



Minutes of a meeting of Audit and Governance Committee held on Tuesday, 30 September 2025

Members present:

Nigel Robbins (Chair)	Helene Mansilla	
Jeremy Theyer	Jon Wareing	Michael Vann
Len Wilkins	Ian Watson	Christopher Bass

Officers present:

Jane Portman, Interim Chief Executive Officer	Angela Claridge, Director of Governance and Development (Monitoring Officer)
Andrew Brown, Head of Democratic and Electoral Services	Nickie Mackenzie-Daste, Senior Democratic Services Officer
Leonie Woodward, Head of Legal	David Stanley, Deputy Chief Executive and Chief Finance Officer
Michelle Burge, Chief Accountant and Deputy Section 151 Officer	Frank Wilson, Managing Director (Publica)
Lucy Cater, Assistant Director (SWAP)	Alex Walling (Bishop Fleming)
Emma Cathcart, Head of Service, Counter Fraud and Enforcement Unit	

29 Apologies

Apologies were received from...

Councillors Nick Bridges and Tony Dale, and Independent Member John Cheshire.

30 Substitute Members

Councillor Ian Watson attended as substitute for Councillor Nick Bridges, and Michael Vann attended as substitute for Councillor Tony Dale.

31 Declarations of Interest

No declarations were made.

32 Minutes

The minutes of the meeting held on 14 July 2025 were discussed. The Chair noted that page nine requested that the Deputy Chief Executive Officer provide the Exposure to Investment Report, to which the officer confirmed that this related to the Council's Environmental, Social, and Governance (ESG) position, that it has not been provided yet but would be prior to the next meeting, and that it was unlikely to have materially changed since previous reviews. The Chair noted that an additional financial report update was also requested, but that this was included in the Committee's agenda and as such would be reviewed.

RESOLVED: The minutes were approved.

33 Public Questions

There were no public questions.

34 Member Questions

There were no member questions.

35 Local Code of Corporate Governance

The purpose of the report was to present the Local Code of Corporate Governance.

The Business Manager for Governance, Risk and Business Continuity introduced the report, explaining that it set out the principles of the governance framework for the Council. The officer noted that the annual governance statement was presented to a previous committee, and that this report detailed how the Council was meeting the Code and provided a forward-looking Governance Action Plan. The officer noted that two versions were included, one with listed amendments and one without. Where the 'delivering good governance' principles were listed, the bullet points following them were different and as such were included in an addendum – along with plans for delivering on those points.

The Committee queried how Council officers were expected to memorise or internalise these principles. The officer clarified that while the expectation would be for managers to have a working knowledge as they were responsible for monitoring and updating their relevant parts, the report as provided was to enable the Council to have an annual benchmark for performance and behaviours, and these updates were in service of that effort.

The Deputy Chief Executive Officer added that the report set out the standards and behaviours expected of the Council, which included consideration of what each team

produced that contributed to meeting these requirements, how these efforts were evidenced, and whether the standards were up to date. The officer continued that these considerations were likely to be automatic for officers that worked under these principles regularly, but the report aimed to better present these to members of the Council who may not have been so aware of the terms.

- The Committee provided an example of how the Local Code of Corporate Governance underpinned Council activity in relation to members. Principle A, 'Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law', was also included in the code of conduct for members.
- The Committee welcomed that the report included audit and peer review details but queried whether there were any anticipated timescales for Section G – implementing good practice and transparency reporting. The Chair explained that this reporting was anticipated to be issued biannually, as confirmed at the previous Committee, with the caveat that this report may not be suitable to apply rigid timescales to due to its ongoing nature. The officer added that this would be included in the annual governance statement, as well as details regarding CFEU, internal audit, the constitution, and the code of conduct.
- The Committee noted that there was mention of A.I. use on page 48, and as the use of A.I. was becoming more popular across all industries, queried whether there were any further considerations being made by officers regarding governance in this area. The Deputy Chief Executive Officer responded that the Chief Technology Officer and his team were currently developing an A.I. governance policy which was currently being reviewed by the internal officers before being submitted for approval by the Council. An officer added that there were service-specific risk registers in place already, for example in recruitment where job applications were being reviewed, to ensure A.I. was used appropriately in those cases.

