

Minutes of a Meeting of the Audit Committee held in the Luttrell Room - County Hall,
Taunton TA1 4DY, on Thursday, 26 October 2023 at 10.00 am

Present:

Cllr Mike Hewitson (Chair)
Cllr Andy Sully (Vice-Chair)

Cllr Steve Ashton
Cllr Mike Caswell
Cllr Mandy Chilcott
Cllr Habib Farbahi
Lindy Jansen van Vuuren

Cllr Lee Baker
Cllr Norman Cavill
Cllr Simon Coles
Cllr Tim Kerley

In Attendance:

Cllr Liz Leyshon

Cllr Dean Ruddle

Other Members present remotely:

Cllr Gill Slocombe
Cllr Kathryn Pearce
Cllr Kevin Messenger
Cllr Lance Duddridge
Cllr Leigh Redman
Cllr Lucy Trimnell
Cllr Marcus Barr
Cllr Marcus Kravis
Cllr Martin Dimery
Cllr Martin Lovell
Cllr Martin Wale
Cllr Matthew Martin
Cllr Michael Dunk
Cllr Mike Best
Cllr Mike Murphy
Cllr Mike Ridby
Cllr Mike Stanton

Cllr Oliver Patrick
Cllr Pauline Ham
Cllr Peter Clayton
Cllr Peter Seib
Cllr Philip Ham
Cllr Richard Wilkins
Cllr Ros Wyke
Cllr Rosemary Woods
Cllr Ross Henley
Cllr Sarah Dyke
Cllr Sarah Wakefield
Cllr Shane Collins
Cllr Steven Pugsley
Cllr Sue Osborne
Cllr Suria Aujla
Cllr Susannah Hart
Cllr Tessa Munt

Cllr Nick Cottle
Cllr Nicola Clark
Cllr Tom Deakin
Cllr Tony Grimes
Cllr Tony Robbins

Cllr Theo Butt Philip
Cllr Tom Power
Cllr Tony Lock
Cllr Val Keitch
Cllr Wes Read

38 Apologies for Absence - Agenda Item 1

There were none.

39 Declarations of Interest - Agenda Item 2

There were none.

40 Minutes from the Previous Meeting - Agenda Item 3

The approval of the minutes of the meeting held on 28th September 2023 were proposed by Cllr Andy Sully and seconded by Cllr Mandy Chilcott.

The Audit Committee **RESOLVED** that the minutes of the Audit Committee held on 28th September 2023 be confirmed as a correct record.

There were outstanding matters arising from the previous minutes where a response was required and these would be provided electronically as soon as possible:

- S151 Officer was going to research the history of what happened to the housing underspend reflected on the Sedgemoor District Council 2021-22 Statement of Accounts.
- David Johnson (Grant Thornton) was going to find out what would affect the value of assets on the Sedgemoor District Council 2021-22 Statement of Accounts.
- The election expenses which South Somerset District Council (2021/22 Statement of Accounts).

41 Public Question Time - Agenda Item 4

It was agreed to discuss the questions which had been received from two members of the public, David Orr and Nigel Behan from Unite, at agenda item 6 to which they related. Agenda item 5 was moved up so that the new Independent Member could be introduced.

42 To confirm the appointment of a new Independent Member of the Audit

Committee - Agenda Item 5

A new Independent Member of the Audit Committee had been appointed at the Full Council Meeting on 27 September 2023. Lindy Jansen van Vuuren.

The Executive Director Resources and Corporate Services stated that the Audit Committee decided to appoint 2 independent members. One which is Lindy. The other post was still vacant the Chair, Vice Chair and The Executive Director would review that in a few months' time to understand the skills mix and whether there were any gaps and if they had to appoint another Independent Member or not.

Ms van Vuuren then introduced herself highlighting the fact that she worked at the Auditor General's Office in South Africa which is the equivalent to the National Audit Office. She further explained that her auditing experience has mostly been in government and working with local and metropolitan municipalities. Ms van Vuuren further affirmed that she had a lot of experience auditing IT([information technology](#)) and had a qualification from the United States, ISACA (Information Systems Audit and Control Association), which is an international professional association focused on IT governance and specifically targets auditing controls.

43 External Audit Report on Value for Money letter to Somerset Council on 2023/24 Financial Stability - Agenda Item 6

Public Questions

David Orr was asked to read his statement.

This new unitary council is, according to auditors, facing a section 114 notice from next February onwards. This is the private sector equivalent to "going bust".

