

**MINUTES OF A MEETING OF THE
AUDIT COMMITTEE
Appointment Centre Rooms 7 & 8
24 February 2026 (7.03 - 8.33 pm)**

Present:

COUNCILLORS:

Conservative Group	David Taylor
Residents' Group	Julie Wilkes (Chair) and Jacqueline Williams (Vice-Chair)
Residents Association Independent Group	Philip Ruck

Apologies were received for the absence of Councillors John Crowder.

The Chairman made announcements regarding emergency evacuation arrangements.

Councillor Keith Prine attended as an observer.

32 MINUTES OF THE MEETING

The minutes and exempt minutes of the meeting held on 25th November 2025 were agreed as a correct record and signed by the Chairman.

33 STATEMENTS OF ACCOUNTS 2024/25 AND EXTERNAL AUDIT REPORTS TO THOSE CHARGED WITH GOVERNANCE

The Committee was presented with the Statement of Accounts 2024/25 and External Audit reports.

Officers explained that although the draft accounts had been published by the statutory deadline, the continuing national audit backlog meant the external audit could not be completed before the backstop date of 27th February 2026. As a result, the Council would again receive an unqualified opinion for 2024/25.

EY presented their findings and confirmed that materiality had been revised to £8.8m, with reporting set at £400,000. It was advised that the audit work was substantially complete and only the final documentation was outstanding. It was highlighted that although assurance levels had improved since the previous year, gaps remained in areas such as creditors, debtors and leases under IFRS 16. Officers further reported that internal audit findings had identified suspected fraudulent activity and underlying control weaknesses which contributed to a significant weakness in value for money.

Members questioned the sufficiency of internal controls, the impact of known control weaknesses and the Council's approach to debt write-off and debt recovery. Officers provided assurance that control weaknesses in temporary accommodation had been addressed and explained the ongoing work to improve debt management and the debt write-off processes.

Members noted that the Pension Fund audit was substantially complete and the Council would receive an unqualified opinion. All recommendations had been accepted by officers.

Members raised concerns about the accuracy of wording that described weaknesses as “isolated”. Officers explained that the AGS already included wording that reflected control failures but agreed that the recommendations would be amended to acknowledge the Audit Committee’s concerns.

The Committee approved the recommendations as set out in the report.

34 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2026/27

The Committee received a report on the Treasury Strategy for 2026/27.

The Committee noted that long-term interest rates were forecast to fall and therefore the Council would continue its policy of short-term borrowing for periods between one and five years, with the intention of locking into longer-term rates when the rates were lower. A significant volume of refinancing was anticipated in the coming year due to previous reliance on short-term borrowing.

Officers confirmed that the Council remained compliant with the CIPFA Prudential Code, with the exception of concerns arising from exceptional financial support and the associated impact on financial sustainability. The investment strategy remained unchanged with funds placed short-term with the DMO or other local authorities.

The Committee agreed the recommendations as set out in the report.

35 INTERNAL AUDIT REPORT

The Committee received the Head of Assurance Progress report.

Members noted that improvements had been made to the format following earlier committee feedback. It was confirmed that thirteen school audits would be completed during the final quarter. Members also noted a reduction in right-to-buy investigative referrals following the previous year’s surge.

The Committee received updates on limited assurance reports issued for temporary accommodation, garage allocations and tenant management organisations. Officers confirmed that follow-up work was ongoing and that many actions had already been completed. Members queried the deferral of contract-related audit work, however, officers explained that this had been necessary due to ongoing procurement reform and the absence of high-risk contracts arising during the year. The Committee requested that the Terms of Reference for the forthcoming waste contract audit be brought back for review.

The Committee agreed the recommendations as set out in the report.

Chairman