

AUDIT COMMITTEE

Minutes of the Meeting held

Wednesday 24th September 2025, 5.30 pm

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

Independent Member: John Barker

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

1 EMERGENCY EVACUATION PROCEDURE

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

2 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were none.

3 DECLARATIONS OF INTEREST

There were none.

4 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

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

There were none.

6 ITEMS FROM COUNCILLORS AND CO-OPTED AND ADDED MEMBERS

There were none.

7 MINUTES 30TH APRIL 2025

RESOLVED that the minutes of the meeting held on 30th April 2025 be confirmed as a correct record and signed by the Chair.

8 ANNUAL ACCOUNTS BRIEFING - PRESENTATION AT MEETING (NO REPORT)

The Group Accountant gave a powerpoint presentation on the annual accounts for members information.

In response to questions it was confirmed:

- That there was continued work on the DSG (dedicated schools grant), adult social care and home to school transport.
- There was an increase in council tax bad debt provision each year in line with the increase in income to be collected, including the c5% Council Tax charge increases and growth in the taxbase.
- There was a request to Corporate Scrutiny Panel to discuss the Local Council Tax Support Scheme, this panel had been involved before.
- There were a small number of properties in the commercial estate held outside the B&NES area. This was related to a previous strategic approach to diversify the portfolio.
- Government policy allowed an increase in council tax to address pressures on adult social care and this precept was used every year to meet rising costs.
- There was a 75% capital spend on projects with unspent budget carried forward into 2025/26.
- Children services spend increases were in line with other local authorities, although some experienced these pressures ahead of B&NES.
- In response to gilt markets and increased long-term borrowing rates, short-term borrowing was being used whilst the long-term rates were higher. This would continue to be reviewed.
- It was useful to see the movement in the financial statements year on year.
- It was a decision for individual schools what to spend the school balances on and the Schools Forum discussed this to check it was in line with DfE policy. Often money was spent on capital projects, which spread across years, or when there was forecast future pressure on budgets to be covered by reserves.
- In relation to the unearmarked general fund reserves, directors did annual risk assessments on revenue and capital and gave them a risk rating which informed the level required. The balance on the reserve had remained stable over the past few years and was mid-range.
- Grant Thornton stated that there was no specific 'unacceptable' minimum level of General Fund Un-earmarked reserves, as it depended on each individual Councils' cash flow. CIPFA had benchmarking tools that could be used and B&NES were not in the lower portion compared to peers.

RESOLVED

- 1) to note the Annual Accounts briefing presentation; and
- 2) that officers arrange training for Members on the commercial estate.

9 AUDIT FINDINGS REPORT FOR THE COUNCIL & PENSION FUND & AUDITED STATEMENT OF ACCOUNTS 2024/25

Grant Thornton (External Auditors) presented the Audit Findings Report which summarised the results of Grant Thornton's audit of the 2024/25 statement of accounts for the Council and Avon Pension Fund and included the Annual Governance Statement. In relation to the audit of the group, the meetings of the board of Aequus and the Council did not align and it was suggested this be rectified in the future.

In response to questions it was explained:

- That there were no objections to the 2024/25 statement of accounts but there remained one open objection to the 2023/24 accounts.
- A new financial system is due to be implemented during 2026/27 which added tighter controls to journals to address previous concerns. Members would like a briefing on the new financial system.
- External audit confirmed that their testing of journals included a range of values not just amounts over £500k.
- With regard to changes on the system there would be an audit trail to evidence this.
- In respect of duplicate accounts found on Agresso and whether IT staff had been migrated to have separate accounts. This information would be clarified and sent to members.

On a motion from Councillor Toby Simon, seconded by Councillor Malcolm Treby, it was

RESOLVED that

- 1) The issues contained within the Audit Findings Reports for the Council are noted;
- 2) the audited Statement of Accounts, including the Letters of Representation for both Bath & North East Somerset Council and the Avon Pension Fund for 2024/25, are approved;
- 3) authority is delegated to the Chair of the Audit Committee, in consultation with the Section 151 Officer, to approve any amendments to the Statement of Accounts, below the audit materiality threshold, arising from the concluding stages of Grant Thornton's audit; and
- 4) future meetings of the board of Aequus and the Council be aligned to support the external audit process.

10 EXTERNAL AUDIT - ANNUAL AUDIT REPORT

The External Auditor updated the Committee on the Annual Audit report which included the VFM assessment for the Council. The main significant risk issue was the DSG which was a national issue and it was hoped would be addressed by government. The report included improvement recommendations and key recommendations for management.

In response to questions it was confirmed that:

- It was appropriate to wait for the government's white paper on SEND reforms and the Chancellor's Autumn Budget before the Committee received an update on work on the DSG. Members were informed that the DSG deficit statutory override had been extended to 2027/28.

On a motion from Councillor Toby Simon, seconded by Councillor Sam Ross, it was

RESOLVED

- 1) to note the Annual Audit report;
- 2) that the Committee be updated on the DSG work and the director be invited to address the Committee if necessary; and
- 3) that the response to contract management and procurement risks be considered at the April/May meeting of Audit Committee if possible.

11 TREASURY MANAGEMENT OUTTURN 2024/25

The Group Accountant presented the report which gave details of performance against the Council's Treasury Management Strategy for 2024/25. The report was for information only.

There were no questions.

RESOLVED to agree

- 1) the Treasury Management Report to 31st March 2025, prepared in accordance with the CIPFA Treasury Code of Practice, is noted; and
- 2) the Treasury Management Indicators to 31st March 2025 are noted.

12 ANNUAL REPORT OF THE AUDIT COMMITTEE - MAY 2024 - APRIL 2025

The Audit Manager presented the report. The Audit Committee has specific delegated powers given to it from Full Council and as such is required to report back annually to Council under its Terms of Reference.

There were no questions and the Chair congratulated the Audit Manager on the report which was her first and was very clear.

RESOLVED to agree the Annual Report covering the period May 2024 – end of April 2025 (Appendix 1) and request that the Chair of the Committee present it to the November meeting of Council.

13 AUDIT COMMITTEE WORKPLAN

There was nothing to add to the Audit Committee workplan.

RESOLVED to note the workplan.

The meeting ended at 7.30 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services