



# **AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT**

**Report on the work of the  
Audit and Governance Committee  
during the 2024/25 Municipal Year**

## **Audit and Governance Committee Annual Report 2024/25**

### **Introduction / Foreword by the Committee Chair:**

I'm pleased to present this year's Audit and Governance Committee Annual Report, reflecting a year of oversight, constructive challenge, and continued progress in strengthening the Council's governance, risk management, and control frameworks.

The Committee met four times during the 2024/25 municipal year, maintaining a strong attendance record and benefiting from a diverse membership, operating collaboratively, with all members actively engaging in discussions and scrutiny.

Our work this year has spanned five core areas: governance, risk and control; financial and governance reporting; internal and external audit. We received regular updates on strategic risks, internal audit recommendations, and key governance issues, including Information Governance and Traffic Regulation Orders. The Committee also reviewed the Internal Audit Plan and Charter and endorsed the Annual Assurance Report.

We welcomed continued engagement from our external auditors, KPMG, who provided updates on audit progress and key findings. While legacy issues with unaudited accounts remain, we supported pragmatic steps to address these, including the national backstop position to enable catch-up.

Training and development remained a priority, with members attending a range of sessions to enhance their understanding and effectiveness. Our annual effectiveness review, informed by surveys of members and officers, showed a continued understanding of the Committee's role, strong relationships with key officers, and increased confidence in the Committee's ability to add value.

However, we recognise there is more to do. Areas for improvement include strengthening value-for-money arrangements, reviewing the assessment of fraud risks and monitoring the counter-fraud strategy, and ensuring the Committee monitors the implementation of recommendations from the 2024/25 Annual Governance Statement. We also aim to improve visibility and engagement with External Audit.

Looking ahead to 2025/26, we anticipate a busy year. Key areas of focus will include the integration of Brighter Futures for Children into the Council (for example, governance and financial arrangements), review of the effectiveness of the whistleblowing and speaking up policies, and ongoing scrutiny of housing repairs, as well as the impact of the Local Audit Reform consultation. We have expanded our membership and made provision for an additional meeting to ensure we can meet these demands effectively.

In closing, I would like to thank all Committee members, officers, and auditors for their commitment and contributions throughout the year.

Whilst this foreword comes from me, it and this report have been reviewed at our September meeting of the Audit & Governance Committee and is presented to Council with the full support of all members.

**Councillor Josh Williams**

**Chair, Audit and Governance Committee**

## **1. Committee remit**

- 1.1 The Audit and Governance Committee's role is to provide an independent, high-level focus on the adequacy of the Council's governance, risk, and control arrangements, ensuring that there is sufficient assurance over these to give increased confidence that these arrangements are effective. It has oversight of internal and external audit, financial and governance reporting.
- 1.2 The terms of reference for the committee are included within the Council's [constitution](#) (page 69) and provide more details of its remit.

## **2. Committee membership**

- 2.1 The committee consisted of a total of eight members during the 2024/25 municipal year. Committee membership is based on the political composition of the Council, with five Labour Councillors and one each from The Green Party, The Conservatives, and the Liberal Democrats. The Administration Group traditionally offer the role of Chair to a member of the opposition party with the highest number of seats on the Council. This year, as in the previous year, the committee was chaired by the Green Party representative. There were no independent members on the committee during the year; however, a Lead Member was on the committee.
- 2.2 Further details of committee membership during the 2024/25 municipal year and attendance at meetings are provided in the table below (Table 1). There were four Audit and Governance Committee meetings held during the year:

**Table 1: Table showing committee members' meeting attendance during the 2024/25 municipal year.**

Member	Position	Party	Attendance					% attendance
			17/07/24	25/09/24	21/01/25	09/04/25		
Councillor Williams	Chair	Green	✓	✓	✓	✓		100%
Councillor Asare	Member	Labour	✓	✓	✓	✓		100%
Councillor Dennis	Member	Labour	✓	✓	✓	✓		100%
Councillor Gittings	Member	Labour	✓	✓	A	✓		75%
Councillor McGoldrick	Vice Chair*	Labour	✓	A	✓	✓		75%
Councillor Mitchell	Member	Conservative	A	A	✓	✓		50%
Councillor Moore	Member	Liberal Democrats	A	✓	✓	✓		75%
Councillor Stevens	Member	Labour	✓	✓	✓	✓		100%
% attendance			75%	75%	88%	100%		

- 2.3 The Audit and Governance Committee reports, and is directly accountable, to Council and is independent of scrutiny functions.

