

# **Audit, Governance & Standards Committee**

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Tuesday, 24th February,  
2026

## **MINUTES**

### **Present:**

Councillor Gemma Monaco (Chair) and Councillors William Boyd, Andrew Fry, Rita Rogers, Gary Slim and Paul Wren

### **Also Present:**

Councillor Jane Spilsbury – Deputy Leader of the Council and Portfolio Holder for Performance, Engagement and Governance  
Nick Moon – Chief Executive, Applied Resilience  
Robin Church – Incident Management & Resilience Specialist, Applied Resilience

### **Officers:**

Julie Lorraine

### **Democratic Services Officers:**

M Sliwinski

## **47. APOLOGIES AND NAMED SUBSTITUTES**

Apologies for absence were received from Councillors James Fardoe, Chris Holz and the co-opted member, Parish Councillor Alan Smith. Apologies were also received from Councillor Ian Woodall, in his capacity as the Portfolio Holder for Finance.

## **48. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **49. PUBLIC SPEAKING**

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

## **50. EXTERNAL AUDIT - ACCOUNTS BACKSTOP REPORT - WITHDRAWN**

Chair

# Audit, Governance & Standards Committee

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Tuesday, 24th February, 2026

This item was withdrawn and was not considered at this meeting.

## 51. RISK MANAGEMENT REPORT (Q3 2025-26)

The report on Risk Management was presented by the Interim Director of Finance and Section 151 Officer who reported that all corporate risks and the outstanding high-risk actions to be undertaken by the Council had been subject to rigorous consideration and were independently reviewed by the internal auditor. The actions had also been reviewed by the Council's senior leadership and steps were being taken to complete those actions which were overdue. The progress and improvement made as a result was significant and opportunity was taken to thank the Assistant Director – Corporate Services and Transformation for oversight and input into this work.

It was explained that the Council faced a significant potential risk in the short-term that merited addition to the Corporate Risk Register - Cash Flow & Treasury Management. The Interim Director of Finance clarified that this was not a risk from a single event but arising out of a combination of a series of related factors.

As local authorities relied on income from council tax to support cashflow, there was a significant risk over the next few months that Worcestershire County Council's (WCC) plans to raise their element of council tax by 8.98%, if approved by WCC at their Full Council meeting, could contribute to the increase in the numbers of residents not paying / being able to pay council tax, affecting the Borough Council's cash flow in the short term, especially as the Borough Council was the billing authority for council tax.

Whilst the Council hoped to be credited by HMRC in VAT refund in the near future, there remained a cash flow risk to the Council as long as the funding was not in the Council's account and there remains reliance on the council tax income to sustain the revenue budget at the time of year (February and March). The Interim Director of Finance explained that as part of the set of recommendations on the Budget, it was recommended that a review of cash flow and treasury management, including such areas as Council's use of supportive financial facilities, should take place in quarter 1 of 2026/27 financial year. It was explained that this would provide an opportunity to apply latest best practice to the Council's policy in these areas.

# **Audit, Governance & Standards Committee**

---

Tuesday, 24th February, 2026

In response to a Member question, the Interim Director of Finance explained that once the Council received the VAT rebate the risk to cash flow would be alleviated to a large extent. Currently, this money was still with HMRC and the Council continued to work with its tax advisors to expedite the resolution of this issue. It was explained that the Council provided a series of commitments to the HMRC that the previously reported issues experienced by the Council with VAT accounting would not occur again. In response, the HMRC had been fair and reasonable and the process was now nearing an amicable resolution. It was noted that from the date the correction notice was accepted by HMRC, interest on the money was paid until that money was refunded.

The Deputy Leader and Portfolio Holder for Performance, Engagement and Governance addressed the Committee and brought to the Committee's attention the risk of overdue fire remedial actions in social housing properties in the Borough. The Deputy Leader explained that she attended the Housing Improvement Board meeting and noted that insufficient detail was available with regard to mitigations to address the fire remedial actions. The Committee agreed with the seriousness of the risk and requested that it be added to the Corporate Risk Register. It was noted that there had been slow progress in the Council clearing the backlog of high-risk fire remedial actions, with 695 outstanding actions at Q2 2025/26, this only reducing by 18 to 677 as of end of Q3 2025/26.

