

# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

## **MINUTES**

### **Present:**

Councillor Gemma Monaco (Chair), Councillor Chris Holz (Vice-Chair) and Councillors William Boyd, Andrew Fry, Rita Rogers and Gary Slim  
Parish Council Representative: Cllr Alan Smith

### **Also Present:**

Councillor Ian Woodall – Portfolio Holder for Finance  
Councillor Jane Spilsbury – Portfolio Holder for Performance  
Mughees Ahmad – Manager, Government and Public Sector Audit, Ernst and Young

### **Officers:**

Bob Watson, Debra Goodall and Nicola Cummings

### **Democratic Services Officers:**

M Sliwinski

### **1. APOLOGIES AND NAMED SUBSTITUTES**

There were no apologies for absence.

### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3. MINUTES**

The minutes of the meeting of Audit, Governance and Standards Committee held on 5<sup>th</sup> March 2025 were submitted for Members' consideration.

**RESOLVED that**

Chair

# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

**the minutes of the Audit, Governance and Standards Committee meeting held on 5<sup>th</sup> March 2025 be approved as a true and correct record and signed by the Chair.**

## **4. PUBLIC SPEAKING**

There were no public who registered to speak at this meeting.

## **5. FECKENHAM PARISH COUNCIL REPRESENTATIVE'S REPORT - STANDARDS REGIME**

The Chairman of Feckenham Parish Council provided an update on Feckenham Parish Council standards matters and in doing so reported that there were no standards issues to report in relation to the Parish Council at this meeting.

The Chairman of Feckenham Parish Council expressed concern about three matters affecting Feckenham. The recent submission of planning applications for the development of battery storage systems in the Parish was cited as a concern for the Parish around fire safety and encroachment on the Green Belt. A second concern stated was with regard to the allocation of house-building target within Feckenham. A figure of 4,000 houses was cited as the potential amount of housing to be built in Feckenham, and the Feckenham Parish Council Chairman explained this would have serious implications for the village that had around 750 residents at present.

The Chairman of Feckenham Parish Council also commented on the uncertainty with regard to what local government reorganisation (LGR) would mean for Feckenham and the difficulty in responding to any consultation on the issue in an informed manner. In response, Members of the Committee invited the Parish Council Chairman to the extraordinary full Council meeting (of Redditch Borough Council) which would be taking place on 4<sup>th</sup> September 2025. At that meeting, Redditch Borough Council would be selecting its preferred option for LGR within Worcestershire, i.e. whether a single or two unitary authorities within Worcestershire were preferable.

## **RESOLVED that**

**the Feckenham Parish Council's Representative update be noted.**

## **6. MONITORING OFFICER'S REPORT - STANDARDS REGIME**

The Deputy Monitoring Officer presented the Monitoring Officer's report and in doing so reported that since the last report there had been two complaints submitted by members of the public against a Borough Councillor and one complaint submitted by a County Councillor against a Borough Councillor. After initial investigation, all three complaints were found not to be standards matters. It was confirmed there were no outstanding members' standards complaints awaiting decision.

It was reported that the Member Support Steering Group (MSSG) met on 23 July 2025 and actions arising from that meeting would be reported to the next ordinary council meeting. A concern was raised that eight Councillors were yet to complete cyber security training. In response to a question, it was confirmed that the Executive Committee had mandated cyber security training for all elected members and Deputy Chief Executive and Chief Finance Officer would be writing to all Members who had yet to complete the training.

It was stated that there was a risk that for Members who had not completed cyber security training and/or had not used their council devices for a period of time, that IT department could revoke account access due to issues with software not being up to date and at risk of being compromised.

There was a suggestion made by Members that the cyber security training course should include an online test that needed to be passed in order to complete the course. This would ensure retention of knowledge of principles of cyber security. It was suggested that officers explore the viability of providing such training.

The meeting of Constitutional Review Working Party (CRWP) which was due to take place on 28 July 2025 had been cancelled, with next meeting scheduled for October 2025.

