

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

17TH FEBRUARY 2026, AT 6.00 P.M.

PRESENT: Councillors E. M. S. Gray (Chairman), S. R. Colella, A. M. Dale, D. J. A. Forsythe, D. Hopkins, B. Kumar, B. McEldowney and D. J. Nicholl

Observers: Councillor S.T. Nock - Cabinet Members for Finance

Officers: Ms J. Lorraine, Ms H. Corredor, Ms N. Cummings, Mr P. Earley (joined remotely), Mr C. Green (joined remotely) and Mrs S. Woodfield

38/25 **APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES**

Apologies for absence were received from Councillors S. Ammar and J. D. Stanley.

39/25 **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

There were no declarations of interest nor of any whipping arrangements.

40/25 **APPOINTMENT OF THE VICE-CHAIRMAN**

Councillor B. McEldowney nominated himself for the position of Vice-Chairman which was seconded by Councillor S.R. Colella.

Councillor D.J.A. Forsythe nominated Councillor B. Kumar for the position of Vice-Chairman which was seconded by Councillor D. Hopkins.

On being put to the vote it was

RESOLVED that Councillor B. Kumar be appointed as Vice-Chairman of the Board for the remainder of the 2025/26 municipal year.

41/25 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE MEETING HELD ON 24TH NOVEMBER 2025**

The minutes of the meeting of the Audit, Standards and Governance Committee held on 24th November 2025 were submitted for Members' consideration.

A typographical error was raised with Members concerning the Cyber Security Minutes which should have been recorded as recommendations to Cabinet.

The Chairman also advised that future reporting and minutes for “noting” would be replaced with references to the Committee being “assured”, with the Chairman expressing the view that “noted” did not enable Members to demonstrate that they were assured with the report content.

RESOLVED that, subject to the amendments detailed in the preamble above, the minutes of the Audit, Standards and Governance Committee held on 24th November 2025, be approved as a correct record.

42/25

TERMS OF REFERENCE

Members considered the Committee’s Terms of Reference (TOR) as included in the agenda. The Chairman explained that the inclusion of the TOR would be particularly helpful for Members who had recently joined the Committee.

The Chairman explained that in summary the Audit, Standards and Governance Committee functioned as an overarching Board with responsibility for gaining assurance that the reports presented were robust and satisfactory. Where Members identified any concerns, they were encouraged to raise these accordingly.

Members requested that the Whistleblowing Policy be discussed at a future meeting. In response it was advised that this item would be considered at the next meeting of the Committee on 16th April 2026.

RESOLVED that Members were assured in respect of the Committee’s Terms of Reference.

43/25

STANDARDS REGIME - MONITORING OFFICERS' REPORT

The Standards Regime – Monitoring Officers’ Report was presented to the Committee.

The main points highlighted in the report were as follows:

- The report included an updated list of Member complaints, including historic complaints as requested by Members of the Committee.
- All complaints reported at the previous meeting had been resolved.
- Two new public complaints and one new Member complaint had been received; the latter remained at an initial assessment stage.
- Updates were considered from the Constitution Review Working Group meeting held on 16th September 2025 and the Member Development Steering Group meeting held on 27th January 2026.

- It was advised that the Steering Group had discussed:
 - Potential WhatsApp Policy training for Members.
 - Agreement that most 2026–27 training would be delivered remotely.
 - Safeguarding training had been requested and dates were being arranged.

After the report Members raised the following comments:

- Whether there would be any Audit, Standards and Governance refresher training made available to Members of the Committee, due to the complexities of the subject. – Officers agreed that this would be reviewed.
- Whether training for Members could reflect risks arising from Local Government Reorganisation (LGR), particularly learning from Councils that had already transitioned to a unitary status. – In response, Members noted training requirements would be explored and that it was common practice to learn from other Councils.
- Whether common themes existed in complaints that might inform training (with the Committee noting increasing issues relating to social media). – In response it was advised that social media complaints were increasing, therefore, future training would be arranged.
- Clarification on “Other Member” categories in the complaints table was requested. – It was advised that complaints related to Member to Member, Public to Member and Other included Parish Councillors.
- Live streaming considerations at the Constitution Review Working Group (CRWG) were also discussed.
- The Co-opted Member suggested that complaints concerning Parish Councillors were categorised specifically, this was agreed and referenced for future reporting.