It was noted that the high-risk remedial fire actions needed to be urgently addressed as this issue presented a potential risk to life. The Interim Director of Finance explained that the resolution of this risk required a review of capital financing for the Housing Revenue Account (HRA) which was scheduled to take place at Quarter 1 of 2026/27. It was noted that the Council was legally required not to run a deficit on its HRA account and therefore the review of financing would seek to identify headroom for borrowing to enhance the Council's ability to grow and invest in existing housing stock more quickly. Members commented that there needed to be a detailed plan produced that set out how the works would be undertaken. It was requested that an update on this area be reported to the next meeting of the Committee.

It was explained that in addressing the backlog of fire remedial actions, in addition to a requirement for additional funds from the HRA being freed up, there were also issues with capacity of the housing team and contractors to deliver the works. It was noted that

# **Audit, Governance & Standards Committee**

---

Tuesday, 24th February, 2026

most of the outstanding fire remedial actions were in relation to fire doors. It was clarified that most of fire risks were now classed as a fire risk due to a recent tightening of regulations in regard to the fire doors safety. In response to a question by Members about the specific change in regulations with regard to fire doors, Officers present undertook to contact the Assistant Director of Environmental and Housing Property Services to provide a detailed response on this question.

The Committee approved the resolutions as stated in the report and approved the additional resolution that the risk of Cash Flow & Treasury Management and the risk of Backlog of Fire Remedial Actions both be added to the Corporate Risk Register.

## **RESOLVED that**

- 1) The strategic risks and mitigations detailed in the Corporate Risk Register are noted.**
- 2) The changes to risk scores, owners/leads and removal/addition of risks since the last report be noted.**
- 3) The new access capabilities for 4Risk dashboard on Power BI and the improvement process that has been underway and endorse the continuation of this work.**
- 4) The risks of Cash Flow & Treasury Management and Backlog of Fire Remedial Actions be added to the Corporate Risk Register.**

## **52. COMMITTEE WORK PROGRAMME**

It was requested that an update report on the plan to address the backlog in fire remedial actions in social housing properties be added to the work programme for the next Committee meeting which was due to take place on 9<sup>th</sup> April 2026. The other items scheduled on the agenda for that meeting were noted.

## **RESOLVED that**

**the Audit, Governance and Standards Committee Work Programme be updated as per the pre-amble above.**

## **53. EXCLUSION OF THE PUBLIC AND PRESS**

# **Audit, Governance & Standards Committee**

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Tuesday, 24th February, 2026

**RESOLVED that**

**Under S.100 (A) (4) of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matters on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12 (A) of the said Act, as amended:**

**Minute Item 54 – Response and Recovery to a Possible Cyber Attack on the Council – Presentation (Exempt)**

**Minute Item 55 – Minutes (of 20<sup>th</sup> January 2026) – including exempt minutes record.**

**54. RESPONSE AND RECOVERY TO A POSSIBLE CYBER ATTACK ON THE COUNCIL - PRESENTATION (EXEMPT)**

A presentation was provided by the providers of emergency resilience and business continuity for the Council, Applied Resilience, covering the Council's preparedness for a cyber attack and processes that were in place for dealing with cyber incidents of different degrees of severity.

**RESOLVED that**

**the presentation provided on the Council's response and recovery in the event of a cyber attack be noted.**

(During consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed that included information relating to the financial or business affairs of any particular person (including the authority holding that information)).

**55. MINUTES**

The minutes of the meeting of Audit, Governance and Standards Committee held on 20<sup>th</sup> January 2026, including the minutes record for the exempt item considered at that meeting, were submitted for Members' consideration.

**RESOLVED that**

# **Audit, Governance & Standards Committee**

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Tuesday, 24th February, 2026

**the minutes of the Audit, Governance and Standards Committee meeting held on 20<sup>th</sup> January 2026 be approved as a true and correct record and signed by the Chair.**

(During consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed that included information relating to the financial or business affairs of any particular person (including the authority holding that information)).

The Meeting commenced at 6.31 pm  
and closed at 7.49 pm