

Committee and Date

Audit & Governance Committee

5 February 2026

AUDIT & GOVERNANCE COMMITTEE

Minutes of the meeting held on 27 November 2025

**In the The Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ
10.00 am - 12.35 pm**

Responsible Officer: Michelle Dulson

Email: michelle.dulson@shropshire.gov.uk Tel: 01743 257719

Present

Councillors Duncan Kerr (Chair), Malcolm Myles-Hook, Rhys Gratton, Mark Owen, Duncan Borrowman, Carl Rowley, Kate Halliday (Vice-Chair), Nigel Lumby and Harry Hancock-Davies (substitute)
Jim Arnold (Independent Member)

61 Apologies for Absence / Notification of Substitutes

An apology had been received from Councillor Sharon Ritchie-Simmons. Councillor Harry Hancock-Davies substituted for her.

62 Disclosable Pecuniary Interests

Members were reminded that they must not participate in the discussion or voting on any matter in which they have a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

63 Minutes of the previous meeting held on the 26 September 2025

RESOLVED:

That the Minutes of the meeting of the Audit Committee held on the 26 September 2025 be approved as a true record and signed by the Chairman.

64 Public Questions

No Public Questions had been received.

65 Member Questions

No Members Questions had been received.

66 First line assurance: Internal Control Management Update

The Committee received the report of the Interim Chief Executive which provided an initial response to the 'limited assurance' opinion of the Chief Audit Executive for the year ended 2024/25 and set out the steps the Interim Chief Executive and Leader of the Council were taking to strengthen the Council's framework for governance, risk and internal control.

The Interim Chief Executive and the Leader of the Council presented a comprehensive update to the Committee on actions taken to address limited assurance findings, which included the following:

- Fortnightly statutory officer meetings (which included the Interim Chief Executive, the Chief Financial Officer, the Monitoring Officer and the Chief Audit Executive).
- Oversight of all internal audit recommendations and implementation of them.
- Weekly updates to the Interim Chief Executive and Leader on audit activity and FOIs.
- Senior Leadership Forum meetings to set clear governance expectations.
- All-staff communication emphasizing compliance with the Constitution, policies, and procedures.
- Publication of an improvement plan and a people plan focused on culture, leadership and talent, capability and capacity.
- Establishment and first meeting of an independently chaired Improvement Board.
- Review of strategic risks and reduction of overdue Freedom of Information requests (by half) and outstanding audit actions (from 181 to 33 in four weeks).

The Interim Chief Executive hoped this gave the Committee assurance on the actions taken by herself and the Leader, who took the issues extremely seriously and confirmed that they received weekly monitoring updates and she expressed confidence that these actions would restore a stronger control environment.

Members were reassured by the improvements underway but remained concerned about ongoing operational and cultural challenges. They briefly discussed the need for cultural change and agreed that continued monitoring by the Audit and Governance Committee was essential, a step welcomed by the Interim Chief Executive.

Members felt that it was unclear how well staff understood the role of audit within the organisation. In response, the Interim Chief Executive emphasised the need to clarify expectations concerning the significance of audit processes and Freedom of Information requests and she had some ideas about how to do that and how to cascade it down to all staff, not just at senior officer level.

RESOLVED:

- a. to note the positive feedback and actions being undertaken to strengthen governance within the Council.

- b. to receive future updates and for the Leader and the Interim Chief Executive to attend Audit and Governance Committee to discuss the Improvement Plan and progress to date.
- c. For the improvement plan moving forward, to focus on transitioning from compliance to prevention, by fostering a culture change.

It was agreed to take Agenda Item 16 next.

67 Third line assurance: External Audit: Draft Auditors Annual Report

The Committee received the report of the Engagement Lead which highlighted Shropshire Council's financial challenges and the one statutory and three key recommendations focussing on financial resilience.

The Executive Director (Section 151 Officer) introduced the Draft Auditors Annual Report and noted that it was a regular annual item for the Audit and Governance Committee. He explained that this year's report included a statutory recommendation, three key recommendations, and two improvement recommendations. He emphasized that while the statutory recommendation was not unexpected given the Council's financial situation, it was serious and must be addressed. He went on to highlight that many plans to address the issues were already in place, such as the independently chaired Improvement Board and the Improvement Plan going to Cabinet and Council. He reported that a revised medium-term financial strategy and a capital strategy were being developed, with a pre-budget report to reset the financial position ahead of February Council.