The Conservatives predicted savings of £18m from a new unitary council, yet you are facing an existential crisis within just five months of formation.

The Lib Dems inherited from the County Council Conservatives a £23.4m overspend, while the four District Councils passed over £4.7m of underspends together with their reserves.

There were always concerns about the County Council winning the unitary competition as "a continuing authority". Would the new unitary council get a fresh start or would the existing County Council management cultures dominate? Would the ongoing and intractable deficits in social care quickly consume the District Councils' reserves and underspends?

The deteriorating financial position has worsened by a staggering £4.2m in just one month. This does not indicate good financial controls, or provide confidence that overspends will be tackled and savings made.

The Council has reached for expensive consultants to tell well-paid Executives how to make savings. Adult Social Care is spending £7.5m with Newton Europe to save a claimed £10m, but probably after the council is “bust”.

In the disastrous South West One outsource to IBM, £182m of “assured savings” were promised, but never delivered. The Ignite “transformation” programme in Taunton Deane and South Somerset Councils caused service disruption with very high recovery costs.

A private company expecting to go “bust” within a year would show real urgency. Are the unitary savings from combining five councils into one being driven forward with urgency?

There are big savings in reducing management overheads and rationalising a huge property portfolio. What is the position on management overhead cost reductions, and rationalising or renting out the overlapping property portfolio from five Councils, to raise cash and generate income?

There is a great deal of scepticism about the very high levels of “working from home” in the public sector. Should Councils, like the private sector, be moving to hybrid working where some office-based work is required? If the Council is going to have mostly home-based working, then how many offices are now redundant? A s114 notice could result in 15% council tax rises, huge service cuts to minimum levels, and staff losses with minimal terms and conditions.

Whitehall will send in Commissioners to do the job that this administration is elected to do and the senior officers are paid to manage. Members, the time for urgent action is now.

David Orr then asked the question: A private company expecting to go “bust” within a year would show real urgency. Are the unitary savings from combining five councils into one being driven forward with urgency?

Councillor Liz Leyshon responded:

Thank you for your informed statement with incorporated questions. First, the Month

5 projected outturn has been revised for Executive and now shows a reduced projected overspend due to a reduction in financing costs. However, the figure is still very high, following a year (2022/23) when the budget set by the previous administration was soon proven to be inadequate to deal with the effects of inflation and increased interest rates. That overspend has required the use of £18.7million of reserves. As many Councils across the country and across the political spectrum are finding, it is simply not possible to plan and survive on use of reserves – although the Government would appear to prefer Councils to NOT hold reserves.

The costs of Adults and Childrens social care are indeed the major factor, and it's of great concern to this administration that many of the facilities and services for Somerset residents are not statutory, and therefore less secure, but are hugely important in the prevention agenda. We need to ensure residents can lead healthy, happy and fulfilled lives, in their own homes for as long as possible.

The work with Newton Europe is based on a risk sharing basis, with Newton not finishing until they have delivered the minimum of £10million ongoing savings. Their work is intended to ensure that the numbers of residents coming into residential care do not increase, and that re-ablement becomes the default priority for residents of Somerset.

For Childrens, the work that has been underway for some time with the Shaw Trust is now ensuring that children and young people can return from very expensive unregulated placements to live in Somerset again. The homes of the Homes and Horizons project are purchased by Somerset Council, and as they have no change of use in terms of planning permission, and are improved considerably in their energy ratings, the investments are, one might say, as safe as houses.

Your point about a similar situation in a private company creating a greater sense of urgency is well made, however no sensible company would seek to acquire or merge with four other organisations or companies at the same time. Yet that is what we were required to do, just four years after two other Councils have formed one Council. For a sanity check on that decision, I would refer you to the current Government.

Working from home, or rather hybrid working, has its place in our Council. We also need to recognise that many of our highly valued staff are needed to work in people's homes, on the streets and in our parks and so don't have that choice. For elected Members, the ability to attend some meetings and many briefings on Teams or Zoom is a boon for those who rightly wish to reduce travel, or who have other responsibilities.

As we have understood the need for office space for all 5000+ staff, we have at the same time been able to commence a rationalisation of council buildings.

However, leases to other organisations such as the Police at Deane House and Brympton Way, and other partner and voluntary sector organisations at Shepton Mallet and Bridgwater mean that we are not able to put up the for sale signs until we have a clear plan and are able to work with our partners in the one public estate so that we can all ensure the best possible results – in terms of human resources and capital receipts.