RESOLVED: The Local Code of Corporate Governance was adopted.

36 Internal Audit Progress Report

The purpose of the report was to present the progress of the Internal Audit team.

The Chair explained that this report consisted of four items and requested any comments from members. The Head of Internal Audit noted that of the listed actions on page 12 in Annex B, only one was currently still active in addition to one having been subsumed into another active project (Business World).

- The Committee asked which leisure centres were reviewed to generate this report to which the officer confirmed that this report was only based on Cirencester Leisure Centre and the Corinium Museum, while reviews of other

leisure centres were either ongoing or expected to be completed by the end of the year.

- The Committee queried whether, once completed, the reviews of other leisure facilities would be provided as multiple, separate reports or combined into one – the officer advised that both could be provided to members to which the Committee confirmed its preference that points be listed for each report, to allow members to more easily identify the facilities with concerns.
- The Committee queried why the 'leisure and culture facilities' section was listed as 'high' on the operational risk assessment and what the main concerns were therein. The officer clarified that this was due to noncompliant health and safety risks as identified by the auditor, including safeguarding around CCTV usage, which may constitute an operational risk to the Council – the Committee further asked whether these were being actioned, to which the officer confirmed that the two Priority One agreed actions had already been completed as detailed further in the report.
- The Committee commented that it was promising that these major concerns were being promptly addressed but queried whether there were any KPIs in place for the Council's ongoing relationship with the relevant management/facilities provider, to ensure compliance, and that the option existed for a 'commercial impact' on suppliers for breaching relevant requirements. The Head of Economic Development and Communities clarified that during the investigation, development, and production of this report since around November 2024, the contract for management of this leisure centre had transferred from Publica into the Council's direct responsibility, meaning there had recently been a transitional period for who had direct oversight over this issue – there was a work plan from the officer who took the relevant post in July 2025, and of those findings some had been actioned immediately, but the recent focus had been on developing a robust process for identifying and rectifying issues with suppliers. This was previously conducted on an ad-hoc basis but was now a regular agenda item to improve oversight going forward.
- The Committee further questioned the Council's contractual status with the company delivering these services, and whether the Council could ensure compliance through commercial consequences for them. The officer clarified that while there were KPIs in place with the contractor to monitor standards, there was limited ability to enforce fiscal consequences due to the profit-sharing nature of the contract– something like withholding payment would not be an option due to this arrangement. The Committee requested a confirmation that this would imply a 'shared interest in ensuring compliance', to which the officer confirmed that on many issues listed in the report the direct legal obligation was on the supplier rather than the Council as owners and as such the relevant legal

consequences would be applied to them if it were necessary.

- The S151 Officer added that in his view there was no specific range of KPIs to monitor as such; the officer considered a supplier to be either compliant or not, and if not, they should be providing clear and actionable steps to the Council to explain how they intend to remedy such a position. He explained that other local authorities or other types of contracts may have considerations for lower-priority health and safety risks wherein a point system for severity was implemented, but that this contract did not have this as it was a partnership arrangement with the supplier and as such compliance was in both parties' interests.
- The Committee queried whether there was a protocol in place for continued testing and auditing in future for things like fire alarm and water pH testing, to which the officer confirmed that there were regularly external contractors who attended to test pool water and fire alarms among other facilities already agreed but that this would be a concern for the management onsite to monitor.
- The Committee noted the second sentence of page 91, reporting that officers were unable to confirm how CCTV was managed in facilities owned by local schools and commented that previously there had been some confusion regarding responsibility for compliance on this matter. The officer advised that they could provide a more detailed written response to members on this issue outside of the meeting, but that the concern regarding dual-use facilities lay in whether the relevant facilities were under local authority or local education control, particularly regarding CCTV use as there were strict safeguarding guidelines to be aware of in any school usage scenario.
- The Committee observed that previous reports noted a requirement for replacement security cameras at the Corinium Museum and this report included a similar comment on page 93. The Committee was concerned that these essential security measures may leave the collection of artifacts stored in the museum potentially at risk. The Deputy Chief Executive Officer suggested that this query would also be suited by a more detailed written response and that there were GDPR concerns with the installation of surveillance onsite, although there was already a CCTV policy in place for the Council.

