

AUDIT AND GOVERNANCE COMMITTEE MEETING MINUTES - 25 SEPTEMBER 2025

Present: Councillors McGoldrick (Vice-Chair in the Chair), Asare, Dennis, Keane, McGrother, Mitchell and Stevens

In attendance via Microsoft Teams Councillor Williams (Chair)

Apologies: Councillors Moore

(Councillor Williams was unable to attend in person, so attended remotely via Microsoft Teams, but did not vote on any of the items, in line with the requirements of the Local Government Act 1972)

9. MINUTES OF THE PREVIOUS MEETING HELD ON 16 JULY 2025

The Minutes of the meeting held on 16 July 2025 were confirmed as a correct record and signed by the Chair.

10. EXTERNAL AUDITOR UPDATE

The Committee received a covering report on behalf of the Council's External Auditor, KPMG, which had attached the External Audit Progress Report for September 2025.

Edward Mills from KPMG addressed the meeting and presented the report.

KPMG's report set out the work carried out since the last Committee meeting and the work planned before the next Committee meeting, a summary of the audit progress in each of the financial statement areas and a summary of work to date on the two risks of a significant weakness in arrangements to secure value for money that had been identified.

Resolved: That KPMG's External Audit Progress Report for September 2025 be noted.

11. TRAFFIC REGULATION ORDERS - UPDATE

The Committee received a report that provided an update on progress and decision-making in respect of the Traffic Regulation Orders (TRO) rectification process and recommended closing the Restitution Scheme.

The report explained that on 15 October 2024, a report had been presented to Council about irregularities in relation to certain historic Traffic Regulation Orders (TROs). As part of that report, an Action Plan had been agreed by Council (Minute 19 refers). The Audit and Governance Committee had been delegated authority to receive reports about the implementation of that Action Plan and to monitor its effectiveness. The Council had also delegated authority to the Committee to decide when to close the Restitution Scheme. Update reports had been submitted to the Committee in January 2025 and on 9 April 2025, when the Committee had agreed that, at its next meeting, it would consider setting a deadline for closing the formal Restitution Scheme and the Committee's monitoring of the Action Plan.

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The original Action Plan, and an updated Action Plan with RAG ratings applied, were attached to the report at Appendices 1 and 2 respectively, and the report gave details of key activities under each of the Action Plan headings.

The report stated that the Action Plan was now substantially complete and there were two future matters on the Action Plan which could be added to the Committee's Audit Tracker to ensure that they were reviewed in future:

- Following the APSE report it had been envisaged that there would be a further follow up Audit which had been scheduled for Q2 25/26. This was in hand and the outcome would be reported through the usual mechanisms to the Committee through the quarterly updates by the Chief Internal Auditor.
- A wider review of the Council's systems against the CIPFA/SOLACE Code of Corporate Governance had been recommended. This had last been reviewed in 2021/22. The timing of this was a matter for the Committee to determine.

The report explained that, given the low numbers of new referrals into the Restitution Scheme and the work which had been done to publicise the ability to claim refunds, it was now proposed to close the scheme. This would not diminish the ability of a member of the public to claim a refund for an historic Penalty Charge Notice if they had not already done so.

In response to a query about whether a press release was needed to inform the public that the Restitution Scheme was coming to an end, the Executive Director of Resources said that she would actively review the press coverage of the current meeting and arrange for a press release if necessary.

It was noted at the meeting that the Lead Officer for the wider review of the Council's systems was listed as the Assistant Director for Legal and Democratic Services (AD (L&DS)), but the current (AD (L&DS)) would be leaving the Council in December 2025, so this matter would need to be picked up by his replacement. Councillor McGoldrick asked for an update on how this review would be covered to be given to the Committee via the Chair and Vice-Chair.

