

AUDIT COMMITTEE

Minutes of the Meeting held

Wednesday 30th April 2025, 4.00 pm

Councillors: David Biddleston (Chair), Sam Ross (Vice-Chair) and Malcolm Treby

Independent Member: John Barker

Officers in attendance: Enfys Hughes (Democratic Services Officer), Jeff Wring (Director of Financial Services, Assurance & Pensions), Gary Adams (Head of Financial Management), Jamie Whittard (Corporate Finance Manager), Claire Read (Group Accountant – Financial Accounting & Treasury), Tariq Rahman (Head of Audit and Assurance), Lucinda Dixon (Audit Manager) and Alec Austin (Audit Manager)

Guests in attendance: Beth Bowers and George Amos (Grant Thornton)

54 EMERGENCY EVACUATION PROCEDURE

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

55 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies were received from Councillors George Leach and Toby Simon.

56 DECLARATIONS OF INTEREST

There were none.

57 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

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

There were none.

59 ITEMS FROM COUNCILLORS AND CO-OPTED AND ADDED MEMBERS

There were none.

60 MINUTES - 5TH FEBRUARY 2025

RESOLVED that the minutes of the meeting held on 5th February 2025 be confirmed as a correct record and signed by the Chair.

61 SECTION 106 - UPDATE REPORT ON AUDIT FINDINGS

The Head of Planning and Building Control, Louise Morris gave a powerpoint presentation on the Section 106 audit findings.

During discussion the following points were raised:

- That negotiations with developers were logged and systems were being improved to ensure money received was spent within agreed timescales.
- IT platforms were being updated and Heads of Services were now better engaged and there was already a behaviour shift to bring the figure of unspent money down.
- It was noted that the Planning Officers primarily led negotiations whilst other relevant services were responsible for spending the money.
- Ensuring developer contributions were spent was a priority and accountancy and transparency was vital.
- It was explained that some developer contributions could be used for administration purposes.
- Commitment across departments was necessary and all options should be looked at.
- Examples of non-financial benefits were – training, apprenticeships (Councillor David Biddleston).
- The external public facing module sign-off would involve the Head of Planning and Building Control, a senior officer/politician.
- Councillors requested training on the difference between the Community Infrastructure Levy and Section 106 contributions

RESOLVED to note:

- 1) the plans to mitigate the outstanding risks identified in the audit report;
- 2) the Plans to use the public facing module;
- 3) the timescales for implementation, roll out, and delivery of the project; and
- 4) that the Head of Planning and Building Control give an update to the November Committee and also a report to the May 2026 meeting in order for members to be able to track progress.

62 EXTERNAL AUDIT PLAN - B&NES COUNCIL AND AVON PENSION FUND

Beth Bowers (Grant Thornton) presented the external audit plan for the Council and set out the significant risks and Value For Money (VFM), she stated that the materiality threshold and proposed fee remained the same. She explained that the plan was on course for the accounts to be signed off in November with the possibility of that being brought forward. They were continually improving to meet the proposed dates.

George Amos (Grant Thornton) presented the audit plan for the Avon Pension Fund and highlighted that the significant risk areas were the same. There was a significant increase in the materiality threshold. The timeline was consistent, looking to conclude the audit at the end of September.

There were no questions.

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

RESOLVED to endorse the 2024/25 External Audit Plan for the Council (Appendix 1) & External Audit Plan for the Avon Pension Fund (Appendix 2).

63 2024/25 ACCOUNTING POLICIES

Claire Read (Group Accountant) presented the report which was produced in accordance with CIPFA. She explained that a significant change was the adoption of IFRS 16 leases which would result in the need to review leases and account differently and significantly increase the workload for the team. Gary Adams (Head of Financial Management) passed on his thanks to the team for this work.

There was one question relating to the overall impact on Council resources from the changes which was neutral (Councillor Malcolm Treby).

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

RESOLVED

- 1) to approve Accounting Policy 1.20 - Leases (Appendix 1); and
- 2) to note that other than Accounting Policy 1.20 – Leases, the Accounting Policies included as Appendix 2 have not changed since they were approved as part of the Council's 2023/24 Statement of Accounts.

64 COUNTER FRAUD ANNUAL REPORT

Tariq Rahman (Head of Audit and Assurance) presented the report and stated that the annual financial loss to fraud was £7.3bn in local government. The three key areas were whistleblowing, anti-money laundering and anti-bribery and corruption.

Alec Austin (Audit Manager) leading on counter fraud gave a brief presentation to the Committee. He explained that via the national fraud network the authority received alerts of fraudulent activity. They had to raise awareness and highlight and investigate this activity. He explained some of the work the team did involved checking matches on the system for blue badges and payroll. An important part was training and awareness for staff.

During questions the following issues arose:

It was hard to articulate the BANES financial loss figure, but Jeff Wring (Director of Financial Services) stated the authority had good arrangements in place. (Councillor Malcolm Treby)

In respect of money laundering the Head of Audit explained that due diligence was carried out along with passport and experience checks. (Councillor Malcolm Treby)

Jeff Wring explained that as BANES did not have any housing stock there was no business case to have a dedicated fraud team.

With regard to artificial intelligence, as the tool were so new they were not used in counter fraud currently.

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

RESOLVED to note the Counter Fraud Annual Report and review and approve the updated Anti-Fraud & Corruption Strategy and associated policies as detailed below:

- 1) to note work carried out by Internal Audit in relation to Anti-Fraud & Corruption Review and approve the updated Anti-Fraud & Corruption Strategy (Appendix 1);
- 2) to review and approve the updated Whistleblowing Policy (Appendix 2);
- 3) to review and approve the updated Anti-Money Laundering Policy (Appendix 3);
- 4) to review and approve the updated Anti-Bribery & Corruption Policy (Appendix 4).

65 ANNUAL REPORT OF THE HEAD OF AUDIT AND ASSURANCE 2024/25

Tariq Rahman (Head of Audit and Assurance) presented the annual report for the period 2024-2025. In summary he explained that work on the plan was almost complete, 3 audits had been deferred and 2 were no longer required. All final audit reports had a “substantial” or “reasonable” assurance rating and the Annual Governance Statement was satisfactory. He thanked the audit committee for providing critical challenge throughout the year.

There were no questions.

RESOLVED to note the Internal Audit Annual Report for 2024/25 and the opinion on the Internal Control environment.

66 INTERNAL AUDIT PLAN - 2025/2026

Tariq Rahman (Head of Audit and Assurance) presented the report and explained the internal audit plan was flexible to respond to challenges/risks throughout the year.

There were no questions.

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

RESOLVED to approve the Internal Audit Plan 2025/26 (Appendix 1).

67 RISK MANAGEMENT - ANNUAL UPDATE REPORT - CORPORATE RISK

Jeff Wring (Director of Financial Services) presented the report which was a summary of how risk was managed in the Council and gave assurance on the risk management framework. At this meeting they had considered Section 106 update and had previously looked at the DSG, fraud and corporate risk. Looking forward items to be considered in the future were cyber risk and AI.

During questions the following points arose:

The risk matrix was appreciated with further updates (Councillor Malcolm Treby).

It was noted that adult social care had spiralling costs (Councillor David Biddleston).

RESOLVED to note the report and take assurance from the last 12 months reports on the council’s risk management arrangements.

68 AUDIT COMMITTEE - DRAFT WORKPLAN

Jeff Wring (Director of Financial Services) presented the report.

26th November 2025 – progress note on Section 106

13th May 2026 - update on Section 106

RESOLVED to note the workplan.

The meeting ended at 6.04 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services