

**AUDIT COMMITTEE
13th January, 2026**

Present:- Councillor Baggaley (in the Chair); Councillors Allen, Blackham, Elliott and McKiernan and Michael Olugbenga-Babalola and Alison Hutchinson (Independent Persons).

Greg Charnley, Grant Thornton (External Auditors) was also in attendance.

58. DECLARATIONS OF INTEREST

There were no Declarations of Interest made at the meeting.

59. QUESTIONS FROM MEMBERS OF THE PUBLIC OR THE PRESS

There were no members of the press and public in attendance at the meeting nor had any questions been received in advance of the meeting.

60. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for Minute Nos. 67 (Corporate Strategic Risk Register Update), 68 (Risk Management Directorate Presentation - Finance and Customer Services), 69 (Risk Management Presentation - Assistant Chief Executive's Directorate) and 70 (Progress report on Riverside House Building Security and ID Badge Controls) as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

61. MINUTES OF THE PREVIOUS MEETING HELD ON 25TH NOVEMBER, 2025

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 25th November, 2025.

Resolved:-

That the minutes of the previous meeting of the Audit Committee be approved as a correct record of proceedings.

Arising from Minute No. 54 (Environment and Regeneration Directorate Risk Register), it had been confirmed that the following risk had been added in December 2025 and approved at the Directorate Leadership Team risk review meeting on 18th December, 2025:-

Risk RE66/CSS55:-

- Business Objective - Delivery of the waste transformation project, including optimisation of routes and rounds
- Risk Detail:- Risk of failure following the delivery of new terms and conditions, route optimisation, and cultural change
- Consequence/Effect - Risk of claims in relation to employment practices as well as a fundamental risk to the Council's ability to run the Service will lead to loss of confidence to the public and financial implications for the Council

62. EXTERNAL AUDITOR - UPDATE

The Chair invited Greg Charnley, Audit Senior Manager, Grant Thornton, to provide an update on the current position with regard to the External Audit.

There was nothing to report to the Audit Committee at the present time.

63. CLOSURE OF THE ACCOUNTS 2025/26

Consideration was given to a report and appendices presented by the Head of Corporate Finance on the closure of the accounts 2025/26.

The Accounts and Audit (Amendment) Regulation 2024 extended the deadline for the publication of final audited accounts to 31st January 2027 for the 2025/26 accounts and then 30th November 2027 for 2026/27 and 30th November 2028 for 2027/28 accounts. The draft accounts were required to be published by 30th June 2026 for 2025/26 accounts. The Regulations had been introduced to address the national backlog of local authority audits.

In line with best practice, the Council's financial reporting timetable remained in line with the 2024/25 timetable which included publishing draft accounts by the end of May 2026 (presented to Audit Committee in June 2026) with the fully audited accounts to be published in November 2026 following approval at the November Audit Committee. However, this depended upon the available capacity of the Council's auditors.

The key accounting issues and main changes to the accounts in 2025/26 were set out in Appendix A to the report.

The Council's Statement of Accounting Policies (Appendix B) was reviewed and updated where necessary.

Discussion ensued with the following issues raised/clarified:-

- The general audit plan was due to be completed by April/May 2026 which would contribute to setting the materiality level for the accounts.
- Infrastructure Assets and the move by the previous Government to bring in full accounting for highways infrastructure assets was considered from the perspective of whether work had been done to ensure a clean position for the relevant period. At the time of reporting, Officers were working on the detail of the spend and intending to build upon this to include as much detail as possible.

Resolved:-

- (1) That the timetable for the production of the Council's financial statements be noted.
- (2) That the key accounting issues and main changes to the accounts in 2025/26, as listed in Appendix A submitted, be noted.
- (3) That the Council's revised Account Policies, attached at Appendix B submitted, be noted.

64. EXTERNAL INSPECTIONS, REVIEWS AND AUDITS UPDATE

Consideration was given to a report presented by Fiona Boden, Head of Policy, Performance and Intelligence, which provided details of recent external inspections, reviews and audits as well as a summary of progress against the recommendations from all external inspections, reviews and audits setting out details of arrangements for ensuring the accountability and governance around their implementation.

