



## AUDIT & REGULATORY COMMITTEE

**Meeting: Wednesday, 31 July 2024 at 6.30 pm in The Board Room, Pavilion Gardens, Buxton**

Present: Councillor O Cross (Chair)

Councillors P Bell, A Benham, J Collins, N Gourlay, M Hall and M Taylor

In Attendance: Mrs H Burbidge and A McKeown

An apology for absence was received from Councillor Barrow

**25/1 TO RECEIVE DISCLOSURES OF INTEREST ON ANY MATTERS BEFORE THE COMMITTEE**  
(Agenda Item 2)

None

**25/2 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING**  
(Agenda Item 3)

RESOLVED:

That the minutes of the meeting held on 5 June 2024 be approved as a correct record.

**25/3 AUDIT PROGRESS AND SECTOR UPDATE JULY 2024 - EXTERNAL AUDIT**  
(Agenda Item 4)

The External Auditor presented a report outlining progress in delivering their responsibilities as the Council's External Auditors together with a series of sector updates in respect of emerging issues.

Progress was reported in terms of the Financial Statements Audit and, although it was noted that the start of the final accounts audit had been delayed, it was still anticipated that this work will be completed by the end of November.

Discussion ensued around the proposed statutory backstops to being the local audit system back on track. It was noted that as the 2022/23 accounts have been audited that there should be no immediate impact on the Council, although it is anticipated that backstops may be introduced in future years.

RESOLVED:

That the Audit Progress Report and Sector Updates be noted.

**25/4 RISK MANAGEMENT UPDATE**  
(Agenda Item 5)

The Committee considered the adequacy of the Council's Risk Management arrangements in accordance with accepted good practice. The Council's Strategic, Operational and Project Risk Registers are reviewed quarterly and reported to the Committee on an exception basis. Details of all risks that have been rated as 'high' or above and therefore beyond the Council's risk tolerance threshold were set out in the appendices to the report. As set out in paragraph 7.5 of the report, a review of the council controlled companies is to be undertaken which will factor in company risks.

Comments were made regarding the timescales for making improvements to some play areas and bridges within Pavilion Gardens which are on the project plan. In respect of the carbon reduction targets within the Assets Green agenda, this is part of a wider project around the review of the housing and assets systems. In response to a query around the risk around pay awards, members were advised that this was mitigated for as a contingency within the reserves in the medium term financial plan. It was requested that the layout of the document be reviewed in order to highlight the most recent entries on the running commentary.

RESOLVED:

That the Council's current risk position and the mitigation / fruition plans summarised within Appendix A (strategic risks), Appendix B (operational risks), Appendix C (project risks) and Appendix D (opportunity risks) be noted.

**25/5 ANNUAL TREASURY MANAGEMENT REPORT**  
(Agenda Item 6)

The Council's Treasury Management Performance in 2023/24 was scrutinised in compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and generally accepted good practice. The report set out specific details in relation to the Council's capital expenditure and borrowing requirements for the year; the current treasury position; the 2023/24 Treasury Management Strategy and Economic conditions; borrowing outturn and the investment performance and portfolio.

RESOLVED:

That Council be recommended to approve the Annual Treasury Management Report 2023/24.

**25/6 TREASURY MANAGEMENT UPDATE**  
(Agenda Item 7)

The Committee scrutinised the Council's Treasury Management performance in 2024/25, in compliance with the Chartered Institute of Public

Finance and Accountancy (CIPFA) Code of Practice on Treasury Management and generally accepted good practice.

Discussion ensued around debt maturity profile and the constant monitoring of prospects for debt rescheduling to achieve overall financial benefit to the Council. It was noted that the ESG proportion of the portfolio has reduced slightly which is due to a change in product.

RESOLVED:

That the Treasury Management position as at the end of the first quarter 2024/25 be noted.

