

Cheltenham Borough Council Audit, Compliance and Governance Committee Minutes

Meeting date: 22 October 2025

Meeting time: 6.00 pm - 7.40 pm

In attendance:

Cllr Adrian Bamford (Chair), Ashleigh Davies, Chris Day, Dr Cathal Lynch, Ben Orme (Vice-Chair) and Duncan Chittenden

Also in attendance:

Emma Cathcart, Lucy Cater, Mark Squibbs (Senior Investigation and Enforcement Officer) and Matt Ward (Head of Housing Services)

1 Apologies

Apologies were received from Councillors Tooke and Willingham.

2 Declarations of interest

There were none.

3 Minutes of the last meeting

Minutes of the last meeting, held on 15 July 2025, were approved as a true record and signed accordingly.

4 Public and Member Questions

There were none.

5 Internal Audit Update

The Assistant Director, SWAP Internal Audit Services, introduced her usual update of work conducted since the last meeting, including three reports – data maturity, disaster recovery (revenues and benefits), and an update on the voids process. She also reported good progress with agreed actions, as set out in Appendix B, with nothing of any concern.

The Chair invited the Head of Housing Services to speak about the voids process. He said the report indicates a few challenges, predominantly around procurement and how CBH contracts were handled, and shared the following background information:

- there are currently 125 void properties, 77 of which require major work, and 33 of which have been allocated to contractors. The best-performing contractor has taken on an additional 30 properties, which should be available by Christmas;
- properties requiring minor works are reviewed weekly, and the voids team is now fully resourced and working hard, with the aim to complete 10 minor voids every week; this work is progressing well;
- having gone through procurement, we now have trusted contractors, have turned a massive corner, and are seeing good progress;
- voids are not static, with about 20 terminations every month as tenancies end;
- voids are a concern not just because of the rent loss but also because there are a lot of people waiting for homes. We now have a 100% satisfaction rate at sign-up stage, with new tenants happy with the quality and condition of their properties;
- new-build sites such as Regency Village are welcomed, but also create more voids;
- each operative now has their own property to work on from start to finish, taking ownership and making it easier to manage productivity and keep track, and more accuracy about getting properties back means the lettings team can start advertising and viewing earlier, making immediate occupation possible and minimising the void rent loss;
- changes are being made to improve the quality and finish of the end product, such as the use of aqua board and splashbacks instead of tiles in showers and kitchens which are easier to install and maintain.

He said it has been a steep learning curve, but continuing on the current trajectory will bring voids to an acceptable level by the end of January – although there will always be a certain amount with tenancy turnaround.

The Chair thanked the Head of Housing for this useful operational oversight, and checked that the management policy was on target. The Head of Housing confirmed that tenant consultation is complete and this will be considered by Cabinet Housing Committee on 28 November. It includes aspirational performance targets and introduces some new stages to speed up the turnaround of properties. He hopes it will be embedded by the end of the year.

Regarding the failures and findings of the audit, a Member asked if the list is complete or whether others have come to light since work began, having noted a discrepancy between the open actions on the progress summary table and those on

the action tracker, where there is only one item outstanding for CBH. The Assistant Director SWAP said the voids showing on the list are CBC's and CBH's combined, and that the CBH one brought forward is with a separate partner and needs to be kept under review. She said she would check with her colleague if any other control failures have come to light since work began and email Members. ACTION

Regarding disaster recovery, a member of the committee didn't understand the reference to IT officers' advice on longer recovery times due to the systems being approximately four times larger – he asked for clarification and how this would apply to the shortfall in disaster recover. The Assistant Director SWAP said she would email the answer to Members. ACTION

Turning to data maturity, the Assistant Director SWAP said the Monitoring Officer had asked for this piece of work, to consider CBC's data maturity appetite to support the work she is doing. She said the attachment shows the assessed framework for CBC to work on going forward, and although she normally just brings the first page of the report, said she would share by email more information to show what CBC is working towards ACTION

A member of the group with significant experience in this field made the following comments:

- he suggested that a macro document was needed, setting out the council's vision for data, risk appetite, accessibility goals, and any design authority to ensure no-one can procure without agreeing with the council's data standards;
- regarding data architecture, he would expect to see a schematic, showing understanding of different data sets and the terms of licensing around that, for example managing the problem of getting data out when moving from one system to another, and the legal team looking at the company providing data when procurement is made, how often are its terms and conditions changed, have these been seen etc;
- he asked about capability and accountability, whether we have a data owner for each of the data sets, whether the skills sets and knowledge they need have been defined, and whether they are signing an annual assurance plan. This list is not exhaustive, and he asked if the council has that as an understandable and comprehensive risk management process that feeds back in;
- he suggested this is needed so that auditors can ask the right questions, and could foresee a lot of work if not, with commentaries that the directors concerned didn't agree but had no definitions or assurance document. Without that kind of document, he felt sympathy for the auditors trying to present information to the committee in a way they can reasonably understand.

