

CORPORATE AUDIT COMMITTEE

Minutes of the Meeting held

Wednesday, 27th November, 2024, 4.00 pm

Councillors: David Biddleston (Chair), George Leach, Malcolm Treby, Sam Ross (Vice-Chair) and Toby Simon

Independent Member: John Barker

Officers in attendance: Enfys Hughes (Democratic Services Officer), Jeff Wring (Director of Pensions, Assurance and Financial Services), Andy Rothery (Chief Finance Officer (S151)), Gary Adams (Head of Financial Management), Andy Cox (Head of Audit and Assurance (One West)) and Claire Read (Group Accountant – Financial Accounting & Treasury)

Guests in attendance: Beth Bowers (Grant Thornton (External Auditors)) and David A Johnson (Grant Thornton (External Auditors))

29 EMERGENCY EVACUATION PROCEDURE

The Democratic Services Officer drew attention to the emergency evacuation procedure as set out on the agenda.

30 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were none.

31 DECLARATIONS OF INTEREST

There were none.

32 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

33 ITEMS FROM THE PUBLIC - TO RECEIVE STATEMENTS, PETITIONS OR QUESTIONS

There were none.

34 ITEMS FROM COUNCILLORS AND CO-OPTED AND ADDED MEMBERS

There were none.

35 MINUTES - 25TH SEPTEMBER 2024

RESOLVED that the minutes of the meeting held on 1st May 2024 be confirmed as a correct record and signed by the Chair.

36 COUNCIL COMPANY AEQUUS (ADL, ACL & AGHL) ANNUAL ACCOUNTS 2023/24

Karen Flint (Aequus Financial Controller) presented the report. She explained that that the accounts had been submitted to the management board in September and signed off. There had been no significant issues or adjustments. She went on to highlight the main figures for ADL, ACL and AGHL.

During questions the following issues were clarified/raised:

- It was pleasing to see the Council Company Aequus doing so well (Councillor David Biddleston)
- With regard to the Local Government pension scheme, it was confirmed that only staff who transferred under TUPE were a member (Councillor Toby Simon)
- Having met with other local authorities and hearing about their house building developments, some other local authorities were not progressing so well (Councillor David Biddleston). It was confirmed that BANES had well developed relationships with South Glos and North Somerset.
- It was hoped there would be a tour of the local developments in May 2025.

It was moved by Councillor Malcolm Treby, seconded by Councillor Sam Ross and

RESOLVED in line with the Committees Terms of Reference the Corporate Audit Committee notes on behalf of the Council the audited accounts of ADL, ACL & AGHL (Council wholly owned companies).

37 TREASURY MANAGEMENT PERFORMANCE REPORT TO 30TH SEPTEMBER 2024

The Head of Financial Management presented the report and highlighted the main issues.

During questions the following points were clarified/raised:

- This was a backward look at borrowing and PWLB had been the lending source. There was a new lender, the National Wealth Fund and it was confirmed that BANES would consider using this lender if they had schemes that met their criteria (John Barker – independent member)
- The rate for the new lender was slightly below that of PWLB
- It was noted on borrowing that some loans were maturing in the next 6 months (Councillor Malcolm Treby). It was confirmed that options for refinancing would be considered, taking a view on the relative short-term and long-term rates together with interest rate forecasts.
- In respect of borrowing (Councillor Malcolm Treby) it was confirmed that there was a need to borrow more again at the end of the year
- Regarding the current unrealised loss on the Strategic Investments and risk of the statutory override being removed (Councillor Toby Simon). It was confirmed that the government would consider this soon, and the Council had sufficient provision with the Capital Financing earmarked reserve to cover any impact if the statutory override was removed.

It was moved by Councillor Toby Simon and seconded by Councillor Sam Ross and it was

RESOLVED

- 1) To note the Treasury Management Report to 30th September 2024, prepared in accordance with the CIPFA Treasury Code of Practice;
- 2) and to note the Treasury Management Indicators to 30th September 2024.

38 ACCOUNTS BRIEFING PRESENTATION - NO REPORT THIS IS A PRESENTATION TO THE COMMITTEE

The Group Accountant – Financial accounting & corporate finance (Claire Read) gave a presentation on the accounts.

RESOLVED to note the presentation.

39 AUDIT FINDINGS REPORTS FOR COUNCIL AND AUDITED STATEMENT OF ACCOUNTS FOR COUNCIL AND AVON PENSION FUND 2023/24

Beth Bowers and David Johnson (Grant Thornton External Auditors) presented the report. The Chair had met with them recently, along with the Vice Chair and thanked them for a useful meeting. It was explained that there was the audit for the Council and for the Avon Pension Fund, along with the audit opinion and annual report. The high level summary was an unqualified opinion. It was not possible to give certification as there had been an objection, although this would not have any material impact on the accounts. The National Audit Office would hold certification pending their completion of work on the Whole of Government Accounts. The Value for Money in the audit findings had been reported to the September Committee meeting. There was no change to materiality thresholds or any deviation from the planned risk profile. There were a small number of recommendations and adjustments.

Grant Thornton thanked the BANES officers and her team for their work in concluding the audit process.

During questions the following points were clarified/raised:

- In the national context with borrowing there was currently no significant concern as regards BANES standing (Councillor Malcolm Treby)
- In relation to recommendations on page 36, management stated that BANES relied on managers to check the existence of assets, which were of low value eg laptops (Councillor Malcolm Treby). There would be further conversations with the external Auditor and BANES would take on their guidance (Councillor Malcolm Treby to email Councillor David Biddleston (Chair) who would follow up on this issue)
- Risk was differentiated by high/medium/low (Councillor David Biddleston)
- How the Council disposes of low-level assets (John Barker) was confirmed by the Section 151 Officer who stated there were legal requirements on disposals. It was rated as low risk in the previous years external audit report

- BANES contribution to the stability of WECA governance (Councillor David Biddleston) was in the annual report and was a key partnership working to deliver best possible value.

It was moved by Councillor Toby Simon and seconded by Councillor Malcolm Treby and

RESOLVED

- 1) To note the issues contained within the Audit Findings Reports and addendum to the Auditor’s Annual Report for the Council; and
- 2) To approve the audited Statement of Accounts, including the Letters of Representation for both Bath & North East Somerset Council and the Avon Pension Fund (including revised opinion) for 2023/24.

40 AUDIT COMMITTEE - DRAFT WORKPLAN

The Director of Pensions, Assurance and Financial Services presented the workplan. He stated that the revised terms of reference had been approved at Council in November 2024.

He wished to thank the Section 151 Officer Andy Rothery, as this was his last meeting before moving to a new job. He and the Committee passed on their appreciation of his participation at Committee.

RESOLVED to note the Committee workplan.

The meeting ended at 5.36 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services