CHELTENHAM
BOROUGH COUNCIL

Cheltenham Borough Council Audit, Compliance and Governance Committee Minutes

Meeting date: **15 July 2026**

Meeting time: **6.00 pm - 7.45 pm**

In attendance:

Councillors:

Adrian Bamford (Chair), Mike Collins, Ashleigh Davies, Chris Day (Vice-Chair), Callum Eldridge, Richard Lawler, Julian Tooke and Duncan Chittenden

Also in attendance:

Emma Cathcart, Lucy Cater and Adele Taylor (Interim Director of Finance and Operations (S151 Officer))

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1 Apologies

There were none.

2 Declarations of interest

With reference to Agenda Item 17, Councillors Collins and Bamford are both on the Gloucestershire Airport Ltd Board; this is not a pecuniary interest.

3 Minutes of the last meeting

Internal audit actions have been remediated.

The minutes were approved as a true record of the meeting and signed accordingly.

4 Public and Member Questions

There were none.

5 Internal Audit Opinion and Monitoring Report

The Assistant Director SWAP introduced the report which gives an overall opinion of assurance to CBC, based on the work undertaken and agreed actions issued during the year. She highlighted the following items:

- the five substantial audits across the year, five Priority 1 agreed actions, and the five advisories, of which two were housing-related - recharging mechanisms and voids – have brought down the score down over year;
- however, the principal auditor is currently undertaking follow-up work on recharging mechanisms and voids, and about the close some more agreed actions;
- the three tables in the report show work undertaken, how assurance has been given, and the current situation with agreed actions, two more of which have since been closed off;
- three final reports are included in the pack: bank reconciliations, which have been assessed as mid-substantial; income streams (licensing) which has been given an advisory, because the team is going through changes and introducing new processes at the moment; and a continuous report on accounts payable i.e. data analysis on any potential duplicates that could be paid across the whole Publica partnership, and is considered minimal now;
- the report ends with a summary of open agreed actions with CBC.

A typo was noted in the table on Page 20 – Agreed Actions – which should show 2024-25 (not 2023-24), followed by 2025-26.

A Member commented that the overall opinion is a fair assessment, with the total number of agreed actions lower than last year but five Priority 1s carrying substantial weight.

In response to Members' questions, the Assistant Director SWAP confirmed that:

- work on recharging mechanisms is progressing, and Page 40 of the pack gives a good idea of the current position, with six actions open when the report was drafted (three Priority 1, three Priority 2). Some of these can be closed after today;
- regarding SWAP's attitude to old suspense items and other reconciling items and why these accounts aren't cleared down every month after resolution, she will check to see what the value was and how it was assessed. She doesn't imagine it was a high amount, and may cover a number of transactions.

Members voted to confirm that the contents of the report had been considered and noted.

6 Approval of the reviewed and updated Proceeds of Crime and Anti-Money Laundering Policy

The Assistant Director CFEU said the existing policy has been reviewed in readiness for LGR planning, ensuring focus over the next 18 months can be elsewhere . She said that any operational or procedural references have been removed, and that this is all set out within the internal procedure rather than the overarching policy. New sections have been added and minor amendments made, and a quick and accessible reference guide has been added in the form of a flowchart for staff, explaining what money laundering is, what to look out for, high risk areas, and how to refer suspected cases.

Members welcomed the report and flow chart to improve understanding of this rapidly evolving area. In response to questions, the Assistant Director CFEU confirmed that:

- in the flowchart, the requirement to report any cash transactions of £3k is a CBC regulation to ensure vigilance; the £10k figure is the amount set by law;
- the team cannot share procedures for surveillance, but most internal issues come under due diligence and checking how a third party is associated with a transaction. The council is low risk as it handles very few cash transactions, but needs to be vigilant where, for example, someone is paid a large amount of money in cash, then asks for a refund by a different means;
- regarding whether the council has a duty to verify the funding and legitimacy of anyone applying for a licence which might be used for money laundering, staff know what they should be looking out for, but the council is not the right body for that jurisdiction or to question motivation or inspect premises. It is more concerned with potential human trafficking and protecting vulnerable people, and would alert the tax man with any suspicions;
- staff need to be mindful of licence applications for transient businesses which could potentially be used for money-laundering purposes, but some legitimate businesses are just unlucky and do not have any trade. Staff are mindful that some businesses are more associated with criminal activity than others – such as moving drugs in taxis and modern slavery in fruit picking – and CFEU officers are available to help facilitate any referrals.

Members voted to:

1. **approve and adopt the Counter Fraud and Anti-Corruption Policy at Appendix 2;**

2. **delegate to the Interim Director of Finance and Operations (s151 Officer) the approval of any future minor amendments to the Policy in consultation with the Chair of Audit, Compliance and Governance Committee, Assistant Director Counter Fraud and Enforcement Unit, and One Legal.**

7 Approval of the reviewed and updated Counter Fraud and Anti-Corruption Policy

The Assistant Director CFEU said Members have considered this policy before, and amendments are shown in red. These include a section about the Economic Crime and Corporate Transparency Act which introduced a new offence of failing to prevent fraud, and information about cybercrime, which is covered by ICT but important to include in the policy.

There were no Member questions or comments.

Members voted to approve the recommendation that:

1. **the Counter Fraud and Anti-Corruption Policy is adopted;**
2. **the approval of further minor amendments to the policy is delegated to the Interim Director of Finance and Operations (s151 Officer) in consultation with the Chair of Audit, Compliance and Governance Committee, Assistant Director Counter Fraud and Enforcement Unit, and One Legal.**

8 Standards Report

On behalf of the Monitoring Officer, the Interim Director of Finance and Operations presented the short report, reminding Members that the council has a statutory duty under the Localism Act to promote and maintain high standards of conduct by Members and co-opted member. The Monitoring Officer is responsible for dealing with allegations about failure to comply with the Members' Code of Conduct, and in the past year has dealt with two complaints as detailed. There are no outstanding complaints at present.

