Audit, Governance & Standards Committee

Thursday, 23rd July, 2026

MINUTES

Present:

Councillor David Meredith (Chair) and Councillors Susan Eacock, Joanna Kane, Andrew Fry, Sharon Harvey, Rita Rogers and Ian Woodall

Also Present:

Chris Green – Head of Worcestershire Internal Audit Shared Service

Officers:

James Walton, Nicola Cummings and Simon Parry

Democratic Services Officers:

M Sliwinski

14. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received from Councillors Bennett, Snape and Spilsbury. These Members were substituted at the meeting by Councillors Eacock, Fry and Harvey respectively.

Apology was also received on behalf of the Parish Council Representative, Alan Smith.

15. DECLARATIONS OF INTEREST

Councillor Harvey declared an interest in Minute Item 19 – Localism Act 2011 – Standards Regime – General and Individual Dispensations in that her request for an Individual Member Dispensation (IMD) would be considered under that item. She left the meeting during the consideration of Minute Item 19 (Agenda Item 6) and took no part in the debate nor vote thereon.

There were no other declarations of interest.

16. MINUTES

Chair

The minutes of the meeting of Audit, Governance and Standards Committee held on 11th June 2026 were considered.

RESOLVED that

the minutes of the meeting of Audit, Governance and Standards Committee held on 11th June 2026 be approved as a true and correct record and signed by the Chair.

17. PUBLIC SPEAKING

There were no members of the public who had registered to speak at this meeting.

18. MONITORING OFFICER'S REPORT - STANDARDS REGIME

The Deputy Monitoring Officer presented the Monitoring Officer's report for Members' consideration. Members were advised that, for the period 1 April 2025 to 31 March 2026, two complaints had been received from members of the public against two elected Members. Neither complaint had passed the initial assessment stage. In addition, all complaints that had been reported to the previous meeting and remained unresolved at that time had since been concluded through informal resolution.

For the period starting 1 April 2026, one anonymous complaint had been received against a Member and referred to the Police. The Police had determined not to investigate the matter, and no further action had been taken. Two Member-to-Member complaints had also been received. One did not pass the initial assessment stage, the other matter was ongoing. A further eight complaints had been received from members of the public. Four complaints had been made against one Member and two complaints against another Member, none of which had met the initial assessment threshold. Of the two further complaints, one complaint had subsequently been withdrawn and one had been assessed as not constituting a Code of Conduct matter.

The Committee was advised that information regarding whistleblowing had now been incorporated into the report. Members were informed that two whistleblowing reports had been received during the period 1 April 2024 to 31 March 2025. Whilst neither allegation had been upheld, one investigation had identified

opportunities for improvements in the Council's procedure for dealing with whistleblowing.

For the period 1 April 2025 to 31 March 2026, one whistleblowing report had been received and investigated, with the allegations not being upheld. It was reported that all future whistleblowing reports would be reported to both the Senior Leadership Team and the Committee. Members also noted that awareness raising had taken place amongst managers regarding the Council's whistleblowing policy and reporting procedures.

The Committee received updates regarding the work of the Member Support Steering Group and the Constitution Review Working Party, together with a summary of Member training delivered since the local elections.

During consideration of the report, a Member queried whether whistleblowing reports were monitored to identify recurring themes or trends. It was suggested that, whilst details of individual cases should remain confidential, information regarding broad categories of concerns could assist Members in identifying emerging issues and areas for organisational learning. In response, the Deputy Monitoring Officer explained that whistleblowing reports were recorded and reported to the Council's Senior Leadership Team (SLT), but any proposal to provide thematic reporting to the Committee would need to be considered further. It was agreed that this would be referred for consideration by the SLT.

Questions were also raised regarding the feedback provided to complainants where complaints did not pass the initial assessment stage. Members were advised that complainants were provided with an explanation outlining why the complaint had not progressed beyond initial assessment, including an explanation in cases where the matter did not pass initial assessment because it was identified that an elected Member was not acting in their official capacity.

A Member commented on the low turnout at some of the Member training sessions and the potential need to re-run some of the training sessions set out in the report, The Member highlighted the importance of ensuring Members attended the training to ensure value was maximised in terms of training resources and officer time.

RESOLVED that

the Monitoring Officer's report be noted.

