



Minutes of a meeting of Audit and Governance Committee held on Thursday, 27 April 2023.

Councillors present:

Nigel Robbins (Chair)

Tony Berry

Patrick Coleman

Gary Selwyn

Tom Stowe

Stephen Andrews

Officers present:

Angela Claridge, Director of Governance and Development

David Stanley, Deputy Chief Executive and Chief Finance Officer
Caleb Harris, Senior Democratic Services Officer

Ana Prelici, Democratic Services

Lucy Cater, Assistant Director (SWAP)

Michelle Burge, Chief Accountant

Emma Cathcart, Counter Fraud Manager

Adam Morley, Senior Auditor

Caleb Harris, Senior Democratic Services Officer

Ana Prelici, Democratic Services

External Speakers:

Pete Barber, Grant Thornton

Observers: Councillor Mike Evely, Deputy Leader and Cabinet Member for Finance

191 Apologies

The Committee received apologies from Councillor Nick Maunder.

192 Substitute Members

There were no substitute members.

193 Declarations of Interest

There were no declarations of interest from either members or officers.

194 Minutes

The LGA peer review recommendations (which were contained on page 11 of the minutes from the previous meeting) were discussed. These included the change of the Committee's name to Audit and Governance Committee. The Committee agreed this subject to the approval of full Council.

Voting record- 4 for, 2 abstention , 1 absence

195 Public Questions

There were no public questions.

196 Member Questions

There were no questions from Members.

197 Member Training relating to Gloucestershire Wide Code of Conduct

The Chair stated the order of the items would be different from the one in the agenda. This item was taken first at the Chair's discretion.

The Director of Governance and Development (Monitoring Officer) introduced the item. They highlighted that the Gloucestershire-wide code of conduct was adopted at the meeting of Council in March. As part of this, mandatory training was considered, and subsequently the item was brought to the Audit Committee for discussion.

The Officer's recommendation was that a register be kept for attendance at substantive training, such as Code of Conduct and Planning, and reported on at future meetings of the Audit Committee.

The Committee discussed what training would be provided to new members, and the director of Governance stated that an initial training be provided for new members, with a more in depth session later on for returning members.

Past examples of breaches of the code of conduct at other councils were discussed by the Committee. It was stated that while these instances were becoming increasingly uncommon, the examples illustrated the general need for code of conduct training.

Members also asked about the process for dealing with complaints. The Director of Governance stated that this could be found on the website, and that information would be shared with Committee Members after the meeting.

Members suggested that Planning training be made mandatory for all members, although accepted that the existing arrangements meant anyone wishing to substitute would be required to attend training. This meant in practice that it was already close to being mandatory, but members added this to recommendation 1 of the report. Members also highlighted the utility of attending these e.g. when an application is referred to Full Council.

Members addressed the limited availability of some members due to other commitments, and asked officers how it would be ensured that all members could attend. The Chief Finance Officer advised that members would be provided with a mixture of times, and that some sessions could be attended remotely where appropriate.

The Committee also asked that a programme of training be developed for Town and Parish Councils, building on the existing programme of work around Town and Parish Forums.

RESOLVED: That Audit Committee:

1. Agreed that training on the Members' Code of Conduct and Planning is made

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mandatory for all councillors and should be undertaken at least once in a councillor's term of office, within six months of their election.

2. Agreed to receive annual reports on member training courses undertake
3. Requested that the Constitution Working Group considers recommending to Council amendments to the Constitution to reflect the requirements for councillors to attend mandatory training.

Voting record- 6 for, 0 abstention , 1 absence

198 2021/2022 Statement of Accounts and Audit Opinion

This item was taken second on the agenda at the Chair's discretion, to accommodate the external speaker from Grant Thornton.

Peter Barber from Grant Thornton introduced the item. The purpose of the report was to update the Committee on the findings of the external audit of the 2021/22 financial year as the audit is concluded.

Members discussed the performance of local audits, as was addressed in the report. The internal resource implications involved with delivering audits were discussed, and it was noted that the situation was worsened by the high national number of outstanding audits. In regard to internal resource, a number of solutions, such as relying on the Publica partnership, or Gloucestershire-wide solutions were discussed.

The Deputy Chief Executive stated that the Financial Reporting Council were looking at innovative ways that audits could be delivered in a timely manner, which included looking a potential overriding of audit standards.

The Committee asked whether there had been a reduction in staffing numbers which had impacted timescales. The Deputy Chief Executive stated he would report on this back to the Committee.

The Committee discussed the 31 May Deadline, which the representative from Grant Thornton stated would create a difficult situation, as the Auditors would not have capacity to action this until the end of June.

RESOLVED: To

i) Note the Statement of Accounts Update Report, the Draft Audit Findings Report) and the revised 2021/22 Statement of Accounts

ii) Note the indicative timetable for finalising the audit of the 2021/22 Financial Statements, receiving the Value for Money opinion, and receiving the final Auditor's Annual Report.

iii) Delegate authority to the Deputy Chief Executive and Section 151 Officer and Chair of the Audit Committee and/or Leader of the Council to receive the Auditor's Annual Report and approve the final 2021/22 accounts.

iv) Note the deadline for the draft accounts, public inspection period, and publication of accounts as set out in paragraph 4.2 of the report.

199 Annual Governance Statement - Action Plan Update

The item was taken as third on the agenda.

