BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

13TH JULY 2026, AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

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

Observers:
Councillor S.T. Nock - Cabinet Member for Finance
Councillor M. Marshall

Officers: Mrs. R. Bamford, Mr. J. Walton, Mr J. Aihie, Ms. N Cummings, Mr C. Green and Mrs S. Woodfield

14/26 APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillor B. Kumar.

15/26 DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS

A declaration of interest was made by Councillor D.J. Nicholl, advising that he was a member of Whistleblowers UK. No whipping arrangements were declared.

16/26 TO CONFIRM THE ACCURACY OF THE MINUTES OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE MEETING HELD ON 8TH JUNE 2026

The minutes of the meeting for 8th June 2026 were considered by the Committee.

A Member proposed that wording should be added that there had been discussions regarding potential future items for the risk register, including the sign-off of the accounts and economic challenges in the town centre, which was noted.

RESOLVED that the minutes of the Audit, Standards and Governance Committee held on 8th June 2026 be approved as a correct record.

17/26 **STANDARDS REGIME - MONITORING OFFICER'S REPORT**

The Committee considered the Monitoring Officers' report by the Deputy Monitoring Officer and advised that since previous reporting the following complaints had been received and dealt with:

- Five member-to-member complaints, all resolved and all assessed as not conduct matters.
- One public complaint against a Member, which had been resolved.
- One complaint against a parish councillor, which had been resolved.
- One complaint by a parish council against a Member, which had been assessed and found not to be a conduct matter.
- A further complaint from a member of the public against a parish councillor had recently been received and was being assessed, most likely with a view to informal resolution.

It was also explained that there was a new section in the quarterly report concerning whistleblowing. Although no whistleblowing complaints had been received, it was advised that such matters would be reported quarterly and monitored through the Senior Leadership Team (SLT) governance arrangements.

The Deputy Monitoring Officer also updated Members on the Constitution Review Working Group which had met on 10th July 2026. Members noted that any recommendations would go to the Council meeting held on 15th July 2026.

The Committee were also advised that the Member Development Steering Group had discussed the following:

- Social media training which had been identified as useful and was incorporated into the Code of Conduct training.
- Possible future regional social media training via the Local Government Association.
- Completion by all Members of cyber security training.
- Forthcoming AI training.

During Member's consideration of the item, the following key points were discussed:

- How were staff made aware that the whistleblowing policy existed? – In response the Deputy Monitoring Officer explained that there had recently been a session at a management meeting where managers were reminded of the whistleblowing policy and those managers were expected to remind members of their team.

- A Member expressed the view that the level of complaints appeared high within the report, showing 15 member-to-member complaints in roughly 15 months amongst 31 members. It was questioned whether this was a good use of officer time and suggested Members should reflect on whether standards of behaviour could be improved. The Chairman agreed and commented that group leaders should discuss behaviour with their party groups and consider how Members might be “kinder to one another”, indicating that this might appropriately form a recommendation.

- The Portfolio Holder for Finance requested clarity on the complaint statistics and expressed the view that the data wasn’t very clear. – In response the Deputy Monitoring Officer explained that she intended to hold a meeting with the relevant portfolio holder to discuss how best to present the data, without disclosing confidential complaint details.

- Members discussed the report’s mention of Artificial Intelligence (AI) training and asked whether the Council had future plans to use AI when preparing committee reports. It was also noted that Members had received a very large agenda pack and questioning whether such large packs were still necessary. The Chairman added that Members could make better use of current digital tools such as ModGov.

RESOLVED that

1) Group Leaders to discuss whether standards of behaviour could be improved with Members;
2) The Deputy Monitoring Officer to discuss suitable reporting of complaints received with the portfolio holder; and
3) Subject to Members’ comments, the Audit, Standards and Governance Committee was assured regarding the Monitoring Officer’s Report.