19. LOCALISM ACT 2011 - STANDARDS REGIME - GENERAL AND INDIVIDUAL DISPENSATIONS

[Councillor Harvey left the room prior to consideration of this item]

The Deputy Monitoring Officer presented the report regarding the general, individual and outside body appointment dispensations. Members were advised that the statutory grounds under which dispensations could be granted were set out within the report and that the applications before the Committee would, if approved, remain in force until the first meeting of the Audit, Governance and Standards Committee in the 2027/28 municipal year. The updated list of individual member dispensations (IMD) and outside body appointments dispensation requests was tabled at the meeting.

A Member queried the purpose of considering dispensations where there had been no specific concerns identified by the Committee Members in advance of the meeting. In response, it was explained that the Audit, Governance and Standards Committee was required to review and determine whether dispensations should be granted and that the Committee's role was to determine whether to approve the dispensation requests set out in the report. The process ensured that potential interests had been properly considered and managed in accordance with legal requirements. Members were also reminded that dispensations enabled councillors to participate in discussions and decision making where they might otherwise have been prevented from doing so due to a declarable interest.

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;**

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) will remain valid until the first meeting of the Audit, Governance and Standards Committee in the 2027/28 municipal year.**

20. FECKENHAM PARISH COUNCIL REPRESENTATIVE'S REPORT - STANDARDS REGIME

There was no Parish Council Standards update as the Parish Council Representative was not present at the meeting.

21. FINAL STATEMENT OF ACCOUNTS 2023/24 AND 2024/25

The Director of Finance and Section 151 Officer presented the final Statement of Accounts for the 2023/24 and 2024/25 financial years, following the external audit being undertaken. Members were reminded that the Committee had considered the External Auditor's Audit Completion Report at the meeting on 11 June 2026 and that the Accounts for 2023/24 and 2024/25 had received disclaimed audit opinions. The accounts before the Committee represented the final stage in the approval process, enabling them to be formally

signed off following completion of the necessary representations to the External Auditor.

Members welcomed the progress that had been achieved in bringing the Council's accounts process up to date and acknowledged the significant amount of work undertaken by the Council's Finance Team over a number of years to address the historic backlog in the accounts audit cycle. It was recognised that the Council had now reached a position where financial information was being produced in a more timely and transparent manner.

RESOLVED that

the Statements of Accounts for 2023/24 and 2024/25 be acknowledged.

22. RISK CHAMPION UPDATE (VERBAL)

Councillor Rogers reported that there would be no update provided at this meeting, and the Committee would receive the Risk Champion's update at the next meeting.

23. RISK MANAGEMENT REPORT (Q1 2026/27)

The Quarter 1 2026/27 Risk Management Report was presented for Members' consideration. The Committee was advised that additional detail had been included within the report in response to requests made at the previous meeting, including narrative explanations for individual corporate risks together with the detail on inherent and residual risk scores, this showing the impact and likelihood scoring that officers had made against each of the risks.

At the last meeting, Members suggested that risk owners would be invited to attend future meetings, where appropriate, to provide specific updates on individual corporate risks within their service areas. At this meeting, a detailed update was provided by the Assistant Director for Environmental and Housing Property Services on the Remedial Fire Safety Actions (COR027).

The Committee received a separate report, at Appendix 1, on the progress in addressing the outstanding fire safety remedial actions. Members were advised that the budget for fire remediation works had been increased by £1 million for 2026/27 and that an additional contractor had been appointed to increase capacity and accelerate the programme of works.

It was highlighted that all of the existing flat entrance doors across Council stock properties were fire doors. The aim of the programme of works was to modernise and bring those fire doors up to modern standards, in line with FD30S standards. The fire safety programme was monitored with obviously quarterly reporting to Executive Committee and, if requested, scrutinised by the Overview and Scrutiny Committee.

There were a number of mitigations to ensure fire safety was improved including ongoing gas servicing and electrical safety testing. Through 2025, the caretaking service had also been introduced which helped ensure no combustible material was being left within communal areas.

A risk-based approach was being used to prioritise remedial activity, with higher-risk properties receiving priority attention. Members were also advised that an independent review of the Council's fire safety arrangements was being undertaken, with findings expected later in September 2026.

During discussion of the Risk Management Report, Members highlighted the continuing cyber security risks facing local authorities and emphasised the importance of completing cyber security and artificial intelligence awareness training. Questions were also raised regarding delays to fire risk assessment programme. In response, Members were advised that capacity issues were being experienced with the Council's specialist consultants as there had been increased demand for fire risk assessments across the housing sector nationally. There was ongoing dialogue to resolve this with the Council's consultants but the Council also continued to utilise existing fire risk assessments, if necessary, to address outstanding issues within affected blocks.

Members also raised questions regarding Local Government Reorganisation (LGR) and whether sufficient emphasis had been given to this issue within the Corporate Risk Register. Officers confirmed that LGR was included on the Corporate Risk Register.

