

Audit Committee
26/January2023



COTSWOLD
DISTRICT COUNCIL

Minutes of a meeting of Audit Committee held on Thursday, 26 January 2023.

Councillors present:

Nigel Robbins - Chair

Stephen Andrews

Tony Berry

Patrick Coleman

Tom Stowe

Officers present:

David Stanley – Deputy Chief Executive and Chief Finance Officer

Angela Claridge – Director of Governance and Development and Monitoring Officer

Lucy Cater – Head of Internal Audit

Caleb Harris – Senior Democratic Services Officer

Ana Prelici – Democratic Services Officer

Wayne Smith – Democratic Services Offices

Observers:

Councillor Mike Evemy, Deputy Leader of the Council and Cabinet Member for Finance

175 Apologies

Apologies were received from Councillors Nick Maunder, Gary Selwyn and Ray Theodoulou,

176 Substitute Members

Councillor Stephen Andrews was substitute for Councillor Ray Theodoulou.

177 Declarations of Interest

There were no Declarations of Interest from Members

There were no Declarations of Interest from Officers

178 Minutes

Councillor Tony Berry requested that minutes from Committee Meetings were sent to Members as soon as possible after being checked for accuracy.

Audit Committee considered the minutes and made a number of minor corrections

RESOLVED: Audit Committee **AGREED** that with the inclusions of the corrections, the minutes were a correct record of Audit Committee from 29 September 2022.

Voting Record – For 3, Against 0, Abstentions 2, Absent 2,

Audit Committee

26/January2023

179 Public Questions

There were no Public Questions

180 Member Questions

There were no Member Questions

181 Referral from Council - Time limit for Audit Committee

The Chair stated that they had agreed for this item to be considered at the meeting by reason of special circumstances. The reason was because the Committee had received a request to provide feedback to the Constitution Working Group on a proposal that the maximum duration of Audit Committee meetings be reduced from 4 hours to 3 hours. The next meeting of the Audit Committee would be take place after the Working Group's consideration of this matter.

Audit Committee discussed the impact of moving the start time of meetings to 17.00pm, including the difficulties it caused for those required to attend Town and Parish Council meetings held on the same day.

Audit Committee noted that the recommendation to change Committee start times to 5.00pm had been made to make it easier for those with daytime employment commitments to attend or access meetings.

Audit Committee stated that the Council decision that the Committee will start at 5.00pm in 2023/24 had been somewhat imposed on the Committee, but if this was required, a meeting duration limit of two and a half hours would be acceptable, with a Chair's expectation that the business of the Committee would normally be concluded within two hours.

RESOLVED: Audit Committee **AGREED** to feedback to the Constitution Working Group that for future meetings a limited duration of two and a half hours would be acceptable, with a Chair's expectation that the business of the Committee would normally be concluded within two hours

182 2021/22 Statement of Accounts and Audit Opinion- Update

The purpose of this report was to inform Members of audit progress for the Council's Statement of Accounts for 2021/22 and provision of the audit opinion. The Committee is advised that the deadline for issuing a final set of audited Statements of Accounts and Audit Opinion of 30 November 2022 was not met.

The Deputy Chief Executive and Chief Finance Officer introduced the report stating there had been a marked reduction in the number of Audit opinion being available to public sector bodies on their required publishing date. These delays were partly due to difficulties attracting and retaining suitably qualified auditors and partly due the increased complexity of Public Sector finances.

Audit Committee noted that Grant Thornton (Auditor) had undertaken a significant amount of work in October, November and December 2022 and more work would be completed in February 2023 to reduce the delays.

Audit Committee

26/January2023

Audit Committee noted that, that having stayed relatively stable for some time, Audit charges were likely to increase by up to 150%

Audit Committee asked if the 12% of public bodies that had received their Audit Opinions within the statutory timescales fell into a particular category. The Chief Finance Officer stated that he would provide these details to members, but more generally these tended to be large Unitary authorities or County Councils, and these may have been prioritized because they managed pension funds for their own staff and other Councils.

