

## AUDIT & GOVERNANCE COMMITTEE

**MINUTES** of the meeting held on Wednesday, 14 January 2026 commencing at 1.00 pm and finishing at 2.05 pm.

### **Present:**

**Voting Members:** Councillor Roz Smith – in the Chair  
Councillor John Shiri (Deputy Chair)  
Councillor Ron Batstone  
Councillor Andrew Crichton  
Councillor James Fry  
Councillor David Hingley  
Councillor Gavin McLauchlan  
Councillor Leigh Rawlins

**Non-voting members:** Paul McGinn

**Others in Attendance:** Jay Akbar, Head of Legal and Governance Services  
(Deputy Monitoring Officer)  
Lorna Baxter, Deputy Chief Executive  
(Section 151 Officer)  
Sarah Cox, Chief Internal Auditor  
Colm O'Caomhanaigh, Democratic Services Manager  
(Clerk)

<b>Agenda Item</b>	<b>Officer Attending</b>
5	Georgina Queripel, Audit Manager
6	Tim Chapple, Strategic Financing & Investment Manager
7	Kathy Wilcox, Head of Corporate Finance
8	Sarah Smith, Senior Governance Lead

*The Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda and reports, copies of which are attached to the signed Minutes.*

### **1/26 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS**

(Agenda No. 1)

Councillor Ted Fenton and the independent member Kate Cartwright sent their apologies for absence, which were accepted.

The Director of Law and Governance and Monitoring Officer also sent an apology for absence. The Head of Legal and Governance Services (Deputy Monitoring Officer) was present on her behalf.

### **2/26 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE**

(Agenda No. 2)

There were no declarations of interest.

### **3/26 MINUTES OF THE PREVIOUS MEETING**

(Agenda No. 3)

The Committee noted the following:

- External auditors had an outstanding action with respect to a question about the proportion of pension funds arising from Level 3 investments.
- The Director of Transformation, Customer Experience had written to the Committee, as requested, concerning Strategic Risk 11 – Section 106.
- The Strategic Financing and Investment Manager had addressed the minimum repayments for loans from the Public Works Loan Board during earlier training.
- The Deputy Chief Executive (Section 151 Officer) would address the High Needs Dedicated Schools Grant (DSG) Deficit during the meeting.

**RESOLVED to approve the minutes of the meeting held on 26 November 2025 as an accurate record of proceedings.**

### **4/26 PETITIONS AND PUBLIC ADDRESS**

(Agenda No. 4)

There were none.

### **5/26 INTERNAL AUDIT 2025/26 PROGRESS REPORT**

(Agenda No. 5)

The Chief Internal Auditor introduced the report.

The Committee agreed that the two red reports pertaining to Safeguarding Transport and School Attendance, respectively, would go up in full to the Audit Working Group at its next meeting on Wednesday, 25 March for them to review.

The Committee asked about changes to dates in the Audit Plan and noted that internal auditors and directors of service monitored those changes closely. Members of the Committee were invited to review any deferred items alongside senior officers.

The Committee also asked about ongoing contractual negotiations and noted that contract management was now the responsibility of the Head of the Commercial and Procurement Service, who reported to the Audit Working Group on this matter.

**RESOLVED to note the progress with the 2025/26 Internal Audit Plan and the outcome of the completed audits.**

### **6/26 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2026/27**

(Agenda No. 6)

The Strategic Financing and Investment Manager introduced the report.

The Committee noted the following:

- The Council did not have any long-term lending except with Local Authorities, rated A+, at that time.
- Changes to treasury policy could yield an additional £1.5 million in 2026-27 but that figure could not be guaranteed.

In relation to Local Government Reorganisation (LGR), the Committee sought and received assurance that proactive steps were being taken for any new local authority to deal with future issues, including the end of the International Financial Reporting Standard (IFRS) 9 statutory override in 2029.

#### ACTION

The Committee asked whether data from Arlingclose from November 2025 could have been more up to date, and the Strategic Financing and Investment Manager said that he would take that question away.

**RESOLVED to endorse the Treasury Management Strategy and Annual Investment 2025/26.**

### **7/26 FINANCIAL MANAGEMENT CODE**

(Agenda No. 7)

The Head of Corporate Finance and Deputy Chief Executive (Section 151 Officer) introduced the report.

The Committee asked about the Council's value for money and noted that work needed to be done with respect to consistency of processes involved in monitoring this, which included comparison with other local authorities. The redesign of Financial and Commercial Services was also discussed in relation to saving money without affecting service delivery.

Officers apologised that the word 'team' was missing with respect to the new data team on p. 74 of the agenda pack.

The Committee discussed the High Needs DSG Deficit and noted that the government had committed to cover this from April 2028, when local authorities would be permitted to deploy general funds to make up the shortfall, which could be £300 million. The Committee noted challenges with respect to the budget and the Executive Director of Resources (Section 151 Officer)'s Statutory Section 125 Statement in February, given ongoing uncertainty in relation to how the High Needs DSG deficit would be managed.

**RESOLVED to endorse the assessment of compliance against the Financial Management Code for 2025/26.**

### **8/26 ANNUAL GOVERNANCE STATEMENT - UPDATE ON ACTIONS**

(Agenda No. 8)

The Senior Governance Lead introduced the report.

The Committee noted that actions that had not been completed were progressing as reported on 26 November, except for Contract Management now that the redesign of Financial and Commercial Services was complete.

ACTION

The Head of Legal and Governance Services (Deputy Monitoring Officer) and Senior Governance Lead said that they would find out whether the Commercial and Procurement Service included the new data team.

**RESOLVED to receive this update on the actions from the Annual Governance Statement 2024/25.**

**9/26 AUDIT WORKING GROUP UPDATE**

(Agenda No. 9)

The Committee noted that the Audit Working Group would have a further update from the Head of the Commercial and Procurement Service on Contract Management on 25 March.

**RESOLVED to note the report.**

**10/26 AUDIT & GOVERNANCE WORK PROGRAMME**

(Agenda No. 10)

The Committee noted that the Chief Internal Auditor would circulate a draft annual report to Council in February, for approval on 11 March.

The Committee asked for:

- Review of future balances in the county fund in March 2028 on 20 May
- Focus on rising expenditure on Special Educational Needs & Disability (SEND)
- Regular review of the Constitution Working Group
- Review of Local Government Reorganisation (LGR) as it progressed
- A separate session for the Committee's Self-Assessment in May or June

**RESOLVED to note the Committee Work Programme to November 2026**

..... in the Chair

Date of signing .....