The Chairman explained that the statutory recommendation had legal implications, requiring a meeting within 30 days to decide on actions and whether to accept the recommendations. He stated that it was not within the Audit and Governance Committee's remit to determine the response but that the Committee could comment and advise Council.

The Chairman stressed the seriousness of the situation, noting that statutory recommendations were rare and reflected the gravity of the issues facing the authority and he informed the Committee that he would move that the matter be referred to Council for consideration and action.

The Associate Director, Public Services Advisory (External Audit) informed the Committee that they had exercised their powers under the Local Audit and Accountability Act to issue a statutory recommendation due to the Council's deteriorating financial position and governance weaknesses. He took Members through the detail of the statutory recommendation (set out on page 12 of the report) which included to urgently review all services (statutory and non-statutory) to identify the cost of minimum viable service provision, review all budget estimates and modelling, develop a realistic medium-term plan to reduce reliance on exceptional financial support, and immediately action internal audit recommendations on budget monitoring.

The report also raised three key recommendations (set out on pages 13 to 15 of the report) around improving savings delivery and reducing optimism bias in savings targets, to address the increasing Dedicated Schools Grant (DSG) deficit and to address the persistent limited assurance rating from internal audit, now in its sixth year, indicating ongoing control environment failures. Two improvement recommendations were also made around improvements in the capital reporting to increase the granularity on slippage in the capital programmes and to ensure that action plans were in place around the LGA peer review recommendations.

The Engagement Lead acknowledged the positive steps taken by the Council and detailed in the management responses, such as establishing an Improvement Board, implementing spend control panels, and developing an Improvement Plan, but stressed the scale and urgency of the financial challenge.

The Chairman described the report as a "very sobering moment" for the Council, particularly because it clearly stated that poor governance performance had directly impacted the Council's financial situation, which was a distinct concern for both the Council and its residents.

The Audit and Governance Committee discussed the seriousness of the findings, the need for cultural change, and the importance of robust monitoring and assurance processes.

In response to a query about why significant weaknesses in financial monitoring and reporting were not identified earlier, the Executive Director (Section 151 Officer) explained the unprecedented level of savings required, the development of new monitoring dashboards, and that discrepancies were only identified at year-end reconciliation. The internal audit review was commissioned after the issue was discovered, and management actions picked up by the Interim Chief Executive when she came into post, and that report was included in that day's agenda.

In response to concerns that assumptions rather than actuals were used in the budget monitoring process, the Executive Director (Section 151 Officer) explained that actuals were not previously reported, however he acknowledged the error and explained that it had been caused by actual savings not being allocated against the correct cost centre. He assured the Committee that lessons learned had been applied, and the deterioration in period 6 and 7 reflected this improved detection.

The Executive Director (Section 151 Officer) explained that the various teams had worked much closer together and had been much clearer about the savings that had been identified and there was only a small number of savings shown as amber with the majority either not delivered, delivered or in delivery. As part of the 2026/27 budget setting process, the Interim Chief Executive had said that she did not want a position next year where there were savings that were not 100% delivered, so whatever was put on the table they had a plan to deliver it 100%, and because they were taking a longer term view they would be looking to deliver 100% of those savings in year but would also be trying to get ahead of the curve in terms of those later savings and getting plans in place so it may be possible to move some of that forward. He therefore felt that the culture was changing around the expectations as an organisation of what should be put forward and what should be being delivered.

In response to a further query, the Executive Director (Section 151 Officer) stated that in previous years, savings proposals had been identified and pushed out for public consultation quickly, but detailed delivery plans often lagged behind, leading to some plans not being delivered as intended. However, the approach this year was changing: instead of immediately setting out specific savings proposals, the focus was on developing more detailed delivery plans before the budget was set, with public consultation centred on broader ideas and themes and would be overseen by the Improvement Board.

He emphasized that for the 2026/27 budget, the goal was to have a much more modest and realistic savings target, ensuring that every savings proposal included had a clear, deliverable plan. He also mentioned the intention to look further ahead, aiming to deliver future years' savings early where possible.

A query was raised about why the report combined last years and the current years data, as making recommendations seemed retrospective, when action had already been taken by the Council. The Engagement Lead explained the need to report on post-year-end events due to the seriousness of the financial situation and the time required for formal reporting and consultation.