RESOLVED that subject to Members’ comments as detailed above the Audit, Standards and Governance Committee were assured regarding the Monitoring Officer’s Report.

44/25

EXTERNAL AUDIT BACKSTOP REPORT - WITHDRAWN

This item had been **withdrawn** and was not considered at this meeting.

45/25

RISK MANAGEMENT REPORT

The Assistant Director Corporate Services and Transformation introduced the corporate risk register and key developments as follows:

- All risks had been freshly reviewed and that more changes than usual were expected.

- Proposals for an independent audit of risk management governance would be included for the next audit year.
- LGR risks were being integrated through County level workstreams and tagged within the risk register.
- A new Power BI dashboard had been developed to give real time access to the Chair, Vice Chair, Risk Champion and Portfolio Holder.
- Staff and Member training on risk management would be arranged in the new municipal year.

Key risk changes highlighted were as follows:

- Contract management risk closed and moved to operational level.
- Cyber Security risk increased to 16, reflecting national guidance.
- Planning placed in special measures due to the quality of applications, moved to amber due to increased overturned decisions with risk score of 8.
- Customer Interface Project closed due to LGR context.
- Food waste implementation risk increased following Wyre Forest's withdrawal from joint procurement.
- LGR risk updated with strengthened mitigations and residual risk remained at 12.
- The Section 151 Officer risk retained until permanent recruitment had been completed.

Following the presentation the key considerations discussed were:

- Requests for clarity on inherent vs residual risk scoring for corporate risks. - In response Members were advised that inherent and residual risks had been reviewed with internal audit to ensure meaningful reductions where mitigations existed.
- Concerns about unreadable formatting of printed risk pages. – In response Officers would explore improving formatting or providing PDF alternatives. Some Members advised that online versions did provide clearer reporting, which included colour.
- When would Members receive access to the Power BI Dashboard? – It was advised that dashboard demonstrations would shortly be provided to the Chairman, Vice-Chairman, Risk Champion and Portfolio Holder.
- Concerns regarding the corporate risk for Adequate Workforce Planning was raised, particularly in relation to LGR and possible difficulties faced with recruitment. – In response the Section 151 Officer expressed the view that staff were feeling insecure. However, assurances were given that Transfer of Undertakings (Protection of Employment (TUPE)) would safeguard staff until the new authority was established. Members noted that most risks were related to senior officers and not all staff.
- Requests for additional planning related risks to be added to the risk register, including speculative development pending the local plan. – Officers agreed that the concerns would be taken away for

review. Officers would determine whether the issues sat at a corporate or service level risk.

- Queries were raised regarding accountability of risk owners and whether contingency plans existed for high level risks. – It was explained that risk ownership was held at Director level, with risk leads at four tiers. However, it was explained that full ownership mapping existed in the appendices within the report. The Section 151 Officer added that the Power BI software was a good objective instrument, providing real time data. Members were reassured to note that there was a good oversight of impacts to the services for the Council.
- Some Members queried if the risk for Bromsgrove District Council (BDC) being Placed in Special Measure for Speed of Plan Making should be raised to a high risk due to the pressure the team were under. - The Chairman suggested that the issues should be raised with the portfolio holder.
- It was also queried what lessons had been learnt, due to the increase in the rate of decisions being overturned on appeal. Officers agreed to discuss this with relevant Officers and would report back as an action.
- Members requested assurance that cyber penetration testing took place on a regular basis. – Members were informed that cyber contingency planning included regular network reporting to all Local Authorities which were reported to the Council's Senior Leadership Team (SLT). Members were also reassured that there was regular simulated attack exercises carried out within the Council.
- A query was raised for the high-risk concerning failure to meet waste requirements of the Environment Act 2021. Members queried why Wyre Forest District Council (WFDC) had decided to withdraw from the process, what was the shortfall and was the Council likely to meet the statutory implementation date of April 2026? – In response the Section 151 Officer explained that the decision had been through the WFDC public consultation process, due to the Government's decision not to provide dedicated funding to the scheme. From BDC's perspective, the risk was set as high due to decisions made by WFDC not to continue with the joint procurement exercise (Members noted this matter would be reported to Cabinet in due course). Officers agreed to respond to the question if the Council were likely to meet the statutory implementation date and what were the impacts the Council was unable to make the statutory deadline.
- The Section 151 Officer informed the Members of a new corporate risk which would be added to the risk register for Income Collection/Liquidity. This was due to the impact to the Council of income collection and people struggling to pay their bills i.e. council tax.

