



Minutes of a meeting of Audit and Governance Committee held on Wednesday, 18 October 2023

Councillors present:

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| Nigel Robbins | Clare Muir |
| Helene Mansilla | Chris Twells |
| Patrick Coleman | Len Wilkins |

Officers present:

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| Robert Weaver, Chief Executive | Angela Claridge, Director of Governance and Development (Monitoring Officer) |
| David Stanley, Deputy Chief Executive and Chief Finance Officer | Lucy Cater, Assistant Director (SWAP) |
| Michelle Burge, Chief Accountant | Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit |

Observers:

Pete Barber

217 Apologies

Apologies were received from John Chessire, an independent member of the committee.

No apologies were received from Councillors.

218 Substitute Members

There were no substitute members.

219 Declarations of Interest

There were no declarations of interest.

220 Minutes

The Chair referred to the minutes on page 10, "It was also noted that there was a delegation from April's meeting to the Deputy Chief Executive and the Chair to approve the final accounts for 2021/22" and stated that this had been now completed.

The Committee raised the following corrections –

- Pg. 10 'trianevaultation', should be 'triannual evaluation'

RESOLVED: To approve the minutes of the meeting held on the 25th of July as an accurate record of the meeting.

Voting record- For – 6, Abstentions 0, Against 0

221 Public Questions

There were no public questions.

222 Member Questions

There were no member questions.

223 2021/22 Audit Finding Report and Annual Audit Letter

The Deputy Chief Executive (Chief Finance Officer) introduced the item. The Deputy Chief Executive confirmed that the 2021/22 accounts had been approved by delegated authority, as stated by the Chair under the 'minutes' item.

The Deputy Chief Executive introduced the item, which was brought to the Committee for completeness and transparency, in light of the aforementioned delegated approval.

Members asked about the back-posted journals mentioned in the report and whether this was due to the lack of resource in the finance team. The Deputy Chief Executive stated that the back-posted journals were part of the normal reporting process, however, the Council had a higher than usual amount, as flagged within the report. The team was undertaking work to encourage reporting within the period.

Members asked about the indexation rate being 40%, and the representative from Grant Thornton explained the reasoning behind this.

There was a reference to West Oxfordshire in the report, which the Grant Thornton representative stated was an error in the draft opinion, that had been amended in the final opinion.

The Grant Thornton representative explained that their function was to provide an audit opinion, and a value for money assessment. The planning for the 2022/23 audit would start soon and they hoped that the value for money statement would be completed by Christmas 2023 and brought to the January meeting. This would therefore represent an improvement of six months in delivery timescales.

RESOLVED: To NOTE the Audit Findings Report for Cotswold District Council (Final) and the Annual Audit Letter.

Councillor Len Wilkins arrived at 5:18pm during this item. He later apologised to the Chair explaining that this was owing to an accident on his route to the Council offices.

224 Internal Audit Progress Report

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The Assistant Director for SWAP introduced the item, and addressed the errors in the listing of the annexes on the report front page, as had been pointed out by the Chair, but that the report contained the correct annexes.

The purpose was to present a summary of the audit work concluded since the last meeting of the Committee.

Members discussed FOIs throughout the item, and the following points were made;

- Members stated that the Freedom of Information rating, which was only rated as reasonable and expressed concern. The Assistant Director reassured members that there will be a follow up on agreed actions.
- Members discussed whether the different Channels that FOIs could be submitted through had the potential to be consolidated.
- An instance from April was raised where a Councillor had submitted an FOI through email, and an officer had responded to state that the online form had to be filled out. The Councillor in question asked that this be investigated, as this wasn't the correct procedure in their view, with the officer implying that email requests could not be processed. The Business Manager for Corporate Responsibility responded that the form could not be mandated.

The Business Manager for Corporate Responsibility added that the unpublished statistics were prior to their arrival, and a robust approach was being taken, with a good team in place. They were confident in their ability to deliver improvements.

Members asked whether the Committee had access to the Council's risk appetite scaling. The Deputy Chief Executive explained the rationale behind how the risk grading takes place. The Assistant SWAP director explained that a risk management audit would be undertaken, and a risk checklist included in future audits.

Members made reference to overdue actions in the report, and asked whether these remained deliverable, and whether any should be closed down. The SWAP Assistant Director stated that they were seeking advice on how to close these down and asked the Committee for their opinions. The Chair stated that further reflection was needed on this, and the Deputy Chief Executive stated that officers could review the annex in question and take an updated version of the annex to a future Committee meeting, and potentially close some of them, but this would depend the priority.

Members took the opportunity to thank the revenues and benefits team for their work.

Members expressed concern over the Climate Change Survey, the discussion included;

- The fact that 75% of survey respondents (6 officers) did not have any climate change key performance indicators, measures, or milestones to track the operational work being undertaken.
- Member concerns over the low survey response rate.
- The Deputy Chief Executive highlighted the improvements that were being made, including a commitment to resurveying staff, and ensuring that Climate Change issues are being dealt with. They stated that it was clear more work was needed.
- Members discussed that a cultural shift was needed to enforce climate change as a priority, and that processes will need to be promoted. The Chief Finance Officer

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agreed, stating that although Climate Change had been embedded at the top end of the organisation, there had yet to be a shift in how people behaved, and more work was needed.

- There were hopes that the follow up survey would reflect an improvement.
- It was stated that the Cabinet Member for Climate Change should review this, and be invited to a future Audit Committee meeting.

RESOLVED: That the Committee note the reports at Annexes A and B.

225 Draft 2023/24 Statement of Accounts

The Deputy Chief Executive introduced the item. The Statement of Accounts for 2022/23 showed the financial position of the Council as of 31 March 2023 as well as the performance during the year. Under the Council's Constitution, the Audit and Governance Committee is charged with the responsibility of the approval of the accounts.