The Vice Chair of the Transformation and Infrastructure Overview and Scrutiny Committee, raised concerns about the realism and deliverability of the savings identified by Price Waterhouse Coopers (PwC), noting that many savings were undelivered or potentially undeliverable. She emphasized the need for transparency and requested sight of the PwC transformational recommendations to assess their realism, value for money, and to learn from them. She suggested that the Audit and Governance Committee should look into these recommendations and challenge them as part of their oversight. It was however confirmed that the Improvement Board and the LGA would be reviewing the PwC work and that transparency on this matter was ongoing.

Concern was raised about the growing Dedicated Schools Grant (DSG) deficit. In response, the Engagement Lead explained that the DSG was distributed to all schools including Academies, and that pressure stemmed mainly from the increase in Special Educational Needs. The deficit was a national issue, and a recovery plan was being developed. The statutory override was in place until 2028, but the historic deficit may then fall on local authorities.

The Associate Director, Public Services Advisory (External Audit) clarified that the "minimum viable service provision" referred to meant identifying the minimum statutory services the Council must provide, to understand the structural deficit and inform decisions on discretionary and preventative services.

It was suggested that the Council should start actively looking for waste, not just focus on making savings and a task and finish group or an internal audit was proposed to identify areas of waste, for example the costs associated with net zero/climate emergency initiatives and equality/diversity efforts across departments. It could be argued that these areas might offer considerable opportunities for cost reduction, which were currently being ignored. The Chairman felt that this was a matter for Council not for the Audit and Governance Committee and he explained that internal audit looked at value for money in the various service areas being audited, the outcomes of which were reported to the Committee.

In conclusion, it was proposed that the Audit and Governance Committee should monitor the control environment and finances more closely in response to the statutory recommendation and to that end a motion was suggested that Internal Audit should consider reviewing the following: the new budgeting process for 2026/27; the Improvement Board Action Plan, especially elements related to limited assurance; the effectiveness of spending boards; the process for calculating exceptional financial support, be involved in the pre-budget report; the process for reporting potential savings, to avoid previous issues; potential value for money areas of saving, including areas that may be blind spots for managers. It was also recommended that the Council conduct a review of the cost of minimum viable service provision.

Concern was raised at the lack of notice for this motion, along with the extra responsibility put on internal audit, who may well undertake some of this work already. It was agreed that these suggestions be recorded in the minutes, and considered further, possibly in a future meeting.

The Head of Policy and Governance confirmed that those areas were already part of their planning and stated that the 2025/26 internal audit plan could be reviewed to see what was currently included and where the Audit and Governance Committee were receiving assurances, with adjustments possible as needed. He mentioned that the planning process for the 2026/27 audit plan was about to start, and it was important to consider the improvement plan work and external auditor recommendations during this process. He confirmed that these considerations could be taken away and incorporated into the planning.

The Internal Audit Manager explained that the internal audit plan was constantly reviewed and revised after every Committee meeting to ensure the right audits were being done at the right time. She stated that the process for planning next year's audit was starting, and the Committee received a revised internal audit plan regularly. She added that as part of the planning process, she reviewed the external auditor's report to identify any areas needing assurance before the next annual review. She also mentioned that meetings with the senior leadership team and Committee Members were part of the planning process, and that strategic risks and organizational priorities, including everything in the improvement plan, were considered.

RESOLVED:

to refer the external auditor's report to Council so that the Council can discharge the obligations on the authority under schedule seven and to recommend that the report be accepted and that a detailed Action Plan be prepared covering all recommendations and for the Audit and Governance Committee to monitor the resulting action plan at every meeting.

68 Third line assurance: Internal Audit Performance Report and revised Annual Audit Plan 2025/26

The Committee received the report of the Head of Policy & Governance which summarised Internal Audit's 2025/26 work to date. Lower audit assurance levels were highlighted, providing members with an opportunity to challenge.

The Head of Policy and Governance reported that seven final internal audit reports had been issued since the last committee meeting, as set out in paragraph 8.4 of the report, with four draft reports awaiting management responses which would be included within the next performance report. There were 5 good or reasonable assurances (71%) which represented a significant increase in the higher levels of assurance compared to the same reporting period of 2024/25 (33%) and the previous years' outturn of 58%. This was offset by a corresponding decrease in the number of limited and unsatisfactory assurance levels (29% compared to 67% in 2024/25). He drew attention to paragraph 8.14 which considered the year-to-date trend in assurance opinions which showed that the number of lower assurances to date was 58% which was higher than the outturn for 2024/25 (42%) and continued to be of concern.

