



**Audit Committee**

**16:30 to 18:00**

**Monday, 23 February 2026**

Present: Councillors Schmierer (Chair), Driver (Vice-Chair), Bolton, Kendrick, Lawes, Packer, Price, Wright and David Harwood (Independent Member)

Apologies: None

In attendance: Emily Yule, Executive Director of Resources  
Jan Robinson, Head of Legal and Governance (Monitoring Officer)  
Isabel Brittain, Interim Director of Finance (s151 Officer)  
Robert Mayes, Head of Finance, Audit and Risk  
Teresa Sharman, Head of Internal Audit  
Anthony Wiggins, Director of Property (Housing)  
Robert Carmichael, Democratic Services Manager

**36. Declarations of Interest**

36.1 There were no declarations of interest.

**37. Public Questions / Petitions**

37.1 There were no public questions or petitions.

**38. Minutes**

38.1 **RESOLVED** that the public and exempt minutes of the meeting on 21 October 2025 were confirmed and signed as a true record.

**39. Statement of Accounts, 2024-25**

39.1 (The Chair agreed to take this item early)

39.2 The Chair invited the Interim Director of Finance to address the Committee. The Interim Director of Finance stated that Item 7 on the agenda, the



Statement of Accounts 2024-25, had been withdrawn from the meeting by officers in consultation with the Chair.

- 39.3 The Interim Director of Finance explained that the delay was primarily related to the final reporting outcomes and their timeliness. Officers had been waiting for a report from the external auditor, Ernst & Young, and there were several technical points within the report that were not consistent with the Council's own knowledge and experience. In addition, the report was received late. Therefore, in consultation with the Chair of the Committee, officers agreed to withdraw the Statement of Accounts from the meeting and schedule it on the Work Programme for the Audit Committee's meeting on 10<sup>th</sup> March 2026. As such, the Council would not comply with the statutory audit backstop date of 27 February 2026. The Interim Director of Finance detailed that the Council was therefore be required to publish an explanation on the Council's website and submit an explanation to the Ministry of Housing, Communities and Local Government (MHCLG).
- 39.4 The Interim Director of Finance noted that officers and the external auditor continued to work collaboratively to complete outstanding audit areas and a revised report would be shared with the Committee in advance of the meeting on 10 March 2026. She added that any learning and improvements would be reflected as an addendum to the Annual Governance Statement. She stated that the Council was committed to publishing the Statement of Accounts as soon as possible.
- 39.5 The Chair thanked the Interim Director of Finance for the update. The Chair invited the Committee to ask questions.
- 39.6 In response to a Member's question, the Interim Director of Finance clarified that the technical issues within the report from Ernst & Young did not relate to the Council's wholly owned companies specifically. She explained that officers received a report from Ernst & Young on the evening of Wednesday 18 February 2026 and additional information was received on Friday 20 February 2026. The contents of the report required review from officers and the Cabinet Member for Finance and Major Projects. The lateness of the report meant that there was not enough time to complete the reviews and publish the report for the Audit Committee in a timely manner.
- 39.7 A Member sought assurance that the delay would not result in negative consequences for the Council. The Interim Director of Finance explained that the report was delayed by two weeks, which she did not believe would have a negative impact on the Council's position. The delay was not a reflection on the Council's financial resilience.



- 39.8 In response to a Member's question, the Interim Director of Finance stated that she was confident that officers had responded to queries from the external auditor in a timely manner.
- 39.9 A Member asked how the Audit Committee would be able to approve the Annual Governance Statement in the meeting, given that an addendum would be added. The Interim Director of Finance explained that she hoped the Committee would be able to consider the Annual Governance Statement as it was presented in the report, with the caveat that an addendum would follow. She explained that once the final report was received from Ernst & Young, the Committee would be asked to agree to its addition to the Annual Governance Statement.
- 39.10 The Committee sought assurance that a delay would not occur again in the future. The Interim Director of Finance detailed that officers would consider lessons learned and noted that the report had highlighted areas for officers to reflect on. She stated that the Council was committed to working with the external auditor.
- 39.11 The Interim Director of Finance agreed to discuss the technical areas in the report which had contributed to the delay when the final report was presented at the meeting of the Committee on 10<sup>th</sup> March 2026.
- 39.12 The Chair thanked the Interim Director of Finance for the update and noted that the Statement of Accounts 2024-25 report had been withdrawn from the meeting.

