



Minutes of a meeting of Audit and Governance Committee held on Thursday, 25 January 2024

Councillors present:

Nigel Robbins – Chair

Helene Mansilla

Patrick Coleman – Vice-Chair

Jeremy Theyer

Len Wilkins

Michael Vann

Officers present:

Robert Weaver, Chief Executive

David Stanley, Deputy Chief Executive and
Chief Finance Officer

Michelle Burge, Chief Accountant

Angela Claridge, Director of Governance and
Development (Monitoring Officer)

Lucy Cater, Assistant Director (SWAP)

Emma Cathcart, Head of Service, Counter
Fraud and Enforcement Unit

Cheryl Sloan, Business Manager - Business
Continuity, Governance and Risk

Ana Prelici, Democratic Services Officer

Observers:

Councillor Mike Evely, Deputy Leader and Cabinet Member for Finance

246 Apologies

Apologies were received from Councillor Chris Twells and Christopher Bass, an independent member of the Committee.

247 Substitute Members

There were no substitute members.

248 Declarations of Interest

There were no declarations of interest.

249 Minutes

There were no amendments to the minutes.

RESOLVED: To approve the minutes of meeting held on 30 November 2023.

250 Election of Vice Chair

Councillor Patrick Coleman proposed themselves, and was seconded by Councillor Wilkins.

RESOLVED: To elect Councillor Patrick Coleman as Vice Chair for the remainder of 23/24 Civic year.

251 Public Questions

There were no public questions.

252 Member Questions

There were no member questions.

253 External Audit Plan 2022/23

Pete Barber, from Grant Thornton introduced the item and explained that the item was to discuss the Audit Plan as well as the Interim Auditor's Annual Report, which had been published as a supplement.

The purpose of the item was to receive the 2022/23 Audit Plan from Grant Thornton, the Council's external auditors.

Members asked the Deputy Chief Executive about Audit fees, making reference to the difficulty facing Council finances nationwide. The Deputy Chief Executive confirmed that any additional fees would be agreed with the Council in advance, and that they were advised early on if this would be the case.

The Committee then discussed the Interim Auditor's Annual Report. Pete Barber explained that statutory recommendations were made in serious cases, and that the Council did not have any, which was a positive indicator. The next level in terms of gravity were key recommendations, which would have been made if the auditor did not believe that effective arrangements for delivering value for money were in place, and that the Council did not have any of those either. Mr Barber explained that the Council did have arrangements for delivering value for money. Therefore any recommendations made were improvements the Council could put in place from best practices. The report highlighted the recommendations made but these were less than the previous year and less than similar authorities.

The Cabinet Member explained the arrangements around Ubico, and that plans were being looked at to potentially share vehicles between the other teckal partners for efficiencies and resilience.

There were recommendations around the Cabinet Transform Working Group (CTWG) in order to better assure that the governance arrangements around it were suitable for finding the savings it needed to find. The Deputy Leader, as the chair of the CTWG stated they would discuss with the Deputy Chief Executive but stated that Overview and Scrutiny Committee were looking at these through pre-scrutiny. Pete Barber stated they would discuss the recommendations with the officers offline, taking into consideration the committee's debate, emphasising that it was within the Council's discretion whether or not to accept the recommendation.

RESOLVED: To note the Grant Thornton Audit Plan for 2022/23.

254 Informing the Audit Risk Assessment

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The Deputy Chief Executive introduced the report. The purpose of the item was for the Committee to consider proposed management responses to the external auditor's questions to inform their assessment of risk to underpin the audit of the statement of accounts for the year ended 31 March 2023.

Members suggested a change of wording, as a typographical error mistakenly read "abuse of the council tax reduction scheme is supported by the revenues and benefit staff" which should read "abuse of the council tax reduction scheme is dealt with by the revenues and benefit staff" or similar. The Deputy Chief Executive agreed to rephrase this.

Members asked about the processes around reporting fraud. The Head of the Counter Fraud and Enforcement Unit stated that the instances are included in the report, but that these could be highlighted more clearly for future reports.

Members discussed the Council's assets in regard to IFRS16 requirements. The Chief Accountant stated that the impact would be small, but that this would be reassessed as there remained a year before the deadline for implementation.

Resolved: To NOTE the report

255 Internal Audit Progress Report

The Head of Internal Audit introduced the item. The purpose of the report was to present a summary of the audit work concluded since the last meeting of this Committee.

The Head of Internal Audit highlighted the agreed actions at Appendix B, and that progress was highlighted in an additional Annex.