18/26 **LOCALISM ACT 2011 - STANDARDS REGIME - GENERAL AND INDIVIDUAL DISPENSATIONS**

The Committee considered the Localism Act 2011 – Standards Regime – General and Individual Dispensations for the municipal year 2026/27.

It was explained that dispensations fell into four categories:

- General dispensations
- Council tax arrears
- Individual member dispensations
- Outside body appointment dispensations

The statutory grounds for a dispensation were set out in the report and the table in the report listed dispensations previously granted which, if re-approved, would continue until the first meeting of the Committee in 2027/28.

It was also advised that there was one update since publication of the agenda in which Councillor Colella was no longer employed by South Staffordshire Water and therefore no longer required the relevant dispensation. Additional requested dispensations were also set out in the report for consideration.

Following the presentation the Chairman requested that Legal Officers discussed the practical application of dispensations and make the position clearer, particularly where councillors were appointed as trustees or outside body representatives but still needed to scrutinise those organisations. - In response the Deputy Monitoring Officer replied that she was happy to provide further advice on the matter outside of the meeting.

RESOLVED that

1) (Any Individual Member Dispensations (IMDs) and Outside Body Appointments dispensations requested by Members up to the point of the meeting, and as advised by the Monitoring Officer at the meeting, was granted under section 33 (2) of the Localism Act 2011, to allow those Member(s) to participate in and vote at Council and Committee meetings in the individual circumstances detailed;

2) The Audit, Standards and Governance Committee granted a dispensation under Section 33 (2) of the Localism Act 2011 to allow Members to address Council and Committees in circumstances where a member of the public may elect to speak;

3) Subject to the caveat set out in paragraph 4.9 of this report in relation to setting the Council's Budget, the Audit, Standards and Governance Committee granted dispensations under Section 33 (2) of the Localism Act 2011 to allow all Members to participate in and vote at Council and Committee meetings when considering the setting of:

   a) the Budget;
   b) Council Tax;
   c) Members' Allowances; and
   d) Non-Domestic Rates – Discretionary Rate Relief Policy and Guidance affecting properties within the District;

4) It was noted that all dispensations granted by the Committee take effect on receipt of a written request from Members for such a dispensation and where Members may have a Disclosable Pecuniary Interest in the matter under consideration, which would otherwise preclude such participation and voting; and

5) It was noted that the dispensations referred to at resolutions (1), (2) and (3) would remain valid until the first meeting of the Audit, Standards and Governance Committee in the 2027/28 municipal year unless amended by the Committee prior to that date.

19/26 **FINAL STATEMENT OF ACCOUNTS 2023/24 & 2024/25**

The Section 151 Officer introduced the historic Statements of Accounts for 2023/24 and 2024/25. Members were reminded that at the previous meeting the external auditor, Ernst & Young, had presented the completion reports for those accounts and set out their findings and recommendations. Those matters would be carried forward into consideration of the 2025/26 accounts later in the agenda.

It was explained that the accounts for 2023/24 and 2024/25 had been completed, published and audited with disclaimed opinions but had not yet been formally signed off by the Committee. The purpose of this item was therefore the Committee's approval so that the external auditors could sign the accounts formally, the final Letter of Representation could be completed and the governance process closed. It made clear that it was too late at that stage for substantive amendments to those historic accounts.

After the presentation, Members discussed the following:

- Members drew attention to a figure in the 2023/24 accounts concerning additional housing benefit costs relating to bed and breakfast accommodation. It was asked whether there had since been an increase in the number of people needing those services. –The Section 151 Officer replied that housing benefits claims, temporary accommodation and homelessness remained with issues nationally and locally and would show in future reporting. However the detailed scrutiny of that matter would fall more naturally within Overview and Scrutiny than the Audit Committee.

- Wording in the accounts was queried, referring to six key priorities/strategic purposes, noting that there only appeared to be five shown within the report. - The Section 151 Officer acknowledged that they appeared to be a typographical error and would be corrected.