#### **40. Progress Report on Internal Audit Activity**

- 40.1 The Head of Internal Audit introduced the report, which was the first progress report of the 2025/26 Audit Plan. Six final reports were included in the update, five of which had positive assurances of either 'substantial' or 'reasonable'. The Corporate Governance (Transparency Act) Audit had 'limited' assurance.
- 40.2 The Head of Internal Audit informed Members that the Planned Housing Maintenance Audit had progressed to draft stage, and that all the audits had started except Key Financial Controls which would start in March 2026. The Application Audit (CRM) was cancelled as the Council did not update the system and the Housing Delivery (Nutrient Neutrality) was deferred as the Planning Framework was expected to change. Both the Leasehold Management and Housing Services audits were deferred due to the social housing regular inspection which duplicated much of the audit scope.



- 40.3 The Head of Internal Audit highlighted a table in the report which demonstrated the Council's progress in implementing recommendations. She noted that 12 recommendations were passed their due date and updates from management on the implementation of those recommendations were detailed in the report.
- 40.4 The Chair invited Members to discuss the report.
- 40.5 A Member noted that the Application Audit (CRM) had been cancelled and sought assurance that the system that was in place was adequate and did not expose the Council to additional risk. The Executive Director of Resources explained that the Council's Customer Relationship Management system (CRM) was fully functional and the Council continued to work on software enhancements for staff. She stated that the Council was not exposed to risks and the system supplier had confirmed that the system was supported.
- 40.6 Discussion ensued on the Corporate Governance (Transparency Act) audit which had received 'limited' assurance. A Member asked how long weaknesses around senior ownership and oversight has been present. The Head of Legal and Governance (Monitoring Officer) clarified that since joining the Council, she and other officers had completed a robust review. She had welcomed the audit as an opportunity to provide independent assurance and oversight, and officers had worked diligently since to ensure that they complied or were nearly at compliance.
- 40.7 In response to a Member's question, the Head of Legal and Governance (Monitoring Officer) detailed that the Local Government Transparency Code came into effect in 2015. Data collection at the time was ad hoc and there was not a definitive officer in charge, which had since been rectified. The Head of Legal and Governance (Monitoring Officer) highlighted the Council's new webpage which supported the public to find open data information. The webpage ensured that data was easy to access and had led to a positive knock-on effect on Freedom of Information (FOI) requests received by the Council.
- 40.8 A Member sought assurance that the 'limited' assurance on the Corporate Governance (Transparency Act) audit and the issues highlighted were not symptomatic of wider weaknesses in governance controls across other Council service areas. The Head of Legal and Governance (Monitoring Officer) detailed that work had taken place across all service areas to be compliant. The Council's Assurance Board met regularly and ensured that proper governance was in place and was reviewed.



- 40.9 A Member enquired about the onward reporting of the Assurance Board. Discussion ensued on how the Audit Committee was able to gain assurance of the work of the Assurance Board. The Head of Legal and Governance (Monitoring Officer) detailed quarterly performance reports were presented to Cabinet. It was also possible for the Scrutiny Committee and the Audit Committee to review the reports as part of their Work Programme at their request. The Executive Director of Resources added that the Assurance Board was predominantly an officer management space, in which the Council's leadership sought to ensure that the organisation was running in a healthy way. A significant amount of the information that was presented to the Assurance Board was also presented to the Cabinet in various reports, such as an annual Health and Safety report, as well as Risk Management reports which were presented to the Audit Committee on a quarterly basis. In sum, the Executive Director of Resources clarified that there were existing routes for information to be shared and noted that the Scrutiny Committee had the ability to review all items that were on the Cabinet agenda.
- 40.10 In response to a question from the Independent Member, officers highlighted that the report detailed that several audits were allocated a low priority status. The report demonstrated that there were no days available to complete low priority audits on Council Tax and NNDR, Learning and Skills, Environmental Services and Allotments. Advisory work that was included in the Internal Audit Plan on Organisational Development and Corporate Strategy and Performance were no longer required.
- 40.11 The Head of Internal Audit clarified that the Internal Audit Plan was flexible. Audits were increasingly in-depth and required more days to complete, which resulted in movement elsewhere in the Plan. Budget was also a factor. Reviews were completed every quarter and discussed at the Assurance Board. The Head of Internal Audit stated that she was happy with the final Plan, which used all of the available budget and the audit days that the budget was able to afford.
- 40.12 The Head of Internal Audit detailed that the urgent actions on the Corporate Governance (Transparency Act) had been completed.
- 40.13 Discussion ensued on the Homelessness & Temporary Accommodation audit. The Independent Member noted that the audit identified one instance of a delayed payment from a sample of three, which resulted in a recommendation to introduce a system to record and flag invoice due dates. The Independent Member questioned whether the sample of three was sufficient to result in that recommendation. The Head of Internal Audit agreed to investigate it and share a response to all Members of the Committee outside of the meeting.