### **3. Areas covered and work of the committee.**

The Audit and Governance Committee has five main areas within its remit. A summary of coverage of these during the 2024/25 municipal year is detailed below (Table 2). It was agreed at the January 2025 meeting that regular reports would only be received by the committee at every other meeting. This would enable better management of the Committee's business and allow for more discussion of agenda items.

**Table 2: Table showing key areas covered at 2024/25 Municipal Year A&G Committee meetings.**

<b>Areas covered at meetings:</b>	<b>17/07/2024</b>	<b>25/09/2024</b>	<b>21/01/2025</b>	<b>09/04/2025</b>
governance, risk and control	✓	✓	✓	✓
governance reporting	✓			
financial reporting	✓	✓		
external audit	✓	✓	✓	✓
internal audit	✓	✓	✓	✓

#### **3.1 Governance, risk and control**

3.1.1 The Committee received updates on the strategic risk register, including highlighting any new and red (i.e., highest) risks, at three of its meetings, as well as an update report on the actions to improve the Council's policies, systems and processes relating to Information Governance following several internal audit limited assurance reports in this area at each of its meetings. There was also a regular review of progress in implementing high and medium-risk internal audit recommendations. Updates on Traffic Regulation Orders (TROs), housing repairs and Brighter Futures for Children Freedom of Information (FOI) requests following audits were also considered, together with details of the CIPFA Financial Management Code 2024/25 and the Ministry of Housing, Communities and Local Government (MHCLG) consultation on Local Audit Reform.

#### **3.2 Governance reporting**

3.2.1 The first Audit and Governance Committee Annual Report detailing how the committee had complied with the 2022 CIPFA Position Statement was received, together with feedback from the self-assessment completed by committee members and key officers. It was endorsed as a fair recommendation and recommended for consideration by Council. It was noted that the Annual Governance Statement (AGS) for 2023/24, which details the overall effectiveness of the Council's governance arrangements, had not been received by the committee during the year. It had been received directly by Council for approval at their meeting in February 2025. However, the draft 2024/25 AGS had been received at the July 2025 A&G Committee meeting for review and approval as anticipated.

### **3.3 Financial reporting**

3.3.1 Updates on the preparation and progress of the draft 2023/24 statement of accounts and the status of the 2020/21, 2021/22 and 2022/23 statement of accounts were received at the first two committee meetings of the municipal year. The committee also recommended to Council that the Director of Finance be given delegated authority to finalise and approve the 2021/22 and 2022/23 financial accounts during the year. Financial performance and monitoring reports had been removed from the Committee's remit and had reverted to Council in the previous year.

### **3.4 External Audit**

3.4.1 Representatives from KPMG, the Council's External Auditor, were regular attendees at Committee meetings during the year, attending all meetings, providing the draft audit plan and strategy for the 2023/24 audit, progress updates on the external audit of the financial statements and planned value for money assurance work, summary of findings and key issues arising from the 2023/24 audit, the Auditor's Year End Report and the final version of the ISA260 report for 2023/24. It was noted that the 2021/22 and 2022/23 Statement of Accounts had not been audited as they would have been in the past by the Council's former auditors, Ernst and Young. Due to a national backlog in external audit opinions, a backstop position had been adopted with a disclaimed opinion issued to enable the local government sector to recover.

### **3.5 Internal Audit**

3.5.1 The Chief Auditor provided a quarterly update on progress with the annual audit plan, together with a summary of key findings from audit reports issued since the previous meeting for the committee to review and consider. The Internal Audit Plan and Internal Audit Charter for the forthcoming year were also reviewed and approved, together with the Internal Audit Annual Assurance Report, which provided an opinion on the overall adequacy of the Council's governance, risk management and control frameworks.

### **3.6 Other**

3.6.1 The Committee received an Annual Treasury Management review for 2023/24 and quarterly updates on Treasury Management activity. The continued use of the Council's Risk-Based Verification Policy for the Housing Benefit and Council Tax Support Scheme in 2025/26 was reviewed and endorsed.

All A&G Committee meeting agendas, papers, minutes and recordings are available online on the [Council's website](#).

## **4. Training**

4.1 To enable committee members to fully engage in discussions and provide appropriate challenges as required, several training sessions were organised during the year. Details of training sessions attended by each committee member are detailed on the following page (Table 3). In addition, there was a training session run on Internal Audit.

