

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Abbey Room, Stenson House, London Road, Coalville, LE67 3FN on WEDNESDAY, 10 JUNE 2026

Present: Councillor

Councillors J G Simmons, R Sutton, P Moulton, D Cooper, D Everitt, G Rogers, N Smith and M French

In Attendance: Councillors

Officers: Ms K Beavis, Mrs A Crouch and Mrs C Hammond

1. APOLOGIES FOR ABSENCE

Mr P Helm, the new Chair of Audit and Governance, was introduced to the Committee by the deputy chair.

Apologies were received from Councillor R Boam & Mrs E Hutchinson.

2. DECLARATION OF INTERESTS

There were no interests declared.

3. MINUTES

Before the minutes were agreed, a member provided some clarification notes. It was noted that they had circulated the value for money report from Azets, to members, as it was requested at the 29 April 2026 meeting.

Consideration was given to the minutes of the meetings held on 29 April 2026.

It was moved by Councillor R Sutton, seconded by Councillor J Simmons and

RESOLVED THAT:

The minutes of the meetings held on 29 April 2026 be approved and signed by the Chair as an accurate record of proceedings.

4. OUTSTANDING ACTIONS UPDATE

Before the update, the Head of Finance updated the Committee regarding the attendance of the Council's Chief Executive. Members and Officers discussed the invitation of the Chief Executive and how it is proposed to move forward. It was explained that a meeting would be arranged for members to have the opportunity to inform the audit scope which would contribute to the Unit 4 audit report and to discuss questions for the Chief Executive. It was agreed that the Chief Executive would be invited to the next available meeting so a discussion could take place and supplementary questions could be asked.

Consideration was given to the Outstanding Actions update.

In response to a member's request, it was agreed to change the status of the action 2 to 'amber' as it's resolution was ongoing.

In response to another request, it was agreed that responses sent to members as a result of an action would be sent to all members.

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The Outstanding Actions update was noted.

5. COMMITTEE WORK PLAN

Consideration was given to the Committee's work plan.

The Head of Finance proposed quarterly Unit 4 update reports to the Committee; which they accepted.

The Committee's work plan was noted.

6. 2025/26 ANNUAL AUDIT PLAN

The report was presented by the Director of Public Sector of External Audit of Azets.

A discussion followed. In response to a member, the Committee were assured by the Head of Finance that the Council would meet the statutory deadline to produce accounts for audit on 30 June, and that members would be emailed once this was live on the Council's website. The accounts would be presented in draft at the next Committee meeting and again in January for approval. Assurance was sought from the Head of Finance as to whether the finance team had capacity to work on building back assurance. It was confirmed by the Head of Finance that capacity was being reviewed with the aim of increasing this with an additional staff member.

The Director of Public Sector External Audit explained the scope of the work currently being undertaken by Azets to the Committee, in response to a request from a member. They explained that they were close to completion on some of the work and were therefore focusing on this to provide full assurance where possible. Some areas of work had begun but not completed due to competing priorities. A key priority of Azets was to complete a full audit of the 2025-26 financial statements to avoid repeating build-back assurance work next year. A detailed, phased plan would be developed, agreed with stakeholders and aligned with the Council's financial timetable before being presented to the Committee.

The report was noted and members thanked for their comments.

7. SIRO (SENIOR INFORMATION RISK OFFICER) ANNUAL REPORT

The report was presented by the Legal Team Leader – Governance.

A discussion followed with enquiries from members. In response to a member's concern about capacity due to the increase of requests, the Legal Team Leader – Governance explained to the Committee that the Legal Team were exploring whether there was capacity to address all information requests. The Legal Team Leader – Governance had recently become more involved in the responses which had increased resource capacity but expressed that reviewing whether this was sufficient was required.

Another member enquired about the statutory timescale and whether responses met the required timeframe. The Legal Team Leader – Governance agreed to providing a response outside of the meeting.

In response to enquiries, it was explained to the Committee that it was believed the increase of requests was due to AI's assistance in making requests more accessible and public awareness and this was reflected nationally. A member was interested in how the

Council fared in comparison to other councils on request rates. This was received and was taken away to look further into.

The report was noted and members thanked for their comments.

8. MEMBER CODE OF CONDUCT ANNUAL REPORT

The report was presented by the Legal Team Leader – Governance.

A discussion followed with members making several enquiries regarding ongoing complaints. Concerns were raised about delays to complaints and cancelled determination subcommittees. In response, the Monitoring Officer assured the Committee that they would be provided with an update at the next meeting. They also explained that the Monitoring officer has delegated authority to avoid a hearing (e.g. where no breach is found or issues are resolved), to use resources more efficiently. Some members expressed concerns about this discretion, so the Monitoring Officer suggested that it should be considered by the Constitution working group. Wider concerns included whether councillor-to-councillor complaints are proportionate, and whether stricter timelines are needed due to delays or lack of engagement. These were also suggested to be considered by the working group.

A member requested a more detailed breakdown of the data provided to the Committee regarding complaints due to an increase in the number of complaints. The Monitoring Officer agreed to analyse and share more detailed data.

It was moved by Councillor R Sutton, seconded by Councillor P Moulton and

RESOLVED THAT:

The Member Code of Conduct annual report 2025/26 be recommended for submission to Council on 11 June 2026.