We are well aware, as an administration, of the implications of a Section 114 notice. It is our intention to take the difficult decisions and to set a direction for the new Council with the benefit of our local knowledge and commitment to Somerset, rather than to leave it to Government Commissioners, paid by the people of Somerset, to find a financial answer that does not take into account local commitment and corporate memory.

The next Executive meetings in November and December will be critical in our absolute necessity to lay out our future plans for Somerset Council as we recognise that the local authority world has changed since the One Somerset business case was written.

Nigel Behan from Unite was then asked to read his statement.

Unite is concerned that Somerset Council are at risk of issuing a S114 notice (“effectively bankrupt”) –as many other councils are indicating they may have to do – and not only for shortfalls (and “increasing pressures”) in funding for Childrens and Adults Social Care.

Our members provide vital public services which are important for service users (and also the functioning of the local economy.) Unite is willing to help avoid Somerset Council having to take this drastic step. The prospect of a S114 notice will increase anxiety and uncertainties amongst dedicated staff.

Issuing a S114 notice has a detrimental impact on democratic accountability and local service provision as witnessed in areas where a S114 notice has been issued.

I wish to ask some questions about Agenda Item 6

[External Audit Report on Value for Money Letter to Somerset Council on 2023/24 Financial Stability](#) (6a)

And the additional documents [6b Financial Challenges Report Sept23](#) and [6c Somerset Council Letter October 2023](#)

In Somerset Council’s letter to Nico Heslop Director Local Government Finance Department for Levelling Up, Housing and Communities (6b) it is stated that:

“The key factors in the position for Somerset CC is overspends in both Adults & Health and Childrens & Families of £15.4m and £21.2m respectively, this position is partly offset by £13.2m underspending across the rest of the council.

The total reserves at the start of 2023/24 for Somerset Council were £314.8m. However, £131.2m of this relates to reserves held on behalf of others such as Somerset Rivers Authority, Heart of the South West LEP, Health and Schools. The 2023/24 budget included £19.9m use of reserves being made up of £9.9m for once off funding to support projects and £10m to balance the budget. After taking account of these and other commitments the current position is General Reserves of £49.8m. this is at the high end of our risk-based assessment of General Reserves of between £30m and £50m but is reflective of the significant risks the council currently faces. Total Earmarked Reserves are £104.9m and we are currently undertaking a review of all of them to identify if any can be released and repurposed.”

Nigel Behan then asked the question:

Using the figures in the second paragraph (about General Reserves-GR) then can you supply a breakdown of the what the “other commitments” (total £113.9m) are, leaving the current position of GR at £49.8m?

Councillor Liz Leyson responded:

The amalgamated reserves are currently being reviewed and a paper will come to Executive in early December. The reserves from the five predecessor councils include:

- General Fund Reserves with amalgamated total of £49.8million
- Earmarked reserves that are in effect ring fenced. These reserves are for specific projects or programmes such as the Town Deals or Section 106 agreements
- Earmarked reserves that were identified for council priorities. Some of these may be able to be repurposed, giving the new Council a higher level of resilience but with understanding that those reserves can only be spent once.
- Reserves that are held on behalf of other organisations such as Somerset Rivers Authority, Local Enterprise Partnership, the maintained schools

	£m
Total Reserves	314.8
Reserves held on behalf of others	<u>131.2</u>

Somerset Council Reserves	183.6
Use of Reserves for 2023/24 Budget	<u>19.9</u>
	163.7
Other Commitments	
Newton Europe	7.0
Use of Reserves for 2024/25 Budget (Use of public health reserve, ash die back & highways vegetation)	<u>2.0</u>
	<u>154.7</u>
General Fund	49.8
Earmarked Reserves	<u>104.9</u>
	<u>154.7</u>

Nigel Behan then enquired:

The letter from the Auditors notes: “The Council recognises the significant financial challenges that it faces due to the impact of inflation and increases in demand and cost, particularly in relation to Adults and Childrens Services. The revenue budget forecast for 2023/24 reported to Members in September 2023 was an overspend of £26m. In addition, the medium-term financial strategy report approved in July 2023 forecast funding gaps of £42m in 2024/25 rising to £99m by 2026/27.”

Is it now time to review the commissioning and operations functions in Adult Social Care as a Somerset Council paper noted last winter that the care market was failing (“Competitive Market failure – As an organisation we commission a large amount of our services and that has been a good way of keeping our costs down. We are now seeing a failure of the competitive market across a range of areas but with a particular high impact in social care, with very significant cost increases in Children’s external placements and Adults residential & nursing care. The spiraling costs in these areas are putting the councils’ budgets under significant pressure.”)?

