

AUDIT COMMITTEE
22/10/2025 at 6.00 pm



Present: Mr Grenville Page (Independent Chair)
Councillors Al-Hamdani, Cosgrove (Substitute), Davis (Substitute), Ghafoor, Kenyon (Substitute), Rustidge and Woodvine

Also in Attendance:

Daniel Watson (Forvis Mazars)
Councillor Shah (Leader of the Council)
Shelley Kipling (Chief Executive)
Emma Barton (Executive Director of Place/Deputy Chief Executive)
Mike Barker (Executive Director of Health and Social Care/Deputy Chief Executive)
Fiona Greenway (Executive Director of Resources)
Julie Daniels (Executive Director of Children' Services)
Lee Walsh (Director of Finance)
Alex Bougatef (Director of Legal)
Matt Gratton (Director of Digital)
Heather Moore (Assistant Director of Governance)
Vickie Lambert (Assistant Director of Finance)
Eleanor Devlin (Assistant Director of Workforce and Organisational Development)
James Postle (Senior Finance Manager)
John Miller (Head of Internal Audit and Counter Fraud)
David Nuttall (Senior Audit Manager)
Peter Thompson (Constitutional Services)

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Aslam, Chauhan and Sykes.

2 URGENT BUSINESS

Councillor Kenyon requested that the Committee ask the Council's four Scrutiny Boards to undertake a review of their impact and effectiveness and to prepare a report thereon, for presentation to a future meeting of this Committee.

The Chair updated the Committee on the process for recruiting independent members of the Audit Committee. Shortlisted candidates would be interviewed soon.

Resolved:

1. That the Council's four scrutiny boards be requested to undertake a review of their impact and effectiveness and to prepare a report thereon, for presentation to a future meeting of this Committee.
2. That the process for appointing independent members of the Audit Committee be noted.

3 DECLARATIONS OF INTEREST

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no public questions for this meeting of the Audit Committee to consider.

5 **MINUTES OF PREVIOUS MEETING**

Resolved:

That subject to the inclusion of Councillor Ghafoor in the list of Members present, the Minutes of the meeting of the Audit Committee, held on 23rd July 2025, be approved, as a correct record.

6 **AUDIT PROGRESS REPORT**

Daniel Watson, representing the Council's external auditors, Forvis Mazars, presented the audit progress report. The report provided the Audit Committee with information about progress in delivering their responsibilities as the external auditors for the Council.

In terms of the 2024/25 Financial Statements Audit, Forvis Mazars issued their Audit Strategy Memorandum at the 23rd July Audit Committee meeting. They had commenced their planning work and fieldwork in September and were making good progress to date. Presently there were no significant findings to report. They anticipated concluding their work and issuing completion reports in November 2025.

Regarding the 2024/25 Value for Money work, Forvis Mazars reported that the Code of Audit Practice was updated in 2024 and had revised the timetable for completing their work on the Council's value for money arrangements. From 2024/25, Forvis Mazars were required to issue their draft Auditor's Annual Report by 30th November each year. This will conclude on whether there are any significant weaknesses in the Council's arrangements based on work completed to date. Should the external auditors identify any further significant weaknesses between issuing their draft Auditor's Annual Report and concluding their audit of the Council's financial statements, they were able to reissue the Auditor's Annual Report to include any additional weaknesses identified.

As part of the 2023/24 audit, Forvis Mazars had identified no significant weaknesses in the Council's arrangements for delivering value for money. However, they did make several recommendations where had identified areas for potential improvement, details of which were included in the submitted report.

Resolved:

That the report be noted.

7 **TREASURY MANAGEMENT UPDATE REPORT**

The Committee received a report of the Director of Finance updating Members on the Council's Treasury Management function. The Committee was advised that in April 2023 the Council had adopted the Chartered Institute of Public

Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Authority to approve, as a minimum, treasury management semi-annual and annual outturn reports.

This quarterly report advised the Committee of the performance of the Treasury Management function of the Council for the first quarter of 2025/26 and provides a comparison of performance against the 2025/26 Treasury Management Strategy and the Treasury Management Prudential Indicators.