RESOLVED that the Audit, Standards and Governance Committee approved the Final Statement of Accounts for 2023/24 and 2024/25.

20/26 **RISK CHAMPION UPDATE (VERBAL)**

The Risk Champion, Councillor S.R. Colella firstly thanked the Section 151 Officer for his time and assistance with the role. It was reported that they had reviewed the risk register and discussed the development of:

- Target risk linked to risk appetite.
- The role of opportunities within risk management.
- Clarity over risk owners.
- Concerns around the limitations of the current approach, which he felt could be overly simplistic.
- The importance of better live updating and of allowing Members to put forward risks that they saw emerging.
- Two additional potential risks had been put forward by Members and were under consideration by Officers.

The Risk Champion expressed the view that the development of the new risk process was likely to be a significant and ongoing piece of work.

A Member raised a query in relation to cyber security and whether feedback had been received following the recent hack and what lessons had been learned. – In response the Risk Champion acknowledged this as an issue that might be better picked up in a quarter one update.

The Chairman also thanked the Risk Champion for his involvement and noted that he was being more directly involved in the redesign of the risk process.

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

21/26 **RISK MANAGEMENT REPORT/CORPORATE RISK REGISTER Q1 2026/27**

The Committee then considered the wider corporate risk register and risk management process, including a detailed discussion of the planning performance and special measures risk. The Chairman had invited the Chairman of the Planning Committee and Assistant Director for Planning, Leisure and Culture Services to assist the Committee's understanding of the issue.

The Chairman of Planning explained how Central Government currently measured local planning authority performance using four metrics:

- Speed of decision-making for major applications
- Quality of decision-making for major applications
- Speed of decision-making for minor applications
- Quality of decision-making for minor applications.

Members noted that quality was the more relevant concern for Bromsgrove District Council (BDC). The performance measure was based on a rolling two-year period of planning decisions, together with a time lag allowing appeals to conclude. The key threshold was that if more than 10% of relevant decisions were overturned at appeal, the authority could be designated as a poor performing planning authority. It was explained that because BDC determined relatively small numbers of major applications, only a small number of appeal losses could significantly affect its percentage. The Council had been at 6.7%, was currently at 7.1% and based on decisions already known, would inevitably exceed the 10% threshold.

It was explained that if the Council was designated as a poor performing authority, developers could apply directly to the Planning Inspectorate and bypass the local planning authority. Nine authorities, including neighbouring authorities, had recently been placed in that position. The Chairman of the Planning Committee stressed that whilst designation was ultimately a ministerial decision the Council had in his view lost control of whether the threshold itself would be breached.

The Assistant Director for Planning, Leisure and Culture Services explained in detail the data sheet which had been provided as follows:

- How the rolling two-year window was constructed.
- How an appeal decision was attributed back to the quarter in which the application had originally been determined.
- How the Council could therefore see some changes coming before they appeared in central government's published data.

It was emphasised that the Council's low number of major decisions meant the Council often lived on a "knife edge" because two or three appeal losses could tip the authority over the threshold. It was also explained that government tended to review designation annually rather than every quarter, often by reference to end-of-March statistics, which meant that an authority might move above and below the threshold before government acted. It was also stressed that while the risk was real, the issue was finely balanced and should not be overstated; the Council might be above 10% briefly and then naturally fall back as the rolling period moved on.

It was further noted that a "major" application in this context could include what Officers sometimes referred to internally as "minor majors, not just very large strategic developments. It was therefore cautioned against assuming that a new Local Plan alone would remove the risk, because such appeal losses could arise even with an up-to-date local plan.

The Section 151 Officer then presented the Risk Management/Corporate Risk Register report. The key question was not merely whether a risk should be coloured red or amber but what difference that made in practice.

It was outlined that:

- A revised risk management strategy was being developed.
- The organisation was beginning to define its risk appetite.

- The concept of target risk was being introduced alongside inherent and residual risk.
- A clearer process was being created for determining what action should be triggered at different levels of risk.

It was emphasised that the role of the Audit, Standards and Governance Committee was not to manage risks itself, but to challenge whether:

- The risk had been properly identified.
- The evidence and reasoning behind the scoring were sound.
- The controls and mitigations in place were appropriate.

Key points of debate by Members were as follows:

- Some Members questioned whether changing the colour of the planning risk from amber to red would achieve anything tangible, given that many drivers of the risk were outside the Council's control. Members reflected that, even if the Council could not avoid exposure to the risk, it was still right that the Committee should recognise that exposure clearly and ensure that the planning authority was supported.

  Other Members argued that marking the risk red for the planning risk was necessary because red items naturally drew attention, prompted questions and signalled urgency to SLT and Officers reviewing the risk register.

  Long term reputational damage was also raised by Members and that some residents had lost confidence and trust in the planning system. It was added that trying to avoid special measures was a priority prior to Local Government Reorganisation.

  The Section 151 Officer provided his comments that Officers were already managing the risk to the best of their ability and that a red score would not in itself create new mitigations but the Committee was entitled to challenge whether the current scoring reflected the reality of the risk.

  The Head of Internal Audit expressed the view that the Committee should not become over focused on the debate around colours alone and noted the importance of examining the difference between inherent risk and residual risk, whether the controls were actually working effectively and whether actions identified on the risk register had owners, deadlines and accountability with some risks, such as cyber security, could remain high despite every reasonable mitigation being in place.

- The Risk Champion queried whether developers were likely to know that BDC was on a planning "tightrope", especially in the context of future changes to the National Planning Policy Framework (NPPF) rules. The Chairman of the Planning

Committee replied that although he could not say definitively, his impression was that developers and their agents were often very aware of changing planning rules, local authority positions and strategic opportunities. The Head of Planning and Regeneration reiterated that the issue was not restricted to large scale housing developments alone, "minor major" categories could also affect the statistics.

- Members suggested the need to understand lessons learned from the recent cyber incident and the possibility that artificial intelligence should be considered as a potential corporate risk. - The Section 151 Officer responded that AI was being considered and might appropriately become a corporate risk once the Council's AI strategy had been developed.

- A Member also queried the levelling up project risk including delays, culvert issues, possible cost increases and the long-term risk that completed buildings might not be fully occupied. - The Section 151 Officer advised that these issues sat partly within project risk while works were ongoing and later within financial/ asset management risk once completed. He also suggested that they were more properly drivers of broader financial risk rather than necessarily standalone corporate risks in themselves.

Following the extensive debate two broad approaches were raised by Members for the corporate risk Bromsgrove DC being placed into special measures due to the quality of planning application decisions as follows:

1) Officers and SLT could be asked to review the planning risk again.
2) The Committee could directly recommend that the risk be escalated to Red.

During consideration of this item, the following proposal was made by Councillor S.R. Colella.

"Recommended that this risk is put into Red category to ensure that the Council, Officers and Members recognise the risk that could happen".

The recommendation was proposed by Councillor S.R. Colella and seconded by Councillor D.J. Nicholl.

On being put to the vote the recommendation was carried with one abstention.

RECOMMENDED to SLT that

1) The corporate risk for Bromsgrove DC being placed into special measures due to quality of planning application decisions should be placed in the Red category;

RESOLVED that

2) The Audit, Standards and Governance Committee considered, with appropriate comment, the strategic risks and mitigations detailed in the Corporate Risk Register; and

3) The Audit, Standards and Governance Committee considered, with appropriate comment, the changes to risk scores, owners, leads and the removal or addition of risks over the period.

22/26 **FINANCIAL OUTTURN REPORT**

The Section 151 Officer introduced the Financial Outturn Report and explained that this was not the outturn report itself but rather an overview describing the purpose and role of the outturn report.

It was explained that the report sat between routine in year monitoring and the Statement of Accounts and was intended to help Members understand the end-of-year position rather than scrutinise performance in detail.

RESOLVED that the Audit, Standards and Governance Committee considered, with appropriate comment, the purpose of the Financial Outturn Report and relationship to the Draft Statement of Accounts elsewhere on this agenda, and the proposed future-year closedown timetable and reporting arrangements.

23/26 **INTERNAL AUDIT ANNUAL REPORT AND AUDIT OPINION 2025/26**

The Internal Audit Annual Report and Audit Opinion for 2025/26 was reported to Members. It was explained that the report was required under the Global Internal Audit Standards and provided the following:

- An annual opinion on the adequacy of internal control, governance and risk management.
- A summary of the work undertaken and the basis for that opinion.
- Commentary on compliance with internal audit standards.

Members were advised that the organisation had been in flux during the year, including a new Chief Executive, numerous Section 151 Officers over a 12-month period and the recent appointment of a permanent Section 151 Officer.

However, despite this, several positive governance developments had taken place including:

- Management proactively inviting internal audit to review areas of concern.
- The creation of a monthly governance focused SLT meeting which he had attended.

- Quarterly compliance reports for Heads of Service.
- Reinstatement of the Strategic Risk Management Group.
- Work on a new risk management strategy and refreshed service risk registers.

Members were informed that the Internal Audit's overall opinion for 2025/26 was Reasonable assurance for governance but Limited assurance for internal control and risk management.

It was emphasised that while the results showed weaknesses, this also reflected a more open and transparent willingness by management to identify and address problem areas. It was also confirmed that overall internal audit was satisfied that the service had met its performance targets.

In response Members raised the following queries:

- A typographical error was highlighted in the report which detailed the incorrect portfolio holder.

- Members remarked that the report sounded quite damning in places and that the number of limited assurance audits appeared to be increasing over time, which suggested a deteriorating trend. It was queried whether the Committee could expect the position to improve by the next year. – The Head of Internal Audit responded that he did not in fact believe the situation was getting worse. It was explained matters that had existed but not necessarily been fully exposed before were now being looked at openly and transparently, which were considered a positive. Members noted that internal audit could not guarantee in advance that scores would improve but all the limited assurance areas had been included again in the draft audit plan for a follow up review.

- A suggestion that reporting such as "things are getting better" would be more useful if supported by specific comparative information, such as figures showing the reduction in a backlog or delay. – The Head of Internal Audit accepted the suggestion and agreed to review this for future reporting.

- Some Members considered the report to be reassuring, noting in the report that the Chief Executive had established a new dedicated Governance SLT and invited the Head of Internal Audit to the meetings.

- The Chairman queried whether Internal Audit's involvement in the new governance arrangements was reviewing areas such as the general ledger where progress had been made but reconciliations remained outstanding. – In response the Committee were advised that Internal Audit reviewed all auditable areas and would always perform risk assessments. The new open governance dialogue did help focus judgement on where the most significant risks were, however, it would take time for results to change significantly. The Section 151 Officer praised the fact that the Chief Executive and SLT were taking these issues seriously and holding service areas to account.

- A cultural shift was suggested for ineffective training on Data Protection/GDPR. – The Head of Internal Audit provided further clarification on the matter and explained that the reporting related to the e-learning system with some Officers by-passing the training to the end quiz. This matter was being addressed with alternative suggestions that new staff and officers requiring further refresher training would be a concentrated target area.

RESOLVED that the Audit, Standards and Governance Committee was assured regarding the Annual Report of Internal Audit for 2025/26.

24/26 **DRAFT STATEMENT OF ACCOUNTS 2025/26**

The Section 151 Officer presented the Draft Statement of Accounts for 2025/26, explaining that together with the Annual Governance Statement it was one of the key statutory documents that was required to be produced and published by 30th June 2026. He praised to the Finance Team, achieving the deadline for a second consecutive year, despite previous concerns and recommendations around delays in producing the accounts. The Section 151 Officer also introduced the new Chief Accountant, who was in attendance to assist with technical questions.

The main points were outlined below:

- The accounts were currently in draft form; however, Members could raise questions, typographical issues or errors at this stage.
- There remained time before the auditors, Ernst and Young, would begin the bulk of their work later in the year, expected around October 2026 onwards.
- The final audited accounts and completion report would likely return to Committee in January 2027 for approval.
- It remained likely that the auditors would again issue a disclaimed opinion until confidence in the full historic series of accounts had been rebuilt.

Following the review of the item, Members raised questions as detailed below:

- An explanation of the business rates appeals provision, referring to figures in the accounts and to wording indicating that Worcestershire County Council had taken the lead in this area. - The Section 151 Officer explained that the Council had to build a provision into the collection fund to reflect the risk of businesses successfully appealing their rateable values. It was explained further that because appeals could be made years after the original valuation and then apply retrospectively, there could be a significant one-off impact on the collection fund in the year the appeal was settled.

- A Member asked whether the historic VAT issue had been resolved. – It was noted that the historic issue had been dealt with and there were no further planned error correction notices. However, VAT returns continued monthly and would be reported accordingly.

Following the discussions the Chairman welcomed and thanked the newly appointed Chief Accountant for attending.

RESOLVED that the Audit, Standards and Governance Committee considered with appropriate comment and acknowledged the Draft Statement of Accounts 2025/26 that were produced and published by the statutory deadline of 30th June 2026.

25/26 **ANNUAL GOVERNANCE STATEMENT 2025/26**

The Section 151 Officer introduced the Annual Governance Statement (AGS) for 2025/26. He explained that the document had been structured in three broad sections:

1. The governance framework and examples of good governance already in place.
2. Significant governance issues identified, including issues previously raised by Ernst and Young.
3. An AGS Action Plan setting out milestones, deadlines and responsible officers.

It was explained that some items in the action plan were colour coded according to whether they had originally been raised by the external auditor as red or amber governance matters, while several further issues shown in blue had been identified internally by the Council itself. The intention was that the Committee would receive regular progress updates against that action plan at future meetings.

The following questions by Members were carried out:

- Whether the further internal issues identified by Officers had been communicated with the external auditors? – In response Members were advised that Ernst and Young were aware of these further issues and would be reviewed accordingly.

RESOLVED that

1) The Audit, Standards and Governance Committee considered and approved with appropriate comment the AGS for 2025/26 as attached at Appendix 1;

2) Considered the significant governance issues identified within the AGS and endorsed with appropriate comment the AGS Action Plan attached as Appendix 1 to the AGS; and

3) Agreed to regular update reports to demonstrate delivery of the AGS Action Plan.

26/26 **ANNUAL TREASURY REPORT 2025/26**

The Section 151 Officer introduced the Annual Treasury Management Outturn Report for 2025/26. It was explained that the report looked back over the year and was intended to provide assurance that treasury management activities had remained within approved prudential indicators and borrowing, investment and cashflow management had been conducted appropriately.

The Section 151 Officer also referred to recent Member training sessions around the treasury function, noting that such training would be important in preparing the Audit, Standards and Governance Committee to take a more active governance oversight role in treasury matters.

The Chairman commented that not all Members had been able to attend the recent separate training session and suggested that, given Members' other commitments, future training should be discussed through the relevant Member Development Steering Group meetings.

RESOLVED that

1) The Audit, Standards and Governance Committee acknowledged the Treasury Management outturn position for 2025/26; and

2) Acknowledged that treasury management activities were undertaken in accordance with the approved Treasury Management Strategy and Prudential Indicators.