Since the last report to Committee in July 2025, 6 new external inspections, reviews and audits had taken place. In total 7 recommendations or areas for improvement had been completed since the last report, 29 recommendations or areas for improvement which remained ongoing, and one was yet to start. Of those ongoing, 6 were delayed, with one delayed by more than 12 months. The reasons for the delays were summarised within Appendix 1 of the report submitted.

Discussion ensued with the following issues raised/clarified:-

- The significant delay in relation to the Ofsted Focussed Visit – Officers advised that further information would be provided to the Chair, in writing, with the timescales for expected completion following consultation with CYPS
- Whether the Prevention of Future Deaths Report as recently presented to the Improving Lives Select Commission and the Coroners findings should be considered by the Audit Committee from a risk management perspective. It was clarified that the Council's response was a matter of public record, there were no additional steps that the

Council needed to take arising from that. Whilst it was acknowledged that the report taken to scrutiny included an action plan, these were broader improvement objectives. Officers agreed to consider, in conjunction with the Service and the Audit Committee Chair, how this Committee could be provided with appropriate reassurances in relation to this matter

Resolved:-

(1) That the recent external inspections, reviews and audits which have taken place and the progress made in implementing the recommendations since the last report in July 2025 be noted.

(2) That the governance arrangements that were currently in place for monitoring and managing the recommendations be noted.

(3) That the Audit Committee continue to receive regular reports in respect of external inspections, reviews and audits and the progress made.

(4) That the Audit Committee Chair receive written information relating to the significant delay in relation to the Ofsted Focussed Visit and expected timescales for completion following consultation with CYPS.

(5) That clarity regarding the Prevention of Future Deaths report and Coroner's Report follow-up action and how relevant reassurances could be provided to the Audit Committee would be considered by relevant Officers in conjunction with the Service and the Audit Committee Chair.

65. SECTION 17 PAYMENTS AND REDUCTION IN CASH PAYMENTS PROJECT

Stuart Williams, Assistant Director Children's Social Care, presented a report on the actions taken and progress made relating to the implementation of the recommendations from the partial assurance Internal Audit report on Section 17 Payments and Reduction in Cash Payments Project.

Section 17 (S17) of the Children Act 1989 defined the duties of a local authority in safeguarding and promoting the general welfare of a child in need. Financial assistance in terms of goods or services, or in exceptional circumstances cash, could be provided to a child, parent or carer to address the identified needs to safeguard and promote a child's welfare where there was no legitimate source of financial assistance or prevent a child entering local authority care.

The Audit gave a 'Partial Assurance' and provided 6 recommendations for implementation 4 of which had been completed with the outstanding 2 scheduled for completion by the end of January, 2026.

Discussion ensued with the following issues raised/clarified:-

- The process for making payments either by bank transfer or in cash, the checks and balances in place at various financial thresholds, the most frequent/likely reasons for such payments being required and the arrangements in place to ensure that sufficient funds were maintained for cash transactions in a secure manner.
- The draft status of the associated policy dated 2019, the steps in place within Service specifically and throughout the Council more broadly to ensure that policies were managed effectively, including reviews and renewal in a timely manner. It was clarified that this was managed via the Council Policy Register.

Resolved:-

That the report be noted.

66. AUDIT COMMITTEE FORWARD WORK PLAN

Consideration was given to the proposed forward work plan for the Audit Committee for March 2026 to January 2027. The plan showed how the agenda items related to the objectives of the Committee. It was presented for review and amendment as necessary.

Resolved:-

That the Audit Committee forward work plan, as now submitted, be approved.

67. CORPORATE STRATEGIC RISK REGISTER UPDATE

Consideration was given to the report presented by Fiona Boden, Head of Policy, Performance and Intelligence, which detailed the Corporate Strategic Risk Register update.

The report summarised the principal risk management activity that had been carried out within the Council since the last report to the Committee in July (Minute No. 35 refers). It also summarised the key movements in Strategic Risks that have occurred over the period and updated the Committee on the current risks on the Corporate Strategic Risk Register (CSRR).