The Council is required to consider the performance of the Treasury Management function to comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2021). This quarterly report provides an additional update and includes the new requirement in the 2021 Code, mandatory from 1 April 2023, of quarterly reporting of the treasury management prudential indicators. This report therefore sets out the key Treasury Management issues for Members' information and review and outlines:

- An economic update for the first quarter of 2024/25 (External Context).
- Net Borrowing and Investments (Local Context).
- A review and updates of the Council's current treasury management position.
- Council Borrowing.
- Treasury Investment Activity.
- Treasury Performance for the Quarter.
- Treasury Performance for the Quarter.
- Compliance.
- Treasury Management Prudential Indicators.

The report was presented to the Audit Committee to enable it to have the opportunity to review and scrutinise the Quarter One Treasury Management report.

Resolved:

That the Audit Committee, considers and comments upon the Treasury Management Quarter One report and the Treasury Management activity and projected outturn.

HOUSING BENEFIT SUBSIDY AUDIT 2023/24

The Committee considered a report, of the Interim Head of Revenues which outlined the outcome of an external audit of the Housing Benefit Subsidy claim for the financial year 2023/24.

In accordance with the Department of Work and Pensions (DWP) Housing Benefits Assurance Process, the Council was required to undergo an annual review of its Housing Benefit Subsidy claim. This review was conducted by the external auditors, KPMG LLP. Appendix 1, to the submitted report,

included a report prepared by the KPMG LLP officer who led the audit process.

Overall, the report was reasonably positive but it highlighted several issues that have been reviewed in preparation for the 2024/25 audit process.

The findings were as follows:

- There were five cases where the claimant's earnings had been miscalculated. This resulted in a mix of underpayments and overpayments, affecting the subsidy claim by an overstatement of £2,990
- There were five cases where tariff income from capital was assessed incorrectly. Only one case resulted in an overpayment, affecting the subsidy claim by an overstatement of £99
- A system issue caused some temporary and supported accommodation claims to have overpayments incorrectly created. This was due to the Universal Credit migration and has now been resolved. It affected the subsidy claim by an overstatement of £2,755.
- Two cases involved prior year overpayments being misclassified as eligible rather than technical overpayments. This affected the subsidy claim by £1,101.
- In two cases, the effective date of change to tariff income in HRA claims was applied incorrectly, resulting in an overpayment of £30.
- Eight cases involved miscalculated childcare costs, resulting in both overpayments and underpayments, and affecting the subsidy claim by £1,419.
- One observation noted a service charge being incorrectly included in a rent calculation. As no benefit was paid, there was no impact on the subsidy claim.

Resolved:

That the submitted report detailing the outcome of the 2023/24 audit of the Housing Benefit Subsidy claim form, be noted.

PAYROLL AUDIT PROGRESS

The Audit Committee considered a report of the Assistant Director of Workforce and Organisational Culture, which was designed to provide background and insight into the current context for the Payroll Services at Oldham Council. It also provided details on the recently agreed HR and OD ReBuild Recovery Plan and aspects designed to support improved quality, governance and resilience of Payroll services over the medium to long term. The report gave members an update on progress against actions as included in the Payroll Audit Report 24/25.

The Council's Payroll Service had several, long-standing identified issues, which has led to it being classified as "*Inadequate*" by Internal Audit for several years. The service provides a wide ranging and complex service across the borough. It provided a full range of Payroll and Pension service to Oldham Council. It also provides Payroll services to several schools and additional providers in the area, including Miocare Limited.

In total it provides 27 Payrolls monthly, across two monthly pay dates (15th and 20th) across a staffing headcount of almost 8,500. This was a significant headcount, spanning several organisations, pay-scales and sets of T&Cs.

The service had seen significant challenges in recent years. Structures were changed following transfer in-house from Unity Partnership. In addition, there had been turnover of established staff within the team, and difficulties recruiting and retaining team members. Payroll specialists are often considered "hard to fill" roles due to the specialist knowledge involved.

There had also been recent turnover at senior level, including the HR Employment Services Manager, the Systems Lead, the Head of HR and the Assistant Director of HR & OD (as previously known). Structural changes, budget restrictions and significant change within the team and in their senior structure has led to a lack of investment in the system (iTrent), a lack of specialist knowledge in the team and a lack of capacity to focus on required improvements.

A permanent Assistant Director of Workforce & Organisational Culture had commenced at the end of July 2025, providing consistent leadership to the HR & OD team. Subsequently, HR & OD ReBuild Recovery Plan had been drafted in partnership with the senior HR & OD team. This was a 12-month plan focused on ensuring compliant and resilient services across the HR team. It is acknowledged that improvements will take longer than 12 months to develop and embed, so further plans will need to be developed.