Councillor Liz Leyshon responded:

This Council, and Somerset County Council has for many years used block and spot placements for adult’s social care, and placements for children and young people who are not able to live at home.

For those years, the Somerset market for Adults' placements was providing extremely good value for the Council Taxpayer of Somerset. The impacts of interest rates, Cost of Living, Brexit, Covid, Covid jobs, and the commencement of the Fair Cost of Care exercise as promised by this Government have all been detrimental to the cost of placements, both block and spot.

Further pressures have been caused by what is known as capital drop, where a resident's financial contribution to their own care (known as self funding) ends as their capital is exhausted.

To replace the market would require very considerable capital investment in new fit for purpose buildings, in recruitment and in management. At this stage in the life of the new Somerset Council that would be far beyond the financial capability and human resources available to the Council.

Nigel Behan then asked a further question:

"2023/24 Budget Monitoring We formally report the budget monitoring position to both Scrutiny and the Executive on a monthly basis. Our latest revenue budget monitoring report (Month 5 – End of August) is forecasting an overspend of £30.3m for the year which is a deterioration of £4.2m on the previous month. There are significant forecast overspends in Adults & Health of £14.9m and Childrens & Families services of 11.8m. These overspends reflect the continuing spiralling costs in these sectors which show no sign of abating. We have put in a range of measures across the council to try and address the potential overspends but given that Adults & Childrens make up nearly two-thirds of the total budget, I am not confident we will see a significant reduction." (6b)

Do you anticipate any new/additional funding from central government to address the funding shortfalls/pressures etc in Childrens and Adults Social Care?

Councillor Liz Leyson responded:

The Month 5 has been revised for the Executive meeting on 8th November and now shows a reduction in projected overspend due to cost of financing being lower than previously forecast.

However, the projected overspend is still very high. My expectation is that the overspend will be covered in three ways, with the relevant proportions to be determined in the outturn for 2023/24:

- In year savings, with all directorates now understanding the scale and immediacy of the new Council's financial challenge
- Some use of reserves
- And a hoped-for allocation from Government for all upper tier authorities towards the increased demand and cost of Children's Services and Adults' Social Care. This is traditionally published on the Thursday before Christmas, if it is published later (in the New Year) then it will make the budget setting process even more difficult.

The Chair then responded that if David Orr or Nigel Behan wished to ask any supplemental questions, they should put them in writing and he would ensure that they receive a written response.

The S151 Officer then went on to present his report highlighting the features that the new council has inherited and the difficulties around each legacy district.

He pointed out that Somerset was not alone in the UK where a S114 Notice had to be issued. However, Somerset were being transparent about a S114 Notice being imminent so as to avoid any surprises if it were to actually be issued. Somerset Council were being above board and transparent.

The Key Audit Partner at Grant Thornton explained that they had maintained ongoing discussions regularly both prior to the inception of the Council and in the months after its inception. He gave his assurance that they had been keeping abreast of the developing situation with regard to the financial position of the Authority. He confirmed that as soon as the S151 Officer alerted them to the fact that a S114 Notice may be necessary they considered their statutory responsibilities in determining whether or not they needed to exercise formal powers, recognising the gravity of the situation.

The Key Director Grant Thornton further stated that they instead of exercising their statutory responsibilities, they had decided to formally put on record their concerns that the Council needed to take urgent action and that this would be embedded and understood across the organisation. He agreed that they did recognise that this was a new Authority and forming its new arrangements, but it needed to move at a pace to make sure that sustainable financial savings could be delivered whilst maintaining the quality of public services which are so important to local residents.

He further asserted that this was not just a Somerset issue and that Local Government were facing a period of significant challenge and that the Somerset Council will draw on the experiences of other Councils who have had to face this before.

The above notwithstanding, Grant Thornton would continue to review the progress

that was being made by the Council to both address the in year deficit and al the budget gap going forward.

The S151 Officer affirmed the importance of communication. It was suggested that that a proper response be sought from Central Government as Central Government placed Somerset Council in this position.

There was a query surrounding the capital program and whether these were funded by government? Special mention was made of the Glastonbury Town Deal and the levelling up project in Bridgewater.

Councillor Liz Leyson responded that these funds were ringfenced in the reserves. These projects had been descoped in order to stay within that allocation. Furthermore, they have been able to raise funds in order to keep the ambition of their project. These projects will therefore not be stopped.