**Table 3: Table showing training attended by A&G Committee members in the 2024/25 Municipal Year.**

Member	Training session									Member briefing sessions attended
	Cllr Induction / Code of Conduct	Code of Conduct	Local Govt Finance	Member Briefing Sessions	Planning, Development & Control	Planning / Planning & Enforcement Training	Prevent	LGA Risk Management	Safeguarding Children (L1) / Corporate Parenting & Adoption	
Councillor Josh Williams			✓	✓	✓	✓			✓	Devolution, domestic abuse
Councillor Ama Asare			✓	✓				✓		Statutory nuisance (environmental health), domestic abuse
Councillor Glenn Dennis			✓	✓	✓	✓	✓	✓		Statutory nuisance (environmental health), devolution, RBH presentation to members
Councillor Paul Gittings										
Councillor Finn McGoldrick					✓	✓				
Councillor Clarence Mitchell				✓						Devolution
Councillor James Moore				✓						Devolution, domestic abuse
Councillor David Stevens	✓	✓		✓						Devolution, RBH presentation to members

## 5. Committee Effectiveness

As for last year, both committee members and key Officers were invited to complete a short questionnaire seeking their opinions on the Committee's effectiveness. A summary of key findings in each is provided below, with a detailed analysis in Appendix 2.

### 5.1 Councillors survey

5.1.1 The questionnaire saw a 75% response rate, consistent with the previous year. Key findings include:

- **Understanding of Committee Role:** 83% of respondents clearly understood the committee's role and purpose, an improvement from two-thirds the previous year. The remainder had a partial understanding.
- **Issue Escalation:** All respondents agreed that the Audit & Governance Committee escalated concerns promptly to governance and leadership, up from two-thirds previously.
- **Governance and Assurance:** Nearly all respondents felt the committee had adequately considered governance, risk management, internal controls, the assurance framework, and audit matters. Two-thirds believed the Annual Governance Statement and financial reporting were also sufficiently addressed. All areas showed improvement except risk management, which remained unchanged.
- **Private Meetings with Audit:** There remains uncertainty about whether the committee or chair met privately with Internal or External Audit, though awareness has slightly improved.
- **Evaluation and Training:** Understanding of personal evaluations regarding knowledge, skills, and training needs rose significantly from 17% to 67%. All respondents reported receiving useful support, and most found training effective.
- **Committee Capability:** All respondents agreed the committee had appropriate knowledge and skills, with improved perceptions from the previous year. Secretarial and administrative support was also deemed adequate.
- **Relationships with Key Officers:** Strong relationships and access to key officers (Internal/External Audit, Director of Finance, Assistant Director of Legal and Democratic Services) were reported by 83–100% of respondents. However, visibility of the committee among these officers was slightly lower (67–83%).
- **Meeting Efficiency:** Feedback was mixed. While agreement remained high overall, some areas saw a decline in positive responses. Most respondents felt the committee was well-chaired, non-political, focused on key issues, and encouraged member engagement.
- **Performance Feedback:** There is still a lack of clarity on whether feedback is obtained from stakeholders who interact with or rely on the committee's work.
- **Recommendations and Impact:** Most respondents felt the committee made recommendations to improve governance, risk, and control. 83% believed these had traction with leadership, and 67% felt the committee added value—both metrics improved from the previous year.
- **Engagement:** As in the previous year, all respondents agreed the committee engaged with a broad range of leaders and managers.

