

AUDIT COMMITTEE

Minutes of the Meeting held

Wednesday 26th November 2025, 4.00 pm

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

Independent Member: John Barker

14 EMERGENCY EVACUATION PROCEDURE

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

15 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were apologies from Councillor David Biddleston.

16 DECLARATIONS OF INTEREST

There were none.

17 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

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

There were none.

19 ITEMS FROM COUNCILLORS AND CO-OPTED AND ADDED MEMBERS

There were none.

20 MINUTES - 24TH SEPTEMBER 2025

RESOLVED that the minutes of the meeting held on Wednesday 24th September 2025 be confirmed as a correct record and signed by the Chair.

21 COUNCIL COMPANY AEQUUS (ADL, ACL & AGHL) ANNUAL ACCOUNTS 2024/25

Karen Flint (Aequus Group) presented the report which sought consideration of the final approved and signed accounts for Aequus Developments Ltd (ADL), Aequus Construction Ltd (ACL) & Aequus Group Holding Limited (AGHL) for 2024/25.

In response to Members' questions the following points were confirmed:

- The number of apartments on Argyle Street? (Karen Flint to respond directly to Councillor Sam Ross)
- In respect of pensions it was confirmed that the Aequus group were members of the LGPS and the report was provided by an actuary and checked against other LGPS. (Karen Flint would respond directly to Councillor Toby Simon on why some were 'recognised')
- The properties were mainly within the BANES area (60%), South Glos (10%) and North Somerset (30%).
- What was the number of affordable properties at Bath Quays and was there enough work to fulfil requirements and provide a dividend? Councillor Matt McCabe explained that an LLP had been set up to provide tax efficiencies to ensure policy compliancy. (Karen Flint to respond directly to Councillor Sam Ross)
- The process was embedded with the housing team who were working well with Aequus and gaining a better understanding of the issues. A number of staff members had transferred over to Aequus.
- There were some obstacles that were government related in relation to opportunities for redevelopment. Amelioration was sought on any delay for Aequus.
- It would be useful for there to be a conversation between the Chair and Vice-Chair of Audit Committee and Councillor Matt McCabe. (Councillors would liaise with each other)
- There was a steady supply of housing in the pipeline with Stall Street and Dartmouth Avenue.

On a motion from Councillor Sam Ross, seconded by Councillor Malcolm Treby, it was

RESOLVED to note the audited accounts of Aequus Developments Ltd (ADL), Aequus Construction Ltd (ACL) & Aequus Group Holding Limited (AGHL) for 2024/25.

22 SECTION 106 - UPDATE REPORT ON AUDIT FINDINGS

The Head of Planning and Building Control introduced the report which provided an update on progress including delivery of the project (the internal audit in 2022 had reviewed S106 funding and the use of secured funds, resulting in a 'Limited Assurance' rating), the changes implemented, and the outstanding actions required. She highlighted that the Council had put an incredible effort and resource into this project. The Deputy Head of Planning Development Management presented the report with a powerpoint presentation which would be circulated to Members of the Committee.

Councillor Matt McCabe was present for this item.

In response to Members questions it was confirmed:

- With any planning application if Section 106 money is requested then it must meet policy requirements and be spent only on what it was taken for.