The Chief Finance Officer (Section 151 Officer) introduced the item. The Chief Finance Officer added that some of the 'green' items on the 'Red Amber Green' (RAG) ratings in the report had experienced slippage and corrected the record accordingly;

- Item 1. 'Raising Awareness of the Contract Procedure Rules'- Amber
- Item 3. 'Budget management in regard to approval of expenses by only the approved line manager' - Amber/ Red subject to review by the S151 Officer
- Item 4.' Risk management training' – Amber as there has been delay in implementation due to both S151 Officer and Head of HR being relatively new in post
- Item 5. 'Compliance with Audit recommendations' - There was regular discussion around this, but the item was identified as Green/Amber as the process of flagging items for Audit still needed to be embedded
- Item 6. 'Business Continuity Plans development and testing'- Green/Amber

Members sought further detail on why the colour coding was wrong. The Chief Finance Officer stated that the colours had not been updated from the last report in error and that the updated report would be circulated to members.

Members asked about the new Members training plan and Officers stated that the final draft had been shared with the Members Development Steering Group.

It was also stated that the Independent Members would be joining the Committee at its next meeting in July.

RESOLVED: To note the 2022/23 Annual Governance Statement Action.

200 Accounting Policies

The Chief Finance Officer introduced the item. The purpose of the item was to present the accounting policies to be included in the 2022/23 Statement of Accounts. The report provided Members with the opportunity to review and approve the policies in advance of the preparation of the Statement of Accounts 2022/23. The Chief Finance Officer stated that approving the accounting policies in advance of the preparation of the accounts represents best practice.

Members asked why changes to policies had been undertaken. The Chief Accountant stated that this constituted a routine process of continual improvements, such as changes in CIPFA code and new Government Guidelines.

RESOLVED: to

1. Approve the draft accounting policies for 2022/23 included at Annex A and;
2. Agree that further amendments to the policies set out at Annex A (occurring subsequent to this meeting) are included within the draft (unaudited) and/or final (audited) Statement of Accounts when presented to the Committee.

201 CFEU Update Report (RIPA and IPA annual update)

The purpose of the report was to provide the Committee with assurance over the counter fraud activities of the Council. Direct updates would continue to be provided biannually. Work plans were presented to the Committee detailing progress and results for consideration and comment as the body charged with governance in this area. The report also provided the annual update in relation to the Regulation of Investigatory Powers Act 2000 (RIPA), the Investigatory Powers Act 2016 (IPA) and the Council's existing authorisation arrangements.

The Head of Service, Counter Fraud and Enforcement Unit (CFEU) introduced the item, providing additional information on the following;

- The 2023/24 work plan was still being finalised, but details of new items to be included within the plan were detailed in the report. This included projects comparing data across the CFEU Partnership Councils.
- A new group had been formed; MAAF (Multi-Agency Approach To Fraud). The group which consisted of Gloucestershire Constabulary, Trading Standards, NHS, Victim Support and Local Government would be working to raise awareness amongst Councillors, Staff and residents to prevent fraud across the County.
- Work on business grants was ongoing but had moved to the final stages in relation to debt recovery and transfer.
- Details relating to the results following the review of the National Fraud Initiative (NFI) data matches would be shared at the next meeting.

The Head of Service, CFEU stated that the annual update on the Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) was included in the report. To assist with clarity regarding this topic, a 'question and answer' style summary would be circulated in due course.

Members asked why misconduct in regard to working hours was not dealt with as theft. The Head of Service, Counter Fraud and Enforcement Unit explained that this would be dealt with as a criminal investigation in addition to disciplinary action but would not be recommended unless it was proportionate and the individual was dismissed.

RESOLVED: To note the report and the work plan at Annex A.

202 Internal Audit Plan and Charter

The SWAP Internal Audit Services (SWAP) Assistant Director introduced the item. The purpose of the item was to present to the Audit Committee the Internal Audit Plan 2023/24 for consideration and approval and to present the updated Internal Audit Charter for consideration and approval. The Audit Plan was collated in consultation with Senior Management and Councillors, to provide a list of audits, utilising a risk based approach to prioritise work.

The SWAP Assistant Director explained that the Internal Audit Charter had not undergone any changes since the previous year.

The Committee asked whether there were sufficient days allocated for undertaking the audits and whether there was sufficient time. The Chief Finance Officer explained that this had been discussed with SWAP and that audit days would not be reduced. Any savings would be achieved through efficiency improvements.

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Members identified Freedom of Information requests as a crucial element to audit, and declared that they hoped lead members would be involved in this. The SWAP Assistant Director explained that the review would be looking at the process, and would include response times, number of requests and number of complaints.

Members asked whether other Audit Plans from similar Councils that SWAP worked with were used as comparators. The SWAP Assistant Director explained the process and that the Chief Finance Officer at each Council still had high level of input regarding this. The Chief Finance Officer added that using sector comparators to select topics for audit added value to the process.

RESOLVED: To Approve the proposed Internal Audit Plan 2023/24 and Internal Audit Charter 2023/24

Voting record- 6 for, 0 abstention , 1 absence

203 Internal Audit Progress Report

The Purpose of the item was to present a summary of the audit work concluded since the last meeting of the Committee. The Chair introduced the item.

Members noted the progress made on Development Management Recruitment and retention, but stated concerns over the delays in delivery of staff training. The Committee asked what would happen if there were concerns. The SWAP Assistant Director stated that if there was insufficient progress in an area, the audit team could look at these areas again, and that an update could be brought in the future.

RESOLVED: To note the reports and annexes.

204 Work Plan

The Chair introduced the Work Plan. It was noted that under Agenda item 9, authority was delegated to the Chief Finance Officer to receive the Audit 2021/22 prior to the next meeting in order for the Committee to focus on new Audit opinion. The Chief Finance Officer stated that if there were any delays with this, then the Audit would be brought back to the committee to review.

RESOLVED: To note the work plan.

The Meeting commenced at 4.00 pm and closed at 6:18pm

Chair

(END)