The ReBuild plan structures improvements into 5 pillars – *strategy, systems and infrastructures, structures, team development and engagement and governance, legal and audit*. A breakdown of intended actions for Payroll services as included in the plan is outlined in Appendix 1, note that some actions span the whole HR & OD team. The HR & OD ReBuild Plan spans wider than Payroll services, therefore Appendix 1 focuses specifically on actions relevant to this Payroll Audit.

The plan progress and achievements/risks was to be overseen through HR & OD DMT and also through regular reports to the Resources Scrutiny Board, currently in formation. Progress would also be reported through to the Management Board.

This plan was launched on 1st September 2025, with key short-term achievements so far being as follows:

- Appointment of permanent HR Employment Services Manager and recruitment process underway for a permanent Head of Operational HR.
- Launch of a monthly Payroll Reconciliation Working Group, inaugural meeting September 2025, consisting of HR, payroll and Finance. Initial analysis was able to highlight cause of imbalance between ledger and payroll, which was due to a specific LGPS element. This is being investigated.
- Seeking and obtaining approval for a programme of work to optimise the iTrent system, with a 12-month programme of work to improve specialist understanding of the system and to create processes which will create capacity e.g. batch uploading of 27 payrolls rather than individual uploading.
- Launch of monthly reminders to manager on new starters, absence and expenses deadlines via Viva Engage and HR DMT reports.
- Appointment of temporary 6-month Payroll resource which will – once trained – free up capacity for Payroll senior team to create Standard Operating Procedures.
- Provisional identifying of Payroll colleagues to undertake the Chartered Institute of Payroll, Pensions and Reward qualification or similar, to support greater specialist knowledge in the team.
- Appointment and launch of 6-month resource to undertake a full HR file audit and create standards/training for the wider team.
- Implementation of stricter approvals for CHAPs payments, now approved by the Assistant Director of Workforce & Organisational Culture.

In considering the report Members commented upon the welcome progress that was being made to implement the recommendations for improvement in the Payroll Service. In addition. Members also requested that regular progress reports be presented to future meetings of the Committee (in addition to the planned reports that are planned for presentation to the Governance, Strategy and Resources Scrutiny Board). It was also requested that the Portfolio Holder for Finance, Corporate Services and Sustainability be asked to attend future meetings of the Audit Committee to explain the actions being taken in relation to this matter.

Resolved:

1. That the report be noted.
2. That the Committee receive update reports at all future meetings of the Audit Committee regarding progress being made in relation to the Improvement Plan for the Council's Payroll Service.

3. That the Cabinet Member for Finance, Corporate Services and Sustainability be asked to attend future meetings of the Audit Committee to explain the actions being taken in relation to this matter.

MEMBERS' ALLOWANCES

The Committee considered a joint report of the Assistant Director of Governance and the Head of Audit and Counter Fraud which provided Members with an overview of issues identified in the administration of members' allowances, specifically relating to underpayments and overpayments. It sets out the underlying causes, the lessons learnt, and the measures implemented to strengthen controls and reduce the risk of recurrence.

The report explained that Members are entitled to allowances in accordance with the Council's Members' Allowances Scheme. Payments are administered via the payroll system, with information provided by Democratic Services and processed by the HR and Payroll teams. All Members are entitled to the basic allowance, and certain roles agreed by the full Council have a special responsibility allowance (SRA). An Independent Remuneration Panel (IRP) reviews Member allowances and makes recommendations to the full Council, who have a duty to consider the recommendations, but the final decision regarding allowances is with the full Council.

Once full council has made a decision about the Members' Allowance Scheme, which includes the setting of basic and special responsibility allowance rates, they have no further involvement in its operation or implementation.

In light of some members raising a query with their allowances in June, following the Annual Council meeting where roles which have a special responsibility allowance are agreed, the Assistant Director of Governance undertook a quality assurance exercise of allowances. This was ahead of the full quality assurance work, which is good practice in many other Councils, which was planned to take place during recess. Through the quality assurance exercise, discrepancies were identified in the payment of allowances, leading to both underpayments and overpayments dating back to the 2022/2023 members' allowances scheme. The Chief Executive therefore, instructed a full review be undertaken by Internal Audit, Democratic Services, Finance, HR and Payroll to identify the issues and lessons learnt, which would inform the report to the Audit Committee.