The Deputy Monitoring Officer noted that member briefings and member engagement sessions on local government reorganisation (LGR) would continue in the run up to November 2025 when the LGR proposal for Worcestershire was due to be submitted to the Government.

# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

The Portfolio Holder for Performance addressed the Committee and stated that at the Member Support Steering Group meeting, concerns were raised about elected members' attendance at training. To address this, it was suggested that remote access to all training sessions should be made available and, possibly, that some training should be delivered remotely (on Microsoft Teams) only. The Portfolio Holder stated that Members were encouraged to provide their opinion regarding these suggestions.

## **RESOLVED that**

**the Monitoring Officer's report be noted.**

### **7. ANNUAL UPDATE REPORT ON REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)**

An annual update on the Regulation of Investigatory Powers Act 2000 (RIPA) was presented together with the Council's reviewed and updated RIPA policy. It was stated that due to the nature of the policy, it could only be utilised by local authorities in exceptional circumstances and this policy defined the guidelines and rules as to how and in what circumstances RIPA could be utilised.

It was reported that since the Protection of Freedoms Act 2012, which introduced the requirement for local authorities to get approval from the Magistrates Court for any proposed surveillance, the Council had not requested or authorised any use of RIPA powers.

The Deputy Monitoring Officer stated that a desktop inspection of the Council's RIPA policy and procedures was undertaken with the policy and procedures being deemed of a high standard nationally. The only follow up issue identified was some updating in relation to the Council's RIPA policy, which had been completed by officers within the latest version 8.6 included in the documents for this item.

Following the officer presentation, a Member pointed out a typographical error in relation to the definition of 'serious crime' within the RIPA policy. Page 27 of the Policy defined serious crime as 'the crime [which] attracts a custodial sentence of a maximum of 6 months or more...' which should be corrected to 'the crime [which] attracts a custodial sentence of a minimum of 6 months or more...'. Officers undertook to correct this error within the RIPA policy.

# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

The Portfolio Holder for Performance highlighted that it was important for Members to be familiar with this policy, noting that there were potential data protection implications when Members were dealing with case work from the public.

## **RESOLVED that**

- 1) The Council's RIPA Policy at Appendix 1 as reviewed and updated be endorsed; and**
- 2) The update on RIPA activity as described in this report be noted.**

## **8. LOCALISM ACT 2011 - STANDARDS REGIME - DISPENSATIONS**

The Dispensations Report was submitted for Members' consideration. It was stated that the purpose of this set of general dispensations for all Councillors was to enable elected members to participate in meetings where key matters were considered such as the Council Budget Setting. The other purpose of this report was for the Committee to consider granting individual members' dispensations as requested by Members and detailed within the first table at paragraph 4.10 of the report.

Following a Member comment, it was clarified that only the dispensations in the first table under paragraph 4.10 of the report were subject to the vote at this meeting. The second table detailed the dispensations granted as part of last year's report on dispensations and were for noting only. It was stated that as some of the individual members' circumstances had changed some of the individual dispensations granted last year were no longer applicable. Officers were requested to amend the format of future reports to remove possible confusion in relation to this matter.

## **RESOLVED that**

- 1) any Individual Member Dispensations (IMDs) and Outside Body Appointments dispensations requested by Members up to the point of the meeting, and as advised by the Monitoring Officer at the meeting, be granted under section 33 (2) of the Localism Act 2011, to allow those Member(s) to participate in and vote at Council and Committee meetings in the individual circumstances detailed;**

# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

- 2) The Audit, Governance and Standards Committee grant a dispensation under Section 33 (2) of the Localism Act 2011 to allow Members to address Council and Committees in circumstances where a member of the public may elect to speak;
- 3) subject to the caveat set out in paragraph 4.9 of this report in relation to setting the Council's Budget, the Audit, Governance and Standards Committee grants dispensations under Section 33 (2) of the Localism Act 2011 to allow all Members to participate in and vote at Council and Committee meetings when considering the setting of:
  - a) the Budget;
  - b) Council Tax;
  - c) Members' Allowances; and
  - d) Non-Domestic Rates – Discretionary Rate Relief Policy and Guidance affecting properties within the Borough;
- 4) it be noted that all dispensations granted by the Committee take effect on receipt of a written request from Members for such a dispensation and where Members may have a Disclosable Pecuniary Interest in the matter under consideration, which would otherwise preclude such participation and voting; and
- 5) it be noted that the dispensations referred to at resolutions (1), (2) and (3) (new and re-granted dispensations) will remain valid until the first meeting of the Audit, Governance and Standards Committee following the next Borough Council Elections in May 2026.

## **9. EXTERNAL AUDIT ONBOARDING DISCUSSION UPDATE**

The External Auditor from Ernst and Young provided an update and explained that Ernst and Young onboarding procedures with the Council had now been completed. It was explained that the Council had received a disclaimer opinion on its 2023/24 Accounts due to the backstop date requirement but that the Value for Money opinion for 2023/24 remained to be completed. It was anticipated that this work would be completed and reported to Members in September

# Audit, Governance & Standards Committee

---

Thursday, 24th July, 2025

2025. The External Auditor stated that the backstop date for the auditing of 2024/25 Accounts was in February 2026.

## **10. INTERNAL AUDIT ANNUAL REPORT AND AUDIT OPINION 2024-25**

The Internal Audit Annual Report for 2024-25 was presented on behalf of the Head of Worcestershire Internal Audit Shared Service. It was noted that the Head of Internal Audit's overall audit opinion on the Council's system of internal control environment was Reasonable Assurance which was the second highest grade. There were 13 graded internal audit assignments in 2024-25 of which three received substantial assurance, seven reasonable assurance, three limited assurance. There were no assignments that were graded as no assurance.

Of the three assignments that received limited assurance, the Accounts Payable received this level of assurance due to the internal auditors being unable to complete full review of this area as the finance team focused their efforts in 2024-25 on the work of completing the statements of accounts in line with statutory backstop dates.

Improvements were found in Procurement and Contract Management but limited assurance was given due to the Council not yet being fully compliant with the new procurement regulations. Procurement team was supporting services to achieve full compliance with the rules and a follow up review would be performed by Internal Audit in 2025-26 which would include monitoring compliance with the new regulations. In response to a Member question, it was reported that tender processes were subject to stringent monitoring process and when assessing tenders the Council looked at a mix of both quality and price.

The review of Corporate Credit / Procurement Cards found limited assurance owing to the current issues with authorisation controls and accountability for the overall process. To address this, the senior management team had vested authority and provided support to the Procurement Manager to monitor service-level compliance and challenge those officers who were not following the procurement procedure correctly.

It was noted that a review of council tax arrears in respect of single person discounts had not been undertaken for eight years and a review would be undertaken in 2025-26. It was highlighted that

regular checks were undertaken by officers but a review was now due and it needed to be assessed whether it was economic for the Council to undertake a full-scale approach to chasing arrears in this area. The officers commented that it might be possible to approach the County Council to undertake and coordinate work in chasing council tax arrears as the County Council received circa 75 per cent of the overall council tax income.

A Member raised a concern about the Statutory Inspections internal audit review finding missing details and inconsistent approach in respect of fire safety controls and commented that this was a significant risk for the Council. The Deputy Chief Executive and Chief Finance Officer explained that internal audit reviews contained some mandatory actions for the Council to carry out and the relevant service managers had been tasked with rectifying the issues found in this review. Any areas where officers did not carry out actions by the deadline set could be raised at the Committee meetings. It was explained that the Committee could also ask the relevant officers to attend meetings if any actions had not been carried out by agreed internal audit dates.

The Portfolio Holder for Finance addressed the Committee and noted in terms of Council's oversight that the Council Tax collection rate was at about 98 per cent which ranked among the highest collection rates in the country. The Council was proactive in terms of governance, and the Portfolio Holder pointed out that in two of the three cases of limited assurance, this rating had been received because of the finance team being active in highlighting the problems to the Internal Auditor in the first place.

