



Audit Committee
22/July2021

Minutes of a meeting held remotely of Audit Committee held on Thursday, 22 July 2021.

Councillors present:

Patrick Coleman	Nigel Robbins	
Stephen Andrews	Mark Harris	Ray Theodoulou
Tony Berry	Nick Maunder	

Officers present:

Lucy Cater, Assistant Director – Publica
Angela Claridge, Interim Monitoring Officer
Mandy Fathers, Business Manager – Operational Services
Ben Patel-Sadler, Senior Democratic Services Officer
Jenny Poole, Deputy Chief Executive
Debra Goodall, Business Manager - Finance

Observers:

None.

77 Apologies

There were no apologies for absence received.

78 Substitute Members

There were no substitute Members.

79 Declarations of Interest

There were no declarations of interest from Members or Officers.

80 Minutes

RESOLVED that the minutes of the Committee held on 29 April 2021 be approved.

Record of Voting - for 6, against 0, abstention 1, absent .

81 Public Questions

No questions had been received from the Public.

82 Member Questions

The Committee noted that the Statement of Accounts were currently in draft form.

The Deputy Chief Executive informed the Committee that Members would have the opportunity to raise any questions around the Statement of accounts at and after the meeting. Written responses to detailed questions would be provided to Members by Officers in advance of the accounts being submitted to a future meeting for approval.

83 KPMG LLP Reports - Housing Benefit Subsidy Certification

The Deputy Chief Executive introduced the report and informed the Committee that details on what the process had been in this area and how improvements had been made in previous years were included.

The Committee noted that Publica had implemented a series of policies to ensure that the housing benefit subsidy certification was as accurate as possible and that claims were also processed accurately.

In relation to benefit overpayments during 2016-17 (six in total), the Committee noted that if the erroneous overpayments were small, there was not a significant enough impact on the subsidy levels. The Committee further noted that the margins of error were small.

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The Committee noted the details of the recently appointed Quality and Assurance Officer who would check the administration of benefits (including their accuracy).

The Committee noted that in some cases, customers would write to the Council if they believed an error had been made – these claims would then be reconsidered. Any errors identified during this process were then rectified, including addressing over and under payments.

The Committee expressed a view that it would be helpful to be able to benchmark performance in this area with other, comparable Councils.

RESOLVED that the Committee noted the report.

84 Internal Audit Annual Opinion 2020/21

The Committee noted the work undertaken by Internal Audit during the year.

Following a question from the Chair, the Committee noted that the Internal Audit team always followed up on any recommendations and agreed arising from their reports. The department worked with management to agree when actions could be completed and marked as complete. The Corporate Governance Group also ensured that any outstanding audit recommendations were continually monitored until completion.

The Committee noted that the inclusivity and diversity audit would be completed during the current year.

The Committee acknowledged the work completed by Officers relating to the business grant payment process which had ensured the grant system had not been abused and that businesses had received the grants to which they were entitled.

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In relation to staff wellbeing, the Committee noted that Publica were continuing to undertake work to ensure that staff wellbeing concerns related to the Covid-19 pandemic were being addressed.

In relation to the Human Resources (HR) audit, the Committee noted the actions had been agreed with the HR Manager (Publica). The Committee noted that the learning management system was available to both Publica and Cotswold District Council staff.

In response to a Member question, the Committee noted that each risk was aligned to a specific member of staff.

The Committee noted that the pie charts contained within the report demonstrated the internal audit work completed during the year.

The Committee further noted that the Internal Audit team worked proactively with each department across the Council. If a particular department had significantly altered a process then they would be asked by Internal Audit if an audit of this new process/ procedure would be appropriate to safeguard against any potential matters arising and providing assurance as appropriate.

The Committee noted that further audits relating to procurement and contract management would be undertaken throughout the current year.

The Committee requested that a member of staff from Publica attend a future meeting to outline what steps were being taken to address the findings of the audit.

Members noted that they would be invited to attend future ICT training around cyber security.

The Committee noted that resourcing plans were in place to ensure that the Council could divert resource to the most critical areas during unprecedented times and events.

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The Committee noted that Publica would inform the Committee if any areas across the Council were significantly under-resourced.

The Committee acknowledged the importance of ensuring that the Council remained protected from any potential future cyber-attacks. The Committee agreed that a report would be brought to a future meeting which would summarise the current measures and policies in place to safeguard the Council in this area.

The Committee agreed that a report would be brought to a future meeting in relation to the Council's aged debtors.

RESOLVED that the Committee noted the report.

85 Treasury Management Outturn Report 2020/21

The Deputy Chief Executive introduced the report with the Committee noting the peak in cash passing through the Council's accounts during the year. This was due to the various Covid-19 related grants being sent via central Government.

The Committee further noted the reduction of interest rates during the year which had an impact on treasury related income. The Committee noted that longer-term investments were currently holding their rates well.