- 40.14 Discussion ensued on the Housing Health and Safety Statutory Compliance Checks audit and Fire Risk Assessments (FRAs). In response to a question from the Independent Member, the Head of Internal Audit clarified that fire risk assessments were required for 12 properties out of a sample. The Director of Property (Housing) added that actions had been completed on the FRAs.
- 40.15 (Councillor Kendrick left the meeting)
- 40.16 Discussion continued on the Housing Health and Safety Statutory Compliance Checks audit. A Member noted that the report stated that the contract held with Gasway Services Limited relating to gap compliance was not found by the Council as part of the audit. He sought assurance that there were not issues with contract management across the Council and raised concerns that the Procurement team did not have a copy of the contract. The Executive Director of Resources was unable to comment on the historic position of contact management, but assured the Committee that a centralised procurement function had since been established and the Procurement team were involved in all procurement, including low value procurements through to major contracts. The Council's contract register was monitored by the Procurement team and the management of each individual contract fell to the manager within that service area. Guidance had been produced centrally, meaning that the Council had a consistent approach.
- 40.17 In response to a Member's question, the Executive Director of Resources detailed that in the procurement process, the Commissioning Manager who was responsible for the contents of the tender and the ongoing management of the contract. The Procurement team offered support, which included steps to ensure that there was a compliant tender process if required or compliant buying process if it was a smaller value contract. A Member thanked officers for the assurance on contract management, which had previously been highlighted as a weakness by the Audit Committee.
- 40.18 A Member raised concerns that longer internal audits did not provide a wider view of risks to the Council and questioned whether the Council had allocated enough budget to the Internal Audit Plan. The Head of Internal Audit detailed that the budget for internal audit was approximately £100,000 and contractors costed approximately £500 a day, which marked an increase from previous years. She explained that a key consideration was to balance the cost with assurance and that it was likely that the Internal Audit Plan would remain oversubscribed, meaning that audits needed to be prioritised and lower-priority audits would likely fall off the Plan dependent on budget. The Head of Internal Audit acknowledged there were difficult decisions to make. The Interim Director of Finance noted that the budget for internal audit had not



changed in the 2026-27 Budget, however she and the Head of Internal Audit had discussed audit planning for the next year. She agreed that prioritisation was crucial as well as communication with the Audit Committee about prioritisation and changes to the Plan. The Member thanked officers for the response and noted that it did not negate the concern that the Council was not getting enough coverage in the Internal Audit Plan as required.

40.19 In response to a Member's question, the Head of Internal Audit noted that as the Council had developed a Risk Appetite Statement in 2025, the Internal Audit Plan would be able to take that into account going forward. The Executive Director of Resources noted that in developing the 2025-26 Internal Audit Plan, officers did look at the Council's Corporate Risk Register and considered elements that were of greatest risk to the organisation and where there was assurance. However, risk-based auditing was one element of the overall assurance picture.

40.20 The Chair noted that he had discussed concerns with officers related to procurement and tendering. He queried whether there needed to be contingency and scope within the Internal Audit Plan to address issues as they emerged and suggested that the Committee needed to consider that once they were presented with the Internal Audit Plan 2026/27 in the new Civic Year.

40.21 The Head of Internal Audit advised that she would be able to deliver a session to the Committee on the Audit and Risk Universe and the Committee agreed that they would like to receive that prior to the 2026-27 Civic Year.

40.22 **RESOLVED** to:

- 1) Note and review the progress with the delivery of the 2025/26 Internal Audit Plan, progress with implementing recommendations and agree the changes to the Plan detailed on page 2 and 3 of the report.
- 2) Note the following actions:
  - A) The Head of Internal Audit to provide a response outside of the meeting, detailing why a sample of three payments was selected on the Homelessness and Temporary Accommodation audit and whether this was sufficient.
  - B) The Head of Internal Audit to provide a training session to the Audit Committee on the Audit and Risk Universe before the start of the 2026-27 Civic Year.