RESOLVED: Audit Committee **AGREED** to Note: the Statement of Accounts Update Report, the indicative timetable for approval of the 2021/22 Statement of Accounts and receiving the Audit opinion, the outcome from the PSAA tender exercise, and the appointment of Bishop Fleming for a 5-year period commencing for the 2023/24 audit year

183 Annual Ombudsman Report

The purpose of the report was to inform Audit Committee about the annual Local Government & Social Care Ombudsman's (LGO's) letter 2022

The Director for Governance and Monitoring Officer introduced the report stating this was the second annual Ombudsman's Letter that had been presented to Audit Committee and covered the period ending March 2022.

Audit Committee noted that during the year 14 complaints had been reported to the Ombudsman, which was an increase from 8 during 2021 (pandemic year) and 6 during 2020..

Audit Committee noted that the Ombudsman had upheld 2 complaints during the previous year, including one that the Ombudsman determined had caused an 'injustice'.

Audit Committee noted that the CDC complaints procedure had been reviewed and a number of learning points had been implemented including Publica having complaints under a single Business Manager, and the procedure is now as it should be.

Audit Committee asked what proof existed showing that improvements to the complaints procedure had been adopted by CDC services (specifically Planning and Development). The Director for Governance agreed to investigate this and bring back details.

RESOLVED: Audit Committee **AGREED** to Note the Ombudsman's Letter.

184 Elected Member Code of Conduct

The purpose of the report was to provide Audit Committee with details the proposed Member Code of Conduct

The Director for Governance and Monitoring Officer introduced the report that presented both the CDC Elected Member Code of Conduct and the Gloucestershire County Wide Elected Member Code Of Conduct. Audit was invited to review both documents and consider whether they could be synchronised with the same content.

Audit Committee noted that the CDC Code of Conduct had been based on LGA guidance that contained more context and explanation than the County Council Code of Conduct.

Audit Committee

26/January2023

Audit Committee noted that the Gloucestershire County Wide Code Of Conduct had been compiled with input from County, District and Town and Parish Councillors and was not simply a Gloucestershire County Council document.

Audit Committee noted that standard functions that had been agreed by Council and included in the Constitution would not need to be voted upon again.

RESOLVED: Audit Committee **AGREED** to recommend the Draft Gloucestershire Wide Code of Members' Conduct (as annexed to this report) for onward approval by Full Council, and an Annex providing context and further explanation of its content should be drafted and made available to Members during their induction

Voting Record – For 5, Against 0, Abstentions 0, Absent 0,

185 Feedback from the Peer Review- Governance Arrangements

The purpose of the report was to consider the Local Government Association's Feedback Report, and, to review the Action Plan that details how the recommendations relating to the responsibilities of this Committee will be implemented.

The Chair introduced the report that provided details of the recommendations of the recent Peer Review, particularly those specifically referring to Audit Committee.

Audit Committee noted there that the recommendations covered six areas and the committee should:

- Be provided with confirmation of the current governance and control framework for their review, identification of any gaps or weaknesses, and comments.
- Introduce two independent members to the Committee
- Implement a programme of regular training for all Audit Committee Members
- Revisit the Committee's terms and of reference and consider renaming the Committee to Audit and Governance Committee to reflect the breadth of its responsibility an ensure governance was a focal part of the committee's function
- Deliver Democratic Services Action Plan to ensure the smooth and efficient management of decisions making processes.
- Ensure the Constitution continues to reflect robust governance processes and arrangement via timely updates.

Audit Committee discussed changing the committee's name and Committee Members considered a number of options.

Audit Committee noted that the governance of the Council was an important, but not exclusive part of Audit Committee's work in the same way that overseeing and scrutinising the Council was an important, but not exclusive part of Overview and Scrutiny Committee's work.

Audit Committee noted that the Director of Governance and Development and the Deputy Chief Executive & Chief Finance Officer would recruit and appoint the two independent members of Audit Committee should this be required, and they would be expected to attend all future Audit Committee meetings.