The independent member reminded Members of the need to avoid inadvertently being drawn into any discussion with colleagues around a potential complaint, and to stay away from giving an opinion or getting involved – they should refer people to the Monitoring Officer. Although any standards issue would be dealt with by a small sub-committee of Audit, Compliance and Governance Committee, and Members should avoid risking their eligibility to be included.

Members noted the report.

9 Information Requests

The Interim Director of Finance and Operations presented the report which details the information requests received and timeliness of responses over the last year, as well as highlighting achievements and improvements made.

In response to a Member's question, she couldn't confirm whether CBC receives a particularly high or low number of requests compared with other authorities, but will provide and circulate this information after the meeting if available.

A Member commented that it would be useful to see a historical comparison of requests over the last five years or so, to note the effect of any external factors (such as Covid) on the number of FOI requests; it was agreed that this could possibly be brought back as a separate discussion item.

In response to further questions, officers confirmed that:

- a lot of people don't know which council their FOI requests should be sent to, but should still receive a timely response which explains why the information they request cannot be provided and where else they might go to find it;
- the reported increase in the number of potentially fraudulent requests and claims relates to a Subject Access Request (SAR), and it should also be noted that some requests, particularly SARs, cannot be processed because the information requested is commercially sensitive, could be wanted by someone trying to gain commercial advantage, and cannot be legally shared;
- this can cross over into the CFEU area, where there has been a case of fraudsters sending FOIs to multiple councils requested information and data on deceased people, to be used for nefarious purposes; the national anti-fraud network sent an alert to all governance officers.

The report was noted.

10 Annual Governance Statement and Local Code Report

The Interim Director of Finance and Operations introduced the report, which concerns two important documents essential for good governance, highlighting the following points:

- the two documents are intertwined: the draft Annual Governance Statement is required as part of the Statement of Accounts, and in preparing it the council must assess itself against its Local Code of Corporate Governance, to ensure it is picking up areas where it needs to focus in the financial year 2026-27;
- the report demonstrates the council's ongoing commitment to the principles of good corporate governance, and its intention to develop, adopt, monitor and maintain the Local Code of Corporate Governance;
- the council is assessing itself against the CIPFA/Solace publication *Delivering Good Governance in Local Government*;
- the Local Code was reviewed in April 2025, and identified five areas for focus in the current financial year (para. 2.3 in report). Each area will be monitored by

the Corporate Governance Group, then reported to Audit, Compliance and Governance Committee, to identify where progress has been made, determine actions, and follow up on progress within the group;
- these are important documents, which will form part of the annual statement of accounts. They are not finalised because the accounts cannot be finalised until the external audit has been done.

In response to a Member question, she confirmed that all the final figures will be added in due course.

A Member commented that it would be helpful, as part of Members' training, to see a breakdown of the roles and responsibilities of the various committees and working groups involved in governance issues – anything to promote clarity would be helpful.

Members voted unanimously in support of the first recommendation:

1. **to approve the draft 2025/26 Annual Governance Statement and**

Turning to the Local Code Report, a Member commented that a similar diagram explaining who reports where and the interrelation between various parties would be helpful. The Interim Director of Finance and Operations agreed to take this away and look at providing more clarity.

By a show of hands, Members also voted to support the second recommendation, to:

2. **approve the 2026 Local Code of Corporate Governance.**

11 Corporate Risk Register update

The Interim Director of Finance and Operations introduced this regular report, which provides an overview of corporate level risks as set out. She highlighted the new risk – Building Safety Levy – which she expects to see reduced as mitigations are put in place, and the seven reduced risks and three increased risks, with explanations about what has changed.

In response to Members' questions, she confirmed that:
- regarding the council's position on access to fuel and increased costs risk – specifically whether it might encounter a scenario where it cannot obtain diesel fuel for Ubico and CBC vehicles – arrangements are in place to procure and commission contracts to support work, and long-term mitigating action on fuel sources is ongoing. The fleet is no longer totally reliant on diesel and petrol, and so far access to fuel hasn't been a problem ;
- the council has considered and put together scenarios about how work would be prioritised in the event of any fuel shortage, but the risk is reduced as the situation doesn't feel quite as uncertain as it originally did. The risk register is a live document and responds to what is happening;
- a written response will be provided to give further detail around the increase from 4 to 20 for compliance with property legislation and regulations and how specific this is to Town Centre East car park and the ongoing trespassing issues. A

number of officers are working on this at the moment, and taking steps to manage behaviour around that property, but this is another area where the situation is constantly changing;
- the three-year local government settlement has made it easier to understand ongoing financial risks, monitoring and mitigating these through budget processes. This is why financial risk scores are low.

She added that if Members have specific detailed questions about specific service areas, it would be useful if these could be sent to herself and the Director of Governance in advance so that responses can be prepared and brought to the meeting where possible, considering this covers services from across the whole council.

Members confirmed that they had noted the contents of the risk register update by a show of hands.

12 Work Programme

The work programme was noted. No further items were added.

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

There were no other items.

14 Date of next meeting

The next meeting is scheduled for 21 October.

15 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)

16 Exempt Minutes, 22 April 2026

The draft exempt minutes of the meeting held on 22 April were approved as a true record and signed accordingly.

17 Confidential Risk Register Update

Members discussed and noted the confidential Risk Register update.