

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Abbey Room, Stenson House, London Road, Coalville, LE67 3FN on THURSDAY, 26 FEBRUARY 2026

Present: Councillor P Moulton (Chair)

Councillors R Sutton, D Cooper, D Everitt, G Rogers, J G Simmons and N Smith

In Attendance: Councillor J Legrys

Officers: Mrs A Crouch, Mr B Dooley, Ms K Hiller and Mrs R Wallace

External Audit: Mr P Montgomery, Ms L Hinsley and Ms H Parks

51. APOLOGIES FOR ABSENCE

Before the meeting opened, Councillor R Sutton announced that he would be resigning as Chair of Audit and Governance Committee with immediate effect, and that Councillor P Moulton would be resigning as Deputy Chair but would take on the role as Chair for this meeting.

Apologies were received from Councillor R Boam, Councillor R Johnson and Councillor A Wilson.

52. DECLARATION OF INTERESTS

There were no interests declared.

53. MINUTES

Consideration was given to the minutes of the meeting held on 4 February 2026.

Members noted that paragraph 3 of minute item 45 was unclear and that it should have been adjusted to include the following:

‘An Independent Member reinforced the point that the 2022 CIPFA position statement on Audit Committees was very clear in this regard.’

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

RESOLVED THAT:

The minutes of the meeting held on 4 February 2026 be approved and signed by the Chair as an accurate record of proceedings pending the alteration noted above.

54. OUTSTANDING ACTIONS UPDATE

Consideration was given to the Outstanding Actions Update.

A member suggested that the second action in the table on page 9 of the agenda should have been altered so that it included procurement, and an update was requested from the Head of Planning and Infrastructure regarding the action related to Agenda Item 12 on page 10.

Members noted that the target dates of the last three actions in the table needed to be amended to 29 April 2026.

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The Outstanding Actions Update was noted, and members were thanked for their comments.

55. COMMITTEE WORK PLAN

Consideration was given to the Committee's work plan.

A member noted that the Statement of Accounts Update scheduled for 29 April 2026 was not required following the presentation of the accounts at this meeting.

The Committee's work plan was noted.

56. AUDIT COMPLETION REPORT - 2023/24 AND 2024/25

Before presenting their report, the External Auditors announced that their presentation was to comprise of two sections: one for each report.

The External Auditors presented the Audit Completion Report 2023/24.

A discussion followed during which several questions of clarity were addressed by the External Auditors.

A member asked whether the introduction of a new finance system was a risk as the Authority approached Local Government Reorganisation. In response, the External Auditors acknowledged that it was a risk but mentioned that, following investigations from their IT risk assessment team, significant weaknesses had been raised about the use of the Unit4 system in November 2025. The External Auditors stated they were satisfied that the Annual Governance Statement addressed these weaknesses as part of the recommendations.

It was also questioned whether there were implications for the Council if they did not manage to meet the backstop date. The External Auditors replied that, in the event the backstop date was not met, it would have increased the reputational risk to the Council.

In response to a question from a member, the External Auditors stated that they could not have provided assurances about the 2023/24 accounts as no further work had been carried out to identify further errors, but it was noted that they were trying to build assurance from 2021 as a priority. The Head of Finance added that, while unaudited, the accounts were to be signed by the Section 151 Officer to provide assurance.

The External Auditors presented the Audit Completion Report 2024/25.

Members had a discussion and several questions of clarity were asked which were responded to by the External Auditors and the Head of Finance.

Recommendations 1, 2 and 3 of the report were noted.

The additional recommendation as set out in the additional papers was moved by Councillor R Sutton, seconded by Councillor J Simmons and

RESOLVED THAT:

The management representation letters for 2023/24 and 2024/25 be approved by the Committee.

57. STATEMENT OF ACCOUNTS 2023/24

The Head of Finance presented the report.

It was noted by the Head of Finance that recommendations 2 and 3 of the report were to be altered following the Chair's resignation to include 'the Chair of this meeting'.

A member commented that they wanted assurance regarding the accuracy of the accounts due to what they believed were weaknesses in governance. It was questioned what were to happen should the Statements of Accounts not be approved by the Committee.

The Head of Finance replied that, if the Statements of Accounts were not approved, it would have increased the reputational risk to the Council as the Government-set backstop date for publishing the Statement of Accounts would have been missed.

The member requested legal advice from the Monitoring Officer about the consequences of not approving the Statements of Accounts.

The meeting adjourned at 7:32pm.

The meeting reconvened at 7:52pm.

It was advised by the Monitoring Officer that voting against the officer's recommendations and the Council itself was not a breach of the Code of Conduct, and that members were allowed to vote as they wished. It was added that the narrative that surrounded the vote may have given rise to a breach of the Code of Conduct, but it depended on what was said.

Members were also advised that it was a legal requirement for the Chair of the meeting to sign the accounts.

The Head of Finance commented that, while the External Auditors had not provided their assurance for the accounts, the Section 151 Officer and the Head of Finance were happy with them.

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

RESOLVED THAT:

- 1) The Annual Statement of Accounts 2023/24 be approved.
- 2) The Chair of this meeting be authorised to sign the Statement of Accounts 2023/24.
- 3) Authority be delegated to the Chair of this meeting and the Section 151 Officer to approve any minor non-material amendments, as agreed with the External Auditors, to the Statement of Accounts 2023/24 on behalf of the Committee.

58. STATEMENT OF ACCOUNTS 2024/25

The Head of Finance presented the report and noted that recommendations 2 and 3 needed to be reworded to reflect the structure changes of the Committee.

At the request of members, it was minuted that the Committee had exercised its knowledge of the cumulative experience of the Authority, its chief officers, the letter of representation, the systems of control that operate, the budgetary control and monitoring

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and, relying on those elements to reach a conclusion, there was no reason at the time to doubt the accounts, as internal and external auditors had found no material issues in their investigations.

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

RESOLVED THAT:

- 1) The Annual Statement of Accounts 2024/25 be approved.
- 2) The Chair of this meeting be authorised to sign the Statement of Accounts 2024/25.
- 3) Authority be delegated to the Chair of this meeting and the Section 151 Officer to approve any minor non-material amendments, as agreed with the External Auditors, to the Statement of Accounts 2024/25 on behalf of the Committee.

59. TREASURY MANAGEMENT UPDATE REPORT - QUARTER 3

The Head of Finance presented the report.

The report was noted.

The meeting commenced at 6:00pm

The Chair closed the meeting at 8:07pm

Chair's signature