Finance and Democratic Services carried out detailed checks of historical records to ensure that payments made were in line with approved rates. This process was particularly complex as it has required us to examine approximately 2,500 individual payslips, alongside minutes of council and committee meetings in order to confirm the precise appointment details and allowances applicable to each member at different points in

time, including the tracking through when there have been changes in political groups and roles during each year.

A review of communication between teams was also undertaken to establish what records were held and what instructions had been given.

The Internal Audit team subsequently carried out sample testing of the overpayment calculations based on the information provided by the Assistant Director of Governance, and the calculations performed by the Finance Team. No errors were identified based on the information provided. The Head of Internal Audit and Counter Fraud had also reviewed the proposed process for notification of future changes to Members' allowances between Democratic Services, Finance, HR and Payroll and has confirmed that the proposed processes and controls appear reasonable and fit for purpose.

Errors were identified across all serving Members and some former Members. The responsibility for applying, administering, and ensuring compliance with the scheme rests entirely with officers.

The following factors contributed to the errors:

- a) Inconsistency with dates entered into the payroll system
Start and end dates for allowances were not consistently recorded accurately. For example, there was evidence of Councillors who retired or did not return following the election, and they had been paid until the end of May, resulting in overpayments. There was also evidence that newly elected councillors had not been paid until the end of May, resulting in underpayments.
- b) Lack of process for Members who forgo allowances
The Local Authorities (Members' Allowances) (England) Regulations 2003 Part 3, Regulation 13 provides that a person may forgo all or part of any allowances to which they are entitled and must do so in writing. There was no evidence of records retained centrally in this regard. There was also lack of clarity when members forwent their allowance in one year, and how the national pay award would be applied in subsequent years.
- c) Incorrect rates applied.
- d) Incorrect roles applied- Some members were in receipt of more than one Special Responsibility Allowance (SRA) related to council business, which is not permitted under the scheme. Whilst payslips can be accessed via the online system, there was no evidence that Members had been told about the availability of this, or how to access the online system. Members therefore would not have had access to detailed breakdowns of payments.
- e) Poor communication - there was no evidence to confirm documented instructions between teams had been implemented, for example, when national pay awards had been applied.
- f) No, or limited record keeping - there was insufficient documented evidence that appointments and roles had been shared with HR and Payroll. When any in-year

changes occurred there was no evidence of records being retained to track any changes which would impact on allowances, this included those members who forfeited their allowance or changed roles in-year. There was also no evidence of informing Members about their allowances, or when their allowances changed. There was evidence of partial compliance with the requirement to publish details of the total sum paid to each member in respect of basic allowance, special responsibility allowance, dependents' carers' allowance, travelling and subsistence allowance and co-optees allowance; as the Council published details of travel and subsistence; however, there was no evidence of publication of the amounts paid in respect of basic and special responsibility allowances, as required under the Local Authorities (Members' Allowances) (England) Regulations 2003, which may have brought these matters to light earlier.

- g) No quality assurance - there was no regular quality assurance in place.

The factors outlined above contributed to overall issues relating to lack of clarity of roles and responsibilities, and no accountability of ownership.

Resolved:

That the Audit Committee notes the findings of this report and the associated actions taken to improve the robustness of processes relating to members' allowances.

11

QUARTER 2 - 2025/26: INTERNAL AUDIT AND COUNTER FRAUD PROGRESS REPORT

The Committee received a report of the Head of Internal Audit and Counter Fraud, that provided Members with a high-level progress report on the work of the Internal Audit and Counter Fraud team for Quarter 2 of the 2025/26 financial year (July – September 2025). Which, alongside the Head of Audit and Counter Fraud's Annual Report and Opinion for the year 2025/26, would assist the Committee in discharging its responsibilities as set out in the Audit Committee's Terms of Reference, which formed part of the Council's Constitution.

The report advised that the Audit and Counter Fraud Team activity during Q2 2025/26 included:

- Completion of seventeen audit reports in connection with a wide variety of systems of governance and internal control in place to help ensure good governance and sound financial management across all Council Directorates.
- Corporate Counter Fraud activities have identified £127,882 of fraud, errors and overpayments in the year to date.

Resolved:

That the Committee notes the 2025/26 Quarter 2 Audit and Counter Fraud Progress Report.