## **RESOLVED that**

**the Internal Audit Annual Report and Audit Opinion 2024-25 be noted.**

### **11. INTERNAL AUDIT PLAN 2025-26**

The Internal Audit Plan for 2025-26 was presented for Members' consideration. It was noted that this Internal Audit Plan prioritised areas where there was high risk to the Council and areas where failings could have serious financial and/or reputational repercussions for the Council.

The Internal Audit Plan had a basic resource allocation of 261 chargeable days for undertaking specific audits. The Deputy Chief



# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

Executive and Chief Finance Officer explained that there was contingency within the overall Plan to enable the Chief Finance Officer to call on Internal Auditors to undertake reviews to respond to emerging risks identified in year should the need arise.

The Portfolio Holder for Performance addressed the Committee and in doing so commented in relation to the Internal Audit Plans that there had been a lot less slippage in terms of fulfilling the Plan in 2024-25 than the year and it was encouraging to see the Internal Audit programme back on track for 2025-26.

**RESOLVED that**

**the 2025-26 Internal Audit Plan be approved.**

## **12. APPOINTMENT OF CHAIR FOR THE REMAINDER OF THIS MEETING**

As the Chair of the Committee, Councillor Monaco, had to leave the meeting at this point, it was proposed that the Vice-Chair, Councillor Holz, chair the remainder of this meeting.

This proposal was moved, seconded and put to the vote and it was:

**RESOLVED that**

**Councillor Chris Holz chair the remainder of the meeting of Audit, Governance and Standards Committee on 24 July 2025.**

[Following the consideration of this item, the meeting was adjourned between 7.53pm and 8.00pm].

## **13. FINANCIAL COMPLIANCE REPORT INCLUDING UPDATE ON STATEMENTS OF ACCOUNTS**

The Financial Compliance Report was presented which detailed the position regarding legislative reporting requirements and the position on submission of the Council's Statements of Accounts.

In reference to Government reporting requirements, the Council continued to provide the majority of key legislative deliverables within timeframes and was compliant with national requirements. The key outstanding issue was the Council's VAT returns. It was highlighted that since December 2024 the Council had been submitting VAT returns to HMRC on a monthly basis, but

# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

discussions were ongoing with HMRC regarding the prior three years of VAT returns.

To work on resolving outstanding VAT returns, the finance team had undertaken preparation of the Council for a possible VAT inspection. In addition, VAT consultants had been brought in alongside the existing tax advisor and training on VAT had been arranged for the entire finance team staff.

Members were reminded that the Council had published and made their draft 2023-24 Accounts available for public inspection from 17 January 2025 to 3 March 2025. The Council was listed by the Ministry of Housing, Communities and Local Government (MHCLG) as one of the local authorities that had not met the statutory backstop deadline of 28 February 2025 for having the audited 2023-24 Accounts available, but a note was included to explain that the Council had no appointed auditor for 2023-24 at the time of the backstop deadline when the Accounts were being submitted.

It was noted that the new External Auditor, Ernst and Young, had now finished their onboarding checks and had begun the audit of 2023-24 Accounts with the expectation that these would receive a 'disclaimer opinion'. The backstop date for publishing the audited statements of accounts for 2024-25 was 27 February 2026 with Ernst and Young being the Council's auditors for these set of accounts.

A Member asked whether the officers felt confident the Council would be able to meet the backstop date for audited 2024-25 Accounts submission. It was responded that the Council's finance team had effectively done work on three sets of accounts within the last year and that officers felt confident in meeting this deadline as the bulk of the work in catching up on accounts from previous years had already been done. It was expected that from the 2026-27 financial year the Council would be back on track in the audit cycle in having one year's accounts per year to prepare.

