

# TEWKESBURY BOROUGH COUNCIL

**Minutes of a Meeting of the Audit and Governance Committee held at the Council Offices, Gloucester Road, Tewkesbury on Wednesday, 22 November 2023 commencing at 2:00 pm**

**Present:**

Chair

Councillor M R Stewart

**and Councillors:**

H J Bowman, D W Gray and R J G Smith

**A&G.29 ANNOUNCEMENTS**

29.1 The evacuation procedure, as noted on the Agenda, was advised to those present.

**A&G.30 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

30.1 Apologies for absence were received from Councillors S R Dove, E J MacTiernan, P D McLain, J P Mills and P E Smith. There were no substitutes for the meeting.

**A&G.31 DECLARATIONS OF INTEREST**

31.1 The Committee's attention was drawn to the Tewkesbury Borough Code of Conduct which was adopted by the Council on 24 January 2023 and took effect on 1 February 2023.

31.2 There were no declarations made on this occasion.

**A&G.32 MINUTES**

32.1 The Minutes of the meeting held on 27 September 2023, copies of which had been circulated, were approved as a correct record and signed by the Chair.

**A&G.33 AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME**

33.1 Attention was drawn to the Audit and Governance Committee Work Programme, circulated at Pages No. 9-15, which Members were asked to consider.

33.2 The Director: Corporate Resources indicated that, given the length of the Agenda in March, he felt it may be beneficial to hold a Special meeting of the Committee in January in order to split some of that work. Officers would look to see if this could be accommodated and Members would be updated in due course.

33.3 It was

**RESOLVED**

That the Audit and Governance Committee Work Programme be **NOTED.**

**A&G.34 EXTERNAL AUDITOR'S PROGRESS REPORT - VERBAL UPDATE**

- 34.1 The representative from Grant Thornton advised that since the signing of the audit opinion in mid-October, the government account submission had been completed so there was now only one outstanding piece of work around the auditor's annual reports for 2021/22 and 2022/23 which were planned to be written for management by the end of the year with the intention of bringing them to the Committee in the New Year. Once completed, that would conclude the 2021/22 and 2022/23 audit years and would be Grant Thornton's last output for the Council. Grant Thornton would engage with Bishop Fleming, the Council's new external auditor, as and when they got in touch.
- 34.2 It was  
**RESOLVED** That the external auditor's update be **NOTED**.

**A&G.35 COUNTER FRAUD AND ENFORCEMENT UNIT UPDATE**

- 35.1 The report of the Head of Service: Counter Fraud and Enforcement Unit, circulated at Pages No. 16-23, provided an update on the work of the Counter Fraud and Enforcement Unit. Members were asked to consider the report.
- 35.2 The Head of Service: Counter Fraud and Enforcement Unit drew attention to Page No. 17, Paragraph 2.1 of the report and advised there would be communications going out to residents regarding online shopping and how to avoid scams in the run up to Christmas. As set out at Page No. 18, Paragraph 2.4 of the report, the National Fraud Initiative data matching exercise had been completed for this year and residents had been contacted regarding their individual circumstances where anomalies had been identified. The review of the housing waiting list had also been completed to ensure homes were going to the right people. Paragraphs 2.8-2.10 of the report related to work carried out with Enforcement Officers which included two licensing prosecutions. The Counter Fraud and Enforcement Unit was also tasked with undertaking the investigation of alleged fraud and abuse in relation to the Council Tax Reduction Scheme.
- 35.3 With regard to the review of the housing waiting list, a Member asked how people got onto the list and the reasons they may not be entitled to be. The Head of Service: Counter Fraud and Enforcement Unit gave the example of someone who applied saying they had seven children and their home was overcrowded but when checks were carried out it was found they only had one child. She stressed there were sometimes genuine errors rather than fraud. The Counter Fraud and Enforcement Team ensured those who were in emergency, gold and silver bands were in the correct category and any anomalies identified were passed to the Housing Team to check. In response to a query as to why the figures at Page No. 18, Paragraph 2.5 of the report did not add up, the Head of Service: Counter Fraud and Enforcement Unit explained that, in addition to the emergency, gold and silver bands, there was also a bronze band which the Counter Fraud and Enforcement Unit did not investigate. The Member noted that 762 applications had been reviewed with 244 being referred to the Housing Team and raised concern this was approximately one third of all cases so he asked whether Officers were satisfied that systems were in place to reduce that level of incorrect applications. The Head of Service: Counter Fraud and Enforcement Unit advised that this was similar across all Councils within the Unit and could be because applicants did not provide verification information up front – they would be placed on the list but it was not picked up until the Unit carried out its review which was done every two years. It could also be due to housekeeping as well as income errors etc. The Member pointed out that the National Fraud Initiative applied a figure of £4,283 for each application removed and whilst it may be that the majority were changing

categories rather than being removed, if half were removed that amounted to approximately £500,000; although he felt it was a worthwhile exercise, it did imply there was a considerable amount of poor housekeeping or not enough checks in the system. The Head of Service: Counter Fraud and Enforcement Unit provided assurance that a final review and check should be carried out on applicants by the Council involved at the point of them being housed; this would vary across each Council in terms of the approach but the Counter Fraud and Enforcement Unit focused on keeping risks down and carried out the same check for everyone to ensure a consistent approach. The Director: Corporate Services indicated that a specific report in relation to this could be brought to a future meeting of the Committee. Another Member felt it would also be useful to know the number of people who removed themselves voluntarily because of a change in circumstances, or put their name on the list and forgot about it.