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QUARTER 2- 2025/26: AUDIT OPINION REPORTS WITH WEAK OR LIMITED ASSURANCE OPINIONS

The Audit Committee considered a report of the Head of Audit and Counter Fraud which provided Members with details of those opinion reports with Weak or Limited assurance opinions issued/followed up in Quarter 2 of the 2025/26 financial year (June – September). This report, in combination with the quarterly progress reports on Internal Audit progress and the Head of Audit and Counter Fraud's Annual Report and Opinion for the year 2025/26, assisted the Committee in discharging its responsibilities as set out in the Audit Committee's Terms of Reference, which formed part of the Council's Constitution.

At the Audit Committee meeting of 23rd March 2025, Members requested further details of those reports receiving Weak or Limited assurance opinions for further scrutiny by the Committee.

The reports reproduced in the appendix attached to the submitted report had been edited to remove the following in line with Data Protection and Confidentiality requirements in order to protect the Council, its staff, partners, contractors and clients from potential harm.

- Personal details of staff graded below Head of Service level.
- Personal details of clients and service users which may be used to identify them in contravention of the requirements of the Data Protection Act.
- Details relating to contractual arrangements with the Council's partners and providers.

Except for the removal of personal details of staff graded below Head of Service, the details removed related to examples cited in the body of the reports intended to illustrate and support the recommendations made to Service Departments.

Removal of these details did not affect the findings or recommendations contained in the attached reports, and these are reproduced in full.

IT related reports were included in the private part of the agenda (at Minute 20), due to the risk presented by dissemination of the information in connection with the weaknesses in internal control identified within these reports which could be used to enable more effective fraud, theft, or other forms of harm or disruption to the Council, its staff, its partners, contractors or service users.

Resolved:

That the report be noted.

13

EXTERNAL AUDIT – ENQUIRIES OF THOSE CHARGED WITH GOVERNANCE 2024/25

The Committee considered a report of the Head of Internal Audit and Counter Fraud which explained that to enable the Council's External Auditor, Forvis Mazars LLP, to carry out their duties required under the Local Audit and Accountability Act 2014, the Council was required to provide the auditors with the necessary assurances required under International Standards on Auditing (ISA).

In carrying out the annual audit of the Council, Forvis Mazars LLP, was required to comply with the International Standards on Auditing (ISA) as adopted by the UK Financial Reporting Council (FRC).

ISA required the auditor to make enquiries of Management, Internal Audit and Those Charged with Governance (TCWG) to determine whether they had knowledge of any actual, suspected or alleged fraud affecting the entity.

Forvis Mazars LLP had sent two questionnaires setting out their enquiries. The questionnaires, and the Council's proposed responses, were set out at Appendices 1, 2, 3 and 4, to the report.

At the Audit Committee held on 23rd July 2025, Members requested a further addition to the proposed responses in the appendices attached in order to make clear that regular reporting on progress against audit report action plans to Executive Management and the Audit Committee would continue during the year. This had been clarified in the appendices that were attached to the submitted report.

- a) Appendix 1 – Forvis Mazars Enquiries of Those Charged with Governance (Audit Committee).
- b) Appendix 2 – Audit Committee response to Forvis Mazars Enquiries of Those Charged with Governance.
- c) Appendix 3 – Forvis Mazars Enquiries of Those Charged with Governance (Director of Finance).
- d) Appendix 4 – Director of Finance response to Forvis Mazars Enquiries of Those Charged with Governance.

Resolved:

1. That the Audit Committee noted the responses, detailed in the Appendices to the report.
2. That the Audit Committee notes the Council's responses to the External Auditors, Forvis Mazars LLP.

COUNTER FRAUD AND CORRUPTION POLICIES AND PROCEDURES

The Audit Committee considered a report of the Head of Internal Audit and Counter Fraud which set out the Council's updated Counter Fraud and Corruption Policies and associated planning documents. These documents supported the provision of an appropriate Counter Fraud service to minimise fraud risks and to investigate potential fraud and corruption across the Authority.

The Accounts and Audit Regulations 2015 stated that the Council must have measures in place “to enable the prevention and detection of inaccuracies and fraud.” In this context, fraud also referred to cases of bribery and corruption.

The Head of Audit and Counter Fraud had responsibility for the provision of an appropriate Counter Fraud service to minimise fraud risks and to investigate potential fraud and corruption. The Counter Fraud service at Oldham Council operated as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Cabinet Office also provided guidance on professional Counter Fraud standards across the public sector, and such guidance was followed in Counter Fraud activities undertaken by Oldham Council.