**41. Annual Governance Statement, 2024-25**

- 41.1 The Interim Director of Finance introduced the report which was initially presented to the Committee on 21 October 2025. The Interim Director of Finance thanked Members for their feedback and suggestions that were shared at the meeting and via email. Considerable amendments had been made to the Annual Governance Statement (AGS) and further suggestions from the Committee would be considered for the next AGS.
- 41.2 The Independent Member noted that the AGS and the Council's Code of Corporate Governance did not contain reference to the CIPFA Code of Financial Management. The Interim Director of Finance agreed to review the AGS to check if it was referenced. She added that a Self-Assessment exercise would be scheduled for the Audit Committee before the end of the Civic Year.
- 41.3 A Member noted that the AGS referred to the 'limited' assurance position for Lion Homes and the subsequent Lessons Learned report that was to be provided. He requested that the report explained why the Lion Homes Shareholder Panel did not meet frequently throughout 2024-25. The Executive Director of Resources confirmed that it would be addressed in the report. In response to a Member's question, the Executive Director of Resources also confirmed that Members of the Audit Committee or Scrutiny Committee were able to request access to additional documents, such as the minutes of the Lion Homes Shareholder Panel.
- 41.4 In response to a question from the Chair, the Head of Internal Audit confirmed that she was comfortable with the 'limited' assurance position on Lion Homes and there was no change to her opinion.
- 41.5 The Committee thanked officers for responding to their feedback and looked forward to seeing how their feedback would be implemented in future versions of the AGS.
- 41.6 **RESOLVED** to:
- 1) Agree the draft Annual Governance Statement.
  - 2) Note the following action: The Interim Director of Finance to confirm whether the AGS included reference to the CIPFA Code of Financial Management.
- 41.7 The Committee noted that an addendum to the Annual Governance Statement would be presented to them at their meeting on 10 March 2026 for agreement.



## **42. Statement of Accounting Policies and State of External Audit**

- 42.1 The Head of Finance, Audit and Risk introduced the report. The report reviewed the accounting policies that were used for the 2025-26 Statement of Accounts. In preparing the report, officers reviewed accounting policies in conjunction with other information, such as publications from CIPFA or Ernst and Young and amended the policies accordingly. The Head of Finance, Audit and Risk noted that three changes were proposed, as detailed in the report.
- 42.2 The Chair asked if the changes to the depreciation for vehicles policy and the disposals policy regarding HRA assets would impact the Council's balance sheet. The Head of Finance, Audit and Risk explained that any impact on the balance sheet would be minimal. The purpose of the changes was to create a consistent policy.
- 42.3 The Chair sought assurance that the Statement of Accounts publication deadline would be met in 2026-27. The Head of Finance, Audit and Risk explained that his team was committed and engaged in the Statement of Accounts process and noted that the single entity accounts for 2024-25 were produced on time. The Head of Finance, Audit and Risk assured the Committee that he was confident that a robust process was in place to ensure that deadlines were met going forward.
- 42.4 **RESOLVED** to note and approve the accounting policies for use in the preparation of the 2025-26 statement of accounts.

## **43. Work Programme**

- 43.1 The Democratic Services Manager introduced the Work Programme. He noted that the Statement of Accounts 2024-25 would be presented to the Committee at the meeting on 10 March 2026, as agreed by the Committee. The Committee meeting on the 10 March 2026 would be followed by a training session on Internal Audit Standards, delivered by the Head of Internal Audit.
- 43.2 In response to a question from the Independent Member, the Head of Internal Audit explained that the gap analysis was completed in January 2026 and she suggested that it be placed on the Work Programme in the summer of 2026.
- 43.3 In response to a Member's question, the Head of Legal and Governance (Monitoring Officer) agreed to ensure that the Committee reviewed its terms of reference in the next Civic Year, 2026-27.
- 43.4 **RESOLVED** to:



- 1) Agree the Work Programme.
- 2) To note the following actions:
  - A) Officers to schedule the gap analysis report from the Head of Internal Audit to a meeting of the Committee in the Summer of 2026.
  - B) The Head of Legal and Governance (Monitoring Officer) to present a reviewed terms of reference for the Committee in the 2026-27 Civic Year.

CHAIR