

AUDIT COMMITTEE

Meeting: 19 March 2025

At: 6.00 pm

PRESENT

Councillor Sue Glithero (Chair) in the chair; Councillor Carole McCann (Vice-Chair);
Councillors Jake Austin, Jon Byrne and Alex Wynne.

1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 11 February 2025 were approved as a correct record and signed by the Chair.

2. DECLARATIONS OF INTEREST

Councillors and officers were invited to declare any interests they had in any of the items on the agenda for the meeting.

The following interest was declared.

Personal Interest

Councillor

Interest

Carole McCann

Any items relating to schools as a governor at Cheadle Catholic Junior School.

3. URGENT DECISIONS

No urgent decisions were reported.

4. PUBLIC QUESTION TIME

Members of the public were invited to put questions to the Chair on any matters within the powers and duties of the Committee, subject to the exclusions set out in the Code of Practice.

No public questions were submitted.

5. STAR PROCUREMENT UPDATE

The Director of STAR (STAR Procurement) attended the meeting and made a presentation (copies of which had been circulated) providing a summary of the work of STAR Procurement and an update on the operations of the service.

The following comments were made/ issues raised:-

- A discussion took place in relation to social value return, investment, local spend, and helping local businesses in the voluntary community sector to engage with the public sector.
- STAR's highest performing year brought about £800,000 of income from selling service.
- The Procurement Act 2023 went live on 24 April 2024, bringing significant benefits to business operations including increased transparency and more rules around performance indicators for higher value contracts.
- The National Procurement Policy Statement is due to come into effect from 24 February 2025 which would allow the government to make policy changes more quickly without needing to through the process of changing the law.
- Changes would be required to the Council's contract procedure rules to reflect changes introduced through the procurement act.
- STAR Procurement had participated in a deep dive into social value and STAR procurement as part of a recent scrutiny review undertaken by the Corporate, Resource Management & Governance Scrutiny Committee.
- There had been a recent successful Meet the Buyer event with over 300 delegates.
- STAR Procurement was adapting its governance to accommodate new partners while maintaining core values.
- It was important to explain to residents how the council was spending its money effectively to improve the position of residents and businesses in the borough.
- It was requested that consideration be given to looking at lower value contracts under £25,000 as part of the work on engaging small and medium businesses.
- It was important that there were consequences for contractors who failed to deliver promised social value.

RESOLVED – That the presentation be noted.

6. AGS PROGRESS STATEMENT 2

The Director of Finance (Section 151 Officer) submitted a report (copies of which had been circulated) detailing the second update of the Council's Annual Governance Action Plan arising from the latest Annual Governance Statement including outlining the current three key governance issues currently facing the Council along with agreed controls put in place to manage the issues.

A discussion took place in relation to efficiency savings proposed as part of the Council's budget and the need to adapt to new technologies, and the importance of transformation in the coming year.

RESOLVED – That the report be noted.

7. ARRANGEMENTS FOR COMPLETING AGS FOR 2025/26

The Director of Finance (Section 151 Officer) submitted a report (copies of which had been circulated) detailing the proposed arrangements for the completion of the Annual Governance Statement for 2024/25. It was noted that the final Annual Governance Statement would be produced and presented at the Audit Committee along with the Annual Statement of Accounts.

RESOLVED - That approval be given to the proposed process for completion of the Annual Governance Statement for 2024/25.

8. INTERNAL AUDIT PROGRESS REPORT 3 (OCTOBER 2024 TO FEBRUARY 2025)

The Director of Finance (Section 151 Officer) submitted a report (copies of which had been circulated) setting out the progress made by internal audit against the Risk Based Internal Audit Plan originally approved by the Audit Committee in March 2024.

The following comments were made/ issues raised:-

- It was noted that two unplanned audits had taken place, and it was queried as the impact that this had, including the resources allocated to complete these audits. In response, it was stated that unplanned work was accounted for with additional resources and risk assessments, noting that some planned audits might be delayed but the importance of transformation and adapting to new ways of working was emphasised.
- It was suggested that councillors should undertake mandatory training in relation to handling sensitive information.
- A question was asked about the differences in audit opinions (substantial, moderate, limited, no opinions) and how they were determined in addition to the implementation of recommendations and the number of open actions. In response, the importance of addressing high-priority recommendations was highlighted, and that the number of open actions was considered to be reasonable and that there was a greater focus on following up on recommendations.
- The council provided audit services to academies on a commercial basis, however achieving a balance between commercial work and other responsibilities was highlighted.

