

**Minutes of the Audit Committee
29 January 2024**

Present:

Councillor J. Button (Chair)
Councillor K. Howkins (Vice-Chair)

Councillors:

M. Bing Dong

L. E. Nichols

P. Briggs

Substitutions: Councillors J.R. Sexton (In place of M. Arnold)

Apologies: Councillors J.R. Boughtflower

In Attendance: Councillors C. Bateson and D.C. Clarke

1/24 Apologies and Substitutes

Apologies were received from Councillor Arnold and Councillor Boughtflower. Councillor Sexton attended as Councillor Arnold's substitute.

2/24 Minutes

The minutes of the meeting held on 30 November 2023 were approved as a correct record.

The Committee requested that the minutes for the meeting held on 7 December 2023 be amended to clarify their request for voting requirements for the deferred item.

3/24 Disclosures of Interest

There were none.

4/24 Exclusion of Public and Press (Exempt Business)

It was proposed by Councillor Howkins, seconded by Councillor Nichols and **resolved** that the public and press be excluded during consideration of the following item, in accordance with paragraph 3 of part 1 of schedule 12A of the Local Government Act 1972 (as amended) because it was likely to disclose information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in being able to undertake even-handed negotiations and finalising acceptable contract terms.

5/24 Future Resourcing of the Internal Audit Service

The Committee considered a report from the Group Head of Corporate Governance on the future resourcing of the Internal Audit Service.

The Committee **resolved** to make a recommendation to Council on the future resourcing of the Internal Audit Service.

6/24 Procurement Internal Audit Recommendations Progress Review

The Committee received a report from the Interim Head of Procurement on the progress of the recommendations following the Procurement Internal Audit.

The Interim Head of Procurement advised that an internal audit of the department had been undertaken in July 2023 and resulted in twelve recommendations of low and medium priority.

The Committee noted the recommendations and expressed concern that some of them had been raised. The Interim Head of Procurement explained that Council operated a devolved procurement process, so many procurement actions were undertaken by individual officers rather than by a team. They confirmed that many of the recommendations had already been addressed and there had already been a noticeable improvement in adherence to procedures. The Committee were reassured that support was being provided for officers who were unfamiliar with procurement.

A member of the Committee requested to meet with officers to review the procurement strategy against the recommendations.

The Committee **resolved** to:

1. Note the recommendations made in the Internal Audit of Procurement, and agree the actions taken so far to address the recommendations;
2. Note the further planned and ongoing actions.

7/24 Annual Review of Internal Audit Effectiveness

The Committee received a report from the Internal Audit Manager on the outcome of the annual review of Internal Audit Effectiveness.

An External Quality Assessment on Spelthorne's Internal Audit service had been undertaken and concluded that it conformed to the Public Sector Internal Audit Standards to a large degree and excelled in some areas. A draft action plan had been produced to address the recommendations during the assessment.

The Committee commended the Internal Audit Manager for the service's performance.

The Committee **resolved** to note the Annual Review of Internal Audit Effectiveness, overall conclusions and actions arising from the External Quality Assessment (EQA).

8/24 Update on the use of the Regulation of Investigatory Powers Act Policy (RIPA Policy)

The Committee received a report from the Monitoring Officer on the use of the RIPA Policy.

The Committee were advised that use of the policy was low, and comparable to use in neighbouring boroughs.

The Committee **resolved** to note the approved RIPA Policy and use of RIPA powers during the period 1 January 2020 to 31 December 2023.

9/24 Committee Forward Plan

The Committee considered its Work Programme for the remainder of the 2023-2024 Municipal year.

The Chair advised the Committee that the date of the next meeting had been moved from 28 March 2024 to 19 March 2024.

A member of the Committee expressed concern over a report going to another committee and suggested that it be reviewed against the Corporate Risk Register at the next meeting of the Audit Committee.

The Committee also suggested that a member of the Procurement team attended regularly to provide a progress update on their actions.

Resolved that the Committee Work Programme for the remainder of the 2023-2024 Municipal year, be approved subject to the inclusion of the suggestions above.

10/24 Urgent Item - External Audit Update

The Chair suggested that due to the presence of the external auditor, the Committee hear this item before item six on the agenda. The Committee agreed.

The Deputy Chief Executive introduced the representative from BDO and explained that Councils had received a letter from the Department of Levelling Up, Housing and Communities to advise that proposals had been put forward on how to deal with the national backlog of outstanding audits for Councils. A consultation on those proposals would be undertaken.

The Committee received a verbal update from BDO on the status of external audits. The representative from BDO expanded on the aim of the proposals that would be consulted on and their possible affect on the status of the Council's outstanding audits. It was indicated that it is likely that no further work would be undertaken by BDO on the Council's audits, although work would be undertaken to complete the Value for Money opinions, before the incoming auditors would take over. However, the Council would not be billed any significant costs for the work not undertaken.

The Committee presented several ideas as to how to simplify the work that needed to be undertaken, and the representative from BDO agreed that some of the ideas may be put forward during the consultation. The Committee also queried the approach to the Public Interest Report for the 2017/2018 audits that was issued in 2022 and its impact on future audits and Value for Money conclusions. The representative from BDO confirmed that it would be noted but opinions would only cover the individual years of accounts.

The Deputy Chief Executive assured the Committee that the incoming auditors, Grant Thornton, were liaising with BDO over the Council's audits and were aiming to produce a draft audit plan for presentation at the March Committee meeting, and would be attending the March meeting to present the Audit Plan.

The Committee **resolved** to note the update.

Meeting ended at 21:53