9. TREASURY MANAGEMENT STEWARDSHIP REPORT 2025/26

The report was presented by the Head of Finance.

A brief discussion followed. A member noted that investment allocations had improved but questioned whether the shift should happen faster. The Head of Finance explained that the figures were a snapshot at year-end and that funds were actively managed, with diversification maintained between investment types.

A member raised a concern about inflation and global volatility and asked how investments were protected. The Head of Finance responded that investments were monitored daily, adjusted as needed and supported by quarterly meetings and ongoing advice from Arlingclose, including regular updates between meetings.

The report was noted and members thanked for their comments.

10. KEY JUDGEMENTS AND ESTIMATES IN THE STATEMENT OF ACCOUNTS

The report was presented by the Head of Finance.

The report was noted.

11. DRAFT ANNUAL GOVERNANCE STATEMENT 2025-26

The report was presented by the Head of Finance.

A discussion was held between a member and Officers in relation to a proposed change made to page 129 of the report. The member found the draft improved in comparison to the previous annual governance statements. Members were assured by the Head of Finance that the report was in draft, with the finalised report to be approved in January 2027. It was suggested by the Chair that authority could be delegated to the Head of Finance, in consultation with the chair and/or deputy chair to make amendments. The member suggested changes to make, which included adding a direct quote from an Azets report about the Committee, to replace wording detailing changes to the Committee. The Monitoring Officer proposed a change to the recommendations to reflect this, which the Chair, the Head of Finance and the member agreed to.

Further changes to wording were suggested by members, including pages 135-136, 140 and 146, to better reflect a decision made by the deputy chair and to improve the accuracy of meaning. These were taken on board by the Chair and Officers.

It was moved by Councillor J Simmons, seconded by Councillor G Rogers and

RESOLVED THAT:

The draft Annual Governance Statement 2025-26 be approved for publication subject to minor amendments delegated to the Acting Section 151 Officer and the Chair.

12. UNIT 4 UPDATE

The report was presented by the Head of Finance.

Following the presentation of the report, a discussion was held. In response to a member's question, the Head of Finance explained that bank reconciliations for 2025-26 were up to date and current up to May. This was agreed internally but hadn't been externally audited as yet and was part of the backstop work. Delays had occurred due to the module not being available on the Unit 4 system when it went live. This module is now in place and processes were improving. It was later explained that the Council piloted the Unit 4 system which was why there was a lack of availability for some of its aspects and that this was something that would be picked up as part of the Internal Audit review.

In response to a member, the Head of Finance explained to the Committee that the finance team were implementing the Unit 4 budgeting module by December 2026. This was expected to significantly improve real-time financial monitoring and control for budget holders and senior managers.

A member asked about the change of support provider for the system and whether the progress made was due to this change. It was explained that the progress was a combination of internal work and support from Vision ERP, the new provider, who understand local government and the system itself.

It was assured that Officer governance was in place with weekly meetings to ensure action diligence. The meetings would be moving to fortnightly soon and then monthly which demonstrated that work around Unit 4 had improved and it was becoming more 'business as usual'.

At the end of the discussion, a member commended the finance team on the significant progress made in the past 6 months. They understood how difficult it could be to resolve issues, particularly when working with external agencies, from working with systems

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themselves. They added that the position the team was in now was a 'much brighter picture...so well done. Keep up the good work'.

The report was noted and members were thanked for their comments.

13. AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT

The report was presented by the Audit Manager.

A discussion followed which began with a member expressing concerns as to whether the report should be approved and taken to Council. They expressed that the report was about the Committee and the quality of its work, that it contained little evaluative assessment and evidence and that there were missing details. They added that changes were needed but it was time-pressured to do so due to Council being the next day.

In response to a question, the Monitoring Officer explained that there would be difficulty making changes given the time frame, advised against changes unless there was qualification and reasoning to do so and that the report followed the criteria set out in the position statement. Opportunities were given to Members to be involved in the process prior to the meeting..

The Chair shared their independent view which was that the report demonstrated that the Committee was moving in the right direction, had discharged its obligations in ensuring that there was an appropriate risk management framework in place, that it reflected the level of challenge from members to Officers and the achievements of the Committee in the past 12 months. The Audit manager also confirmed that the report met the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and that it was shared in advance with members, giving them the opportunity to have input in to the report, but no feedback was received. They reiterated that the report fully reflected what the Committee had achieved in their performance during the year.

In response to queries about the possibility of deferring the report to allow changes to be made, the Head of Finance explained that the Audit and Governance Committee annual report was taken into consideration when writing the AGS, and if it was not considered at Council the following night, it would not be a finalised document, by the time the draft AGS was published on the 30 June.

It was acknowledged by a member that while the Committee was functioning, the report may not fully capture all issues or provide enough detail but there was uncertainty around what was specifically missing. The member that expressed their concerns about the report responded with 'evidence, evaluation, effectiveness'.

It was moved by Councillor J Simmons, seconded by Councillor D Everitt and

RESOLVED THAT:

1) The draft Audit and Governance Committee annual report be noted and comments provided.

2) Authority be delegated to the Audit Manager in consultation with the deputy chair to make any additions or amendments to the report arising from those comments prior to submission to Council on 11 June 2026.

3) The draft Audit and Governance Committee annual report 2025/26 be approved.

The meeting commenced at 6.30 pm

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The Chair closed the meeting at 8.39 pm