The Committee noted that the Council was currently in the top quartile when benchmarked against other comparable authorities in terms of investment performance. This information would be included in future reports.

The Committee noted that performance in relation to a housing investment had not met the returns target due to the negative impact of the Covid-19 pandemic on the rental market. It was anticipated that the recent upturn in the rental market would help to achieve higher future returns closer to the 5% figure.

The Committee noted that a proportion of cash had been released to ensure the risk to a reduction in capital was minimal. This would also help to ensure that cash would be available to utilise in any potential future emergency situations.

The Committee noted that future borrowing was not scheduled to take place at one point – it would be phased over time at several set points. The limits allowed for some flex in the unlikely event that the Council needed to take out a loan for cashflow services. The Committee noted that it was in the Council's gift to set future borrowing limits.

RESOLVED that the Committee noted the report and agreed the comments to be passed to full Council when considering this item.

Record of Voting - for 7, against 0, abstention 0, absent .

86 Corporate Risk Register Update

The Deputy Chief Executive introduced the report and informed the Committee that the data showed how specific risks had been categorised over time (moving between classifications).

In relation to Planning recruitment, the Committee noted that this risk was considered as part of the entirety of services delivered across the Council and so this was categorised appropriately at this point.

The Committee noted that work was being undertaken to determine the future use of Council property and how hard copies of records could be stored safely and securely as a result of any potential future decisions in this area.

The Committee noted that the Belwyn Scheme was where the Council could encounter significant financial costs due to an unforeseen flooding event for example. The Council could then apply to the Government for financial support.

The Committee noted that the recently appointed data analysis posts would assist the Council in supporting service redesign and helping to ensure that decisions were being taken backed up by robust data.

RESOLVED that the Committee noted the report.

87 Annual Governance Statement 2020/21

The Deputy Chief Executive introduced the report and informed the Committee that the Annual Governance Statement had been reviewed and updated to reflect the impact of the Covid-19 pandemic on the Council.

The Committee noted that any comments could be submitted to Officers by the end of August before the current version was revised and brought to a future meeting.

The Committee requested that track changes be included on future documents.

The Committee noted that performance against key performance indicators (KPIs) was reported to both the Overview and Scrutiny Committee and the Cabinet.

In relation to whistleblowing, the Committee noted that a separate bullet point would be included (whistleblowing was not exclusively related to instances of fraud).

The Committee noted that additional wording would be included around freedom of information (around how exempt information was classified as such and what was and was not available for members of the public to request and view). The Committee acknowledged that all reports considered at each Council Committee was considered by a solicitor before a decision was taken around whether they were exempt or not.

The Committee noted that an additional responsibility around the Local Government Ombudsman now sat within its remit.

The Committee noted that future substantive agenda items could be discussed with Group Leaders in advance so that discussions at Audit Committee meetings could be increasingly focused.

RESOLVED that the Committee noted the report.

88 Draft Statement of Accounts 2020/21

The Deputy Chief Executive introduced the report and wished to place on record her thanks to the Finance team and other Officers who had undertaken the work to produce the Draft Statement of Accounts. The document was currently being considered by the external auditors.

The Committee noted the impact which the Covid-19 pandemic had on the accounts, in part due to the central Government grants being received and subsequently paid out by the Council.

The Committee further noted that the financial position was improving as restrictions restrictions were lifted.

Members noted that contributions had been made to earmarked reserves. The pandemic had resulted in a decrease to the Council's asset values. It was anticipated this situation would improve.

Because business rates income had reduced significantly, there was a deficit to the collection fund which would be managed via transferring monies to an earmarked reserves fund which would be utilised during the next financial year.

The Committee noted that the tri-annual valuation of the pension fund set the contribution rate for the coming three years.

The Committee noted that the contributions made to the pension deficit fund had resulted in no contributions being required for the next two years.

Members of the Committee were encouraged to submit any questions around the Draft Statement of Accounts by the end of August 2021. Written answers to any Member questions would be provided by Officers,

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The Committee noted that in relation to pension liabilities, over the course of several decades, the pension liabilities would decrease as the number of employees claiming pension payments would reduce.

RESOLVED that the Committee noted the:

(a) The draft unaudited Statement of Accounts 2020/21 (as attached at Annex A)

(b) The key balances and messages from the Statement of Accounts 2020/21.

89 Work Programme 2021/22

The Committee noted that a report on Members behaviour and conduct (any complaints received and actions taken) would be brought to a future meeting.

A report on aged debtors would be brought to the September 2021 meeting.

The Committee noted that it was not yet known if the final version of the accounts would be brought to a meeting in September. This was due to capacity issues facing the external auditors.

The Meeting commenced at 4.00pm and closed at 6.40pm

Chair

(END)

The Meeting commenced at Time Not Specified and closed at Time Not Specified

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Chair

(END)