- An example of a case where a refund was made was given in respect of a new footpath where the landowner withdrew permission for a path which could not be delivered and the money was returned.
- In respect of corporate governance – overseeing fund requests, project delivery and spend updates (via service department steering groups) and monitoring, assurance, reporting (via planning and finance) was already happening; it was the intention that strategic and tactical oversight (via Place Shaping Group and Capital Strategy Group) would be in place in the next quarter and was currently being arranged.
- The project would be tested for 6 months for officers before a further decision was taken by politicians and Senior managers around it being made public
- The temporary resource currently in place would need to be made permanent and options would be reviewed in March 2026.
- In some of the tables in the powerpoint presentation the font was too small to be readable and a broad overview would be better.
- The definition of ‘funds at risk’ was, if the deadline for funds to be returned to the developer was approaching. Within 6 months of the deadline, it was RED and there were AMBER flags, within 2 years of the deadline.
- The CIL (Community Infrastructure Levy) was a separate issue.
- After reconciliation of the projects, the Council was £993K in the red box deadline as funds move in the timeline the figures change making them a snapshot in time.
- Corporate PDS was better suited to monitor the project where they looked at KPIs and monitored trends, with an annual review to Audit Committee.
- Historic funds were the biggest risks.
- Section 106 was a finite amount not flexible as it was funding for a specific purpose.
- It was hoped that that new process would eliminate unnecessarily returning funds but was unlikely to eliminate all returns for a range of reasons
- The planning service would be looking at how Section 106 agreements can be made more flexible where possible.
- Each service head would be accountable, expertise would be shared and cabinet would be kept informed as governance was paramount.
- Training for parish councils would be given for them to monitor developments.
- What figure had been lost in the last year? (This would be reported directly to Councillor Sam Ross).

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

RESOLVED to note the report and review in 12 months as part of the internal audit review, specifically:

- 1) the work undertaken to address the issues identified in the 2022 audit report;
- 2) the implementation of the project and proposed governance arrangements;
- 3) the outstanding matters requiring action and the timescale for delivery.

The Group Accountant presented the report and explained that the CIPFA Code required the Council to approve a Treasury Management Strategy before the start of each financial year, review performance during the year and approve an annual report within six months after the end of each financial year. This report gave details of performance against the Council's Treasury Management Strategy for the first six months of 2025/26.

In response to Member's questions it was confirmed:

- With regard to an updated interest rate forecast from Arlingclose, it was explained that it was a little early following the very recent budget. However, an update is expected in the next couple of weeks and it would be reported with the strategy in February 2026;
- In respect of the liability benchmark – the red line, shows a more prudent level of borrowing taking into account cash backed reserves, compared to the blue line which is the capital financing requirement. The Council operates to the liability benchmark level when considering further borrowing. Regarding capital financing the Council borrows on the basis of what is needed for cash flow purposes.

On a motion from Councillor Sam Ross, seconded by Councillor Malcolm Treby, it was

RESOLVED to note

- 1) the Treasury Management Report to 30th September 2025, prepared in accordance with the CIPFA Treasury Code of Practice; and
- 2) the Treasury Management Indicators to 30th September 2025.

24 INTERNAL AUDIT - UPDATE REPORT (PLANNED WORK 2025/26)

The Head of Audit and Assurance (One West) presented the report which gave an update on the work of the Internal Audit team and progress made in delivering the Annual Audit Assurance Plan 2025/26.

During questions it was confirmed that:

- The work of the Audit team that went into the Council being in a good position should be recognised.
- Direct payments are made into a specially set up bank account managed by the child's parent/carer and are for the employment of personal assistants. This is a separate issue to Financial Assistance under Section 17 Children Act 1989, which would be in next year's plan.
- Career polygamy – there had been an investigation into staff with parallel appointments and the take up of references. A risk identified at other authorities is with agency workers, where there had been less oversight.
- There was also a potential issue with workers in the care sector being employed for the local authority and the voluntary sector and the health and safety implications if they were working in excess of appropriate hours.

On a motion from Councillor Sam Ross, seconded by Councillor George Tomlin, it was

RESOLVED

- 3) Note progress in delivery of the 2025/26 Annual Internal Audit Assurance Plan; and
- 4) Note the associated fraud prevention and unplanned work that is underway.

25 AUDIT COMMITTEE - DRAFT WORKPLAN

The Director of Financial Services, Assurance and Pensions presented the workplan.

Following discussion it was agreed to add the following items to it:

- Section 106 – 12 month review via internal audit
- Fraud protection
- Capital programme assurance

RESOLVED to note the Audit Committee workplan.

The meeting ended at 5.58 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services