The Assistant Director SWAP said she would share the attachment for the report, and would be catching up with officers soon to do another piece of work on this. She suggested inviting the member to join them to share his experience.

The Chair suggested that the organisation appears to have a lot of work to do before it can be properly audited. The committee member said for the benefit of those concerned, it would be easier if they know everything they need to understand about corporate standards and what they are expected to do things. The Chair said it was

difficult without officers present to explain, and noted that the Assistant Director SWAP says a lot more work is needed before we can move on and get into the normal audit cycle from which we can see what actions are required. He welcomed the suggestion that officers liaise with the Assistant Director SWAP and use the expertise of the committee member.

6 Counter Fraud and Enforcement Unit Update

The Head of Service, Counter Fraud and Enforcement Unit (CFEU) introduced her biannual report, saying she was planning to change the format slightly, still within the workplan, by presenting a full report on the year's activities at the first meeting in April, and one more focussed on risks at the second, allowing the opportunity to talk about bigger projects, proactive work, corporate projects etc. She said tonight's report concerns risk areas over the last year, including high risk areas and what might be done to mitigate those. Anything else will be fitted around the workplan.

Referring to paragraph 3.11 of the report, the Chair asked about the role of the committee, its interaction with the portfolio lead, and who that is. The Head of Service CFEU said this arises from a checklist in Appendix 2, and what the Local Government Association suggests the council should be doing from a counter fraud point of view. She was pleased to say that the council is compliant in a lot of areas but that interaction with councillors outside the committee – the wider council, Cabinet and executive committee – isn't so good. There is no direct portfolio holder – in her opinion, there is fraud risk in absolutely everything and this should be considered by all Members for all activities; she doesn't want to tether responsibility to one particular Cabinet member. The suggestion across all the councils is that a completed Audit, Compliance and Governance report is complete, she should take it to informal cabinet to ensure they understand the issues and fraud risk in what we do, to ensure general awareness rather than focus on one Cabinet Member. She added that if there is a particular issue in a particular area, she will liaise directly with the relevant portfolio holder.

She said she will attend Informal Cabinet to talk about the workplan, CFEU's works, results and high risk areas, and will roll this into their programme when they have space.

In Appendix 1 Risk Assessment, the Chair was surprised to see the likelihood score bigger than the impact score for the risk *Without dedicated specialist staff in place, the Council may be unable to take effective and efficient measures to counter fraud, potentially resulting in authority suffering material losses due to fraud and error.* The Head of Service CFRU said we have to be realistic - fraud is in everything everywhere, touches the council in many ways, including small scams around council tax support and benefit fraud – these are less impactful than a huge fraud but this is what her team are trying to manage. She will look at the issue with the Head of Governance, Risk and Assurance

Introducing the updated 2022 Fraud Risk Strategy, the Senior Investigation and Enforcement Office said this high level summary of current risks and mitigation also

commits the team to update the council on compliance with the local government fraud checklist, setting out best practice for fraud prevention. He highlighted the following:

- the council is compliant in most areas, with one or two exceptions, including data analytics – we do not have the software to do this but do use data from national exercises and fraud initiatives with excellent results;
- the fraud risk register shows risk to all service areas across the council – in particular in recruitment, housing, and revenues and benefits – and what the council is doing to mitigate. It is a live working document, updated as new risks emerge;
- the fraud response plan is a quite reference guide for all staff, setting out what they should do if they have any concerns, and includes a flow chart to help them identify what they should report, with the aim of protecting the integrity of evidence investigation;
- high risk areas – mainly grant schemes and polygamous working - have been looked at, with a grant management policy and toolkit introduced to help staff to verify information on grant application forms, and 16 recommendations across the board to help mitigate the risks of polygamous working across the partnership.