## 5.2 Key Officers survey

5.2.1 The questionnaire received a 67% response rate. Key findings include:

- **Understanding of Role:** All respondents understood the role and purpose of the Audit & Governance (A&G) Committee, consistent with the previous year.
- **Issue Escalation:** Fewer respondents felt the committee escalated concerns promptly to governance and leadership (down from 86% to 67%), and fewer believed appropriate actions were taken following escalation.
- **Adequate Consideration of Core Areas:** While internal control and Internal Audit continued to receive full agreement, positive responses declined for risk management, the Annual Governance Statement, financial reporting, External Audit, and the assurance framework. However, agreement on governance arrangements rose from 57% to 67%, with Officer and Member views broadly aligned.
- **Private Meetings with Audit:** Uncertainty remains around whether the committee or Chair met privately with Internal or External Audit, with most respondents unaware of any such meetings.
- **Committee Expertise:** Perceptions of committee knowledge and skills improved significantly (83% vs. 43% last year), with comments noting better risk management and the benefit of experienced councillors.
- **Relationships and Visibility:** All respondents reported good access to Internal Audit, the Director of Finance, and the Assistant Director of Legal and Democratic Services. Most also agreed on good relations with External Audit and the Risk Management Team. Visibility with key officers was rated highly.
- **Meeting Efficiency:** The committee continues to be seen as well-chaired. Positive responses increased regarding member participation and dialogue with the Chair. However, agreement declined on apolitical operation, focus on improvement, addressing key agenda items, and receiving feedback.
- **Recommendations and Value:** More respondents felt the committee made effective recommendations, particularly around External Audit and risk management. Most agreed the committee added value through improved audit tracking, strategic risk oversight, and enhanced scrutiny.
- **Officer Attendance:** Agreement that responsible officers attended meetings to answer questions and respond to concerns dropped from 100% to 67%.

## 6. Progress update since the last assessment of good practice

6.1 This marks the second year the committee has presented an annual report to Council, outlining its performance over the past year. The report details how the committee has aligned with the CIPFA Position Statement 2022, the outcomes of its annual evaluation, actions taken or planned in response, fulfilment of its terms of reference and key issues escalated during the year. An annual effectiveness review was also conducted, incorporating feedback from Committee members, key Officers and Internal Audit via tailored questionnaires. As with the previous year, areas for improvement were identified.

6.2 Further progress has been made since last year's good practice assessment. During the year, the committee reviewed its first annual report, which was subsequently recommended to Council, formally approved and published as a public report on the Council's website.

6.3 A wide range of Officers had been involved with the Committee during the year, with some attending regularly (for example Internal and External Audit, the Executive Director of Resources, the Director of Finance, the Assistant Director of Legal and Democratic Services, the Chief Accountant, the Financial Strategy and Planning Manager, and the Health, Safety and Risk Management Lead) and some on an ad hoc basis (for example the Executive Directors of Communities and Social Care and of Economic Growth and Neighbourhood Services, the Interim Assistant Directors of Housing Landlord Services and of Digital and IT, The Revenues and Benefits Manager, and the Director of Education for Brighter Futures for Children).

6.4 Throughout the year, the Committee exercised its right to request attendance or update reports from relevant Directors, Assistant Directors, and Service Managers in cases where internal audits resulted in limited or no assurance. This included updates on Traffic Regulation Orders (TROs), housing repairs, cyber security and FOI responses from Brighter Futures for Children.

6.5 Responses to the questionnaires from Members and key Officers indicated a good level of knowledge, skills and experience within the committee. Members regularly asked questions and challenged officers, where appropriate.

6.6 Towards the end of the municipal year, it was agreed that regular update papers would only be received and reviewed by the committee at every other meeting to allow more time for review and challenge.

6.7 Generally, the Audit and Governance Committee complies with CIPFA's Position Statement 2022, although it does not have any independent members on the committee, and the 2023/24 AGS was not reviewed by the committee in the municipal year.

6.8 It is noted that the governance of significant partnerships had not been reviewed in the year. A paper on this was awaited, after which a decision would be taken as to where to focus attention.

## **7. Areas for improvement**

7.1 Areas identified for improvement are listed below:

- Confirm that robust value for money measures are in place.
- Assess fraud risk management and monitor the counter-fraud strategy, including whistleblowing procedures, actions and resources.
- Review the Committee's working relationship, visibility and access to External Audit.
- Ensure the Committee monitors progress on implementing actions arising from the 2024/25 Annual Governance Statement.

## **8. Plans for 2025/26**

- 8.1 The Committee has experienced another busy year, continuing to make progress made on areas of development identified in last year's committee assessment.
- 8.2 Looking ahead, several developments are expected in the forthcoming year. Allowance has been made for an additional committee meeting to be held, should this be necessary, to accommodate the committee's workload. An additional committee member (Green Party) has been added, taking the total membership to nine. It has also been noted of the need for the committee to receive meeting papers in a timely manner to allow time for review and scrutiny.
- 8.3 Key areas for focus in the forthcoming year are anticipated to include the implications of the transfer of Brighter Futures for Children to RBC, the review of the members' gifts and declarations process, assessment of the effectiveness of the whistleblowing and speaking up policies, ongoing review of the TRO restitution scheme and its possible closure, ongoing monitoring of housing repairs and the impact of the Government's consultation on Local Audit Reform, particularly in relation to independent members.