RESOLVED that

1) **The strategic risks and mitigations detailed in the Corporate Risk Register had been considered.**

2) **The risk scores, owners, leads and the updates to risks over the period of this report had been considered, with no changes proposed by the Committee.**

24. FINANCIAL OUTTURN REPORT

The Director of Finance and Section 151 Officer presented a report to provide the Audit, Governance and Standards Committee with an overview of the Financial Outturn reporting process and its relationship to the Statement of Accounts.

The Committee was advised that the detailed Financial Outturn Report, setting out the Council's financial position at the end of the financial year, would be considered by the Executive Committee on 28th July 2026 before being submitted to full Council.

Members were informed that the purpose of the report before the Committee was to explain the background to the outturn process and how the Financial Outturn Report aligned with the Statement of Accounts. It was explained that, whilst the Statement of Accounts provided substantially more information, it could be difficult to reconcile directly with the financial monitoring reports considered throughout the year. The Financial Outturn Report therefore provided an important bridge between in-year budget monitoring and the year-end accounts process.

The Committee was advised that in future years the intention was for both the Financial Outturn Report and the Statement of Accounts to be presented to the Audit, Governance and Standards Committee at the same meeting. This would enable Members to consider the year-end financial performance, including any over or underspends and service variances, alongside the statutory accounts.

Although the detailed Financial Outturn Report was not included on the agenda for the meeting, Members were informed that it was already in the public domain and could be considered alongside the Statement of Accounts.

In response to a question from Members regarding why the full Financial Outturn Report was not included on the agenda as a separate item, it was explained that the Financial Outturn Report was still being finalised at the point when the Audit, Governance and Standards Committee agenda had been published. The Financial Outturn Report was completed and published after the

Audit, Governance and Standards Committee papers had already been issued. It was further advised that this timing issue occurred due to the specific timescales for the submission of draft accounts for 2025/26 and would be addressed in future years through the reporting process to the Audit, Governance and Standards Committee being planned several weeks in advance of the Executive Committee meeting.

RESOLVED that

the purpose of the Financial Outturn Report and relationship to the Draft Statement of Accounts elsewhere on this agenda, and the proposed future-year closedown timetable and reporting arrangements, had been considered by the Committee.

25. INTERNAL AUDIT ANNUAL REPORT AND AUDIT OPINION 2025/26

The Head of the Worcestershire Internal Audit Shared Service presented the Internal Audit Annual Report and Audit Opinion for 2025/26. Members were advised that the report brought together the work undertaken by Internal Audit during the 2025/26 financial year and provided the annual opinion on the adequacy of the Council's framework for governance, risk management and internal control. The report also set out compliance with the Global Internal Auditing Standards and summarised the work undertaken to support continuous improvement within the Internal Audit service.

The Committee was informed that, despite recent organisational changes and senior management restructuring, a number of positive developments had been implemented to strengthen governance arrangements. These included the introduction of monthly governance meetings involving the Senior Leadership Team (SLT), greater management engagement with audit findings, the introduction of quarterly compliance reporting by Heads of Service and the reinstatement of the Strategic Risk Management Group. Members were also advised that Internal Audit had recently reviewed all service risk registers and had supported officers in strengthening risk management arrangements across the organisation.

The Head of Internal Audit reported that reasonable assurance could be provided in respect of the Council’s governance arrangements, whilst limited assurance was provided in relation to the Council’s internal control and risk management arrangements.

Members were advised that this reflected the findings from audit work undertaken during the year and recognised that recently introduced improvements would require time before their impact could be fully evidenced through future audit reviews.

The Committee was further informed that Internal Audit Service had introduced a programme of work to embed compliance with the new Global Internal Auditing Standards, this included staff development and professional training programme.

RESOLVED that

the Committee is assured on the Annual Report of Internal Audit for 2025/26.

26. DRAFT STATEMENT OF ACCOUNTS 2025/26

The Director of Finance and Section 151 Officer presented the draft Statement of Accounts for the 2025/26 financial year. Members were advised that the accounts had been produced and published by the statutory deadline of 30 June 2026, alongside the Annual Governance Statement. It was highlighted that this represented a significant achievement and demonstrated the progress made by the Council in restoring timely financial reporting arrangements.

Members were informed that publication of the draft accounts for 2025/26 enabled those accounts to be released for a public inspection period and provided the basis for the forthcoming external audit by the Council's External Auditor, Ernst and Young. The Committee was advised that the audit was expected to commence later in the year, with the audit completion report and final accounts currently expected to be presented to the Committee in January 2027. It was noted that achieving this timetable would place the Council in line with the national backstop arrangements.