35.4 A Member noted that the Council's Regulation of Investigatory Powers Act 2000 (RIPA) and Investigatory Powers Act 2016 (IPA) policies were due for review in 2023 and she asked whether this should have been done by now. In response, the Head of Service: Counter Fraud and Enforcement Unit confirmed these policies had been reviewed and the Investigatory Powers Commissioner's Office (IPCO) had carried out an inspection of all six district authorities which had included a review of those policies. She provided assurance this had been completed, albeit the Appendix to the report needed to be amended, and a full update on RIPA and IPA would be included in the annual report considered by the Committee in July.

35.4 It was

**RESOLVED**

1. That the Counter Fraud and Enforcement Unit report be **NOTED**.
2. That a detailed report on the review of housing waiting list applications be brought to a future meeting of the Committee to address concerns regarding the amount of cases potentially being removed or recategorised.

**A&G.36 CORPORATE RISK REGISTER**

36.1 The report of the Head of Service: Audit and Governance, circulated at Pages No. 24-42, asked Members to consider the risks contained within the corporate risk register and assurance that the risks were being effectively managed.

36.2 The Director: Corporate Services advised that a column on direction of travel had been included within the corporate risk register, attached at Appendix 1 to the report, and dates had been included against actions so Members knew when they were due to be delivered and risk owners were accountable. It was to be borne in mind that some of the risks were out of the Council's control, particularly those in relation to the government and national financial picture, with some dates ongoing or unknown. Since the last meeting, the score in relation to Ref. 1 Financial sustainability had been slightly reduced as there was confidence that a balanced budget could be delivered for the next couple of years, albeit there remained significant financial challenges in the medium to long term. In terms of Ref. 11 – Migration of people, this risk had increased slightly as the asylum seeker hotel in the borough was due to close on 11 December 2023 which could mean an increase in the number of people approaching Tewkesbury Borough Council to be housed, although it was likely to be a bigger issue for Cheltenham Borough and Gloucester City Councils which were just across the border and more urban in nature. It was proposed to remove risk Ref. 14 – Defra consultation as the government had confirmed it would not impose significant changes to the way local authorities collected their waste.

36.3 In response to a query regarding the rescoring of the risk around Ref. 1 - Financial sustainability, the Executive Director: Resources confirmed that Officers had relooked at the risk and, based on all the facts, it was felt that a score of 25 did not reflect the short-medium term position and that a score of 20 was more realistic at this point in time. The Director: Corporate Resources indicated that those authorities who had got into the most financial difficulty had tended to lack good governance arrangements, or had made bad investments, which were not issues at Tewkesbury Borough Council as exemplified by the audit work taking place. In terms of Ref. 11 – Migration of people, a Member asked whether engagement had taken place with those affected by the closure of the hotel to attempt to find a solution rather than them presenting to the Council and the Director: Communities confirmed that significant engagement was taking place and a taskforce was being set-up with the first job being to establish the real number of people affected – there had been suggestions it could be as many as 200 - and what they wanted to do, for example, those with refugee status would have the ability to work. With regard to Ref. 14 – Defra consultation, a Member was under the impression the Prime Minister had made a statement about collection of food waste and asked if that had any implications for Tewkesbury Borough Council. In response, the Director: Communities confirmed that the authority already collected food waste so was not impacted by that statement.

36.4 It was

**RESOLVED** That the risks and mitigating controls within the corporate risk register be **NOTED**.

#### **A&G.37 INTERNAL AUDIT PLAN MONITORING REPORT**

37.1 The report of the Head of Service: Audit and Governance, circulated at Pages No. 43-53, provided an overview of the internal audit work completed during the period. Members were asked to consider the work undertaken and the assurance given on the adequacy of the internal controls operating in the systems audited.

37.2 The Head of Service: Audit and Governance advised that an audit of the Council's commercial property portfolio, which generated a return of £3.4m, had been found to have generally good governance arrangements, key controls in place and was working as expected. The audit had given assurance that the lease terms were being adhered to and processes were in place for effective monitoring with all staff clear on their responsibilities. The properties were inspected on an annual basis, although no inspections had taken place during the pandemic which was considered to be reasonable given assurances these had now been reinstated. In terms of economic and financial considerations, the audit had confirmed that income was being received and recorded in a timely manner and there were no recommendations arising from the audit. In terms of corporate improvement work, this was ongoing in terms of reviewing and updating the Council's contracts register. There was a requirement under the Transparency Code 2015 to publish contracts with a value of more than £5,000 so a review had been undertaken to ensure what was being published was accurate and up-to-date. Members were advised that audits in relation to budgetary controls, Section 106, the Council's new heating system and the Council Tax Reduction Scheme were in progress and the results would be reported to a future meeting of the Committee. Appendix 2 to the report outlined the follow-up audits which had been undertaken since the Committee last met and one recommendation remained partially implemented in relation to emergency planning arrangements. It was acknowledged that the recommendation contained a number of action points and the majority had been completed but the emergency co-ordination room set-up procedure was yet to be documented.

- 37.3 With regard to the commercial property portfolio audit, a Member felt this demonstrated that the Council had adopted a sensible approach to diversifying its finance stream and had applied its knowledge from being a public body to good commercial effect. It was subsequently

**RESOLVED** That the internal audit monitoring report be **NOTED**.

The meeting closed at 2:30 pm