Members welcomed the excellent documents, but had a number of questions:

- regarding the strategy report, a Member noted that weak internal controls and ineffective monitoring of controls appears to be present in some areas, and looked for reassurance that there is a laser focus on what is happening on the ground day to day. The Head of Service, CFEU, said her team has to rely on referrals and cannot foresee where issues will arise, so her focus tends to be prevention, and the raising of awareness, to avoid losing any money. She has to consider that where an issue is perceived as fraud but will not get to a criminal level, internal controls can undermine a court case if internal checks have not been carried out – it is a fine balance;
- she said her team is totally transparent and undertakes any work it is commissioned to do, but with fraud the most prevalent crime, it can be difficult to keep up with. The CFEU works on awareness and focuses on areas where it can have an impact and help people, such as ensuring grants are being paid correctly, and following up cases of undeclared secondary employment;
- she said this year is all about procurement, with a significant need to look at the controls around the new act, including fraud, contract management, and pre-tendering. Everything sent to the teams is triaged and considered, and any concerns are acted upon. She meets regularly with the Assistant Director SWAP to ensure issues are investigated and to provide reassurance, but they are fighting a massive battle;
- regarding the checklist, a Member wondered what the whistle-blowing policy, which is currently only partially compliant, would look like after it is reviewed, whether contractors or third parties would sign up to the policy, whether training would be provided, and how this would be monitored. The Head of Service CFEU said we need to look at how we engage contractors to point them in the right direction. The whistle-blowing policy can be found on the website, and staff

are directed to it every year – contractors will be included in this email and encouraged to engage like other staff. She said she would come back next year with any changes rather than the whole checklist, and an update to give reassurance that all the boxes are being ticked;

- in response to a Member's question about how the management team are kept up to date, she said she is a member of the governance group at CBC and meets quarterly with all three statutory officers and the Assistant Director SWAP, and her report was considered by that group before being presented to Audit, Compliance and Governance. Any particular issues, such as polygamous working, will be presented to corporate management teams across the six councils, setting out the commitment to how CFEU is working with HR and how the organisation will handle the issue;
- she confirmed that her team is completely compliant in its reporting to Audit, Compliance and Governance committees; it is partially compliant in how it is auditing to councils as a whole. This will be sorted, with more conversations about fraud risk in all activities;
- in response to a committee member's question, she confirmed that the report includes confirmation that there are adequate routine checks and follow-ups within the system – reporting to governance groups, audit groups and corporate management, and working with chief finance officers, as well as a commitment to produce management reports where any significant issues arise from internal cases.

Members accepted the report by a show of hands.

7 Briefing Note - Review of Corporate Risk Register

The Chair said this item is presented for information only, and unusually there are no officers present at the meeting, but if Members have any questions, written responses will be provided as soon as possible.

Members asked the following questions:

- i. Looking at the closed risks, a Member wondered why general balances is being taken off and asked for the rationale? These are critical, and are likely to be an absolute focus for the S151 officer;
- ii. Of the four new risks, two are itemised and two not available to the committee due to their confidential nature. Members wondered why these cannot be taken under exempt session – the committee approves the accounts and should be provided with all information in order to do that;
- iii. Regarding the top council risks on page 81, the matrix suggests there are three in the top category with a score of 20 but only two are listed, and 12 in the matrix with a score of 16 but only 11 listed; what is the reason for that?
- iv. Risk ID159 is very high – is there anything CBC as housing authority can do to reduce it? Discussions at Budget Scrutiny Working Group suggest that there are things to be done re the timing of repairs and renewals, but if this is the case, the wording should be made clearer;

- v. Risks 158 and 197 are also very similar, both concerned with financial preparations for local government reorganisation – why are these itemised twice?

A Member noted that risks 142 and 152 are closely linked, and both concern the Cheltenham Trust. Another Member suggested that the Trust operates its buildings on a day-to-day basis, with income and expenditure, but if substantial repair is needed, then CBC as landlords have to step in and finance this out of its accounts.

8 Any other item the chairman determines to be urgent and requires a decision

There were none.

9 Date of next meeting

The next meeting is scheduled for 28 January 2026.

10 LOCAL GOVERNMENT ACT 1972 - EXEMPT INFORMATION

RESOLVED THAT:

- in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph 3, Part (1) Schedule (12A) Local Government Act 1972, namely:

Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information)

11 Recharging Mechanisms and Section 20 Process

Members considered the report and voted to approve the recommendations.