

AUDIT COMMITTEE

Meeting held in the Committee Room, Council Offices, Urban Road, Kirkby-in-Ashfield,

on Thursday, 19th September, 2024 at 7.00 pm

Present: Councillor David Walters (as substitute for Will Bostock) in the Chair;

Councillors Dawn Justice, Nicholas Parvin and John Smallridge.

Apologies for Absence: Councillors Will Bostock, Ian Briggs and Sarah Lewsey.

Officers Present: Lynn Cain, Chris Clipstone, Ruth Dennis and Peter Hudson.

In Attendance: Hannah McDonald (CMAP).
Mark Surrige (Mazars).
Councillors Warren Nuttall and Dave Shaw.

AC.10 Declarations of Disclosable Pecuniary or Personal Interests and/or Non-Registrable Interests

No declarations of interest were made.

AC.11 Minutes

RESOLVED

that the minutes of the meeting of the Committee held on 18 July 2024, be received and approved as a correct record.

AC.12 Corporate Risk Register: Gas Servicing Update from the Assistant Director of Housing Operations

The Council's Assistant Director for Housing Operations gave a verbal update in respect of the current risk level associated with the Council's delivery of gas servicing checks to its housing stock, in accordance with its obligations as a social landlord.

Following J. Tomlinson Limited entering into administration in June of the previous year and ceasing trading, the Council needed to appoint a new contractor to undertake the gas safety checks. In the interim, the Council's own workforce, utilising a number of agency employees and contractors, endeavoured to continue with the check, but this had proved difficult due to pressures to continue to deliver in other areas.

The new contractor was now in place and undertaking the necessary safety checks, but officers were currently experiencing a very challenging period in terms of contractor performance. A lot of time was still being spent coaching and monitoring the scheduling of works by Council employees (which should have been undertaken by the Contractor), coupled with the Operatives experiencing difficulties accessing properties where the tenants were reluctant to provide access to their homes. The risk therefore remained significant at this present time, on the basis of potential impact rather than numbers outstanding.

However, the Council prided itself on its robust, efficient procedures for undertaking such checks and other local authorities had previously looked to the Council for advice and guidance in such areas.

On average, 670 checks were carried out each month with first time access rates currently sitting at around 400. The Contract benefitted from a dedicated Operative, nominated as Gas Champion, who was tenacious in working with tenants of difficult to access properties. Access could still be challenging even with the extensive letters and texts being sent out at timed intervals in accordance with the agreed procedures, requesting access to complete the necessary services. It was of benefit to the Council if the contractor gained first time access to properties, as this would trigger a small financial contribution to the Tenant Welfare Fund which purchased basic household items for vulnerable tenants.

RESOLVED

that the Assistant Director for Housing Operations be invited back to the January 2025 meeting of the Committee, to provide a further update in respect of the status of the Gas Servicing corporate risk.

AC.13 MAZARS: Indicative Audit Strategy Memorandum 2023/24

Mark SurrIDGE presented an Indicative Audit Strategy Memorandum for the year ending 31 March 2024 to Committee, which gave an initial overview of the audit's intended scope and responsibilities, timelines and methodology for the coming financial year. The document was indicative as the new Labour Government had announced their intention to set a new backstop date of 13 December 2024 (as the 30 September date was no longer viable) to enable the backlog of accounts to be cleared. The finalised Audit Strategy Memorandum would therefore be presented to Member at the November 2024 meeting.

The general timelines for the audit work would include planning and risk assessment during October, fieldwork during October and November and then completion at some point during December 2024/January 2025.

The emerging areas of audit focus and significant risks had been identified as standard and would cover the following:

Management override of controls
Valuation of the Net Defined Benefit Pension Asset/Liability
Valuation of Land & Buildings, Council Dwellings and Investment Property.

In respect of the Value for Money arrangements, a view would be formed as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. A commentary would be provided in respect of the Council's arrangements as part of the Auditor's Annual Report.

Committee acknowledged that the level of audit fees for the work carried out were not set by Mazars and the final chargeable fee would materialise as the work and any additional requests from the Council became apparent throughout the year.

RESOLVED

that the Indicative Audit Strategy Memorandum for the year ending 31 March 2024, as presented to Committee, be received and noted.

AC.14 Audit Progress Report

Hannah McDonald, CMAP's Group Auditor, presented the report and summarised audit progress as at 4 September 2024.

A Plan change had been agreed by the Executive Director for Governance for the audit of High Payment House be withdrawn from the 2023-24 Audit Plan and replaced with an audit of the Transfer of Assets.

Two pieces of work had been finalised since the last update and a synopsis of each of the completed assignments was presented regarding the following:

Right to Buy 2024-25
Commercial Investment Property 2023-24.

An overview of the current position regarding recommendation tracking was given and Members acknowledged a change in the category types with 'Delayed Action Due' and 'Delayed Future Action' replacing the single 'Being Implemented' category. This had been changed to enable CMAP to report separately and in more detail on revised action dates that were both passed and in the future.

RESOLVED

that audit assignment progress as at 4 September 2024, as presented to Committee, be received and noted.

The meeting closed at 7.52 pm

Chairman.