**25/7 ANNUAL GOVERNANCE STATEMENT**  
(Agenda Item 8)

Regulation 6 (1) (a) of the Accounts and Audit Regulations 2015 requires the Council to conduct a review each financial year of the effectiveness of its system of internal control and approve and Annual Governance Statement (AGS). The statement needs to be prepared in accordance with proper practices in relation to accounts and must be approved in advance of the Council approving the statement of accounts. 'Proper practices in relation to accounts' relates to those accounting practices which are contained in a code of practice or other document which is identified for the purposes of this provision by regulations made by the Secretary of State. Such guidance is contained in the CIPFA/SOLACE framework and guidance on 'Delivering Good Governance in Local Government'.

Reference was made to significant governance issues remaining at the end of 2023/24 and the action that was and is being taken to address them as set out in paragraph 7.3.4, this included matters relating to a change in the operating model for the Council's housing repairs and work being undertaken to ensure compliance with the Social Housing (Regulation) Act.

RESOLVED:

That the draft Annual Governance Statement be noted prior to external audit.

**25/8 STATEMENT OF ACCOUNTS**  
(Agenda Item 9)

The Committee scrutinised the draft Statement of Accounts 2023/24, in compliance with the legislative provisions relating to financial reporting and the Council's commitment to transparency and accountability in the stewardship of public funds. It was noted that the draft Statement of Accounts was being presented prior to External Audit to provide an opportunity for members to scrutinise the Statement of Accounts prior to the audited accounts being signed by the Chair. The audited Statement of Accounts will be presented to the meeting in November. Reference was made to a recent training session for members delivered by the Council's Treasury Management partners, Link Group. Several questions were set out within the CFO review of the Statement of Accounts which could be

used as a basis by members to develop areas for further scrutiny. The Finance Team was thanked for all their work in the preparation of the draft Statement of Accounts.

RESOLVED:

That the draft Statement of Accounts 2023/24 be noted, prior to external audit.

**25/9 2024/25 INTERNAL PERIODIC REPORT JUNE 2024 TO JULY 2024**  
(Agenda Item 10)

The Account and Audit Regulations 2015 requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.” In accordance with the Public Sector Internal Audit Standards, the Audit Manager must report periodically to the Audit Committee on the internal audit activity’s performance relative to its plan.

RESOLVED:

That the progress information contained within the report be noted.

**25/10 ANNUAL REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT**  
(Agenda Item 11)

The Accounts & Audit Regulations 2015 require the Council to, each financial year, conduct a review of the effectiveness of the system of internal control, and that the findings of this review must be considered by a committee or by members of the authority meeting as a whole. An annual review of the effectiveness of Internal to demonstrate conformance with the Public Sector Internal Audit Standard and Local Government Application Note forms part of this review.

RESOLVED:

That the annual review of the effectiveness of Internal Audit for 2023/24 including the Quality Assurance and Improvement Programme be noted, and that Internal Audit is operating effectively and can be relied upon when considering the Annual Governance Statement for 2023/24.

**25/11 REVIEW OF THE EFFECTIVENESS OF THE A & R COMMITTEE**  
(Agenda Item 1)

As part of the requirement to comply with the Accounts & Audit Regulations 2015, best practice suggests that an annual review of the effectiveness of the Audit & Regulatory Committee should be undertaken. It was noted that this review has not been undertaken for several years following the pandemic and subsequent changes to the Committee’s membership.

Paragraph 6.5 of the report set out the results of the recent self-assessment to identify and evaluate the overall knowledge and skills of the current

members of the Committee. Seven areas have been identified as priorities for training and will be included in the development programme.

**RESOLVED:**

1. That the Chair be nominated to complete the self-assessment checklist (Appendix 1) and the assessment tool (Appendix 2) in conjunction with the Head of Audit and Executive Director (Resources);
2. That the outcome of the self-assessment and the development of a training programme that includes the seven priority areas for development (Appendix 3) be approved; and
3. The review of the Committee's Terms of Reference against the current CIPFA guidance with a view to presenting an updated version for consideration at its next meeting be noted.

**25/12 WORK PROGRAMME**  
(Agenda Item 13)

In response to a comment, members were provided with a verbal summary of some of the measures in place to combat fraud within the Council.

**RESOLVED:**

That the work programme be noted.

The meeting concluded at 7.50 pm

**CHAIRMAN**