
AUDIT COMMITTEE

MINUTES OF THE MEETING HELD ON 11 November 2024

Present: Councillors Leggett (Chair), Chapman (Vice-Chair), Evemy, Bunday and Powell-Vaughan

9. **Minutes Of Previous Meeting (Including Matters Arising)**

RESOLVED: that the minutes for the Committee meeting on 30 September 2024 be approved and signed as a correct record with the addition of the following.

It was noted that at the September meeting, it had been stated that the external auditors had been delayed in producing their reports because SCC had been slow to respond to their queries. They stated that there was additional cost taken on by our auditors and a question was raised as to how much it was.

10. **Review of Prudential Limits and Treasury Management Mid-Year 2024/25**

The Committee received the report of Executive Director Enabling Services & S151 Officer to inform the Committee of the Treasury Management activities and performance for 2024/25.

In discussion the committee noted in particular that loan interest rates had been impacted by the US market, which was inconsistent ahead of the US election but were projected to stabilize. The capital strategy is for growth and prosperity in the city for which funds would need to be paid out to get projects off the ground. There was a limited pot of money for Climate Change Projects and a number of schemes being discussed in consideration of River Itchen flood alleviation. Cash needs were being assessed and analysed over a ten year period. There was a potential risk factor in loans being called in and a debt of £37M had recently been transferred to Hampshire County Council. Property assets were under consideration for retention, development or disposal so as to generate funding for the city.

RESOLVED:

- (i) that Audit committee noted the mid-year position for Treasury Management (TM) activities and Prudential Indicators.

- (ii) that Audit committee noted that the continued proactive approach to TM has led to reductions in borrowing costs and safeguarded investment income during the year.

11. **Internal Audit Progress Report**

The Committee noted the report of the Chief Internal Audit reporting on the 2024/25 Audit Plan progress financial year to date.

The Audit tracker had been warmly welcomed by the management team and implementation had gone well. The Committee agreed that the tracker was an important mechanism to enhance and recommended that after six months there be another review to ensure any fine tuning requirements, and that the standard of input remained high for the information being produced.

In discussion the Committee noted that decision making on the areas to be audited was driven primarily by where high risk was observed. While it was recognised that processes should remain ongoing, whether or not being audited, the committee wished to see the program of work being implemented to bring risks down. The committee requested an update on stats at its next meeting in January. Further, the committee wished to see what services were planning to do to mitigate the concerns raised regarding Parking, Permits and Penalty Charge Notices, and Asbestos. Following initial reports the committee wished to receive a 6 monthly updates on progress.

RESOLVED: that:

- (i) the committee noted the Internal Audit Progress report for the period 1st April to 25th October 2024.
- (ii) the committee is to receive an updated review in six months to ensure that the standard of data remains high to facilitate the integrity of the reports being produced.
- (iii) the committee is to receive updated stats in January 2025.
- (iv) the committee is to receive reports on; Parking, Permits and Penalty Charge Notices, and Asbestos in January 2025 and six monthly updates thereafter.

12. **CIPFA Resilience and Financial Management Review - Progress on implementing Recommendations**

The committee noted that in previous years unrealistic budgets had been set. However, in 2024/25 a realistic budget had been set with a clear focus on; appropriate resources,

support for budget holders, and the deficit recovery plan all of which enabled the council to be granted exceptional financial support from the Government.

RESOLVED:

- (i) That the committee noted the Council's progress in implementing the recommendations of the CIPFA review.
- (ii) That the committee noted the next steps to implement the remainder of the recommendations of the review as part of the Reshaping Financial Management programme.
- (iii) That the committee requested that the recommendation paragraphs are numbered for ease of reference.