The Chair introduced the final item in this report, the audit of the Counter Fraud and Enforcement Unit. The officer noted that this was directly requested by the manager of the counter-fraud team and that the result has been a 'glowing review'. The officer explained that this was requested due to the team's access to confidential information from multiple local authorities and the increasing importance of data security, and that it was decided that an objective review of the team's existing procedures would be appropriate to ensure a high level of compliance. The Chair noted that he considered this a responsible action and encouraged other managers who may be unsure to

RESOLVED: The Committee noted the report.

37 Q1 Prudential Indicators (Treasury Management)

The Deputy Chief Executive Officer explained that the item was a quarterly report, part of the five major reports delivered to the Council each year. He also noted that the half-year and outturn reports would include greater detail than this first quarter report; this item was more focused on whether the Council remained compliant with the Treasury Management Strategy as adopted in February 2025.

The officer continued to section 4, the liability benchmark, explaining that this illustrated what the underlying borrowing need for the Council would be in the near future without significant departures from current circumstances. Where the end figure at the bottom of the benchmark table included a bracket symbol, this indicated that the Council would meet all obligations without borrowing, whereas a figure without this symbol implied a potential need to borrow. The officer noted that at the time of the Committee meeting this was mostly affected by the planning for, albeit without a commitment to, the replacement of the District's waste vehicle fleet at some point in the period of 2026-2028 with an estimated cost of around £6m – and that the most cost effective way of delivering these replacements was currently under investigation. Page 106, as noted by the officer, set out whether long term treasury management investments were compliant with requirements, generally focusing on pooled funds with a value of around £12.5m against an upper limit of £13m. The officer explained that with these investments the value could increase as well as decrease, but the Council was fully compliant with requirements as listed. The officer finally explained that on page 107 was a forecasting table indicating the effect of a 1% increase or decrease of interest rates on the Council's portfolio, but that as members may have been aware national interest rates had remained high for external long- and short-term borrowing. A previous draft included an error making the 0.02 figure in the middle column 2p rather than £0.02M which had been corrected in this issuance.

The Committee queried how forecast accuracy was measured from previous periods. The officer answered that typically officers had underestimated returns and overestimated costs, leading to a trend of forecasts anticipating worse returns than in reality. The officer explained that this had been considered a prudent budget expectation – assuming that the liquidity of the Council would reduce faster than it did or that interest rates would decrease sooner would lead to, as he felt, a preferred outcome of the Council overperforming against forecasting rather than falling short and potentially having an investment deficit. The officer confirmed that forecasting accuracy was not measured directly, with the expectation that if investments came

closer to breaching any established estimates the Committee would rightly interrogate this.

The Committee noted, as on page 106 as an 'additional indicator', that the Council had received its own credit rating and queried which organisation had been calculating this. The officer explained that the rating was specifically for exposure regarding investments, not a rating for the Council itself, and added that only four or five local authorities have made the effort to calculate their own credit rating. This indicator calculated the average credit rating of the Council's investment portfolio; it was included to ensure the Council avoided investing in 'junk bonds', subprime mortgages with lower credit ratings, and other riskier options.

The Committee, further to the previous question, queried the external advice sought by the Council, which the officer explained was provided by Arlingclose as the Council's Treasury Management Advisors. The officer clarified that this organisation offered advice only, and all decisions remained with internal officers, but that it would be fiscally prudent to take their advice into account. Arlingclose assisted the Council with identifying appropriate limits for how investments are made and for how long against credit ratings, as well as doing the same for potential borrowing and interest rates.

The Chair thanked officers, remarking that the Committee had thoroughly interrogated the report.