Resolved:

- (1) That the progress made by officers to address the issues reported to Council on 15 October 2024, and ongoing actions, be noted;**
- (2) That the progress made on the Action Plan at Appendix 2 be noted and the outstanding actions on the Action Plan be added to the Committee's Audit Tracker;**
- (3) That the Restitution Scheme be closed;**
- (4) That it be noted that further claims which would have been allowable under the Restitution Scheme could still be made directly by motorists to Parking Services and would still be payable if they met the published conditions;**

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- (5) **That the Executive Director of Resources review the press coverage of the Committee meeting and arrange for a press release on the closure of the Restitution Scheme if necessary;**
- (6) **That the Executive Director of Resources provide an update to the Committee via the Chair and Vice-Chair on who would be leading on the wider review of the Council's systems.**

12. INFORMATION GOVERNANCE QUARTERLY UPDATE

The Committee considered a report outlining the actions in progress to improve the Council's policies, systems and processes for Information Governance, following several limited assurance reports in this area up to Quarter 2 of 2025/26.

The report provided an update on: the action being taken to address the backlog of Subject Access Requests; the on-time responses to FOI requests, which stood at 87% in Quarter 1 and at 87.2% so far in Quarter 2. (The report gave further details of the errors in the last report to Committee in April 2025, which had been reported on the Minutes at the meeting on 16 July 2025, explaining that the data and processes had been reviewed, and the final total on-time responses in 2024/25 had been 74%); the Data Transparency pages updates; the work of the Information Governance Board; the Information Management Strategy, which set out the Council's approach to information management and governance; and uptake of the compulsory Cyber Security and GDPR training for all staff and Members, which was between 26 and 37% completed as at 9 September 2025.

The report also contained further information on the cyber security programme, giving details of cyber incidents, suspicious email and security trends and upcoming security changes.

The report stated that the current focus would be on user acceptance training on the redaction software, continuing the work with the Data Stewards Network and further communications to the organisation about the importance of completing the information governance and cyber security training.

It was noted at the meeting that it was important that Councillors maintained their cyber resilience, as they could potentially be a weak link, due to their public-facing role, and it was suggested that the cyber-resilience information shared with managers at a recent Teamtalk event could usefully be shared with members of the Committee by providing a briefing before a future Committee meeting.

Resolved:

- (1) **That the progress made to date and the planned future actions be noted;**
- (2) **That the Executive Director of Resources arrange for a briefing by the Assistant Director of Digital and IT for Committee members before a future Committee meeting on the cyber-resilience information shared with managers at the recent Teamtalk event.**

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13. INTERNAL AUDIT QUARTERLY PROGRESS REPORT (Q2) AND UPDATED INTERNAL AUDIT PLAN

The Committee considered a report providing an update on progress made in delivering the Internal Audit Plan, including the key findings from the Internal Audit reports issued for the period 1 July to 30 September 2025 (Quarter 2). It also explained that the Internal Audit Plan had been revised to reflect the reintegration of Children's Services and Education into the Council from Brighter Futures for Children and that, due to the Audit function experiencing resource constraints due to unplanned investigations, some audit projects had been postponed or cancelled and would be reinstated if and when capacity permitted. Details of the amendments to the Audit Plan were set out in the report.

The report summarised the findings, recommendations and management actions that had been put forward for each audit review and stated the overall assurance opinion level given by the Internal Audit team. A total of two audit reviews had been finalised in the period, as follows:

- IT Disaster Recovery (Reasonable Assurance opinion given)
- Financial Assessments and Benefits Process (Limited Assurance opinion given)

The report gave details of an audit process into Fleet Management that had been carried out following whistleblowing concerns, which had found no evidence to support the concerns raised. The report also detailed the audits that were currently in progress, listed grant certifications, and gave a summary of the Corporate Investigations Team's work.

It was requested at the meeting that the Committee members be provided with access to copies of the original Audit reports from Brighter Futures for Children for those audits that had had limited or no assurance, which would be added to the Committee's Audit Recommendations Tracker. It was suggested that this might be achieved through placing them on the Sharepoint site for Committee members mentioned at recent training.