The Committee welcomed the considerable progress achieved by the Finance Team in reaching this position. Members remarked that the Council had produced and published draft accounts within the required timescales, which had not been the case for a number of prior years.

During discussion, a Member sought clarification regarding the comprehensive income and expenditure position shown within the Statement of Accounts. Officers explained the accounting treatment applied to local authority accounts and clarified the distinction

between management accounting figures reported through budget monitoring and the statutory accounting position reflected within the Statement of Accounts. It was explained that for future years' reporting, the budget outturn reporting would be available prior to the published accounts for a given financial year and this would provide clarification on the management accounting figures and what overrides were being applied against any apparent loss/gain that appeared in the Statement of Accounts.

RESOLVED that

the Draft Statement of Accounts 2025/26, that were produced and published by the statutory deadline of 30 June 2026, are acknowledged and had been considered by the Committee.

27. ANNUAL GOVERNANCE STATEMENT 2025/26

The Director of Finance and Section 151 Officer presented the Annual Governance Statement (AGS) for 2025/26. Members were advised that the AGS formed an integral part of the Statement of Accounts and provided assurance regarding the Council's governance arrangements, identifying both areas of good practice and areas requiring further improvement.

Officers outlined that the first section of the AGS highlighted areas where strong governance arrangements had been identified and evidenced. The second section identified a number of governance issues requiring continued action and improvement. These included matters relating to financial reporting, organisational capacity and other governance concerns identified through internal assurance activity, as well as issues raised by the Council's External Auditors.

The Committee's attention was drawn to the action plan contained within the AGS. Members were advised that the action plan identified specific outcomes, actions, responsible officers and completion dates against each governance issue, providing a clear framework for monitoring progress. Officers confirmed that regular updates on the delivery of the action plan would be reported back to the Committee to enable effective oversight.

Members welcomed the layout and presentation of the AGS and commented that the document was clear, and information accessible and easier to follow than in governance statements considered previously.

RESOLVED that

1) **the Annual Governance Statement (AGS) for 2025/26, as attached at Appendix 1, be approved.**

2) **The significant governance issues identified within the Annual Governance Statement be noted, and the Annual Governance Statement Action Plan, attached to the (AGS) be endorsed.**

3) **That the Committee receive regular update reports to demonstrate delivery of the AGS Action Plan.**

28. AUDIT, GOVERNANCE AND STANDARDS COMMITTEE ANNUAL REPORT 2025/26

The Audit, Governance and Standards Committee Annual Assurance Report for the previous 2025/26 municipal year was considered. Members were advised that, subject to approval, the report would be presented to full Council in September and would provide assurance to Council on the Committee's work and achievements during the 2025/26 municipal year.

Members noted the significant amount of scrutiny undertaken by the Committee in relation to financial governance, risk management, cyber security and organisational improvement. Particular recognition was given to the work undertaken by the previous Chair of the Committee, including work to introduce regular cyber security updates and policy as well as scrutiny of specific risk matters over the course of 2025/26.

RESOLVED that

the Audit, Governance and Standards Committee Annual Assurance Report 2025/26 be approved and referred to Council.

29. ANNUAL TREASURY REPORT 2025/26

The Director of Finance and Section 151 Officer presented the Annual Treasury Management Report for 2025/26. Members were advised that the report summarised treasury activities undertaken throughout the year and provided assurance that borrowing and investment transactions had been completed in accordance with the

approved Treasury Management Strategy and Prudential Indicators.

The Committee received a detailed explanation regarding the operation of the treasury management function, including management of day-to-day cash balances, borrowing requirements and short-term investments. Members were advised that treasury decisions were taken within a highly regulated framework and that robust controls were in place to protect public funds whilst maximising value for money.

Officers outlined the economic background during the year and explained the factors influencing treasury management, including inflationary pressures and wider economic uncertainty. It was reported that all treasury activities had remained within approved limits and complied with the Council's established governance framework.

Members discussed future reporting arrangements and expressed support for receiving more regular treasury monitoring information. Officers advised that a half-yearly review represented recognised good practice and would provide Members with additional assurance regarding treasury activity at more regular intervals. Members also requested that future treasury management training be made available to substitute Members as well as regular Committee members.

Questions were raised regarding borrowing levels and future capital financing requirements. Officers confirmed that treasury arrangements remained under control and explained that wider work was underway to review capital programme governance, and treasury management.