RESOLVED: The Committee noted the report.

38 Counter Fraud and Enforcement Unit Update Report

The Chair introduced the report, noting that there were three items, and requested the officer explain how each link to the others. The Head of Service for the Counter Fraud and Enforcement Unit thanked the Chair and explained that while the Committee would have traditionally been provided with a mid-year update at this time, this process had changed to provide a full year report in April and this half-year report was now to be focused on high-risk areas and ongoing or actions completed by officers. This included reviewing and updating several documents including the 2022 Fraud Risk Strategy, of which the updated version had been provided to members – this document provided an overview of what risks the Council was exposed to, how these were mitigated, what motivations had been identified for individuals committing fraud, and other pertinent details.

The officer also noted that when the original Fraud Risk Strategy document was submitted for approval, the team also committed to measuring their progress against a 'checklist' of standards provided by the Local Government Association; this was the Fraud Compliance Report provided to the Committee which listed each action as fully, partially, or noncompliant. The officer was pleased to report that for most items the Council was fully compliant, with remaining gaps including data protection – though

this only related to a specific software used for data matching that the Council did not currently license or use, rather than any outstanding vulnerabilities in data management within Council systems.

The officer continued and introduced the Fraud Response Plan, also included in the report, which was a 'quickfire' response document for officers and external bodies on how to respond to a potential fraud, focused on maintaining the integrity of any potential investigations by ensuring staff were aware of appropriate actions and parties to report to.

The officer noted that the report also included a number of updates on how high-risk areas were being managed, including council grant schemes which were subject to a new management policy that would be submitted to the Committee or to Cabinet in the near future, as well as 'polygamous working'; that is, working multiple, undeclared jobs, of which there had been a recent case. This also contained a new report to be submitted but this would be a longer-term project, which the officer thanked the HR team for their assistance in developing.

- The Committee queried page 114 part 2.23: the launch of a new website/portal for public access to services such as victim support, Crimestoppers, police reporting and other important information, and when this was expected to go live. The officer clarified that the current expectation as listed in the report was October 2025 but that once the draft website formatting was approved this could go live immediately, and that the meeting to review it was scheduled for 6 October 2025.
- The Committee queried how the team prioritised items in their checklist that required further consideration. The officer clarified that many of the partially compliant items were related to updating councillors and designating a portfolio holder for counter fraud provision, however the officer considered this a matter to be discussed by all members due to its universal applicability. This being the case, there was a proposed process in which an audit committee report was provided to an informal member's meeting to review the high-risk areas being targeted and what actions were being taken; to which the Chair thanked the officer and suggested that the likely portfolio holder for this area would be Councillor Patrick Coleman.
- The Committee questioned if they were to enter the Council's offices and pick an officer at random, whether they would have a good understanding of the Council's whistleblowing process. The officer responded that this was explained to all new staff members as part of their induction process, as well as there being an annual refresher issued to all staff, but that the officer hoped to foster an environment wherein Council staff felt comfortable contacting their manager or a member of the internal audit team directly if they were unsure or had specific concerns.

- The Committee noted the reference to third parties on page 141, asking what power the Council possessed to hold them accountable to any agreements. The officer agreed that this was a complicated matter due to the nature of contracting and licensing between agencies and individuals, but that all written contracts were being reviewed and a process for improved paperwork for all future contracts was in place, including the previously mentioned whistleblowing policy.
- The Committee commented that it was reassuring that the checklist provided was mostly green and that the Council seemingly was 'in a good place' on compliance. The Committee queried what would happen at the next meeting, and whether the formatting would change to indicate what progress had been made without simply duplicating the entire checklist. The officer agreed that this would be a good idea – to provide updates focusing on the relevant progress of actions or areas of significant concern.
- The Committee queried how the risk register was applied to each area of the Council's work, as they considered it a complicated proposal. The officer explained that a member of her team reviewed each service and calculated a specific risk register for them, with the higher risk areas being focused on first, supported by the managers of the teams being reviewed.

RESOLVED: The Committee noted the report.

