

## **AUDIT AND GOVERNANCE COMMITTEE**

Wednesday 11 February 2026

### Present:-

Councillor Wardle (Chair)

Councillors Moore, Atkinson, Banyard, Begley, Holland, Knott, Miller-Boam, Mitchell, M, Palmer and Williams, M

### Also Present

Strategic Director for Corporate Resources, Head of Legal and Democratic Services & Monitoring Officer, Head of Service - Finance, Head of Service - Customers and Communities and Democratic Services Officer

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### **APOLOGIES**

Apologies were received from the Chief Executive.

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### **MINUTES**

The minutes of the meeting held 27 November 2025 were taken as read, approved, and signed by the Chair as correct.

Councillor Moore requested that the presentation on the Corporate Governance Risk Register given by Zurich on the 17<sup>th</sup> November be appended to the minutes.

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### **DECLARATION OF INTERESTS**

No declarations of disclosable pecuniary interests were made.

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### **LOCAL GOVERNMENT OMBUDSMAN ANNUAL REVIEW OF COMPLAINTS**

The Head of Service – Customer and Communities presented the report, making the following points:

- these were all the complaints seen by the ombudsman in 2024/25;
- the Council had received eight complaints during that period, five were closed after inquiry, two were deemed not for the ombudsman and one was upheld; and
- the upheld complaint was regarding a fault in a planning report and it was concluded that the committee was not misled.

Councillor Knott, as the Chair of the Planning Committee provided clarification on the difference between gross and net hectarage.

The Head of Service – Customer and Communities and the Strategic Director of Corporate Resources responded to Members' questions in the following terms:

- the results compared to previous years would be circulated after the meeting;
- after complaints are made there is liaison with the Heads of Service and any trends are highlighted;

- officers would look into the recording of Freedom of Information (FOI) requests;
- the internal auditors are aware of all complaints received via the council;
- complaints were generally referred to the ombudsman when the outcome is disagreed with; and
- the internal auditor took a very thorough approach to areas of non-compliance and Members would have the opportunity to review and challenge.

The Audit and Governance Committee noted the Local Government Ombudsman Annual Review of Complaints.

## **EXTERNAL AUDIT FINDINGS REPORT 2024/25**

The Audit Manager, Grant Thornton, presented the report, making the following points:

- work had been concluded and the audit opinion would be issued after the meeting;
- the 25/26 audit internal deadline was the end of November;
- there was nothing left outstanding that would prevent the issuing of the audit opinion;
- three super-user accounts had been identified with the ability to add and remove entries from the general ledger, it is recognised in a small authority that access may be necessary, but ideally it should be performed by the IT Department
- A journal authorisation threshold of £5,000 is in place, which is highlighted as a minor risk but with mitigating controls in place
- a significant amount of work was undertaken on the valuation of land and buildings;
- St Sidwell's Point had been revalued from £28.6 million to £40.6 million;
- The bus station valuation required a correction to the Gross Internal Area (GIA), resulting in a £3 million adjustment;
- there had been a £15 million adjustment overall in PPE;
- the pension fund estimation variance of £53 million equated to £1.4 million for the council and was below materiality, so was comfortable;
- for IFRS 16, issues identified were disclosure-related only, and had been corrected by management, there were no valuation concerns noted; and
- the red rating on page 50 was relating to the assessment of the draft accounts, which had been fully addressed in the final accounts and had been updated accordingly.

The Audit Manager, and the Strategic Director of Corporate Resources responded to Members' questions in the following terms:

- the valuation of council dwellings was done by an external valuer, any increase in value would be included in the valuation;
- re-evaluation work had been carried out by Bruton Knowles and taken into account;
- all journals should be reviewed, but the council had a reasonable limit to not do so;
- solar panels were put up as part of the capital program, they had been borrowed for but there was not a physical loan;
- the solar panels had been given a 50-year warranty, but this needed adjusting as solar panels did not have a 50-year life span;
- there were 2 dwellings that did not have a beacon assigned;
- materiality was based on risk;
- LGR was considered as part of planning and was considered in audit plan

for 25/26;

- the contract with Bruton Knowles was being overseen by the Estates Team;
- the council had a range of policies which could be challenged by the committee; and
- the worth per square meter of St Sidwell's Point was increased due to the Passivhaus status which made a huge difference in value.

The Audit and Governance Committee noted the External Audit Findings Report.

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### **STATEMENT OF ACCOUNTS 2024/25**

The Accountancy Services Manager presented the report making the following points:

- there had been changes to the account to reflect the value of bus station and St Sidwells' Point;
- the statement of accounts was to be approved by the Audit and Governance committee and the electronic signature of both the Chair, and the Strategic Director for Corporate Resources be added; and
- the Letter of Representation was required to be issued to the auditors.

The Strategic Director of Corporate Resources proposed an amendment to the recommendations, "It is recommended that the Audit and Governance Committee approve the Statement of Accounts 24/25 and grant approval for the use of the relevant electronic signatures."

The Strategic Director of Corporate Resources and the Head of Finance responded to Members' questions in the following terms:

- a loan had been taken out for £36 million but this was for both St Sidwell's Point, and other capital investments
- the terminology used in relation to related parties could not be changed as prescribed by the accounting code of practice; and
- it was based on the code of practice and supported by international reporting standards and their statutory guidance.

Following a unanimous vote, the amended recommendations were CARRIED.

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### **MANAGEMENT LETTER OF REPRESENTATION**

The Accountancy Services Manager had already presented this item to the Committee when introducing the previous item.

The Chair agreed to signed the Management Letter of Presentation.

The Strategic Director of Corporate Resources thanked the Finance Team and the officers that had supported them, as well as Grant Thornton for the extraordinary effort from both parties, and the Committee endorsed this.

(The meeting commenced at 5.30 pm and closed at 6.22 pm)

Chair

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