

Audit, Compliance and Governance Committee

Wednesday, 22nd September, 2021
6.00 - 7.25 pm

| Attendees | |
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| Councillors: | Guy Maughfling (Chair), David Willingham (Vice-Chair), Matt Babbage, John Payne and Richard Pineger |
| Also in attendance: | Barrie Morris, Gemma Bell, Emma Cathcart, Jaina Mistry and Jayne Gilpin |

Minutes

1. APOLOGIES

Apologies had been received from Cllr Clucas and Cllr Stafford.

2. DECLARATIONS OF INTEREST

Cllr Pineger declared an interest as a Non-Executive Director of Cheltenham Borough Homes.

3. MINUTES OF THE LAST MEETING

RESOLVED THAT the minutes of the meeting held on 14 July 2021 be approved and signed as a correct record.

4. PUBLIC AND MEMBER QUESTIONS

There were none.

5. BUSINESS GRANT SCHEMES

Jayne Gilpin, Head of Revenues and Benefits, introduced the Business Grant Schemes Report and gave an overview of the Covid-19 business grant schemes, highlighting that the business grants team had administered 13 different grant schemes during the period of March 2020 and July 2021. This amounted to over 10,500 grants being paid out totalling over £48 million to eligible businesses. The report acknowledged the vast amount of work that had been done by the Revenues and Benefits team and others in support.

Members expressed their appreciation of the speed in which the grants were delivered in challenging circumstances and the vast amount of hard work that this had entailed to enable businesses to keep going.

A member questioned the amount of the individual grants and the Officer advised that the government grant schemes were fixed sums and were usually based on the rateable value of the property and not its turnover.

The small level of fraud claims encountered vis a vis the number of grants paid was commended and the Officer stated that Counter Fraud helped with the fraud cases. The level of support the team gave to members to help find

businesses in their wards and to encourage them to apply for the grants was also praised.

On behalf of all councillors, members expressed their thanks to the staff for their great effort to keep businesses running and showed this with a round of applause.

RESOLVED that the report be noted.

6. GRANT THORNTON AUDIT FINDINGS FOR CHELTENHAM BOROUGH COUNCIL

Barrie Morris from Grant Thornton presented the report on its Audit Findings for the Council and went through it in detail to members. Additional papers were handed out at the meeting to reflect the latest up-to-date position as the audit still had to be completed and any changes were highlighted in blue for members. Mr Morris confirmed he hoped to have the Audit completed by the end of September.

In reply to a question on the use of capital receipts, the Head of Finance replied the impact on the MTFS will be minimised and the policy to use capital receipts in this way was time limited. The MRP policy is required to be reviewed annually and will report back to Cabinet as part of the draft budget proposal.

There were various questions about Minimum Revenue Provision (MRP) and it was requested that a separate note be sent By Grant Thornton to members explaining this further.

The Chair declared he was a qualified Accountant and wished it recorded that Grant Thornton agreed with him that to a layman this looked alright as a one-off but that it was a bad habit to get into. The Chair also requested it be noted that Grant Thornton would be reviewing the 2021/22 figure with interest given 2020-21 was a particularly unique circumstance.

In reply to a question, Grant Thornton explained there were a range of criteria that they applied in order to flag up any journals where information was missing. A member questioned whether the IT system Agresso could be programmed so that journals could not be uploaded if certain information was missing to avoid Grant Thornton having to do this work. The Head of Finance agreed this was something that would be looked into.

Grant Thornton said they continued to work with Officers as they amended and up-dated the financial statements and asked that the Chair sign the letter of representation that had been tabled earlier. A copy of the final report would be circulated once finalised. Grant Thornton hoped the work would be completed by the end of the year.

AGREED that the report be noted and Grant Thornton thanked.

7. DRAFT STATEMENT OF ACCOUNTS 2020/21

Gemma Bell, Head of Property, Finance and Assets, introduced the Draft Statement of Accounts, stating that the accounts published on 21 July 2021 had

been subject to Audit and included all changes up to 14 September as well as those submitted by Grant Thornton at the meeting today.

It was explained that that Value for Money report was separate and would be provided later and would not affect the Statement of Accounts.

RESOLVED that:

- a) **The draft statement of accounts be approved in principle.**
- b) **Delegated authority be granted to the Chair to sign the final version of the accounts.**

8. INTERNAL AUDIT PROGRESS REPORT

Jaina Mistry of SWAP Internal Audit Services introduced the Internal Audit Progress report, which was the quarterly up-date. Since the last meeting four pieces of work had been concluded and the report highlighted the current situation.

Assurance was given that the Council would be working with Publica to get all the agreed actions from the systems administration audit followed up and progressed as a high priority and that the ICT recovery would be dealt with expediently. It was noted that some of the actions were still open or overdue and a member encouraged the Council to ensure these were followed up. The Officer confirmed that some had been closed since the report had been written.

A member expressed concern at the lack of urgency in the ICT issues which could impact the business continuity of the Council and felt an expression of concern was needed that these were not being done in a timely manner and for ICT to be aware of the impact of a failure on business continuity. The Officer agreed to follow up on this and suggested an ICT Manager could come and speak to Members. The Head of Finance also added that ELT was looking at business continuity across the entire Council and reports on progress on this would come to committees in the forthcoming year.

A member made comment about the number of categories in the assurance opinion graphics of the summary reports and whether it was excessive.

The Chair concluded that the committee supported the work of Internal Audit and that it was a crucial control of the Council and wished it noted that the committee would want to see that the work and comments of Internal Audit were responded to in a timely fashion.

RESOLVED that the progress report be considered and comments noted.

9. COUNTER FRAUD UPDATE

Emma Cathcart, Counter Fraud Unit Manager, introduced the report up-dating members on their counter fraud activities and work plan.

She highlighted their involvement with the business grants schemes that had been discussed earlier and stated that a lot of work had been done around prevention and ensuring robust application processes. In addition national matching on all business grant data was now coming through providing further assurance.

Work with the Revenues and Benefits Team was now reverting back to more business as usual, looking at council tax reduction scheme referrals and joint working with the Department for Work and Pensions. The report included an up-date on the work with Cheltenham Borough Homes.

A member noted that over half a million pounds of public money had been saved or recovered by the Counter Fraud team, which was very impressive and the Chair and committee gave thanks to the team.

RESOLVED that the report and work plan be noted.

10. USE OF THE INTERNET AND SOCIAL MEDIA IN INVESTIGATIONS AND ENFORCEMENT

Emma Cathcart, Counter Fraud Unit Manager, introduced the report stating this was the third policy relating to the Regulation of Investigatory Powers Act 2000 / Investigatory Powers Act 2016. This policy regulates and manages how staff utilise the internet and social media accounts when investigating offences. The policy and related training will ensure staff were aware of regulations regarding surveillance when gathering intelligence. She hoped the policy was relatively straight forward and also stated there was a lengthy procedural document which would not be published as that was for staff.

In reply to a question about how deeply investigations into Facebook accounts could delve and how this related to data protection, the Officer explained that when investigating criminal allegations there was a data protection exemption and strict legislative procedures governing what and how evidence was obtained.

RESOLVED that the use of internet and social media in investigations and enforcement was considered with no further comment for Cabinet.

11. WORK PROGRAMME

This was noted and there were no amendments.

12. ANY OTHER ITEM THE CHAIRMAN DETERMINES TO BE URGENT AND REQUIRES A DECISION

None.

13. DATE OF NEXT MEETING

12 January 2022.

Guy Maughfling
Chairman