The Director of Finance had responsibility for the development and maintenance of the Counter Fraud suite of strategies and for directing the Council's efforts in fraud investigation. The Audit and Counter Fraud Team are responsible for investigating potential fraud, for identifying potential fraud risks, conducting proactive fraud reviews, and for delivering training and awareness to colleagues. In addition, the team maintains the relevant policies and procedures, which were reviewed and updated routinely.

Resolved:

1. That the report be noted.
2. that the Committee approves the updated Policies and Planning documents, as set out in the submitted report.

15

AUDIT COMMITTEE SELF ASSESSMENT AND ANNUAL REPORT OF THE AUDIT COMMITTEE TO COUNCIL

The Head of Internal Audit and Counter Fraud submitted a report which explained that the Audit Committee was a key component of the Council's governance framework. Its function was to provide an independent review and assurance role to support good governance and sound public financial management. In this regard the submitted report had been prepared for full Council's consideration to advise of the work undertaken by the Committee in the financial year 2024/25 and for Council to note the views of the Committee on internal control.

The report explained that in order to discharge its role, the Audit Committee had met on eight separate occasions during the municipal year 2024/25 undertaking the work detailed in the body of the submitted report. Two of those meetings were for Members to receive training on their role and responsibilities as Committee members and one was to undertake a private meeting with the Council's External Auditors, Forvis Mazars.

The Committee's annual work programme was built around its responsibilities for corporate governance, internal audit, external audit, risk management, anti-fraud and corruption, Treasury Management, and the review of the annual Statement of

Accounts. This report summarised the work undertaken by key programme area for the financial year 2024/25.

The submitted report's purpose was to inform Members of the work of the Audit Committee in the previous financial year and to report on the Committee's assessment of its own effectiveness against the CIPFA Position Statement and associated guidance.

At the Committee's meeting of 23rd July 2025, Members discussed the Committee's draft Annual Self-Assessment and Report to full Council for the year 2024/25. At that meeting Members requested certain additions to the report, in summary:

- The report should make reference to the ongoing recruitment to the second Independent Member vacancy on the Committee.
- Members' concern at not receiving an update on progress against the latest Payroll audit report recommendations as a separate agenda item.
- Members' wish to be kept informed of the Council's reserves position.
- Members' desire for closer working arrangements with the Council's Scrutiny Committees.
- Members' attendance figures to be moved from appendices to the body of the report.
- That the report should reflect the discussions held at the Committee's meeting of 23rd July 2025.

Resolved:

That the Council approves and endorses the Annual Report of the Audit Committee, for 2024/25 and recommends its presentation to Council.

FAILURE TO PREVENT FRAUD DUTY - BRIEFING NOTE

The Committee considered a report of the Head of Internal Audit and Counter Fraud which provided a briefing on the requirements of The Economic Crime and Corporate Transparency Act 2023 in relation to the new offence of Failure to Prevent Fraud.

The Economic Crime and Corporate Transparency Act 2023 came into effect on 1st September 2025 and introduced a new corporate offence of Failure to Prevent Fraud. Large organisations will risk facing criminal prosecution and unlimited fines if they fail to prevent fraud.

The offence applied to all large bodies, corporate entities, subsidiaries and partnerships. This means that in addition to businesses, large not-for-profit organisations such as charities are also in scope, as well as incorporated public bodies.

The only defence available to an organisation will be that reasonable counter fraud defences and procedures are in place at the time the fraud offence was committed. Relevant organisations will have a defence if they have reasonable procedures in place to prevent fraud, or if they can demonstrate to the satisfaction of the court that it was not reasonable in all

the circumstances to expect the organisation to have any prevention procedures in place.

The submitted report sets out the scope and requirements of the Act, an evaluation of the risks the Council faces, and a summary of the actions taken and planned to further reduce the Council's exposure in this area.

Resolved:

That the report be noted.

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**PROPOSED AUDIT COMMITTEE WORK PROGRAMME
FOR 2024/25 & 2025/26**

The Audit Committee considered its Work Programme for 205/26

Resolved:

That the Audit Committee's Work Programme for 2025/26 be noted.