RESOLVED that

1) **The Treasury Management outturn position for 2025/26 be acknowledged.**

2) **The treasury management activities, undertaken in accordance with the Council's approved Treasury Management Strategy and Prudential Indicators, be acknowledged.**

30. INTERNAL AUDIT STRATEGY, CHARTER AND MANDATE

The Head of Worcestershire Internal Audit Shared Services (WIASS) presented the Internal Audit Strategy, Charter and Mandate. Members were advised that approval of these documents was required under the Global Internal Auditing Standards and that they set out the purpose, scope, responsibilities and authority of the Internal Audit function.

The Committee was informed that the strategy focused on targeting internal audit resources more effectively in higher-risk areas and increasing the value achieved through audit activity. Members also noted the emphasis placed on professional development within the Internal Audit team and preparations for Local Government Reorganisation that were being undertaken.

It was explained that the revised Charter clarified Internal Audit's rights of access to records, systems and information when required, whilst also setting out the respective roles of the Council's management, Members and Internal Audit itself in the internal audit process. Attention was drawn to section 3 of the Internal Audit Charter and in particular the the open books approach that approving the Charter would provide to Internal Audit to access the Council's (both officers and Members) documents and records when that was deemed to be required for internal audit purposes.

RESOLVED that

The Internal Audit Strategy, Charter and Mandate be approved.

31. INTERNAL AUDIT PLAN 2026/27

The Committee considered the proposed Internal Audit Plan for 2026/27. Members were advised that the plan had been developed using a risk-based approach, taking account of previous audit findings, emerging risks and the Council's corporate priorities. It was noted that a planned resource allocation of 360 days represented 52 more days than those that had been allocated last year, due to the extra work commissioned by the Council.

It was reported that all areas previously receiving limited assurance opinions would be revisited by Internal Audit during the year and that resources had also been allocated to Local Government Reorganisation (LGR). 50 audit days had been set aside at the moment for work around LGR, reflecting the significance of the changes and significant work around disaggregation of services that would need to be carried out around LGR.

Members questioned whether sufficient audit resource had been allocated to LGR, particularly in light of developments regarding future council structures. In response, officers explained that the provision represented the best estimate currently available and that the plan could be amended during the year if circumstances changed or additional assurance activity became necessary.

RESOLVED that

the 2026/27 Internal Audit Plan be approved.

32. WHISTLEBLOWING AND ANTI-FRAUD, BRIBERY AND CORRUPTION POLICIES

The Director of Finance and Section 151 Officer presented the Council's updated Whistleblowing Policy together with the updated Anti-Fraud, Bribery and Corruption Policy and Anti-Money Laundering Statement.

Members were advised that the whistleblowing arrangements were largely unchanged but had been reviewed to ensure they remained up to date and reflected current best practice.

The Committee was informed that the Anti-Fraud, Bribery and Corruption Policy expanded upon the Council's previous anti-bribery arrangements and provided a more comprehensive framework covering fraud, corruption, whistleblowing and anti-money laundering considerations. Members noted the inclusion of a reporting flowchart designed to help officers understand how concerns should be raised and escalated.

The Director of Finance and Section 151 Officer explained that a range of reporting routes would be available, including reporting to line managers, the Monitoring Officer, the Section 151 Officer or the Head of Internal Audit. Where allegations were received, the relevant senior officers would meet promptly to determine whether further investigation was required and to identify an appropriate course of action.

During consideration of the report, Members sought clarification regarding the designation of Money Laundering Reporting Officers and the meaning of the term "tipping off" within the policy. With regard to the officer designation, it was explained that this was not a separate officer role but a designation for some officers in the

Council who were, through the designation, to specifically deal with and consider any concerns raised around money laundering. It was responded regarding the terminology used that Members would be provided with a clarification around this terminology.

Members welcomed the strengthening of the Council's governance framework and emphasised the importance of communication and training to ensure staff were aware of the reporting mechanisms available to them.

RESOLVED that

1) **The contents of the Whistleblowing Policy, the Corporate Anti-Fraud, Bribery and Corruption Policy, and the Anti-Money Laundering Statement had been considered.**

2) **The policies provide an appropriate framework for the prevention, detection, reporting and investigation of fraud, bribery, corruption and related financial misconduct.**

33. COMMITTEE WORK PROGRAMME

The Committee considered the work programme for the remainder of the municipal year. No amendments were proposed and Members noted the items scheduled for future meetings.

RESOLVED that

the Committee Work Programme be noted.

The Meeting commenced at 6.31 pm
and closed at 7.50 pm