RESOLVED that

- 1) The Committee were assured of the strategic risks and mitigations as detailed in the Corporate Risk Register;
- 2) The Committee were assured of the changes to risk scores, owners/lead officers and the removal and/or addition of risks; and
- 3) The Committee were assured that the implementation delivery of the Council's 4Risk dashboard system on Power BI was up to date and on track.

46/25

RISK CHAMPION - VERBAL UPDATE (COUNCILLOR S.R. COLELLA)

The Risk Champion, Councillor S.R. Colella thanked officers for the extensive support and praised the significant improvements in risk management maturity and the introduction of the Power BI system, which would enhance transparency, oversight and assist with the ability to fulfil the role of Risk Champion. The Chairman took the opportunity to thank Councillor S.R. Colella for stepping forward and taking on the role.

RESOLVED that following consideration the Committee were assured in respect of the Risk Champion's verbal update.

47/25

INTERNAL AUDIT - PROGRESS REPORT

The Committee received the routine internal audit progress report from the Head of Internal Audit.

The main points considered were as follows:

- There was strong progress in delivering the audit plan, with 188 of 250 days completed by 23rd January 2026.
- Five audits were completed with four completed since the last meeting.
- Payroll received Substantial Assurance.
- General Ledger received Limited Assurance due to delays in reconciliations relating to historic system implementation issues.
- Health and Safety received Limited Assurance with significant issues in induction training and risk assessment completion.
- Transparency Code Audit gave Reasonable Assurance.
- There was an outstanding High Risk recommendation for Member Cyber Security Training. It was noted that only one Member remained outstanding.
- Audit Planning for 2026/27 was underway.

Following the presentation, Members' questions and comments were as below:

- A request for definition and scope of the General Ledger was raised. – In response it was explained that the General Ledger held all financial transactions i.e. debts owed.

- Queries of missing evidence behind journal entries was also required. – It was explained that some journal evidence may exist, but a reasonable cut-off was required during audit.
- What was the process for monitoring the audit recommendations and how were they implemented (including high risks)? – Members were informed that new proactive monitoring of recommendations were in place to hold officers to account, with the recent implementations being reported to SLT. Members were reassured that all high and medium risks were followed up. It was also explained that low level risks were under review as this level of risk was sometimes sought as an easy option, with medium and high level risks often being overlooked. Future proposals would be subject to the Committee's approval at the April 2026 meeting.
- What were the reasons for initiating the Health and Safety audit? – It was advised that this audit was initiated due to management concerns of deficiencies and not due to a specific incident. However, it was agreed that assurances would be provided within the report to be presented at the April 2026 meeting.
- The Section 151 Officer informed the Committee of the requirement for a review of the Single Person Discount (SPD) records with validations overdue, however, annual declarations still provided some assurance.

RESOLVED that following consideration of the report, the Committee were assured of the Internal Audit update.

48/25

FINANCIAL COMPLIANCE REPORT INCLUDING STATEMENT OF ACCOUNTS

The Committee received an update from the Finance Manager on progress made for the Financial Compliance Report.

The key points being summarised below:

- Value Added Tax (VAT) returns were being restored following extensive work with tax advisors.
- Whole of Government Accounts (WOGA) required remapping, with work scheduled for 2026–27.
- A cash receipting reinstatement project was underway.
- Significant progress had been achieved since the Section 24 Notice.
- Audit of the 2024/25 was expected to be completed by the statutory backstop date.

After the presentation Members discussed the following:

Extensive discussions were held regarding the £125m misallocated income over the period from 2020/21 to 2023/24 accounts.

