

Date of meeting: 02 June 2025

Title of Report: **Audit and Governance Chair's Update Report 2024/25**

Lead Member: Councillor Sarah Allen (Chair of Audit and Governance Committee)

Lead Strategic Director: Ian Trisk-Grove (Service Director for Finance/ S151 Officer)

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Your Reference: Audit / 2024~25

Key Decision: No

Confidentiality: Part I - Official

### **Purpose of Report**

The Terms of Reference for the Audit and Governance Committee state that an update on the work of the Committee should be submitted to Cabinet and Council on an annual cycle.

The Audit and Governance Committee's remit, as defined in the council's constitution, has allowed its members to develop an overview of the whole system of governance and risk within the council.

The role of the audit committee is to seek assurance that the council's financial reporting, internal controls, governance, and risk management are effective and can be relied upon by councillors and council taxpayers in the city.

This report sets out the scope of work undertaken by the Committee during the financial year 2024/25.

### **Recommendations and Reasons**

That Council note the report.

*Reason: To be compliant with the Committee's terms of Reference and in line with best practice.*

### **Alternative options considered and rejected**

- I. There are no alternative options as the Chair is required to make this report under the committee's terms of reference.

### **Relevance to the Corporate Plan and/or the Plymouth Plan**

This report identifies how the committee's work programme supports the delivery of the Plymouth and Corporate Plans by enabling the Council to exercise the scrutiny and challenge of its governance, finance, risk and audit processes.

**Implications for the Medium Term Financial Plan and Resource Implications:**

None arising specifically from this report.

**Financial Risks**

None arising specifically from this report.

**Legal Implications**

(Provided by Liz Bryant/LB)

There are no legal implications arising directly from this report.

**Carbon Footprint (Environmental) Implications:**

None arising specifically from this report.

**Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:**

*\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

None arising specifically from this report.

**Appendices**

*\*Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7

**Background papers:**

*\*Add rows as required to box below*

*Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.*

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

**Sign off:**

Date approved: 21/03/2025

The benefits to the Council of operating an effective Audit and Governance Committee are:

- Maintaining public confidence in the objectivity and fairness of financial and other reporting.
- Reinforcing the importance and independence of internal and external audit and any other similar review processes; for example, reviewing and approving the Annual Statement of Accounts and the Annual Governance Statement.
- Assisting the co-ordination of sources of assurance and, in so doing, making management more accountable.
- Providing additional assurance through a process of independent and objective review.
- Raising awareness within the Council of the need for governance, internal control and the implementation of audit recommendations.
- Providing assurance on the adequacy of the Council's risk management arrangements and reducing the risk of illegal or improper acts.

The Committee continues to have a professional and arm's length relationship with Grant Thornton, the Council's external auditors, who attend meetings of the Committee to offer their advice where appropriate. Colleagues from Devon Assurance Partnership also attend each meeting and present their independent reports for consideration and approval.

The Committee undertakes a substantial range of activities and works closely with both internal and external auditors and the Section 151 Officer in achieving our aims and objectives. The work plan for the year was delivered and ensured key issues were considered.

In 2024/25 the Committee has held seven meetings on:

- 23 July 2024
- 10 September 2024
- 12 November 2024
- 11 December 2024
- 14 January 2025
- 18 February 2025
- 11 March 2025
- 01 April 2025

At the first meeting in July 2024 the Committee received a verbal update on **The Role of an Audit Member**. The minutes note:

Paul Dossett (Grant Thornton) introduced this item and highlighted:

- a) The importance of an Audit and Governance Committee;
- b) It was the role of members to ask appropriate and challenging questions, ensure accountability amongst officers on audit recommendations, remain apolitical, and engage effectively.

Through the course of the year, the committee has received and considered a substantial number of reports across key areas of the Council's activity. A running theme has been the unprecedented position of being asked to approve five sets of Statements of Accounts, ranging from the financial year 2019/20 through to 2023/24. This was to comply with the national audit backstops implemented to clear the rising backlog of unaudited accounts and auditor opinions.

The Committee also received a verbal update at each meeting from the Section 151 Officer on any developments with the Council's request for a Capitalisation Direction, dating back to a financial transaction in October 2019.

The Committee were also asked to undertake a Self-Assessment. Ross Jago (Head of Governance, Performance and Risk) introduced the item and highlighted:

- a) It was good practice for an Audit and Governance Committee to self-assess annually.
- b) there was a desire to increase the response rate from the self-assessment undertaken in the previous year and
- c) new advice and guidance had been released by CIPFA (Chartered Institute of Public Finance and Accountancy) on self-assessments.

During the year, the Committee has discussed and approved recommendations in relation to –

- External Audit Reports
- Internal Audit Charter and Strategy
- Counter Fraud Services Annual Report
- Statement of Accounts (5 sets)
- Health, Safety and Wellbeing Annual Report
- Annual Governance Statement
- Constitutional changes
- Electoral Cycle
- Capital Finance Strategy
- Treasury Management Strategy
- Risk and Opportunity Management Strategy
- S151 Officer's report on the CIPFA Finance Management Code self-assessment
- Contract Standing Orders
- Procurement Strategy
- Management Response to GT 2024 Actions including a revised Management Review and Action Plan addressing the CIPFA Financial Management Code
- Family of Companies Governance Framework
- Data Quality Strategy
- Anti-Fraud, Bribery and Corruption Policy 2025
- Committee Assessment Review

As a result of the work of the Committee –

- The council has received reasonable assurance that system of internal control is operating effectively following consideration given to internal and external auditor's reports
- Changes to the constitution have been considered by the Audit and Governance Committee following a full review by a working group of Audit and Governance Committee members and other councillors. This has resulted in significant revisions to the constitution, including the establishment of a standards Committee, updated petition scheme and amendments to various procedures to bring the council into line with national best practice.
- The Council's Treasury Management Strategy and Capital Finance Strategy were approved for consideration at council.

- Annual Governance Statement (2024) was approved.
- Five sets of Statements of Accounts were approved and published