As set out in the Risk Management Policy and Guide, individual Service Management Teams and Directorate Leadership Teams had reviewed their risk registers in line with the Risk Management Policy and Strategy. Typically, teams reviewed their registers every 4 to 12 weeks dependent upon the individual meeting cycle and the significance of the risks they were managing.

The Corporate Strategic Risk Register had been formally reviewed by the Strategic Leadership Team and a regular cycle of quarterly reviews had been in place throughout the financial year. The Corporate Improvement and Risk Manager, through the Risk Champions, ensured updates were obtained from all risk owners, reviewed each update and drew attention to issues or missing risk register updates.

The current “heat map” for the strategic risks included in the update of the register were set out in the report submitted. Movements in the heat map were compared to the risks reported in July 2025 which showed one risk had been removed and 3 risks added. There had been minimal movement in the register with only 2 risks (SLT36 and SLT07) increasing in risk score.

In general terms, strategic risks changed more slowly over time than operational risks. Since July 2023, 33% of risks monitored at a strategic level had reduced in assessed level, 33% had remained stable and 33% had either increased or were new to the register. This showed that the Council's overall risk position was broadly stable.

Appendix 1 of the report submitted showed the full CSRR as at 8th December 2025, the current mitigations in place and makes clear what mitigations were still to be delivered. The document also set out the current target level of risk for each risk. The final column was an expression of the Council's risk appetite for that risk.

In total there remained 16 risks on the register.

Discussion ensued with the following issues raised/clarified:-

- The range of projects commissioned intended to enhance and improve community cohesion. The Committee was advised that a breakdown of the funding allocated to those projects was available and could be shared with the Committee if required
- Whether there was likely to be any improvement in the position in relation to SLT36, carbon emissions. Whilst significant movement was not anticipated, the Council remained committed to work as effectively as possible to make progress in line with the resource available. The reasons for the change in the risk score were explored, which included unforeseen changes which impacted upon the predications on which projections were based along other factors outside the Council's control
- The increase in Health and Safety related risks and how these were arrived at. The departure of the Assistant Chief Executive resulted in the realignment of some risks under the control of the Strategic Director of Finance and Customer Services. Some transferred risks represented new areas which were not fully understood, and the Health and Safety Team in particular transferred with vacancies which

affected the Council's ability to deliver an effective and efficient service. That team had since become fully staffed and the expectation was that risks in this area would continue to reduce, but it was felt that it had been appropriate to record and monitor these risks effectively from the point of realignment

- The impact of equal pay legislation and the Council's approach to monitoring and managing associated risk. It was not possible to offer clarity in relation to potential contingent liability due to the current position and, therefore, remained important to monitor that particular risk. Steps taken to minimise the Council's exposure going forward was also considered

Resolved:-

That the updates on the Corporate Strategic Risk Register be received and the contents noted.

(Appendix 1 was considered in the absence of the press and public in accordance with Paragraphs 3 of the Act (Information relating to the financial or business affairs of any particular person (including the authority holding that information))

68. RISK MANAGEMENT DIRECTORATE PRESENTATION - FINANCE AND CUSTOMER SERVICES

Consideration was given to the report presented by the Strategic Director for Finance and Customer Services, which detailed the Risk Register and risk management activity within the Finance and Customer Services Directorate.

The report set out in detail the risk items which had been added or amended since the last report to Audit Committee in January 2025 and it was noted that risks were discussed and reviewed at the Directorate Leadership Team (DLT) and, where necessary, escalated to the next strategic level for inclusion on the risk register.

4 risk items had been removed since the last report and 3 of the 17 risks on the register were currently assessed as being a high risk.

The Risk Register entries were closely linked to the Service Plans, Team Plans, Reports and Service meeting agendas across the Directorate and progress against key actions to mitigate the above risks was monitored through management team meetings.