The following questions were raised:

- Clarity of the situation for the misallocation of income? - In response Members were informed that the misallocated income had been banked correctly but coded incorrectly.
- Whether income had been incorrectly passed between Bromsgrove and Redditch Councils. – In response the Finance Manager informed the Committee that the majority of the monies did go to the correct individual Councils, however, they were not allocated to the correct code.
- Concerns of past issues with the Tech One system were raised which had caused delays with manual checks having to be carried out. Members queried if the £125m misallocated income related to suspense accounts. – It was explained that the Council were hopeful that with the reinstatement of a cash receipting system, that similar issues wouldn't happen again and that the Council should see improvements going forwards.
- What were the impacts on the Medium-Term Financial Plan (MTFP) at the time and what about future mitigations? – The Committee were informed that the MTFP had not been destabilised because income had been received, just mis-coded. With the reinstatement of a new cash receipting system, this should help with picking up errors for future reconciliations.
- Timelines for cash receipting system reinstatement? - Officers were unable to provide a specific timeline but Members were assured to note that suspense account balances had reduced from 424,000 entries to 46 entries, totalling misallocated monies to date of £538,000, which was a major improvement.
- How would the Council be assured that the issues would not happen again? - A parallel run of the new cash receipting system would occur before full go live, which was hoped would be in place by the next meeting in April 2026.

Other questions raised by Members were as follows:

- How was the Council ensuring accuracy given the staff turnover issues and how was the Council coping with the transitions of the new external auditors Ernst and Young (EY)? - The Section 151 Officer reassured Members that EY were highly regarded external auditors and were seeking high levels of assurance from the Council which was significant and would cause considerable work to the Finance Team, but the Committee could be assured that all risks would be thoroughly considered. The Section 151 Officer also assured Members that with EY on board, she was happy with the progress of the suspense account irregularities, with staff working extremely hard to rectify the issues and was hopeful that future issues of this nature should be significantly reduced.

The Section 151 Officer suggested that Recommendation 1 of the report should be reviewed by the Committee and perhaps could not be fully assured for the auditing of the 2023/24 and 2024/25 accounts.

Following discussions the Chairman suggested and the Board agreed that the recommendation regarding assurance on auditing of 2023/24 and 2024/25 accounts be deferred. However, the Committee confirmed assurance on progress against the Section 24 Notice as a suggested alternative recommendation.

RESOLVED that

- 1) The Committee were assured regarding the current position in relation to the progress made for the previously issued Section 24 Notice.
- 2) The Committee were assured in relation to the position for the other financial indicators as set out in the report; and
- 3) The Committee were assured in relation to the position on the Financial Stability Plan.

RECOMMENDED to Cabinet that

- 4) Assurances regarding the auditing of the 2023/24 and 2024/25 accounts would be deferred until the Audit, Standards and Governance Committee could gain further assurances from the external and internal auditors.

49/25

CAPITAL STRATEGY 2026-27 INCLUDING TREASURY MANAGEMENT STRATEGY

A high level overview of capital expenditure, borrowing levels, prudential indicators and treasury risk management was provided by the Finance Manager.

After the overview, Members raised the following questions:

- Clarification regarding governance for new liabilities exceeding £0.5m which were reported to full Council for approval/notification. It was asked whether this was a culmination of liabilities or specific individual? – In response the Committee were advised that this related to individual items. In response Members queried how culminated liabilities were reported? – It was advised that Officers would seek the specific details and report back to Members.
- The portfolio holder queried if any monies owned by His Majesty's Revenue and Customs (HMRC) would be paid with interest? – In response the Section 151 Officer advised that interest started from the date a matter was brought to their attention. Members noted that one matter was outstanding with HMRC.

RECOMMENDED TO COUNCIL that

- 1) The Capital Strategy be approved as an appropriate overarching strategy for the Council;

- 2) The Treasury Management Strategy for 2026/27 and the associated Minimum Revenue Provision (MRP) policy be approved; and
- 3) The Investment Strategy be approved.

50/25

REVIEW OF ACCOUNTING POLICIES

The Finance Manager updated Members on the accounting policies and advised that no changes were required with the accounting policies for 2025/26.

The Section 151 Officer assured Members that the policies continued to comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) code and International Financial Reporting Standards (IFRS).

RESOLVED that the Committee were assured in respect of the 2025/26 accounting policies.

No areas of concern were raised.

51/25

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE WORK PROGRAMME

The Audit, Standards and Governance Committee Work Programme was considered.

Members noted that the Whistleblowing Policy update would be considered at the next meeting in April 2026.

RESOLVED that Members were assured in respect of the contents of the Committee's work programme, as reported.

The meeting closed at 8.40 p.m.

Chairman