

Meeting	Audit and Governance Committee
Date	6 May 2026
Present	Councillors Hollyer (Chair), J Burton (Vice-Chair), Fisher, Rose, Coles, Vassie, Binney (Independent Member), Williams (Independent Member) and K Taylor (Substitute)
Apologies	Councillor Merrett
Officers in attendance	Bryn Roberts – Monitoring Officer and Director of Governance Debbie Mitchell – Director of Finance
In Attendance	Jonathan Dodsworth – Assistant Director –Corporate Fraud Connor Munro - Assistant Director – Audit Assurance

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**64. APOLOGIES FOR ABSENCE (5:34PM)**

Apologies for absence were received from Councillor Merrett, who was substituted by Councillor Taylor.

**65. DECLARATIONS OF INTEREST (5:34PM)**

Members were asked to declare at this point in the meeting any disclosable pecuniary interest or other registerable interest they might have in respect of business on the agenda if they had not already done so in advance on the Register of Interests.

Councillor Coles declared an interest in relation to item 7, 2026/27 Counter Fraud Plan, in that she was the Deputy Mayor for Policing, Fire and Crime.

**66. EXCLUSION OF PRESS AND PUBLIC (5:39PM)**

Resolved: That the press and public be excluded from the meeting during consideration of Annexes 2-15 to Agenda Item 9, Internal Audit Progress Report 2025/26 on the grounds that it contained Information relating to the financial or business affairs of any particular person (including the authority holding that information). This information was classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

**67. PUBLIC PARTICIPATION (5:35PM)**

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme.

Gwen Swinburn spoke on governance concerns relating to the committee and stated that over recent years the committee had been receiving fewer governance reports than before and that they now seemed to be replaced by occasional information governance reports; she discussed a report that the committee were awaiting from the Monitoring Officer on better ways to work.

Ms Swinburn then urged members to consider the need for officers' names to be included on the action log next to their relevant actions in order to have responsibility and accountability over their items.

Ms Swinburn concluded by stating that City of York Council's Call-In protocol was too limiting and should be addressed; she questioned the view that if a decision received pre-decision scrutiny, then there couldn't be post-decision scrutiny.

In response to comments raised during Public Participation the Monitoring Officer advised the Committee that, as outlined in the Constitution, pre-decision scrutiny precluded the option of post-decision scrutiny.

## 68. MINUTES & ACTION LOG (5:39PM)

Councillors discussed the action log, and the following updates were received:

- i. Action Number 84:
  - All active section 106 agreements now had a record on Exacom, meaning that 100% of contributions held (and owed) were reflected centrally on the system.
  - Finance and Development Services were working together to reconcile contributions received and owed between Exacom and the general ledger; this was approximately 60% completed and was expected to conclude within the next two months.
  - Finance staff were receiving training on the Exacom system on 8 May 2026 so that records could be matched between Exacom and the general ledger on an ongoing basis.
- ii. Action Number 94:
  - The Monitoring Officer was progressing the updates for Councillors roles and responsibilities under data protection, including putting them onto MyLo, if possible.
  - The Monitoring Officer was also following up on the response from ICT about the request for user training and would provide an update to members by 29 May 2026.
  - There had also been updated guidance for Councillors in dealing with data subject access requests to records (DSARs) provided and this was available on the intranet for members.
- iii. Action Number 102:
  - The 'York's Changing Population: Projections up to 2035' report would be shared with members.
- iv. Action Number 105:
  - The Constitution Review could be added to the agenda for the July meeting of the Committee, however, as it would be subject to the views of both the Political Groups and the Constitution Working Group, it may need to be deferred further past this date.

Resolved:

- That the minutes of the meetings held on 28 January and 11 March 2026 be approved and then signed by the Chair as a correct record.
- That end dates be requested for Action Numbers: 106, 108, and 109.

**69. COUNTER FRAUD PROGRESS REPORT (5:43PM)**

The Veritau Assistant Director - Corporate Fraud presented the updated Counter Fraud Progress Report incorporating Counter Fraud Annual Report 2025/26. He noted that Veritau and CYC were pleased to have met counter fraud savings targets for the year and outlined key performance figures as seen within the Counter Fraud Annual Report 2025/26 (Annex 2).