Discussion ensued with the following issues raised/clarified:-

- The failure of the service provider to deliver on action to address issues in relation to burial space across the Borough, the processes in place for monitoring progress in relation to that including mitigation and escalation where necessary. It was confirmed that all contractual mechanisms available to the Council were employed to support the effective management of the risk on a site by site basis
- FCS21 – operational building decarbonisation and the steps taken to achieve progress, including considerations around SYMCA funding the potential for third party investment. It was clarified that solar energy creation proposals centred around utilisation of the existing buildings and housing stock
- FCS23 – building security and confidence in relation to how the recent audit reflected the level of risk across the entire estate, which was described as partial assurance with reasonable confidence

Resolved:-

That the progress and current position in relation to risk management activity in the Finance and Customer Services Directorate, as detailed in the report now submitted, be noted.

(Appendix 1 was considered in the absence of the press and public in accordance with Paragraph 3 of the Act (Information relating to the financial or business affairs of any particular person (including the authority holding that information/financial information))

69. RISK MANAGEMENT PRESENTATION - ASSISTANT CHIEF EXECUTIVE'S DIRECTORATE

In accordance with Minute No. 41(2) of September, 2025, consideration was given to the report presented by the Strategic Director of Finance and Customer Services which provided details of the current position of the Assistant Chief Executive's Directorate Risk Register and risk management activity within the Directorate.

The current Assistant Chief Executive's Directorate risk register had 28 risk items listed 7 of which also featured on the Council's strategic risk register. One of the risks was currently assessed as being a high risk.

All risks had been reviewed and amended as part of the review undertaken since September 2025.

The Risk Register entries were closely linked to the Service Plans, Team Plans, Reports and Service meeting agendas across the Directorate and progress against key actions to mitigate the above risks was monitored through management team meetings.

Discussion ensued with the following issues raised/clarified:-

- Effective management of transitioning risk to the interim in the short term and permanent in the long term to the Director of Policy, Strategy and Engagement, with the expectation that the changes implemented to the structure of the Directorates achieving clearer alignment and accountability from a risk perspective
- Effective management of Members' active involvement in Council business and the particular importance of this in relation to the development and delivery of the Thriving Neighbourhoods Strategy
- The increased cumulative risk burden of the Directorate, the reasons for this and the Council's ability to effectively manage that risk

Resolved:-

That the progress and current position in relation to risk management activity in the Assistant Chief Executive's Directorate, as detailed in the report submitted, be noted.

(Exempt under Paragraph 3 (information relating to the financial or business affairs of any particular person (including the Council) of Part 1 of Schedule 12A))

70. PROGRESS REPORT ON RIVERSIDE HOUSE BUILDING SECURITY AND ID BADGE CONTROLS

Consideration was given to a report presented by Kevin Fisher, Assistant Director of Property and Facilities Services, in relation to the actions taken with regard to the partial assurance issued by the Internal Audit report on Riverside House Building Security and ID Badge controls.

The audit had revealed several areas requiring improvement. The recommended proposal was to implement the comprehensive action plan agreed with Internal Audit in response to the findings which addressed the key weaknesses identified and aimed to strengthen both the procedural and physical security controls at Riverside House.

Discussion ensued with the following issues raised/clarified:-

- Responsibility and accountability for security historically going forward. It was acknowledged that there had been confusion around this in the past, with clear lines of responsibility and accountability determined going forward for areas including CCTV and physical estates security
- The effective management of risk with significant IT implications and the processes in place to ensure that appropriate technical expertise is obtained when making decisions affecting risk management

- Plans to improve physical security through effective ID and access management and to enhance and improve staff training in relation to security
- The scope of the recent audit and the extent to which that reflected the circumstances and provided assurances across the whole of the Council's estate. Audit Committee Members were advised that in addition to the findings from the audit, there were clear existing processes for identifying and escalating issues across the estate and other less formal mechanisms via which building managers could share information and experiences

Resolved:-

That the report be noted.

(The report was considered in the absence of the press and public in accordance with Paragraph 3 of the Act (Information relating to the financial or business affairs of any particular person (including the authority holding that information/financial information))

71. ITEMS FOR REFERRAL FOR SCRUTINY

There were no issues for referral to Scrutiny.

72. URGENT BUSINESS

There was no urgent business to discuss.