39 Procurement Investigation - Counter Fraud and Enforcement Unit

The Chair handed introduction of the report to the Deputy Chief Executive Officer, who explained that the report consisted of two parts; what had already occurred, and what the Council's officers had done or were currently doing in response to it:

- Section 2, supported by details provided in Annex A, outlined the 'key governance issues' identified during the investigation. Paragraph 2.2 of that section was highlighted by the officer as a key part of why the Committee had received the report, that this section highlighted the responsibility of the Committee and himself as Chief Finance Officer to maintain internal controls, operational risk awareness, and efforts made to combat fraud and corruption.
- Section 6 summarised the findings from the previous sections and highlighted commonalities between them, including weaknesses in controls, impacts on the Council especially regarding reputational damage, and legal and financial risks.
- The officer directed the Committee's attention to section 7 and specifically Annex B, noting that of the points listed on the action plan:
 - the constitution had been updated following the new procurement process having been introduced in February 2025.
 - the online form for purchases over £5000 to ensure the register was as up to date as possible was completed in August 2025.

- the mandatory procurement training for officers was in place and was expected to be complete by the end of 2025 with different levels of detail depending on staff member seniority.
- Point four, the procurement toolkit, was still under development at the time of the meeting and would provide a set of standardised templates for future procurement requests.
- Point five related to system improvements to the procurement section on the online Business World software in use by the Council, which was currently in development with testing to commence in November, to be launched by the end of 2025.
- Point six involved reviewing the terms of reference for the officer commissioning and procurement board, which for a number of years had been under the purview of Publica but was now managed directly by the Council.
- Point seven was the 'long overdue' improvements to financial reporting that the officer noted had been a point of discussion in previous committees. As suggested by previous audit findings, the Council made an effort to improve its ABW financial reporting through reducing the quantity of individual reports and ensuring that relevant directors and responsible staff members had straightforward access to them. This also included a spend analysis to support the commissioning and procurement board in ensuring that all spending was being captured, not just those the team was actively notified about.
- The officer also noted the implementation of the team's "No Purchase Order, No Payment" rule, a change that had also been discussed previously, which the team was hoping to implement around 30 June 2026 due to the turn of the financial year making earlier opportunities more complicated - but if an earlier launch did become possible they would do so.
- The final point as listed was the Council Awareness Resource, requiring the addition of the Chartered Institute of Public Finance and Accountancy (CIPFA) guide to the member's portal and to arrange an introductory briefing – the officer stated that this item remained in progress in the paperwork but as of the time of the meeting the item had now been completed.

The Deputy Chief Executive Officer stated that the overall aim for this report was to emphasise the importance the Council places on good governance, and to assure members that their Corporate Leadership Team had been actively working on and monitoring the findings in the report and that any issues had robust action plans in place to remedy them.

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The Committee offered its support to the individuals who had initially reported their concerns as described on page 155, hoping that this indicated that the process was effective in protecting the Council from these kinds of fraudulent actions.

The Committee asked whether any funds were returned during the course of the reported investigations. The officer advised that while there were concerns about value for money during the bidding processes involved in these cases, it would be difficult to recoup specific figures due to the nature of the circumstances, and that any amounts listed in the report only pertained to resources expended investigating the allegations.

RESOLVED: The Committee noted the report and requested an update on the action plan in April 2026.

40 Audit and Governance Committee Work Plan

The Chair invited the Deputy Chief Executive to introduce the work plan.

The officer explained that the two following reports should be considered as one item as they were intrinsically linked, these being the external auditor's report and the statement of council audit opinions. The Council had been working closely with the designated external auditors Bishop Fleming to ensure this was delivered in a timely manner – noting that while there was a slight delay due to resourcing issues good progress had been made. The expectation remained that this would be available to the December committee, otherwise it would be submitted to the January committee as these options were well within the statutory requirement of the 27 February 2026.

No comments or questions were offered.

RESOLVED: The Committee noted the work plan.

The Meeting commenced at 4.00 pm and closed at 5.40 pm