This report presented the published (unaudited) draft Statement of Accounts for the year ended 31 March 2023 to the Committee for consideration.

The Deputy Chief Executive stated that the accounts were in the public inspection period, which was due to end on 17 of November 2023.

The Deputy Chief Executive addressed national delays in delivering audit opinions, stating that only 5 local authorities had received their audit opinions on time, with over 900 accounts awaiting opinions. The problem was being looked at nationally.

Members discussed business rates, which were currently split between the District Council (40%), central government (50%) and the County Council (10%). Members made reference to proposed Government plans to allow Local Authorities to retain a bigger proportion of business rates. The Deputy Chief Executive explained that due to how the rates are worked out, in real terms the District Council actually retained substantially less than the 40% rate. The plans would likely be delayed until 2026.

Members asked about the financial assumptions in the narrative, and asked about the robustness of these, given the challenging and volatile economic environment. The Chief Accountant stated that the assumptions were based on the best available information at the time, but that variance was to be expected.

Members discussed the importance of focussing on the narrative in the report, due to the specific nature of public sector accounts.

As the accounts were unaudited, the Committee only noted them at this stage.

RESOLVED: To note:

1. The draft unaudited Statement of Accounts 2022/23 (as attached at Annex A).
2. Key highlights from the Statement of Accounts 2022/23 as set out within this report.
3. The position on Local Audit delays as set out in Annex B and Annex C

226 2023/24 Treasury Management Indicators - Quarter One

The purpose of the item was to report to the Audit and Governance Committee the quarter one Treasury Management Indicators as required by the CIPFA Treasury Management Code.

The Deputy Chief Executive introduced the item and explained that there had been changes to the CIPFA code around treasury management, requiring increased reporting.

The report set out the compliance with the amended CIPFA code.

The Chair asked that the latest Arlingclose report be brought to the next meeting, in order to facilitate comparison with other Local Authorities.

Members discussed the new requirement to report the indicators quarterly, and asked whether it could counterintuitively make concerns more difficult to identify due to over reporting.

The Deputy Chief Executive stated that Grant Thornton would be publishing a report looking at lessons learn from the Public Interest Report, and officers would be doing work on how to ensure the indicator reports are useful.

Members made reference to the Leader of the Council's statement at full Council, which had referenced the risk of the Council meeting a similar fate to Birmingham unless substantial savings were made. Although some members stated that there was no evidence for this statement, the Deputy Chief Executive highlighted that unless savings were made, at the current rate the Council's reserves would be depleted. However, it was stated that the Council was not in immediate risk of this.

RESOLVED: To note the 2023/24 Treasury Management Indicators (Q1)

227 Cotswold District Council Local Code of Corporate Governance

The Business Manager for Business Continuity, Governance and Risk introduced the item. The purpose was to present the latest version of the Local Code of Corporate Governance for Cotswold District Council for adoption.

Members asked that going forward, changes are reflected through colour coding.

RESOLVED: To adopt the latest version of the Local Code of Corporate Governance.
Voting record – For 6, Against 0, Abstentions 0, Absent 1

228 Annual Governance Statement Action Plan

The Business Manager for Business Continuity, Governance and Risk introduced the item.

The purpose of the item was to provide the Committee with an update on progress against the Annual Governance Statement action plan for 2023/24.

Members suggested that completion dates be added to future reports.

RESOLVED: to note the action plan and associated progress updates

229 Annual Summary of Complaints Statistics From The Local Government And Social Care Ombudsman - Year Ending 31 March 2023

The Business Manager for Business Continuity, Governance and Risk introduced the item. A total of 10 complaints were escalated to the Local Government and Social Care Ombudsman about services provided by the Council during financial year 2022 - 2023. Of the 10 complaints received by the Ombudsman, one complaint was investigated, which was 'upheld'.

The purpose of the item was to present the Annual Complaints Statistics as provided by the Local Government and Social Care Ombudsman for the year 1st April 2022 – 31st March 2023.

The Chair highlighted the importance of reviewing complaints and the approach taken to dealing with them.

RESOLVED: To Note the content of the report and the Annual Review Letter 2022 – 2023.

230 Appointment of Standards Hearings Sub-Committee

The Chair introduced the item and highlighted the membership of the Committee as; Patrick Coleman (Liberal Democrat), Clare Muir (Liberal Democrat) and Len Wilkins (Conservative).

The purpose of the item was to invite the Committee to appoint members to the Standards Hearings Sub-Committee.

The Chair invited the Director for Governance to address the Committee. The Director for Governance explained that the Independent Person in the report was different from the Independent Member on the Audit and Governance Committee, and was to ensure independence and fulfil a 'critical friend' function.

RESOLVED: To;

1. Agree to establish the Standards Hearings Sub-Committee.
2. Appoint three members of the Audit and Governance Committee named in Annex A (Councillors Coleman, Muir and Wilkins) to the Standards Hearings Sub-Committee for the remainder of the current municipal year, in accordance with political proportionality (2 Liberal Democrat, 1 Conservative).
3. Delegate authority to the Director of Governance and Development to determine who will be the Independent Person at a Standards Hearings Sub-Committee meeting and, where relevant, who will be the Town and Parish Council representative attending in an advisory capacity.

231 Work Plan

The Committee discussed the work plan, and raised the following amendments:

- The Cabinet Member for Climate Change to be invited, as per the previous conversation, alongside a senior Publica officer.
- The Committee has typically held a 5th meeting, and asked that this arrangement be formalised.

RESOLVED: To note the work plan

The Meeting commenced at 5.00 pm and closed at 7.10 pm

Chair

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(END)