A total of 54 recommendations were made within the seven final reports (detailed at paragraph 8.4 of the report and broken down by service area). It was confirmed that two fundamental recommendations had been made (set out at paragraph 8.11 of the report) related to key supply contracts and the adult social care outturn position. Unplanned projects and advisory work had been undertaken in the period including an internal audit of the Adult Social Care outturn 2024/25 at the request of the former Chief Executive with a further management update being presented to the Committee later in the Agenda.

Positive progress was reported in updating management responses and implementation dates for recommendations, with oversight from the Interim Chief Executive and Statutory Officers' Group. Members were asked whether they wished to seek any further assurances from managers on the limited and unsatisfactory assurance levels detailed in Appendix A.

The Head of Policy & Governance informed the Committee that recruitment to the vacant internal audit posts had been successful, with three qualified and experienced senior auditors having been appointed, with two already in post and one starting in December.

According to the direction of travel table (paragraph 8.14), it was noted that for the past six years, good and reasonable assurance levels had remained consistently around 60%. However, this figure had declined to approximately 40% in the current year, prompting an inquiry into the underlying causes. The Head of Policy & Governance explained that it was too early to pinpoint specific causes for this year's trend, and more clarity was expected by the next meeting in February and the quarter 4 work at the end of the financial year. It was noted that the higher proportion of limited and unsatisfactory assurances was a concern.

Members requested updates on key supply contracts and the Shirehall disposal for the next meeting and thanked the internal audit team for their work.

RESOLVED:

- a) To endorse the performance of Internal Audit against the 2025/26 Audit Plan.
- b) In response to the low assurance levels and fundamental recommendations, Members requested updates to the next meeting in relation to Key Supply Contracts and Shirehall Disposal.

69 First Line Assurance: ASC Outturn Update (Period 13)

The Committee received the report of the Interim Chief Executive which provided an update on progress made to date with addressing the issues that contributed to the significant change in financial monitoring positions between period 11 and period 12 during 2024/25.

The Interim Chief Executive discussed the significant deterioration in the adult social care outturn position for 2024/25, where the overspend increased by £15 million between period 11 and period 12, prompting an internal audit review that found misalignment in savings monitoring and reporting, with £11.7 million of projected savings found to be non-cashable. These issues were not identified until year-end reconciliation.

Six recommendations were made, including a fundamental recommendation to report actual expenditure and income alongside forecasts. This was implemented from period 6 and reflected in the quarter two finance monitoring report. Other recommendations addressed high-risk budget assumptions, verification of savings, improved monitoring, and system simplification, with most expected to be fully implemented by the next meeting.

The Committee agreed to receive a further update on progress in June 2026 and to monitor the implementation of recommendations.

RESOLVED:

- a. To note the update provided in the report.
- b. Members requested an update to the next meeting.

70 First line assurance: The Lantern Management Update

The Committee received the report of the Property Services Group Facilities and Maintenance Manager which provided an update on the 2024/25 follow-up audit of The Lantern, assessing progress on recommendations made in the 2021/22 audit.

The Head of Property and Development introduced and amplified the report. He informed the meeting that the Lantern was a PFI asset in Shrewsbury with booking spaces for staff and the public. The original audit (2021/22) and a follow-up (2024/25) identified weaknesses in control procedures, systems, and financial management, especially around the booking system. The follow-up audit had reported limited progress, but as of August 2025, all 13 significant and 8 "requires attention" recommendations had now been addressed, mainly due to the implementation of a new booking system and updated procedures.

One recommendation about backup procedures in case of ICT failure was addressed as far as practical and would be reviewed in the next follow-up audit.

The Committee agreed that future progress would be reported directly to the Chair and only brought back to the Committee if problems arose. It was confirmed that the next internal audit follow-up was scheduled for the new year and would be reported to the Committee in June/July.

Members noted that the longstanding issues appear resolved, attributing progress to the new management approach and focus on clearing outstanding recommendations.

RESOLVED:

- a. to note the corrective actions already undertaken and planned with all recommendations either complete or in progress of completion based on the implementation of the new booking system with assurance audits in place.
- b. that progress be reported by Internal Audit in June or July to demonstrate improvements in governance and financial control to finalise the improvements with the new booking system implemented which would provide the new structure and framework for all internal and external bookings across Shropshire Councils entire portfolio of properties.

71 First line assurance: Deferred Payments Management Update

The Committee received the report of the Team Leader for Business Support which provided an update on the 2024/25 follow-up audit of Deferred Payments, assessing progress on recommendations made in the 2021/22 audit.

The Service Manager for Commissioning and Governance and the Team Leader for the financial assessment team addressed actions taken to improve the deferred payments process, focusing on financial controls, governance, and oversight within the financial assessment team in adult social care.