Resolved:

- (1) **That the audit findings be noted, and the recommendations and management action under way, as set out in the Internal Audit & Investigations 2025/26 Quarter 2 Update Report, be endorsed;**
- (2) **That the changes to the Internal Audit Plan be approved;**
- (3) **That the Chief Auditor arrange for access for members of the Committee to copies of the original Audit reports from Brighter Futures for Children for those audits which would be added to the Audit Recommendations Tracker.**

14. AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2024/25

The Committee received a report on its Annual Report on how it had complied with the 2022 CIPFA Position Statement and discharged its responsibilities during 2024/25. The Annual Report also included a self-assessment of the Committee's performance. The Annual Report was appended to the report and set out:

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- The Committee's remit and membership;
- Areas covered and work of the committee during 2024/25;
- Training undertaken by members during the year;
- A summary of an assessment of committee effectiveness carried out by Committee members and key officers with more detailed analysis provided in Appendix 2 to the report;
- An update on progress since the initial assessment against the CIPFA guidance was carried out; and
- Possible areas identified for improvement and forthcoming plans.

Members of the Committee and key officers had been invited to complete a questionnaire reviewing the Committee over the last municipal year. A summary of feedback was attached to the report at Appendix 2. The findings included:

- There was a high awareness among both councillors and officers of the committee's role and purpose.
- There was strong agreement that the committee adequately considered governance, internal control, and audit matters. However, officers indicated a decline in attention to risk management and financial reporting.
- Councillors reported improved escalation of issues, whilst officers observed a decline in the promptness and follow-up of actions.
- There was a marked improvement in councillors' awareness of training evaluations, with both groups perceiving that the committee had appropriate knowledge and skills.
- There was still a lack of clarity as to whether private meetings occurred with either internal or external audit.
- Both groups acknowledged the committee's value in improving governance and risk management.

The report stated that Committee members had continued to ask questions and challenge officers where appropriate throughout the year and had requested the attendance of various officers to provide updates on areas of concern.

Some areas for improvement had been identified and these were outlined in section 7 of Appendix 1 to the report. Generally, the Audit and Governance Committee complied with the 2022 CIPFA Position Statement, although it did not have any independent members on the Committee and had not reviewed the Annual Governance Statement during the year.

Resolved: **That the Audit and Governance Committee's Annual Report be endorsed as a fair reflection of its performance over the 2024/25 Municipal Year for consideration by Council at its meeting on 14 October 2025.**

15. STRATEGIC RISK REGISTER 2025/26

The Committee considered a report outlining the updates to the Strategic Risk Register (SRR), in line with the requirements of the Council's Risk Management Strategy. A copy of the SRR was attached to the report at Appendix 1. The Risk Register covered the actions completed by the Council for July to September to 2025 and the future risk ratings for October to December 2025. The SRR had been reviewed by CMT on 2 September 2025

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and no risks had been removed or de-escalated to the relevant Directorate Risk Register and there had been no new risks added to the SRR.

The Committee was asked to note there were now eight red risk cards, as follows:

- Cyber - Risk of loss from cyber-attack.
- Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand. Insufficient provision impacted on the Dedicated Schools Grant (DSG) High Needs Block (HNB) deficit.
- Unable to deliver a balanced budget because of demand pressures and achieving income targets.
- Failure to deliver zero carbon commitments (Climate mitigation).
- Failure to adapt to the impacts of climate change (Climate adaptation).
- Failure to safeguard vulnerable children.
- Failure to mitigate risks or manage issues, associated with health & safety, appropriately.
- Risk to adherence to Care Act Statutory duties as residents were waiting for an assessment or access to services in Adult Social Care.

The report stated there were now four amber risk cards.

Resolved: **That the Council's Strategic Risk Register, as of September 2025, as set out in Appendix 1 to the report, be noted.**

16. TREASURY MANAGEMENT REVIEW QUARTER 1 2024/25

The Committee considered a report on the activity of the Treasury Management function during the first quarter of the year for the period 1 April to 30 June 2025. The report stated that the CIPFA Code of Practice for Treasury Management 2021 recommended that the Committee should be updated on treasury management activities at least quarterly. The Committee was advised that there had been full compliance during this period with the Treasury Management Strategy Statement (TMSS), as agreed by Council on 25 February 2025.

The report had attached the MUFG Corporate Markets Economics Update; Borrowing and Investment Portfolios; and the list of approved countries for investments.

Resolved: **That the Treasury Management Review Quarter 1 report for 2025/26 be noted.**

(The meeting commenced at 6.30pm and closed at 7.26 pm)