RESOLVED – That the report be noted.

9. INTERNAL AUDIT PLAN, CHARTER AND STRATEGY 2025-26

The Director of Finance (Section 151 Officer) submitted a report (copies of which had been circulated) outlining the key areas of the Council that current internal audit resources will be directed in the next financial year.

The following comments were made/ issues raised:-

- Concerns was expressed in relation to capacity of the team to deliver all the work contained within the Plan and it was suggested that consideration should be given to using capacity from elsewhere in the Council to assist in lower-level audits for personal development.
- Concerns were raised in relation to the number of projects and budget allocation for highways maintenance and cemetery management.
- A discussion took place about the use of AI across the council, highlighting potential risks related to diversity and decision-making. In response it was stated that work was taking place in relation to undertaking an audit on AI and cyber security, emphasising the need for careful consideration of AI's impact.

- The importance of AI as a tool rather than a replacement for human decision-making was highlighted, including its role in creating capacity within services and improving outcomes for service users.
- The proposed scope of the audit on council buildings and facilities management contracts would be determined based on discussions with directors and key risks.

RESOLVED – That approval be given to the 2024/25 Internal Audit Plan and Charter.

10. ASSURANCE MAP 2025/26

The Director of Finance (Section 151 Officer) submitted a report (copies of which had been circulated) detailing the 2025/26 Assurance Map that was a tool providing useful insights for both Corporate Leadership Team (CLT) and members of the Council's audit committee and ensuring compliance with best practice in line with new Global Internal Audit Standards and providing a robust approach to the audit planning process to both identify key risk areas to the Council and also the effectiveness of assurance coverage.

RESOLVED – That the report be noted.

11. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME – SELF ASSESSMENT

The Director of Finance (Section 151 Officer) submitted a report (copies of which had been circulated) setting out the quality assurance arrangements in place for internal audit for 2025/26 along with the self-assessment results of the Quality Assurance and Improvement Programme for 2024/25 and the proposed basis that the Head of Internal Audit, Risk and Insurance will use for the external assessment of the Council's internal audit function.

RESOLVED – That the Quality Assurance and Improvement Programme and the results of the self-assessment be noted.

12. CORPORATE RISK REGISTER - QTR 4 UPDATE

The Director of Finance (Section 151 Officer) submitted a report (copies of which had been circulated) providing the Quarter 4 Update on the Corporate Risk Register, noting that this report reflected minor changes to the narrative on most risks.

The following comments were made/ issues raised:-

- Consideration needed to be given to identifying the level of risk associated with climate change and the recent flooding events, and the consequent need for local authorities to identify significant levels of capital expenditure to bring highways and drainage infrastructure up to the level to handle projected levels of rainfall.
- It was noted that instances of severe flooding were increasing and whether this would consequently increase the level of risk associated with it.

RESOLVED – That the report be noted.

13. 2024/25 STATEMENT OF ACCOUNTS - ACCOUNTING POLICIES

The Director of Finance (Section 151 Officer) submitted a report (copies of which had been circulated) detailing the proposed accounting policies that would be used by the Council in preparing and presenting financial statements.

RESOLVED – (1) That the report be noted.

(2) That approval be given to the Council's proposed accounting policies set out in appendix one to be adopted in preparing the council's 2024/25 Annual Statement of Accounts.

14. AUDITORS ANNUAL REPORT 2023/24

The external auditors (Forvis Mazars) submitted a report (copies of which had been circulated) detailing the Auditors Annual Report for 2023/24.

RESOLVED – That the report be noted.

15. EXTERNAL AUDITORS PROGRESS REPORT

The external auditors (Forvis Mazars) submitted a report (copies of which had been circulated) which detailed progress in delivering Mazars' responsibilities as external auditors to the Council.

RESOLVED – That the report be noted.

The meeting closed at 8.00 pm