It was reported that the 2024/25 audit had made 19 recommendations (9 significant, 10 requiring attention), mainly concerning income management, invoicing, interest calculation, documentation processes, policy gaps, legal matters, and system controls. The assurance level was unsatisfactory.

All recommendations had either been completed or were in advanced progress; Ongoing monitoring and a continuous improvement program was now in place and included improvements around robust financial controls, regular audits, prompt debt recovery, enhanced documentation, streamlined systems, and improved management reporting.

In response to a query, the Committee was informed that the value of deferred payments was in the hundreds of thousands of pounds. It was confirmed that Internal Audit would revisit the area in quarter 2 of 2026/27, after the new policy had been in place, and would report back to the Committee.

RESOLVED:

- a. to note the corrective actions already undertaken and planned with all recommendations either complete or in progress.
- b. that progress be reported by Internal Audit at a future meeting to demonstrate improvements in governance and financial control to finalise the improvements to the deferred payment agreement processes.

72 Second line assurance: Treasury Strategy Mid-Year Report 2025/26

The Committee received the report of the Executive Director (Section 151 Officer) which provided Members with an economic update for the first six months of 2025/26, along with reviews of the Treasury Strategy 2025/26 and Annual Investment Strategy, the Council's investment portfolio for 2025/26, the Council's borrowing strategy for 2025/26, any debt rescheduling taken and confirmed compliance with Treasury and Prudential limits for 2025/26.

RESOLVED:

To agree the Treasury Strategy activity as set out in the report.

73 Governance Assurance: Annual Audit Committee Self-Assessment

The Committee received the report of the Executive Director (Section 151 Officer) which asked Members to review and comment on the self-assessment of good practice questionnaire attached to the report. The questionnaire allowed Members to assess the effectiveness of the Audit and Governance Committee and to identify any further improvements that could be made which would improve the Committee's overall effectiveness.

The Executive Director (Section 151 Officer) confirmed that most assessment questions were answered positively, with some areas marked as partial compliance and which were detailed in Appendix B along with proposed actions; Appendix C summarised committee members' self-assessed skills and knowledge, using colour coding to indicate confidence levels (red = low, amber = moderate, green = high). Areas marked red indicated the highest priority for further training or support.

RESOLVED:

To approve the self-assessment of good practice attached at Appendix A and D having identified any errors or amendments required.

74 Second line assurance: Annual review of Counter Fraud, Bribery and Anti-Corruption Strategy and activities, including an update on the National Fraud Initiative

The Committee received the report of the Head of Policy and Governance which outlined the measures undertaken to evaluate the potential for the occurrence of fraud, and how the Council managed those risks with the aim of prevention, detection, investigation and subsequent reporting of fraud, bribery and corruption.

The Committee reviewed the updated Counter Fraud, Bribery and Anti-Corruption Strategy, which was assessed annually and underpinned the Council's commitment to preventing fraud, bribery, and corruption. Minor changes had been made to the Strategy and supporting policies, procedures and guidance, mainly due to digitalization, and could

be found on the Council's website (along with the whistleblowing and anti-money laundering procedures and guidance).

Concern was raised that without operational resources the policy could not be applied appropriately and figures on Council tax single person discount savings were requested along with information around the outsourcing of match reviews. Officers agreed to seek further information about these issues and circulate to the relevant Member outside of the meeting.

RESOLVED:

To endorse the Counter Fraud, Bribery and Anti-Corruption Strategy along with the measures undertaken and detailed within the report to manage the associated risks with the aim of prevention, detection, investigation and subsequent reporting of fraud, bribery and corruption.

It was agreed to take Agenda items 15, 17 and 18 next, (15 and 17 together) before item 14.

75 First line assurance: Final Approval Statement of Accounts 2024/25

The Committee received the report of the Executive Director (Section 151 Officer) which provided an update on the approval of the 2024/25 Statement of Accounts, following completion of the audit of the accounts.

The Committee approved the final statement of accounts, noting the minor amendments and the unadjusted misstatement that was below the materiality threshold.

RESOLVED:

- a. to approve the 2024/25 Statement of Accounts and agree that the Chairman of the Audit and Governance Committee signs them (in accordance with the requirements of the Accounts and Audit Regulations 2015).
- b. to agree that the Executive Director (Section 151 Officer) be authorised to make any minor, non-material adjustments to the Statement of Accounts prior to publication of the audited Statement of Accounts.
- c. to agree that the Executive Director (Section 151 Officer) and the Chairman of the Audit and Governance Committee sign the letter of representation in relation to the financial statements on behalf of the Council and send to the External Auditor.

