



**Minutes of a meeting held remotely of Audit Committee held on Thursday, 29 April 2021.**

**Councillors present:**

Patrick Coleman – Chair  
Stephen Andrews  
Tony Berry

Gary Selwyn – Vice-Chair  
Nick Maunder  
Ray Theodoulou

**Officers present:**

Deputy Chief Executive (Chief Finance Officer)	Chief Accountant
External Auditors, Grant Thornton	Assistant Director (SWAP)
Operational Support and Enabling Manager	Finance Director (Publica)
Democratic Services	

Observer: Councillor Mike Every

Councillor

**62 Apologies**

Apologies were received from Councillors Mark Harris and Roly Hughes.

**63 Substitute Members**

Councillor Gary Selwyn substituted for Councillor Roly Hughes.

**64 Declarations of Interest**

There were no declarations of interest from Members or Officers.

**65 Minutes**

**RESOLVED** that the minutes of Committee held on 28 January 2021 be approved subject to a sentence under AUD.51 which started 'Queries from Members and answers from Officers, included issues such as the pension fund did not invest in single properties, this was described as managed funds', should read; the pension funds did not invest in single properties but in managed funds'.

**66 Public Questions**

No questions had been received from the Public.

**67 Member Questions**

No questions had been received from Members.

**68 KPMG LLP Reports - Housing Benefit Subsidy Certification**

This audit was carried out by KPMG. A sample check was carried out of the cases paid, of this sample £725 was subject to error which would result in an adjustment to the Council's subsidy of £14,915, which would be deducted from future subsidies to the Council. There were no recommendations which was a good outcome.

Members commented that they would like to receive a summary of data for the previous five years to show trends and previous actions taken on this issue, as this was a lot of subsidy to lose.

**RESOLVED that:**

- (a) the outcome of the housing benefit subsidy certification work be noted;
- (b) a report be presented to the meeting on 22 July 2021 outlining trends and previous actions taken in the last five years.

**69 Corporate Risk Register Update**

The Deputy Chief Executive introduced this report explaining that this was a quarterly report. One risk had been closed due to the UK's exit from the EU, which had now happened. Public savings had been delivered against the vast majority of the risks, which had been downgraded, still issuing restart grants on behalf of the government, and risk with volumes of waste and recycling which Ubico had been collecting during the Pandemic.

Queries from Members and answers from Officers, included issues and comments on the effectiveness of procurement training for staff had seen the risk reduced; the Council might not be able to fulfil its intent with the public loan board; Covid-19 could have a significant impact on the Council's finances and contingencies for future pandemics should be considered; the UK was no longer part of the EU; the commitment of the Council to support Ubico which had been recognised in the budget this year and officers were working closely with Ubico to continue to monitor of the impact of the Pandemic on the volumes of rubbish, and recycling which needed to be collected; keeping Members updated on the planning reform white paper; attrition rates, particularly in planning; climate change; unitary local government in Gloucestershire; the threat of an increase in bad debts, officers commented that a report would be presented to the next meeting of Committee on this issue.

**RESOLVED that the updates to the Corporate Risk Register be noted.**

**70 Counter Fraud Unit Report and Proceeds of Crime and Money Laundering Policy**

The Counter Fraud Unit Manager introduced the report, which gave an update relating to the enforcement and counter fraud work streams undertaken by the team. The report also provided Members with their annual update relating to Regulation of Investigatory Powers Act 2000 / Investigatory Powers Act 2016 activities and presented the Proceeds of Crime and Anti-Money Laundering Policy for approval and adoption.

Queries from Members and answers from Officers, included issues and comments relating to work in the housing sector, matters relating to second homes in the Water Park and the expanding work with the RSPCA to pursue unlicensed breeders within the district. Members asked about cybercrime prevention activities and were informed that this was undertaken by ICT.

**RESOLVED that:**

- (a) the report and work plan be noted;**
- (b) the Proceeds of Crime and Money Laundering Policy be approved and adopted.**
- (c) the Deputy Chief Executive (Chief Finance Officer) be authorised to approve future minor amendments to the Policy in consultation with Finance, Legal and the Counter Fraud Unit.**

## **71 Internal Audit Progress Report**

The Assistant Director of SWAP presented the report, updating Committee on the work carried out.