The Head of Internal Audit stated that online SWAP training would be taking place on 1 February at 3:30pm and encouraged members to attend. It was also mentioned that a Committee self-assessment would be carried out.

Members discussed the report, and specifically mentioned that limitations of the data from uniform were mentioned and whether the system could be improved. The Head of Internal Audit clarified that this was due to data entry limitations as opposed to systems, but that this would be followed up on next year. The Deputy Chief Executive stated that this was a compliance and training area.

Discussing actions, members discussed transparency data. The Head of Internal Audit stated this would be followed up on, and was confident these could be achieved by the 31 January deadline.

Members stated that both SWAP and Counter Fraud seem to be managed extremely well, and that if there was any change in leadership in future will need to be carefully managed to continue the high level of service.

Members welcomed the improvement of the revenues and benefits service, and noted that this was a challenging area of work.

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Members asked what 'Friends and Family' referred to, the The Head of Internal Audit Deputy Chief Executive stated that this was assurance that officers didn't process friends or family's accounts but that this would also be followed up on the following year.

RESOLVED: To NOTE the report.

256 Annual Treasury Management Strategy and Annual Non-Treasury Investment Strategy 2024/25

The Deputy Chief Executive introduced the item. The Council was required to approve a Treasury Management Strategy and Non-Treasury Investment Strategy (Investment Strategy) for 2024/25, the Committee were invited to provide feedback on it ahead of its consideration by Cabinet and Council.

The Deputy Chief Executive stated that the item was concerned with the Council's management of its cash funds, in line with CIPFA codes on both Treasury Management and Capital Finance.

The Members of the Committee commended the quality of the report.

Members did not recommend any changes to the report, but discussed various aspects of the Council's Treasury Management Strategy, including;

There was a discussion around the potential impact of fluctuating interest rates on the Council's investment strategy. The Deputy Chief Executive highlighted the importance of closely monitoring market conditions and explained how the Council plans to adapt its investment decisions accordingly.

Members discussed the decision-making process behind the Council's stance on borrowing, particularly given the forecasted decline in available cash for investment. The Deputy Chief Executive stated that the Council's decision not to borrow externally over the next two years was based on current capital plans and the high interest rates associated with external borrowing.

RESOLVED: To note the report

257 Annual Capital Strategy 2024/25

The Deputy Chief Executive introduced the item. The Council was required to approve a Capital Strategy for 2024/25 before 1 April 2024. The purpose was for the Committee to consider the draft Capital Strategy for 2024/25 and provides feedback to the Cabinet and Council for consideration as part of the Council's budget setting process.

The Deputy Chief Executive explained that the purpose of the Capital Strategy was to enable spending on the Council's priorities.

Members discussed the priorities in the strategy which the Deputy Leader stated lined up to the new Corporate plan.

RESOLVED: To note the strategy.

258 Annual Governance Statement – Action Plan Update

The Chair stated that receiving the Governance statement was a regular requirement for the Committee. The purpose of the report was to provide the Audit and Governance Committee with an update on progress against the Annual Governance Statement action plan for 2023/24 as of January 2024.

The Business Manager for Business Manager for Business Continuity, Governance and Risk introduced the report, highlighting that most had been completed, with two red actions and one amber actions.

Members discussed the Publica transition plan, and made reference to historic staffing shortages in some department. Members asked when temporary staffing roles would be advertised with the new conditions, such as the Local Government Pension Scheme. The Chief Executive stated that work was already undergoing in looking at appointing roles where they were vacancies, and looking at this on a case by case basis.

RESOLVED: To NOTE the report

259 Work Plan

Members discussed the Climate Change item, and the Chair explained that the Committee had resolved to invite the Cabinet Member for Climate Change due to concerns over low responses in a climate change survey, as highlighted by a report the Committee previously considered.

260 Matters Exempt from Publication

The Chair explained that the subsequent items were exempt, and proposed entering a private session so that these could be discussed.

The proposal was agreed by the committee unanimously and carried.

RESOLVED: That the Committee exclude the public and press for the remainder of the meeting under section 100A of the Local Government Act 1972 on the grounds that their presence could involve the likely disclosure of exempt information as described in Paragraph 3 of Schedule 12A of the Local Government Act 1972, with the public interest in maintaining the exemption outweighing the public interest in disclosing the exempt information.

261 Cyber Security Update

The Chief Technology Officer introduced the item, highlighting the Council's key defences against cybercrime, and what future areas of concern may be

The details of which were exempt due to the risk of increased cybercrime toward the Council if they were made public.

RESOLVED: To NOTE the content of the report.

The Meeting commenced at 4.00 pm and closed at 6.45 pm

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Chair

(END)