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MINUTES OF A MEETING OF THE AUDIT COMMITTEE

Appointment Centre Room 10 & 11, Town Hall, Romford
27 July 2023 (7.00 - 9.30 pm)

Present:

COUNCILLORS:

Conservative Group	Damian White and David Taylor
Residents' Group	Julie Wilkes (Chair) and David Godwin (Vice-Chair)
Labour Group	Jane Keane
East Havering Residents Group	Darren Wise

Apologies were received for the absence of Councillors Keith Prince and Sarah Edwards.

Through the Chairman, announcements were made regarding emergency evacuation arrangements and the decision making process followed by the Committee.

110 **MINUTES OF THE MEETING**

The meeting minutes of the Committee held on 18 April 2023 were agreed as a correct record and would be signed by the Chairman.

111 **ANNUAL TREASURY MANAGEMENT REPORT 2022/23**

The Committee received a report on the Annual Treasury Management for 2022/23 that the council is required by regulations issued under the Local Government Act 2003 to produce. It was noted that the report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, ("the CIPFA TM code") and the CIPFA Prudential Code for Capital Finance in Local Authorities, ("the Prudential Code").

Members sought clarification from the following highlighted areas of the presentation:

It was noted that the council holds a £7 million (Lender Option, Borrowing Option) LOBO loan that has the option to propose an increase in the interest rate at set dates. It was clarified to Members that the council has the option to either accept the new rate or to repay the loan at no additional cost. The Treasury Manager stated there was a possibility that the lender may propose an increased rate in the foreseeable future. Officers would continue to monitor and liaise with the lender going forward.

Members enquired if the funding for the SLM/Everyone's Active was funded by the council. It was asked if the programme was planned for in the council's MTFS budget.

Member sought clarification on how the investment in Everyone Active impacted on the council's finances.

The Committee asked to received further breakdown of the debt figures in the report along the line of HRA and GF split.

Members enquired about the Capital Investment programme, Members asked for a prediction of the extra cost to the Joint Venture programme following the requirement that every new development over 11 storeys should be fitted with two staircases.

Members sought clarification on the impact of the changes e.g. 2 staircases on the housing development may have on the council's finances. It was asked if the slippage will be covered in the capital programme. It was suggested to Members that a response was better addressed by the Regeneration Services.

Following discussion, it was agreed that Members would receive the list of the council's current borrowing.

The Committee **noted** the content of treasury management activities and performance against targets for the financial year 2022-23 as detailed in the report.

112 **HEAD OF ASSURANCE ANNUAL OPINION 2022 23 INCORPORATING INTERNAL AUDIT PLAN OUTTURN**

The Committee was presented a report that brought together all the aspects of audit, assurance and counter fraud work undertaken in the 2022/23 financial year. These included actions taken by management in response to audit and counter fraud activity, which supported the governance framework of the authority.

The Accounts and Audit Regulations require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Auditing Standards (PSIAS) and other guidance.

Questions were raised about the CCTV charges, Members sought clarification whether all refunds have been processed. It was suggested that the CCTV report be recirculated to Members. Further information on the refund will be provided to members.

The Committee sought assurance that the Taxi undertaking SEND pupil travel journey were licenced with TFL. It was stated that the services had no record to support this assurance but it was noted that DBS review checking was in progress. Officers assured the Members that all licences were in place and the issue that required action was the record keeping.

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Member discussed the council's approach to prosecuting corporate and housing fraud. Figures for prosecution will be provided to the committee. There was a suggestion that the prosecution policy to be reviewed.

Officers were asked to look in to specific training for members of the committee.

The Committee **noted** the report and **agreed** the recommendations

Chairman

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