76 Third line of assurance: External Audit: Shropshire Council Audit Findings Report 2024/25

The Committee received the report of the Engagement Lead which set out the progress with the audit of the Statement of Accounts for 2024/25, the current findings arising from the audit, and the timeline for the audit opinion being agreed for the accounts.

The Engagement Lead introduced the Audit Findings Report, stating the audit for 2024/25 was substantially complete, with only a few minor queries outstanding which were not expected to result in any material errors or adjustments.

One unadjusted misstatement of £2.2 million had been identified due to incorrect valuation data, but this was below the materiality threshold and did not require adjustment. This was standard practice and was disclosed in the letter of representation.

The final audit opinion was pending receipt of a capitalization directive letter from the Ministry of Housing, Communities and Local Government, after which the audit opinion could be signed off, hopefully in December.

The Committee discussed the increase in money owed to the Council (debtors), which rose by £30 million in year. In response, the Executive Director (Section 151 Officer) reported that the need for improved debt recovery and cash flow management was being addressed, as it did impact on the Council's financial position and costs and was included as part of the Council's Improvement Plan. He agreed to provide a breakdown of where those key areas of debt were sat within the sundry debtors, but he stressed that this was separate to Council Tax debt. It was confirmed that Internal Audit were conducting a review of debt recovery, the results of which would be reported to a future meeting.

The Committee approved the Statement of Accounts and noted that it was progressing well compared to other Councils.

RESOLVED:

To note the contents of the Audit Findings report.

77 Third Line Assurance: Fraud, Special Investigation, RIPA Update

The Committee received the report of the Internal Audit Manager which provided a brief update on current fraud and special investigations undertaken by Internal Audit and the impact these have on the internal control environment, together with an update on current Regulation of Investigatory Powers Act (RIPA) activity.

It was confirmed that there were seven ongoing investigations and that no investigations had been completed since the previous meeting.

RESOLVED:

To note the contents of the report.

78 Fraud Investigation Options

The Committee received the report of the Executive Director (Section 151 Officer) which considered the motion referred to the Audit and Governance Committee by Council regarding the proposal to create a dedicated Counter Fraud Team.

The Committee reviewed options for fraud investigation, including: a dedicated team, sharing a team regionally, outsourcing to an external provider, a hybrid model, embedding within internal audit, and relying on national collaborative schemes (set out in paragraph 2.2 of the report).

The report outlined advantages and disadvantages for each model, emphasizing the difference between identifying fraud, recovering losses, and preventing fraud through strong internal controls.

Discussion highlighted that quantifying the value of fraud prevention and recovery was challenging, and that headline savings from other councils may not all be cashable. A query was raised about the cost of a dedicated team which was estimated at £100,000 for two staff.

Some Members argued for a dedicated resource, citing examples from other councils and the potential for significant savings, especially in areas like housing and council tax, whilst some felt there was insufficient local evidence to justify a dedicated team and suggested expanding internal audit's proactive fraud work using existing resources.

The Committee agreed to recommend to Cabinet that a task and finish group be set up to explore fraud investigation options further, involving relevant stakeholders like Star Housing.

RESOLVED:

It was agreed to refer this back to Cabinet to decide on the way forward and to recommend the setting up of a Task and Finish Group.

79 Date and Time of Next Meeting

Members noted that the next meeting of the Audit & Governance Committee would be held on 5 February 2026 at 10.00 am.

80 Action Log

Deferred to the next meeting.

81 Exclusion of Press and Public

RESOLVED:

That in accordance with the provision of Schedule 12A of the Local Government Act 1972, Section 5 of the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations and Paragraphs 1, 2, 3 and 7 of the Council's Access to Information Rules, the public and press be excluded during consideration of the following items.

82 Exempt Minutes of the previous meeting held on the 26 September 2025

RESOLVED:

That the Exempt Minutes of the meeting of the Audit Committee held on the 26 September 2025 be approved as a true record and signed by the Chairman.

83 Third line assurance: Contract Rules Exemptions Update (Exempted by Category 3)

The Committee received the exempt report of the Assistant Director of Legal and Governance which provided an update on the exemptions sought from the Council's Contract Procedure Rules and the reasoning for approving or rejecting them.

RESOLVED:

To note the contents of the report.

Signed (Chairman)

Date: