

# Public Document Pack

Audit, Standards and Governance Committee

24th November 2025

## BROMSGROVE DISTRICT COUNCIL

### MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

24TH NOVEMBER 2025, AT 6.00 P.M.

PRESENT: Councillors E. M. S. Gray (Chairman), S. T. Nock (Vice-Chairman), S. Ammar, R. Bailes, J. Clarke, S. R. Colella, D. J. A. Forsythe, D. Hopkins, B. Kumar, B. McEldowney and J. D. Stanley

Observers: Councillor S. J. Baxter, Cabinet Members for Finance

Officers: Mr J. Leach, Ms D. Goodall, Ms. N Cummings, Mrs. R. Green, Mrs B. Talbot, Mr P. Bailey and Mrs S. Woodfield

Other Parties: Mr A. Mughees and Ms. H. Clark

27/25

### APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

Apologies for absence were received on behalf of Councillor D.J. Nicholl with Councillor J. Clarke in attendance as his substitute.

28/25

### DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS

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

29/25

### TO CONFIRM THE ACCURACY OF THE MINUTES OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE MEETING HELD ON 29TH SEPTEMBER 2025

The minutes of the meeting for the Audit, Standards and Governance Committee held on 29<sup>th</sup> September 2025 were submitted for Members' consideration.

A suggestion was made that further clarity should have been included in respect of minute no. 25/25 – Risk Champion (Overview of role and consideration of appointment). The risk champion had not attended the Corporate Risk Management Officer Group (CRM OG) meeting because it was not available to her, rather than implying that she had not attended by choice.

**RESOLVED** that the minutes of the Audit, Standards and Governance Committee held on 29<sup>th</sup> September 2025, subject to any amendments be approved as a correct record.

## **STANDARDS REGIME - MONITORING OFFICERS' REPORT**

The Committee considered the Monitoring Officer's reformatted report which provided updates on Member Complaints, Constitution Review and Member training as follows:

- Three public complaints against Members were received and resolved and were all assessed as not conduct matters.
- Five Member to Member complaints were received and resolved informally.
- The meeting of the Constitution Review Working Group (CRWG) which took place on 16<sup>th</sup> September 2025 discussed matters such as the retention schedule rules in respect of the live streaming of meetings.
- The Member Development Steering Group (MDSG) held a meeting on 27<sup>th</sup> October 2025. During this meeting the group received an ICT update and feedback from Members for the planning refresher training which took place on 2<sup>nd</sup> June 2025.

After consideration of the presentation the following discussions took place:

- That the revised tabulation within the report be amended to demonstrate unresolved cases from the last meeting. Officers agreed that this would be reviewed accordingly.
- The formal approach to resolving complaints was requested and explained to Members.
- The overseas Member complaints process was also discussed with Members suggesting that identification verification should be a consideration.
- Some Members felt it was unnecessary to be informed of a complaint received unless it was deemed formal, sometimes causing undue stress. However, other Members were happy to be made aware informally or formally of any complaints received.
- Clearer guidance for suitable language and political views in a formal or informal setting whilst on social media was requested by Members. In response the Deputy Monitoring Officer advised that Members should always be cautious, whether in a formal or informal setting. During the discussion, Members also suggested that receiving details of the complaints with a dedicated time to respond would be helpful. The Chairman suggested that the MDSG could provide further clarity on the matters raised.
- Some Members had attended The Local Government Association (LGA) code of conduct sessions and had found them useful and suggested others may wish to attend to assist with some of the points raised during discussions.

**RESOLVED** that subject to Members' comments, the Monitoring Officer's report be noted.

31/25

## **EXTERNAL AUDIT - VERBAL UPDATE**

Ernst and Young (EY) provided an update of the 2023/24 and 2024/25 accounts for Member's consideration.

The following key points were discussed as follows:

- 2023/24 audits restarted in November 2025 and an audit opinion was expected in the new year.
- The draft auditor's report for 2024/25 had been shared with the Interim Section 151 Officer and would also be provided to the Chairman of Audit, Standards and Governance Committee.
- The 2024/25 audit backstop date of 27<sup>th</sup> February 2025 would be achieved but due to time constraints, would have a disclaimer opinion.
- The Value for Money (VFM) 2023/24 accounts were nearing completion and once completed EY would then begin to review the 2024/25 accounts.

After the presentation Members raised the following queries:

- A request for headline points to be provided by EY, prior to the Audit February meeting was requested by Members to ensure the Committee had ample opportunity to consider any issues which may be reported. The Interim Section 151 Officer explained that audit queries which had arisen from the 2024/25 auditor's report were being reviewed, with a meeting scheduled to clear any queries. Issues identified in the 2023/24 VFM work should also clear similar issues for the 2024/25 accounts and was therefore confident the work could be achieved, with regular meetings scheduled with EY also. The Chairman agreed that, in light of Members requests for headline points prior to the next meeting in February 2026, an interim meeting be arranged for Members to consider an update in respect of the Statement of Accounts 2024/25.
- The 2024/25 audit backstop of 27<sup>th</sup> February 2026 was discussed further with Members querying why additional work was necessary when a disclaimer opinion was anticipated. In response EY explained that there were auditing standards required such as governance, controls, regulations, operations and statutory requirements such as VFM. The Interim Section 151 Officer requested clarity from EY on the weak areas of the accounts to assist with progress.

**RESOLVED** that External Audit update be noted.

32/25

## **RISK MANAGEMENT REPORT/QUARTERLY RISK UPDATE**

The Corporate Risk Update Quarter 2 2025/26 set out activities the Council undertook to monitor and mitigate risk at a corporate level. The Council held a risk register of the most significant risks in relation to the

achievement of corporate priorities. This risk register was reviewed quarterly in accordance with the Risk Management Strategy.

As part of the audit reports in 2021 and 2023 the Council introduced processes to actively embed risk mitigation into normal business and introduced departmental ownership of service risks. The latest audit of the Risk Management Embedding 2024/25 dated 1st June 2025 produced an audit opinion of 'Reasonable Assurance'.

Corporate Risks were identified in the table set out in the report. There had been two movements since the Q1 report as follows:

- **Delivery of the Levelling Up Board (COR0010)** which moved from an inherent risk of 12 to 9 and residual risk of 12 to 6. Levelling Up Fund (LUF) projects would be completed in May 2026 ahead of the funding deadline.
- **Bromsgrove DC Being placed into special measures due to quality of planning application decisions COR0009** had moved from an inherent risk of 9 to 6. Managers supported maintaining a good turnover of major applications, to provide a stable numerical base and also continued to closely monitor appeal decisions. Planning committee members were provided with performance information via a report at Committee which would be completed on a quarterly basis.

Service Risks were set out in the report with no movements since Q1.

Training on how to use the 4Risk system was being arranged for all Members early the following year which would enable Members to review the system.

The Chief Executive also advised the Committee and suggested incorporating an additional corporate risk in relation to the arrangements for the Interim Section 151 Officer. It was also suggested that there should be an internal audit review of the actions to mitigate the risks associated with the interim role to provide additional assurance regarding looking forward in respect of financial governance and reporting matters.

Following the presentation the key considerations were discussed:

- Clarity on the corporate risks associated with non-adherence with the statutory inspection policy. It was understood this related to Housing Standards.
- Further information on service departmental risks for comparisons from previous reporting and lessons learnt for the Housing department which had fallen from a service risk of 9 to 7 following mitigation.
- Suggestions that the 4Risk Management Framework System be reviewed, as some actions required updating.

- Concerns for the downgrading of corporate risks detailed in the report for Planning, suggesting that there should have been due consideration for the National Planning Policy Framework (NPPF) legislation. The delivery of LUF was also discussed, with Members suggesting that the downgrading was potentially due to the impending GBSLEP funding payout. Members urged that strategic governance should be encouraged to ensure a robust and transparent approach. The Interim Section 151 Officer requested Members opinions and considerations when reviewing old style reporting in comparison to the more recent reporting as a comparison.
- The quality of planning applications which moved from an inherent risk of 9 to 6 was discussed with Members requesting yearly figures which went to appeal. In response Officers agreed to review the details and report back to the Board.
- An update was requested on the financial stabilisation plan for the recruitment of a Project Manager (Tech 1) and also reassurances for finance team resilience. The Chief Executive reassured the Committee that steps were in place to address this through a project team led by Claire Felton and the newly appointed Assistant Director Corporate Services and Transformation would also be assisting the Interim Section 151 Officer with future risk reporting in the short term. The Chief Executive also updated the Committee regarding posts that had been recruited to.
- An update concerning an amber rating for non-compliance with health and safety legislation was requested. In response Members were informed that a report was in progress for the Committees' consideration in due course.
- Members requested details of the individual members who sat on the CRM0G meetings which were provided by the Chief Executive.

During the various debates and issues raised for this item the Chief Executive reassured the Committee that The Corporate Risk Register was being reviewed by Assistant Directors to provide further clarity to assist Members in future Audit, Standards and Governance meetings.

**RESOLVED** that the Committee

- 1) Consider the strategic risks detailed in the Corporate Risk Register,
- 2) Consider and comment on the changes to risk scores and removal/additional of new risks,
- 3) Note the proposed changes to the risk owners and risk leads in Appendix 2,
- 4) Agree to the additional corporate risk to the risk register for the arrangements for the role of the interim Section 151 Officer and
- 5) Seek Internal Auditor's assurance in relation to the suggested measures put in place to mitigate risk and to report back findings to the Committee.

33/25

## **CYBER SECURITY UPDATE (INCLUDING WHATSAPP AND AI POLICY)**

The Deputy Monitoring Officer presented the report and provided a verbal update that members were not being asked to consider the minutes of the Cyber Security Board meeting because this was a private meeting.

The Board were introduced to two policies for recommendation to Cabinet as follows:

- The Artificial Intelligence (AI) Acceptable Use Policy set principles for ethical, transparent AI use, GDPR compliance and training requirements.
- The WhatsApp Policy restricted use to non-sensitive information. It also set out risk mitigation and compliance steps.

After consideration of the report, Members raised the following key points:

- The specific restrictions which applied to the use of AI within the Council were requested with Members being informed that the policies within the report provided the necessary guidelines.
- The Council's current usage of AI by individuals within the Council? In response it was advised that usage was minimal at the time reporting.
- If there were intentions to utilise AI for the evaluation of Local Plan consultations? Officers agreed that this would be investigated further with the relevant Officers to understand if AI would be incorporated to assist with data analysis.
- Members were encouraged that policies and reassurance steps were in place to ensure Officers and Members would be receiving the training necessary to ensure the correct use of AI.
- The most effective use of AI within the workplace? In response Members were advised that assistance with meetings and key areas in information management were reported as effective use of AI. The Chief Executive added that the Committee would be advised if any significant usage of AI within working practices was being considered.
- A typographical error for policy compliance within the presented document was highlighted and it was agreed would be rectified accordingly.

### **RESOLVED** that

- 1) That Cabinet adopts the Artificial Intelligence (AI) Acceptable Use Policy (Appendix 2) as a formal policy document and
- 2) That Cabinet adopts the WhatsApp Policy (Appendix 3) as a formal policy document.

34/25

## **INTERNAL AUDIT - PROGRESS REPORT**

The Committee received the routine internal audit progress report from the Assistant Director of Finance and Customer Services who presented on behalf of the Head of Internal Audit.

Key points were raised below:

- 119 productive days had been delivered against a 250 day plan.
- 1 audit had been completed, 3 were in draft stage and 10 were in progress.
- No emerging issues impacted the overall assurance.
- There were 18 outstanding recommendations and 1 high priority overdue which related to cybersecurity training for Members.

Members' questions and comments were as follows:

- Internal audit delivery was discussed, with clarification requested on productive days. It was explained that this was referring to productive days on site.
- Summary of Internal Audit progress and findings, year to date was also requested for updates on outstanding anticipated reporting. It was suggested that reporting may have commenced but was incomplete at the time of reporting. However, progress would be requested by the Head of Internal Audit and would be reported back to Members. Members were also informed that the audit areas would change each year depending on the risks at the time of reporting.

**RESOLVED** that the Internal Audit Progress Report be noted.

35/25

## **FINANCIAL COMPLIANCE REPORT INCLUDING UPDATE ON STATEMENT OF ACCOUNTS**

The Committee received an update from the Assistant Director of Finance and Customer Services on progress made for the Financial Compliance Report. Members were advised that it was important that the processes put in place following the issuing of the Section 24 Statement continued via this quarterly Financial Compliance Report.

The report detailed that the Council were complying with national requirements. Local requirements had been delivered when the budget was approved on the 19<sup>th</sup> February 2025, particularly in relation to the Treasury Indicators which had continued with the delivery of the Quarter 2 Finance and Performance Report and the Treasury Report.

The key returns for Value Added Tax (VAT) and the Whole of Government Accounts (WOGA) had not been delivered to date. Significant work had been undertaken by the Council's Tax advisors Public Sector Tax, in liaison with His Majesty's Revenue and Customs, in order for the Council to return to normal VAT reporting, with final

version working papers provided to HMRC on the 19<sup>th</sup> December 2024. Monthly returns were being made from December 2024 onwards. Additional resources had been established to strengthen the finance team in relation to VAT, including a VAT accountant. Mandatory VAT training had taken place for all finance staff and would be rolled out across non finance staff within the organisation.

The WOGA had not been produced for several years and therefore required a substantial mapping exercise. It was unlikely that the Council would be able to achieve this before the Cycle 2 deadline of 3<sup>rd</sup> October 2026, however, the Council had begun work to achieve a submission over the next three months. The Tech One financial system was also being upgraded to version 25B.

The Council's position on the key closure deliverables was also presented to Members for years 2020/21, 2021/22, 2022/23 and 2024/25.

A Finance Stability Plan had been developed which covered several areas including the Tech One finance system, financial regulations and structure of the finance team:

- A review of the Tech One system had taken place which included a health check with results nearing completion and was expected to include reinstallation of certain elements of the system with suggested fixes to other areas. Any revised implementation would be completed in conjunction with Tech One and would be supported by a full in-house project team to lead on this.
- The Council was stabilising its finance team through the immediate recruitment of several interim staff which were in place to support the finance team. It was noted that a Chief Accountant had been recruited, there was now an additional Senior Finance Business Partner, and two new business partners with a third being recruited.

Key deliverables since the last meeting included:

- A Finance Stability Plan which had been developed to cover a number of areas including the Tech One system, financial regulations and structure of the finance team.
- The Quarter 2 Finance and Performance Report had been produced along with the Quarter 2 Treasury Management Report.

After the presentation Members discussed the following:

- Would there be significant interruptions to the day to day running of work with the reimplementation of the Tech One system? In response it was advised that an appropriate detailed plan was being put in place to minimise disruption.

- If there was a specific officer in post to carry out VAT returns? Officers advised that once the backlog of work had been completed, dedicated resources internally were being considered. Members were also advised that VAT returns were divided between Bromsgrove District Council and Redditch Borough Council accordingly.
- What were the specific significant risks in relation to the impact of the imposed “backstop position”? In response it was advised that clear guidelines had not been established by Central Government but the Council was working towards a partial disclaimer.
- An update for the Council seeking an independent Government Committee member was requested. In response it was explained that costings were being reviewed but that an update would be reported back to the Board.

No areas of concern within the key compliance report were noted for consideration.

**RESOLVED** that

- 1) The Committee note the position in relation to the delivery of the 2024/25 Accounts and the auditing of the 2023/24 accounts.
- 2) The Committee note the position in regard to other financial indicators set out in this report.
- 3) Note the position on the Financial Stability Plan.

36/25

**RISK CHAMPION - VERBAL UPDATE**

The unappointed risk champion position was considered by the Committee. It was announced and agreed by the Board that Councillor S.R. Colella would be appointed as the new risk champion. It was agreed that discussions about the role would be organised with the Interim Section 151 Officer and that the risk champion should be invited to attend future CRM0G meetings.

**RESOLVED** that the Risk Champion update be noted.

37/25

**AUDIT, STANDARDS AND GOVERNANCE COMMITTEE WORK PROGRAMME**

The Audit, Standards and Governance Committee Work Programme was considered. A Member suggested that an item should be added to the committee's work programme for Quarter 1 Financial Monitoring Report 2025/26 due to an error with previous reporting. However, the Chairman suggested that the new risk in relation to the arrangements for the Interim Section 151 Officer, as covered under the Risk Management Report item, was able to cover the matter by looking at the arrangements going forward to support this post. This was agreed as a more appropriate approach and could be reviewed by the internal auditor.

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

The meeting closed at 8.08 p.m.

Chairman