Audit Committee

26/January2023

Audit Committee noted that the Capital Investment Board primarily advised Cabinet and Council on the viability of Capital strategies and projects to enable their consideration. This was not the role of Audit Committee, although consideration of subsequent management and performance of the projects would be scrutinised by the Committee.

Audit Committee noted that training for Members of the committee could still take place before the election and further training would take place after the election for newly elected members of the Committee

RESOLVED: Audit Committee NOTED the feedback from the Peer Review

RESOLVED: Audit Committee **APPROVED** and supported the recommendations and the Committee's activity over the last year and did not identify any gaps in the governance framework.

186 Internal Audit Progress Report

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 introduced the report that included 2 final audit reports and updates on a number of ongoing audits.

Audit Committee was invited to recommend future audits to be included in the Audit Plan for the forthcoming year that was being drafted.

Audit Committee noted that the Operational Audits: S106 Agreements and Funds, Planning Validation Process and Climate Change (Strategic) would be presented at the next Audit Committee.

RESOLVED: Audit Committee considered the reports at Annexes A and B and Provided comments.

187 Treasury Management Half Year Report 2022-23

The purpose of the report was to receive and discuss details of the Council's Treasury Management performance for the period 01 April to 30 September 2022.

The Deputy Chief Executive and Chief Finance officer introduced the mid-year report for 2022.

Audit Committee noted that investments were made on a priority basis considering Security, Liquidity and Yield (in that order).

Audit Committee noted that the previous performance had been good (compared to peers) but the future prospects were likely to be challenging.

RESOLVED: Audit Committee considered the Council's Treasury Management performance for the period April 2022 to 30 September 2022 and **AGREED** to recommended it to Council for approval

Voting Record – For 5, Against 0, Abstentions 0, Absent 0,

Audit Committee

26/January2023

188 Annual Capital Strategy 2023/24

The purpose of the report was to present Audit Committee with the draft Capital Strategy for 2023/24 that needs to be agreed before 01 April 2023. The Capital Strategy 2023/24 (Appendix 1) is in accordance with CIPFA's "Prudential Code" and the "Treasury Management Code of Practice" 2021, and the former Ministry of Housing, Communities and Local Government (MHCLG) guidance on Local Government Investments.

The Deputy Chief Executive and Chief Finance officer introduced the report that provided details of the draft Capital Strategy for 2023/24. The strategy requires that investments must be both affordable and prudent over the short and medium term and how these are funded.

Audit Committee noted the report as important work in progress.

RESOLVED: Audit Committee considered the draft Capital Strategy for 2023/24 and provided feedback to the Cabinet and Council for consideration as part of the Council's budget setting process

189 Annual Treasury Management Strategy and Annual Non-Treasury Investment Strategy 2023-24

The purpose of the report was to present Audit Committee with the Treasury Management Strategy and Non-Treasury Investment Strategy (Investment Strategy) for 2022/23 that needs to be approved before 01 April 2023. The attached Treasury Management Strategy Statement (TMSS) for 2022/23 (Appendix 1) and Non-Treasury Investment Strategy (Appendix 2) is prepared in accordance with the "Prudential Code" and the "Treasury Management Code of Practice" (2021 Editions), and the former Ministry of Housing, Communities and Local Government (MHCLG) revised guidance on Local Government Investments

The Deputy Chief Executive and Chief Finance officer introduced the report that provided details of how the Council would manage its cash and cash flow, including internal and external borrowing, over the following 12 months, given certain reasonable assumptions and predictions.

Audit Committee asked if a range of upper and lower range measures are used in forecasts but not carried into reports.

Audit committee noted that no derivative trading had been included in the investments.

RESOLVED: Audit Committee considered the draft Treasury Management and Non Treasury Investment Strategy for 2023/24 and provided feedback to the Cabinet and Council for consideration as part of the Council's budget setting process

190 Work Plan

Audit Committee reviewed the Work Plan for 2023 and discussed a number of items and report delivery dates.

The Meeting commenced at 4.00 pm and closed at 6.27 pm

Audit Committee
26/January2023
Chair

(END)