After some deliberations it was agreed that an additional Audit Committee meeting in December with only one item on the agenda, to consider financial stability in the Council. This was approved by the Deputy Monitoring Officer. It was suggested that Scrutiny be included in this meeting as well as all Directors and Members.

A question was posed as to whether the Council would be able to look at borrowing the money and if refinancing options could be taken taking into account as the council was in financial difficulties and should be treated with forbearance.

The S151 Officer confirmed that this was one of the areas being looked at with Treasury Management but if the Council was to approach the Government for financial support they would be charged an extra 1% interest on the borrowing.

The Chair undertook to write formally to the S151 Officer and reflect the concerns of the Audit Committee.

The Audit Committee **RESOLVED:-**

To consider the issues raised by the Section 151 Officer in his letter to DLUHC concerning the financial challenges faced by Somerset and agreed to hold an additional meeting in December, along with Directors, to look at and review the current position. The request for an additional meeting was agreed to by the Deputy Monitoring Officer and a date will be advised as soon as possible.

- To note the findings from Grant Thornton following the letter to DLUHC

concerning Somerset Councils Financial Sustainability and the Chair confirmed that he would formally write a letter to the S151 Officer reflecting their concerns.

44 Internal Audit Progress Report for Somerset council 2023/24 - Agenda Item 7

The Assistant Director SWAP presented his report highlighting the fact that governance assurance is going to be key.

The Assistant Director SWAP gave his assurance that there were no adverse audit opinions which needed to be brought to the Committee attention since the last meeting.

He confirmed that he would be meeting with the Executive Director Resources and Corporate Services and the Service Director Finance and Procurement to discuss what some of the priorities are to focus on.

He reported that there are some issues around cybersecurity and there is some work to be done around children's services.

The Independent Member asked if more information could be provided around sector internal audit standards and to report on the scope of the objective of the audit. She pointed out that results needed to be communicated and requested that the details of the findings be included to give the Audit Committee assurance. She further queried if there was a policies and procedures and framework in place and to get an update on that in order to monitor the agreed actions to design a plan to state what the findings were, the agreed action and the due date and whether management was implementing the internal audit findings.

The S151 Officer confirmed that there was a Member's briefing on this and that the slides will be resent to all Members.

The Audit Committee noted the position of the 2023-24 Internal Audit Plan and confirmed that they would take into account the concerns raised surrounding prioritisation of strategic risks and the addition of new items.

45 External Audit Findings Report for South Somerset District Council 2021/22 - Agenda Item 8

The Director and Public Sector Accounting Head of Audit Quality introduced the report highlighting the fact that there were still a number of areas outstanding and

that the audit opinion could not be signed yet.

The key issue is around property valuations and valuation of investment properties and Grant Thornton were expecting a response on that in the next few days.

There were a number of amendments to the accounts which were processed. None of which had a significant impact on the financial position reported with the comprehensive income and expenditure account and the largest related to the pension fund revaluation.

The Public Sector Audit Senior Manager then gave an update on the current position and outstanding matters.

The Chair indicated his disappointment that the accounts had not been finalised.

The Audit Committee **RESOLVED:-**

Councillor Tim Kerley proposed the amendments to the South Somerset District Council 2021/22 Audit Findings Report which was seconded by Councillor Simon Coles.

Having been duly proposed and seconded the Audit Committee **RESOLVED** to approve the South Somerset District Council 2021/22 Audit Findings Report subject to the amendments.

Councillor Mandy Chilcott proposed the substantive changes to the South Somerset District Council 2021/22 Audit Findings Report which was seconded by Councillor Simon Coles.

Having been duly proposed and seconded the Audit Committee **RESOLVED** to approve the South Somerset District Council 2021/22 Audit Findings Report subject to the substantive changes.

The Audit Committee noted the additional fees as set out in the attached Appendix.

Councillor Tim Kerley proposed delegating approval for the South Somerset District Council 2021/22 statement of accounts to the Executive Director Resources and Corporate Services in conjunction with the Chair or Vice-Chair, once any outstanding matters have been resolved which was seconded by Councillor Simon Coles.

Having been duly proposed and seconded the Audit Committee **RESOLVED** to delegate approval for the South Somerset District Council 2021/22 statement of accounts to the Executive Director Resources and Corporate Services in conjunction

with the Chair or Vice-Chair, once any outstanding matters have been resolved.

Councillor Tim Kerley proposed the approval of the South Somerset District Council Letter of Representation 2021-22 subject to there being no material changes to the accounts which was seconded by Councillor Simon Coles.