A question was asked with regard to the onboarding time for the new External Auditor, Ernst and Young. It was queried whether the onboarding period could have been reduced by all Members' filing in compliance forms more promptly and whether this would have made an impact on having the auditors in time for the 2023-24 Accounts backstop date. Members were reassured that the time taken for submission of compliance forms made no substantial difference to the length of the onboarding period and that the

# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

External Auditor onboarding was completed within a normal time for this process. It was commented that the Council was in an unusual position in that it had no External Auditor for a number of months and during the period of the 2023-24 backstop date but the onboarding process could not have been expedited further.

## **RESOLVED that**

- 1) The Committee note that the 2023/24 Accounts public consultation period finished on 3 March 2025.**
- 2) The Committee note the position in relation to the delivery of the 2024/25 Accounts and the auditing of the 2023/24 Accounts.**
- 3) The Committee note the position in regard to other financial indicators set out in this report.**
- 4) The current position with the Council's new External Auditor, Ernst and Young, be noted.**
- 5) The introduction of a Financial Stability Plan following the successful delivery of the Financial Improvement Plan be noted.**

## **14. FINANCIAL SAVINGS MONITORING REPORT**

The Committee received a report on financial savings monitoring. The Quarter 4 outturn position for 2024-25 was a £4,000 underspend on full year revenue budget of £10.8 million. This was a change from the position at quarter 3 where estimated a revenue overspend of £138,000 on the full year budget.

The departmental savings items were presented. In terms of position at year end of 2023-24, two departmental savings items remained amber (indicating risk to delivery). This related to establishment (service) reviews, where it was found that the spending on establishment salaries and Agency was above budgeted figures and as such there remained a significant risk. The second item related to the Capacity Grid project, recouping old Council Tax and Business Rates debt, which was nearing the end of its allocated time. There was a surplus in the collection fund of £1.004m, of which £0.125m related to Redditch Borough Council.

# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

The red risk savings item in relation to finance establishment would not be delivered due to the need to bring in additional resource to concentrate on completing all accounts up to the 2023/24 financial year. This task was completed in January 2025 and it was anticipated that through 2025-26 the Council would move back to the correct establishment in the finance department.

The 2024-25 savings position was presented in Appendix A. It was highlighted that the vast majority of savings items linked to increases in grant, agreed increases in tax or items no longer to be delivered until future financial years. The largest savings in recent years was on pension cost which linked to the 2023 triennial revaluation with revised figures up to the end of this financial year. Initial advice from actuaries indicated that these figures would not change in the next revaluation.

The Portfolio Holder for Finance addressed the Committee, noting he was pleased to see the 2024-25 budget delivered without overspend for the first time in many years. The Portfolio Holder explained that there had been significant work to ensure working practices were embedded that allowed the finance team to respond to emerging risks and undertake in-year adjustments where necessary to ensure savings were being delivered.

A Member asked for clarification in relation to reported variations in departmental spending relating to ICT overspend of £25,000 due to telephone costs (in Business Transformation and Organisational Development) and the £31,000 overspend in Democratic Services due to additional Shared Service costs charged to the Council. The Deputy Chief Executive and Chief Finance Officer responded that in relation to shared service item officers were looking to improve clarity in terms of recharges process between the two shared service authorities (Redditch Borough Council and Bromsgrove District Council), which aimed to provide a clearer explanation of how this was calculated. In relation to the ICT overspend on telephone costs, officers undertook to obtain further information and report back to Members.

The Vice-Chair queried the additional £50,000 spending with Wychavon District Council on the provision of car park civil enforcement function. Members requested more detail on the enforcement work currently being undertaken by Wychavon District Council within the Borough as it was commented that elected members had been receiving numerous complaints from residents

# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

about parking enforcement issues. Officers undertook to contact Wychavon District Council and provide a response to Members.

In relation to the Town Hall hub development, Members were advised that the Council had not secured the Department of Work and Pensions (DWP) as a tenant as previously planned. The Council was in the process of approaching other public sector organisations. The works on lower ground floor would be minimised until a tenant had been found for this space, to ensure the space was tailored to their requirements. In response to a question, it was stated that the DWP's decision not to move into the Town Hall was unrelated to devolution and local government reorganisation.