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**PROGRESS UPDATE ON AUDIT OPINION REPORTS
CONTRIBUTING TO THE 2024/25 LIMITED ASSURANCE
ANNUAL AUDIT OPINION**

The Committee considered a report of the Head of Internal Audit and Counter Fraud that provided Members with an update on progress against the action plans and recommendations contained within those audit opinion reports contributing towards the 2024/25 annual audit opinion of Limited Assurance. The submitted report, in combination with the quarterly progress reports on Internal Audit progress and the Head of Audit and Counter Fraud's Annual Report and Opinion for the year 2024/25, should assist the Committee to discharge its responsibilities as set out in the Audit Committee's Terms of Reference, which formed part of the Council's Constitution.

At the Audit Committee meeting of 23rd July 2025, Members were presented with the Head of Audit and Counter Fraud's Annual Report and Opinion for 2024/25. This report referred to a number of individual audit reports for that year which, in combination, contributed towards the overall Annual Audit Opinion that the systems of Governance and Internal Control in place during 2024/25 provided Limited Assurance to the Council that they were effective in assisting the Authority to achieve its organisational goals and objectives.

The reports reproduced in the attached appendices were provided to update Members on progress against the action plans and recommendations arising.

Except for the removal of personal details of staff graded below Head of Service, the details removed relate to examples cited in the body of the reports intended to illustrate and support the recommendations made to Service Departments.

Removal of these details did not affect the findings or recommendations contained in the attached reports, and these were reproduced in full.

The IT related reports were included in the private part of the agenda (at Minute 21), due to the risk presented by dissemination of the information in connection with the weaknesses in internal control identified within these reports which could be used to enable more effective fraud, theft, or other forms of harm or disruption to the Council, its staff, its partners, contractors or service users.

The reports attached as appendices were:

Appendix 1a - Summary of progress on audit report recommendations

Appendix 1b – Summary of progress on IT audit report recommendations

Appendix 2 - Delegated Reports Review

Appendix 3 - Contract Register Review

Appendix 4 - Recruitment, Selection, and Disciplinary Policies and Procedures Review

Appendix 5 - Corporate Performance Management Review

Appendix 6 - Debt Recovery Review

Appendix 7 – 2024/25 Payroll FFS Review

Appendix 8 – 2024/25 Children's Social Care FFS Review

Appendix 9 – 2024/25 Residential Care Payments FFS Review

Appendix 10 – 2024/25 Direct Payments and Community Homecare FFS Review

Appendix 11 – IT Asset Management Review (RESTRICTED)

Appendix 12 – Cloud Service Management Review (RESTRICTED)

Appendix 13 – IT Supplier Management Review (RESTRICTED)

Of the 100 recommendations contained within the attached reports and actions plans:

- 43 recommendations are reported by Management as complete.
- 54 recommendations are reported by management as being in progress.
- Of the recommendations in progress, 41 are reported by Management as subject to slippage and Management have proposed revised implementation dates.
- Three recommendations were not agreed by the services concerned and will not be taken forward. Two recommendations are Low priority and made to help improve management information available to the service, not to address internal control weaknesses. The Service concerned reports that alternative management information resources are available in this area. The Audit and Counter Fraud Service are, therefore, satisfied with Management's response to these two recommendations. The third recommendation is a High priority recommendation concerning

retrospective disciplinary case review. The Service concerned has responded that, with limited resources available, they intend to focus available resources on current and future disciplinary cases. The Audit and Counter fraud Service are satisfied that allocation of resources to ongoing and future cases represents a reasonable prioritisation of resources in this instance.



In considering the report, members of the Committee requested that future reports include details of the relevant Cabinet Member and Senior Officers and that, where appropriate they be requested to attend meetings of the Committee, to answer members questions and queries thereon

Resolved:

1. That the report be noted.
2. That future reports include details of the relevant Cabinet Member and Senior Officers and that, where appropriate they be requested to attend meetings of the Committee, to answer members questions and queries thereon.

19

EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED: That, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following two items of business on the grounds that they contain exempt information, as defined under Paragraph 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

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QUARTER 2- 2025/26: AUDIT OPINION REPORTS WITH WEAK OR LIMITED ASSURANCE OPINIONS- CONFIDENTIAL APPENDIX

The Committee considered the confidential appendices referred to in Minute 12, above.

Resolved:

That the report be noted.

21

PROGRESS UPDATE ON AUDIT OPINION REPORTS CONTRIBUTING TO THE 2024/25 LIMITED ASSURANCE ANNUAL AUDIT OPINION (CONFIDENTIAL APPENDICES)

The Committee considered the confidential appendices referred to in Minute 18, above.

Resolved:

That the report be noted.

The meeting started at 6:00pm and ended at 8:35pm