Queries from Members and answers from Officers, included issues and comments such as; the assurances that Audits were able to be carried out remotely with the same assurances of accuracy; officers always agreed the actions with the client officers; raising purchase orders and the necessity of doing so when in some cases it would be valid not to raise an order; update at the next meeting on monitoring of expected contract spend to actual contract spend as part of contract monitoring; administrative privileges of leavers; community grants in future were to be subject to the Crowdfund process; segregation of duties relating to suppressed accounts of applications in the process for Council Tax.

Auditors across the SWAP partnership were working hard to catch up or reschedule audits due to the backlog because of the Pandemic.

**RESOLVED that the report and comments made be noted.**

## **72 Internal Audit Plan 2021/22 and Internal Audit Charter**

The Assistant Director (SWAP) presented the report, explaining that the Deputy Chief Executive (Chief Finance Officer) and Publica Manager agreed the audits for each quarter, and future resourcing across the partnership to ensure resilience was being put in place by SWAP, which would mean that colleagues in other parts of the country who were part of the partnership could be carrying out an audit for the Council. Improvement programmes for specific audits would be scoped and agreed before audits commence.

**RESOLVED that the Internal Audit Plan and Internal Audit Charter be approved.**

The Deputy Chief Executive (Chief Finance Officer) introduced the report and explained that it was best practice to present the policies to Members to approve and be included in the Statement of Accounts prior to the accounts being finalised.

Queries from Members and answers from Officers included; a discussion relating to employees of the Council being members of the Local Government Pension Scheme, which was reflected within the accounts, although Members considered that there should be clarity within the accounts between Council employees and Publica employees, who had a different pension scheme and would not be reflected within the Accounts; explanation for council tax payers reading the accounts regarding termination benefits.

**RESOLVED** that the accounting policies for 2020/21 be approved.

**74**     **Informing the Audit Risk Assessment - External Audit Assurance**

The Deputy Chief Executive (Chief Finance Officer) introduced the report which gave assurances on the way that the Council's business was carried out. It was best practice to present this to Committee each year to confirm Members' understanding of the audit risk assessment.

Queries from Members and answers from Officers included; loss of income and government grants; potential over-ride of control and assurances that appropriate governance is in place; complaints process was not an issue which was considered in the audit risk assessment, as a matter of course; Members understanding what it means to be responsible for declaring interests; financial focus on ensuring that laws and regulations are understood and complied with; auditors would be interested in issues that may result in litigation and cost to the Council; matters in relation to related parties, which would be included in the statement of accounts.

Queries were raised in respect of the valuations of investment property, officers confirmed valuations were in the process of being completed and were based on several factors including rental income achieved, the type and length of lease agreements, the sector that individual leases operated in and impact of Covid-19.

**RESOLVED** that

- (a) the understanding and agreement with the responses provided by management to the auditors in Annex A, be confirmed;
- (b) the understanding and agreement with the approach to estimates set out in Annex B, be confirmed;
- (c) any further comments or observations, from Committee Members, in respect of any of the areas set out in either document, should be forwarded to the auditors.

**75**     **External Audit Plan - 2020/2021**

The External Auditor explained that the audit plan set out value for money coding criteria, which was new for 2021 and took Covid-19 into account. There was a new area under value for money criteria of economy, efficiency and effectiveness, and auditors needed to be satisfied

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that the Council was delivering services in an effective way, which would be reported to Committee later in the year.

The Audit Fee would be decided by the PSSA, which would reflect extra work needed to be carried out on the audits.

**RESOLVED** that the report and any comments made be noted.

**76      Draft Work Plan 2021/22**

The draft work programme was presented to Committee with an additional meeting of 28 September 2021 to finalise the Statement of Accounts 2020/21 and Grant Thornton Audit Findings Report.

The Meeting commenced at 4.00 pm and closed at 7.19 pm

Chair

(END)