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MINUTES OF A MEETING OF THE AUDIT COMMITTEE Town Hall, Main Road, Romford 8 July 2025 (7.00 - 8.22 pm)

Present:

COUNCILLORS:

Conservative Group Keith Prince and David Taylor

Residents' Group Julie Wilkes, Jacqueline Williams (Vice-Chair) and John Crowder

**Residents Association
Independent Group** Philip Ruck

No apologies were received for the absence of Councillors .

Through the Chairman, announcements were made regarding emergency evacuation arrangements.

22 **MINUTES OF THE MEETING**

Cllr Williams should be shown as apologies, not as present.

The minutes of the previous meeting were otherwise agreed as a correct record and were signed by the Chairman.

23 **EXTERNAL AUDITOR'S ANNUAL REPORT 2023/24**

The Committee received the External Auditors' Annual Report for 2023/24.

The Auditors highlighted a significant weakness in improving economy, efficiency and effectiveness. Members noted that no new messages had been issued since February and the opinion reflected that of the position as at 26th February. Members discussed the OFSETD report and the level of detail regarding the in-year overspend as well as the measure implemented to recover. Members agreed for the Temporary Accommodation and Audit Action Plan to be taken away by EY for further discussion. Lessons had been learned and written updates would be provided to members monthly.

The Committee acknowledged the ongoing pressure to reduce costs, including staff reductions, but noted that staff turnover rates had not increased significantly. It was agreed that data on the length of service lost due to staff turnover could be provided to members. Members noted that MLH commented on the CIPFA recommendations indicated in the business plans did not reflect their priorities however these were not considered risks.

The Committee agreed the recommendations as set out in the report.

24 EXTERNAL AUDIT PLAN 2024/25

The Committee received the External Audit Plan for 2024/25 covering both the Council and the Pension Fund.

Members noted that a change of audit partner for the Fund had occurred due to rotation requirements. Materiality had been set at £7.5million for the Council and £9.7million for the Fund. Officers explained the backlog of auditors was ongoing however the Fund audit had commenced with the Council audit due to start in September. No misstatements or issues had been identified and the Committee noted the government's 3-phase reset legislation aimed at reducing the backlog.

The Committee agreed the recommendations as set out in the report.

25 ANNUAL TREASURY MANAGEMENT REPORT 2024/25

The Committee received the Annual Treasury Management Report.

The base rate had fallen from 5.25% in April 2024 to 4.5% at year-end and, at the time of the meeting, stood at 4.25%. Officers explained the Council had heavily relied on internal borrowing and had deferred long-term borrowing decisions due to the expectation that rates would continue to fall. PWLB borrowing had increased by £175million during the year, while £55million was unwound, leaving a position of £110million.

The average borrowing rate was 3.7% over 12.6 years. Members noted the interest payable underspent by £3.8million due to delayed borrowing. Cash investments rose by £46million and investment performance exceeded the benchmarks by 0.44%.

The Committee agreed the recommendations as set out in the report.

26 HEAD OF ASSURANCE ANNUAL REPORT 2024/25

The Committee received the Head of Assurance Annual Report for 2024/25.

Officers highlighted the compliance issues around MMAs and raised concerns about the viability of TMOs. The assurance opinion had shifted from reasonable to limited, despite significant improvements. Instances of fraudulent activity and temporary accommodation issues had raised concerns about budget management and scrutiny. Members noted that counter-fraud referrals had reduced though Right-To-Buy discounts had skewed the data.

The Committee agreed the recommendations as set out in the report.

27 AUDIT COMMITTEE ANNUAL REPORT 24-25

Members reviewed the Committee's Annual Report which outlined the work undertaken in the year 2024/25. The wording was to be confirmed with the Chair with Cllr Wilkes' name to be corrected.

Chairman

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