27/26 **INTERNAL AUDIT STRATEGY, CHARTER AND MANDATE**

The Head of Internal Audit presented the new Internal Audit Strategy, Charter and Mandate and explained that these documents were required under the Global Internal Audit Standards and were summarised as follows:

- The Strategy described how Internal Audit operated and how the service intended to continue improving.
- The Charter sets out internal audit's purpose, scope, independence, rights of access, planning and reporting arrangements and professional standards.
- The Mandate formalised internal audit's right, where necessary, to access records, information and officers in accordance with the Accounts and Audit Regulations.

Members noted audit testing would become more sharply focused on significant risk rather than blanket coverage and recommendations would also become more focused on material issues, with less time spent reporting low level matters.

The service's investment in officer professional development was also discussed, noting that multiple staff were undertaking qualifications and that "golden handcuff" arrangements helped with retention by requiring repayment of study support costs if staff left the Authority. It was noted that no member of the team had left for over 18 months.

RESOLVED that the Audit, Standards and Governance Committee approved the Internal Audit Strategy, Charter and Mandate.

28/26 **INTERNAL AUDIT PLAN 2026/27**

The Internal Audit Plan for 2026/27 was presented to Members.

The following key points were outlined:

- It remained a risk-based plan assessing the adequacy of internal control, governance and risk management.
- It had been prepared by reviewing all auditable areas, recent coverage and emerging risk.
- The Section 151 Officer and SLT had been consulted and had endorsed the plan.
- All areas receiving limited assurance in 2025/26 would be revisited and re-graded.
- The plan included a significant new element relating to Local Government Reorganisation (LGR), with 50 audit days allocated.

The LGR allocation reflected two requirements, to support for the LGR data hub and validation work and assurance work on programme governance, risk management and record management. The proposed resource allocation totalled 295 days, which was 45 days more than the previous year, this partly reflected the additional LGR work and partly reflected the fact that SLT actively wanted Internal Audit to carry out more audits than had been carried out historically. Members were reminded that the plan was not fixed in stone and that significant changes (defined as a change of more than five audit days) would be brought back to the Committee for approval.

RESOLVED that the Audit, Standards and Governance Committee approved the 2026/27 Internal Audit Plan subject to any agreed amendments.

29/26 **WHISTLEBLOWING AND ANTI-FRAUD, BRIBERY AND CORRUPTION POLICIES**

Members considered the Whistleblowing and Anti-Fraud, Bribery and Corruption Policy Update by the Director of Finance including the

Whistleblowing Policy, Anti-Fraud, Bribery and Corruption Policy and Anti-Money Laundering Statement.

Key points were discussed as follows:

- The whistleblowing policy already existed but had been reviewed and updated.
- Specific improvements included ensuring there was a clear confidential reporting route/hotline.
- The authority previously had a bribery policy but no clear, articulated overarching anti-fraud or anti-corruption framework.
- Following internal audit work and legal advice, a broader anti-fraud, bribery and corruption policy had been drafted which set out roles of managers, members and officers, escalation procedures, the approach to investigation and practical guidance.
- An anti-money laundering statement had also been drafted, not because it was a statutory local authority requirement but because it was considered good governance to define expectations and warning signs clearly.

It was also explained that the documents collectively formed a consistent policy package, with a flow chart to demonstrate reporting and escalation routes. Members were also advised that the purpose of bringing the report to the Committee at this stage was to enable Members to comment before the finalised policies were embedded and communicated across the organisation through training and publicity, with some details, such as contact information, still requiring finalisation.

Member questions and comments were as follows:

- The Chairman queried the status of the documents, noting that one part of the whistleblowing report stated the policy had been implemented, adopted by the Council and had been discussed with trade unions, whilst Officers had also referred to it as still requiring finalisation. – It was clarified that the whistleblowing policy was an existing, live document that had been updated and discussed with trade unions, however, it remained open to further revision and that the anti-fraud, bribery and corruption policy and anti-money laundering statement were still in draft form.

- Some Members observed that, despite whistleblowing being within the Committee's remit, had been unable previously to locate the policy on the Council's website. It was suggested that the policy should be better advertised to locate for Council use.

