual Report 2023/24 | <ul style="list-style-type: none"> – Noted the annual report | | | | | ✓ |
| Strategic Risk Register | <ul style="list-style-type: none"> – Approved the revised Strategic Risk Register | | | | ✓ | |
| Treasury Management Activity Quarter 1 2024-25 | <ul style="list-style-type: none"> – Noted the content of the treasury management activity | | | ✓ | | |
| Proposed Amendment to the Council's Constitution – method of voting at public meetings | <ul style="list-style-type: none"> – Approved the amendment to the method of voting at public meetings | | | | | ✓ |

| Meeting date and reports | Governance and Audit Committee action | Internal Audit | External Audit | Finance | Risk Management | Governance/Regulatory |
|---|---|----------------|----------------|---------|-----------------|-----------------------|
| LeisureSK Limited – Board of Directors | – Approved the appointment of two directors to the Board and the extension of another appointment | | | | | ✓ |
| Local Government and Social Care Ombudsman – Annual Review Letter 2023/24 | – Noted the contents of the Ombudsman's Annual Review | | | | | ✓ |
| 27 November 2024 | | | | | | |
| Internal Audit Progress Report | – Noted the progress made against the plan | ✓ | | | | |
| Internal Audit Follow Up Report | – Noted the progress of implementation of audit actions | ✓ | | | | |
| Safeguarding Report 2023/24 | – Noted the safeguarding report | | | | | ✓ |
| Corporate Plan 2024-27: Key Performance Indicators | – Noted the performance against the KPIs | | | | | ✓ |
| Treasury Management Activity Quarter 2 2024-25 | – Noted the content of the treasury management activity | | | ✓ | | |
| Co-opted Member | – Accepted the appointment of the co-opted member to Governance and Audit Committee | | | | | ✓ |
| 22 January 2025 | | | | | | |
| Value for Money Conclusion 2023/24 | – Accepted the Value for Money Opinion | | ✓ | | | |
| Internal Audit Progress Report | – Noted the progress made against the plan | ✓ | | | | |
| Indicative Internal Audit Plan 2025/26 | – Noted the indicative internal audit plan | ✓ | | | | |
| Treasury Management Statement 2025/26 | – Approved and recommended to Council that the Strategy be | | | | | ✓ |

| Meeting date and reports | Governance and Audit Committee action | Internal Audit | External Audit | Finance | Risk Management | Governance/Regulatory |
|---|---|----------------|----------------|---------|-----------------|-----------------------|
| | approved | | | | | |
| Proposed Amendments to the Council's Constitution | <ul style="list-style-type: none"> – Recommended to Full Council the amendments to the Council's Constitution | | | | | ✓ |
| Risk Management Annual Report 2023/24 including Risk Management Framework 2025-27 | <ul style="list-style-type: none"> – Noted the annual report – Approved the risk management framework | | | | ✓ | |
| 13 February 2025 | | | | | | |
| ISA 260 Report | <ul style="list-style-type: none"> – Noted the contents of the report outlining the key findings arising from the statutory audit of the Council | | ✓ | | | |
| Statement of Accounts and Annual Governance Statement 2023/24 | <ul style="list-style-type: none"> – Noted the outcome of the audit work undertaken to date by the Council's external auditors – Delegated authority to the Chief Finance Officer to make any final wording changes and accounting adjustments following the conclusion of any outstanding audit queries – Delegated approval of the audited Statement of Accounts and the Letter of Representation to the Chairman of Governance and Audit Committee, on behalf of the Governance and Audit Committee, in consultation with the Chief Finance Officer | | | | ✓ | |
| Proposed amendments to the Council's Constitution | <ul style="list-style-type: none"> – Recommended to Full Council the amendments to the Council's Constitution | | | | | ✓ |

| Meeting date and reports | Governance and Audit Committee action | Internal Audit | External Audit | Finance | Risk Management | Governance/Regulatory |
|---|---|----------------|----------------|---------|-----------------|-----------------------|
| 19 March 2025 | | | | | | |
| Internal Audit Follow Up Report | – Noted the progress of implementation of audit actions | ✓ | | | | |
| Draft Internal Audit Plan 2025/26 | – Approved the internal audit plan | ✓ | | | | |
| Accounting Policies and Publication Date of the Statement of Accounts 2024/25 | – Approved the Statement of Accounting Policies to be used in the production of the 2024/25 Financial Statements – Noted the dates for the publication of the draft and final audited Financial Statements | | | | ✓ | |
| Treasury Management Activity Quarter 3 2024-25 | – Noted the content of the treasury management activity | | | ✓ | | |
| Strategic Risk Register including Emerging Risk Radar | – Approved the Strategic Risk Register and Emerging Risk Radar – Approved the frequency to be increased to quarterly updates | | | | ✓ | |
| Regulation of Investigatory Powers Act Policy | – Noted the contents of the policy and agreed no amendments were required | | | | | ✓ |
| LeisureSK Limited – Board of Directors | – Approved the appointment of a new director – Delegated appointment of an additional director to Head of Paid Service, the Leader of the Council, and Cabinet Member for Culture and Leisure | | | | | ✓ |

Appendix 2

Governance and Audit Committee Indicative Work Plan 2025/26

| | Jun | Jul | Sep | Nov | Jan | Mar |
|---|-----|-----|-----|-----|-----|-----|
| External Audit | | | | | | |
| External Audit Plan | ✓ | | | | | |
| Annual Governance Report | | | | ✓ | | |
| Annual Report on Grants and Returns | | | | | | ✓ |
| Internal Audit | | | | | | |
| Internal Audit Annual Report 2024/25 | ✓ | | | | | |
| Internal Audit Progress Report | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Internal Audit Follow Up Report | | | ✓ | | | ✓ |
| Indicative Internal Audit Plan 2026/27 | | | | | ✓ | ✓ |
| Finance | | | | | | |
| Draft Financial Outturn 2024/25 | | ✓ | | | | |
| Statement of Accounts 2024/25 | | | | ✓ | | |
| Statement of Accounting Policies | | | | | | ✓ |
| Financial Regulations | | | ✓ | | | |
| Treasury Management Annual Report 2024/25 | ✓ | | | | | |
| Treasury Management Activity Updates | | ✓ | | ✓ | | ✓ |
| Treasury Management Strategy | | | | | ✓ | |
| Governance | | | | | | |
| Annual Governance Statement 2024/25 | | ✓ | | ✓ | | |
| Corporate Plan 2024-27: KPIs Report | ✓ | | | ✓ | | |
| Review of Effectiveness and Terms of Reference* | | | | | | |
| Code of Corporate Governance* | | | | | | |
| Risk Management | | | | | | |
| Strategic Risk Register | | ✓ | | ✓ | | ✓ |
| Risk Management Annual Report 2024/25 | | ✓ | | | | |
| Risk Management Framework* | | | | | | |

| | Jun | Jul | Sep | Nov | Jan | Mar |
|---|-----|-----|-----|-----|-----|-----|
| Regulatory | | | | | | |
| Contract Procedure Rules | ✓ | | | | | |
| Whistleblowing Annual Report 2024/25 | | ✓ | | | | |
| Counter Fraud Annual Report 2024/25 | | | ✓ | | | |
| Health and Safety Annual Report 2024/25 | | | ✓ | | | |
| Ombudsman Annual Report 2024/25 | | | ✓ | | | |
| Safeguarding Report 2024/25 | | | | ✓ | | |
| Codes of Conduct* | | | | | | |
| Counter Fraud Strategy* | | | | | | |
| Anti-Money Laundering Policy* | | | | | | |
| Whistleblowing Policy* | | | | | | |

* As required