Having been duly proposed and seconded the Audit Committee **RESOLVED** to approve the South Somerset District Council Letter of Representation 2021-22 subject to there being are no material changes to the accounts.

46 External Audit Findings Report for Somerset West & Taunton 2022/23 -
Agenda Item 9

The Manager for Public Sector Audit presented the report highlighting the fact that the audit was substantially complete and the audit opinion will be unqualified.

She went on to explain that the report highlighted that the value for money work was not yet complete and the auditors annual report would be issued later in the year and there was a letter explaining this delay sent to the Chair and was included in the report.

The report showed two significant risks, the valuation of investment property and the valuation of land and buildings which resulted in some material changes to the accounts being made. Revisions had to be made in the fixed asset register to adjust the financial statements.

The question was asked why the material requirements planning (MRP) was lower.

The Case Officer Support Services explained that it was not surprising that the MRP is lower as year on year it goes up or down. The MRP is based on the close imbalance of the capital finance requirement each year when the budget is set based on the capital budget and the estimated borrowing that was planned. As often was the case the borrowing may not materialise. The Case Officer Support Services explained that was how MRP worked in general. The specifics on why it went down for Somerset West and Taunton, he would need to take away and provide a written response to the committee once he had the details.

It was queried as to why the Brewhouse was not included before and the Case Officer Support Services confirmed that this was because it was leased with a third-party organisation. The agreement previously was that it would be included at 0 value and this was at the discretion of Somerset West and Taunton. It was now

reviewed because of the responsibility of the Council around maintenance of the building and in his view it was incorrectly included at 0 value and therefore should be revalued and included at its proper value as per a professional value estimate. This had to be included in for this year and done as a prior period adjustment which could not go back longer than one year.

The Audit Committee **RESOLVED:-**

Councillor Mandy Chilcott proposed the amendments to the audit findings report for Somerset West & Taunton Council 2022/23 which was seconded by Councillor Mike Caswell.

Having been duly proposed and seconded the Audit Committee **RESOLVED** to approve the Audit Findings Report for Somerset West & Taunton Council 2022/23 subject to the amendments.

Councillor Andy Sully proposed delegating approval for the Somerset West & Taunton for 2022/23 statement of accounts to the Executive Director Resources and Corporate Services in conjunction with the Chair or Vice-Chair, once any outstanding matters have been resolved which was seconded by Councillor Tim Kerley.

Having been duly proposed and seconded the Audit Committee **RESOLVED** to delegate approval for the Somerset West & Taunton for 2022/23 statement of accounts to the Executive Director Resources and Corporate Services in conjunction with the Chair or Vice-Chair, once any outstanding matters have been resolved.

Councillor Norman Cavill proposed the Somerset West & Taunton for 2022/23 Letter of Representation 2021-22 subject to there being no material changes to the accounts which was seconded by Councillor Andy Sully.

Having been duly proposed and seconded the Audit Committee **RESOLVED** to approve the Somerset West & Taunton for 2022/23 Letter of Representation 2021-22 subject to there being are no material changes to the accounts.

The Audit Committee noted the additional fees as set out in the attached appendix.

47 External Audit Update for Sedgemoor District Council 2021/22 - Agenda Item 10

The Director and Public Sector Head of Audit Quality gave a verbal update of the planned scope and timing of the statutory audit for Sedgemoor District Council 2021/22 audit for those charged with governance and assured the Audit Committee

that the accounts would be ready for signature on 31 October 2023.

The Audit Committee noted the verbal update for Sedgemoor District Council Statement of Accounts 2021/22 being signed on 31st October 2023.

48 Strategic Risk Management Update Report - Agenda Item 11

The Equalities and Risk Manager presented the report highlighting that there were risks around commercial investment and the cause is rising, interest rates increase, borrowing and debt. The reason for the cause was significant because of the short term borrowing and this seemed to be causing a lot of challenge.

It was agreed that the controls should be presented in a better way so that they are more easily understood.

There was new software and JCAD system in use which the Committee would like to have a run through on and to see how it would benefit the Committee.

The Audit Committee noted the Strategic Risk Management Update Report agreeing that the new Independent Member of the Audit Committee receive the new JCAD system training.

49 Audit Committee Work Plan to May 2024 - Agenda Item 12

The Chair went through the document setting out the workplan items for the year ahead and raised his concerns about a heavy agenda for January.

The Audit Committee noted the Workplan and **RESOLVED:-**

- To hold an additional meeting in December
- To manage the workload of the extremely heavy agenda in January and plan accordingly.

(The meeting ended at 1.17 pm)

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CHAIR