- Councillor D.J. Nicholl explained his involvement in Whistleblowers UK and recent attendance at an event in Parliament during Whistleblower Awareness Month and extended his offer of assistance in reviewing the policy. – The Section 151 Officer welcomed the offer of assistance.

- Members noted that the policy wording for confidentiality and support indicating the Council would try to protect identity but might need to reveal the individual as part of an investigation with Members expressed the view that the wording might discourage potential whistleblowers. - Officers responded that it was important to keep reporting routes open so that the Council heard concerns. It was also explained that future reports would be reviewed by a group, including the Section 151 Officer, Head of Internal Audit and Monitoring Officer, who would assess anonymous concerns objectively. The Committee noted that anonymous reports would still be taken seriously, although named concerns often allowed a stronger follow up. The Chairman also connected the issue to data protection and safeguarding, commenting that there were limited circumstances in which confidentiality might have to be overridden, for example where a vulnerable person was at risk.

- The Chairman suggested that the terminology used in the policy which stated that the purpose of the policy was to reassure employees that they should be able to raise “genuine” concerns, should be reviewed. The Chairman expressed the view that this wording might imply that the whistleblower’s concern might be judged. – It was agreed by Officers to review the wording further.

- A Member observed that the policy referred to external routes such as the national whistleblowing helpline and possible referral to the external auditor and clarity was requested whether the policy should explain more clearly that whistleblowing could be made directly to the external auditor and how that would work in practice. - Officers responded that there were different reporting routes depending on the issue. In practice, external auditors often had a limited remit and would frequently refer matters back to the local authority to be handled internally. However, there was no objection to making the route to external audit clearer in the policy. The Head of Internal Audit added that all the routes mentioned were valid but ultimately routes often led back to the organisation and therefore it was especially important that the Council’s internal route inspired confidence. The Chairman remarked that policies and procedures were only useful if the people who needed them knew where to find them and had effectively been shown how to use them.

- What appropriate steps should be taken if a Member was approached by a local resident with a whistleblowing allegation? – In response the Deputy Monitoring Officer advised that they should refer the matter to the Section 151 Officer or Monitoring Officer in the first instance. The Head of Internal Audit also advised that if Members ever received a whistleblowing complaint, they should not investigate it individually, as doing so could jeopardise a formal investigation. The Chairman added comment that this advice should be shared with all Members, not just those present on the Committee.

The Committee considered the policy package in detail, however, did not formally sign off the draft policies as final, but instead concluded that:

- The policy framework remained a work in progress.
- The Committee had provided comments and suggestion.
- The Section 151 Officer would be asked to bring the policies back to a future meeting once updated and finalised.

RESOLVED that

1) The Audit, Standards and Governance Committee considered with appropriate comment the contents of the Whistleblowing Policy, Corporate Anti-Fraud, Bribery and Corruption Policy and Anti-Money Laundering Statement; and

2) Confirmed that the policy framework remained in working progress; the Committee had provided comments and suggestions and the Section 151 Officer would report the policies back to a future meeting once updated and finalised.

30/26 **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE WORK PROGRAMME**

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

A Member suggested that the agenda for 15th October 2026 meeting should include an item on the Local Government Reorganisation (LGR) concerning the implications for Audit, Standards and Governance Committee depending on the model announced.

RESOLVED that the contents of the Committee's work programme, as reported, be noted.

31/26 **TO CONSIDER ANY URGENT BUSINESS, DETAILS OF WHICH HAVE BEEN NOTIFIED TO THE HEAD OF LEGAL, DEMOCRATIC AND PROPERTY SERVICES PRIOR TO THE COMMENCEMENT OF THE MEETING AND WHICH THE CHAIRMAN CONSIDERS TO BE OF SO URGENT A NATURE THAT IT CANNOT WAIT UNTIL THE NEXT MEETING**

There was no urgent business on this occasion.

The meeting closed at 9.05 p.m.

Chairman