



## **AUDIT AND GOVERNANCE COMMITTEE**

**MEETING** : Monday, 19th July 2021

**PRESENT** : Cllrs. Wilson (Chair), Brooker (Vice-Chair), Bowkett and Pullen

### **Others in Attendance**

Head of Audit Risk and Assurance  
Accountancy Managers  
Principal Auditor – Gloucester City Council  
Democratic and Electoral Services Team Leader

**APOLOGIES** : Cllrs. Patel, Durdey, Evans and Melvin

### **1. APPOINTMENT OF CHAIR AND VICE-CHAIR**

1.1 Councillors Wilson and Brooker were confirmed as Chair and Vice-Chair of the Committee.

### **2. DECLARATIONS OF INTEREST**

2.1 There were no declarations of interest.

### **3. MINUTES**

3.1 The minutes of the meeting held on 8 March 2021 were approved and signed as a correct record by the Chair.

### **4. PUBLIC QUESTION TIME (15 MINUTES)**

4.1 There were no public questions.

### **5. PETITIONS AND DEPUTATIONS (15 MINUTES)**

5.1 There were no petitions nor deputations.

### **6. TREASURY MANAGEMENT ANNUAL REPORT 2020/1**

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- 6.1 The Accountancy Manager introduced the report detailing the Council's performance for the previous financial year. He confirmed the funds available as well as the Council's performance against benchmarks for the period which the Council outperformed. No long term borrowing had been undertaken in the period.
- 6.2 Councillor Pullen noted that the PWLB was no longer available for commercial borrowing and asked from when this had been the case. The Accountancy Manager confirmed that this was following a consultation as, twelve months previously the PWLB had increased rates by 1% and this was an offsetting measure. He further stated that there was confidence that the PWLB could be used for regeneration purposes.
- 6.3 Councillor Pullen noted that the property investment strategy fund amounted to approximately £80m and asked how much had been allocated thus far. It was agreed that a full response would be circulated in due course.
- 6.4 The Chair ask if, hypothetically, the PWLB could now still be utilised for expansion of the runway at Gloucestershire Airport under the new rules. The Accountancy Manager advised that these matters were determined on a case by case basis and that an assurance would be sought that the borrowing was not for solely commercial purposes.
- 6.5 The Chair noted that the Council's investment strategy priorities were: Security of Capital, Liquidity and Yield and queried whether these were in order of priority. The Accountancy Manager confirmed that they were.
- 6.6 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the report.

**7. ANNUAL REPORT ON INTERNAL AUDIT ACTIVITY 2020/21**

- 7.1 The Head of Audit Risk and Assurance (ARA) outlined the work undertaken by the internal audit team throughout the year and further outlined that internal audit provided opinions on risk management as well as a comparison of work undertaken.
- 7.2 Internal Audit work was carried out in accordance with the Public Sector Internal Audit Standards (PSIAS) 2017 and the CIPFA Local Government Application Note for the UK PSIAS. The Head of ARA also confirmed that there had, overall, been a satisfactory opinion and confirmed that no limitations had been placed on internal audit's work.
- 7.3 Throughout the year, 93% of the revised plan was achieved against a target of 85% and the Head of ARA thanked the Principal Auditor and the wider team for this achievement. The Head of ARA reported that the service had been able to provide a dividend to the Council. He also confirmed that a piece of risk management work would be undertaken to strengthen the position in that area of work. In response to a query from the Chair regarding an independent review into risk management practices, the Head of ARA

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clarified that this was not a PSIAS requirement but was in order for him to familiarise with current practices having only recently joined the service.

- 7.4 Following a query from Councillor Bowkett the Head of ARA confirmed that the waste audit had been received and would be included in the Annual Governance Statement.
- 7.5 Councillor Pullen queried how such terms as ‘substantial’, ‘satisfactory’ and ‘limited’ assurance were formulated. The Head of ARA confirmed that these were of standard use and definitions were provided. He further advised that benchmarking with other Councils would also take place.
- 7.6 Councillor Pullen noted the rapidity with which business grants were administered and asked how it was ascertained what the funds were spent on. The Head of ARA noted that the grants were available for a wide range of uses and at the discretion of the business owner.
- 7.7 The Chair noted that the whistleblowing policy was described as fit for purposes but that elsewhere it was referred to the fact that further work needed to be undertaken. The Principal Auditor advised that it was a robust policy and that the changes referred to were in order to reflect best practice.
- 7.8 With regards to debt in the culture portfolio, the Chair queried whether further actions were to be completed to recover ‘aged’ debt. The Principal Auditor confirmed that the number of aged debts were considerably fewer and that a wider piece of work would be undertaken to assess aged debt and to improve the position.
- 7.9 **RESOLVED that:** - The Audit and Governance Committee
- (1) Assessed, from the findings set out in this Annual Report on Internal Audit Activity 2020/21, whether it can take reasonable assurance that the internal control environment, comprising risk management, control and governance is operating effectively;
  - (2) Note that the performance of Internal Audit meets the required standards; and
  - (3) Note the Council wide counter fraud activity during 2020/21 which includes the fraud reporting requirements as mandated by the Local Government Transparency Code 2015.

**8. APPOINTMENT OF INDEPENDENT MEMBER**

- 8.1 The Accountancy Manager provided a timeline as to decisions taken in order to appoint an independent member to the Committee. The previous intention was that this would be progressed following elections which had been postponed. Now that a new Council had been elected, steps would now be

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taking to recruit an independent member and it was anticipated that they would be in place for the next municipal year.

8.2 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the update.

**9. AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME**

9.1 The Committee considered the Work Programme. The Chair noted that the accounts were still with the external auditor, a representative from which would be attending the September meeting.

9.2 **RESOLVED that:-** The Audit and Governance Committee **NOTE** the Work Programme.

**10. DATE OF NEXT MEETING**

Monday 13 September at 6.30pm in the Civic Suite, North Warehouse

**Time of commencement: 6.30 pm hours**

**Time of conclusion: 6.55 pm hours**

**Chair**