The rest of the Town Hall hub project had been progressing as planned and was at the RIBA 4 technical design stage at present. A question was asked with regard to what contingency was in place if tenants could not be secured. It was responded that the hub redevelopment would allow the Council's customer service centre to move back to the Town Hall, and the additional office space capacity would in any case allow other Council assets such as the Greenlands Business Centre and the Oakenshaw Community Centre to be released for other purposes. The Portfolio Holder for Finance added that the risk of not securing tenants was being actively minimised.

It was noted that going forward, savings monitoring would be reported as part of the quarterly finance and performance monitoring reports, to be considered by the Executive Committee and scrutinised by the Budget Scrutiny Working Group rather than through the Audit, Governance and Standards Committee. This was proposed as it was felt to be more closely aligned with the terms of reference of the respective committees / working groups. Members noted this approach.

**RESOLVED that**

**the outturn position on the 2024-25 Departmental Savings Programme be noted, including any potential implications for future years.**

## **15. RISK MANAGEMENT REPORT (Q1 2025-26)**

The Deputy Chief Executive and Chief Finance Officer introduced the Risk Management report and in doing so highlighted that the format of this report had been simplified to highlight the corporate

# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

and departmental risk profiles and show risk matrix before and after mitigation for each corporate risk.

The latest Corporate Risk Management Officer Group (CRMOG) meeting notes were provided, and it was explained that this officer group met every three months and/or additionally when a new risk was identified or a risk rating had fundamentally changed. Members requested that the format of the CRMOG notes presented in this report be updated so that context and background information be provided on each risk including the risk rating.

It was highlighted that there were 47 departmental risks of which 1 risk relating to revenues was red.

The Council's insurance team was commended for their successful effort to insure the Council for the right assets, including appropriate premiums and excesses. It was highlighted that through this work £250,000 saving was delivered across shared service councils (Redditch and Bromsgrove Councils).

Following the report presentation, it was asked whether the corporate risk of Bromsgrove District Council being placed into special measures due to quality of planning application decisions could have negative implications for Redditch. The Deputy Chief Executive and Chief Finance Officer responded that in his view this would have no impact on Redditch as this risk applied to Bromsgrove as a sovereign council making decisions on its planning applications and did not relate to the shared service functions arrangements with Redditch Borough Council.

**RESOLVED that**

**the present list of Corporate and Departmental risks be noted.**

## **16. ANNUAL APPOINTMENT OF RISK CHAMPION**

Councillor Rita Rogers was nominated to the position of Risk Champion for the 2025/26 municipal year. The nomination was moved, seconded and put to the vote and it was

**RESOLVED that**

**Councillor Rita Rogers be appointed as the Council's Risk Champion in the 2025/26 municipal year.**

# **Audit, Governance & Standards Committee**

---

Thursday, 24th July, 2025

## **17. COMMITTEE WORK PROGRAMME**

The Committee discussed the meeting cycle for 2025/26 and it was agreed that six meetings would be retained for this municipal year. To achieve six meetings, there would likely be additional meeting dates scheduled for September 2025 and February 2026 to consider the external audit reports for the Council's 2023/24 and 2024/25 Statements of Accounts respectively, which would include Value for Money reports. The precise dates of these meetings would be confirmed in due course.

The report on Annual Governance Statement for 2024/25 was requested for addition to the work programme for consideration at the October meeting of the Committee.

A request was made that the start time of Audit, Governance and Standards Committee meetings be moved from 7.00pm to 6.30pm for 2025/26. This was agreed by the Committee.

### **RESOLVED that**

- 1) The Committee continues to hold six meetings per municipal year in 2025/26.**
- 2) That the start time of Audit, Governance and Standards Committee meetings be moved to 6.30pm for 2025/26.**
- 3) That Annual Governance Statement 2024/25 report be added to the work programme for the October meeting of the Committee.**

The Meeting commenced at 6.59 pm  
and closed at 8.54 pm