In response to questions from members, the Veritau Assistant Director - Corporate Fraud confirmed that:

- Lots of their work deterred people from committing fraud in York, they had set £200k target for a number of years and had now exceeded that.
- They had achieved fewer incorrect referrals on last year and were following through on more referrals which was an improvement.
- Four investigations had been completed on misused parking permits, and the Fraud in Holiday Lets programme was ongoing.
- The Local Government Association (LGA) reported on an estimated percentage basis for total fraud on total spend, rather than reporting on a cost (£) basis.
- They were working closely with the Procurement team to ensure tenders were above board; the exact figures of Procurement fraud were difficult to confirm and as such was an unknown in any Authority.
- CYC did not hesitate to prosecute fraud against the Authority which deterred people from committing fraud.
- Fraud had changed over time and nowadays most fraudsters lived outside of York and sometimes outside the UK.
- Actions and punishments taken were thought of carefully, but money stolen from CYC was always sought back.
- Internal fraud investigations were taken very seriously, and reports were almost always published internally when an internal investigation occurred.

- Work continued and did not let off just because annual targets were met.

The Director of Finance advised that the target was reviewed on an annual basis.

The Monitoring Officer advised the Committee that sums recovered and the target, had remained stable, however, due to CYC's budget these had increased as a percentage; targets were also dependent on resources available.

Resolved: That the Committee noted the counter fraud activity outlined in the report.

Reason: To enable members to consider the progress of counter fraud work in the current financial year.

**70. 2026/27 COUNTER FRAUD PLAN (6:07PM)**

The Veritau Assistant Director - Corporate Fraud presented the updated 2026/27 Counter Fraud Plan and noted that a total of 887 days had been allocated to counter fraud work in the new financial year; this represented a 10% reduction compared to previous years. He continued to advise members that the recent annual review identified that the CYC's whistleblowing policy required updating to reflect upcoming changes to whistleblowing legislation.

In response to questions from members, the Veritau Assistant Director - Corporate Fraud confirmed that:

- There were some areas of Local Authority spending where fraud would always exist as some mitigations could not be made, such as within Social Care where fraud was very dependent on people declaring their circumstances.
- Reporting was made with the amount (£s) saved rather than cases of fraud stopped because, for example, even if 99% of cases were stopped, 1 case missed could cost CYC a disproportionate amount of resources.

The Director of Finance outlined that construction demonstrated the majority of procurement fraud and that risk unfairly sat within Adult Social Care. It was then discussed that finances were not the first question asked when families started the process of placing a loved one into care and efforts were made to make sure families were aware of how the system works; the Director of Finance would investigate this and report back to the Committee at a later date.

The Veritau Assistant Director - Corporate Fraud outlined that there was an action plan detailing the use of purchase orders; he stated that procurement didn't require a purchase order, purchases did, and he demonstrated that there were a number of exemptions to this. The Veritau Assistant Director - Corporate Fraud would investigate the 'no purchase order, no purchase' policy and bring an update to the Committee at a later date.

Resolved:

- i. That the Audit and Governance Committee:
  - Noted the 2026/27 fraud risk assessment,
  - Noted the counter fraud development and work plans.
- ii. That the Director of Finance:
  - Would investigate the process families take when placing a loved one into care and report back to the Committee.
  - Would investigate the 'no purchase order, no purchase' policy and bring an update to the Committee.

Reason: To enable members to consider the current risk of fraud against the council, as part of the committee's responsibility for overseeing the effectiveness of counter fraud arrangements.

#### **71. AUDIT AND GOVERNANCE WORK PLAN (6:30PM)**

The Committee considered its work plan and resolved that:

- i. A review of Planning Committee changes (Action 103) would be brought to the Committee at a future date.
- ii. A review of changes to scrutiny would be brought to the Committee at a future date.
- iii. That an update on the 'no purchase order no purchase' policy would be brought back to the Committee at a future date.

- iv. That an update on the Constitution Review (Action 105) would be scheduled for the Committee's July meeting.
- v. That the Committee would recommend that the Constitution Working Group investigate the case for Call-In to be suspended if pre-decision scrutiny had already taken place.
- vi. Officers would be urged to complete the 'Scope' column of the Work Plan.

Reason: To ensure the Committee maintain a programme of work.

## **72. INTERNAL AUDIT PROGRESS REPORT 2025/26 (6:40PM)**

The Veritau Assistant Director – Audit Assurance presented the updated Internal Audit Progress Report incorporating the Head of Internal Audit Annual Report 2025/2026.

The Veritau Assistant Director – Audit Assurance reported that the overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating at CYC was that it provides Reasonable Assurance, and that the opinion encouraged and supported CYC's inclusion of major capital project management as an improvement area in the Annual Governance Statement, noting plans already in place and underway.

He then outlined updates to the Committee on Final Reports Issued within Appendix A and Appendix B, and outlined Exit Payments as seen within Appendix F to Annex 16 of the report. Regarding Appendix E to Annex 16 of the report, the Head of Internal Audit considered that the internal audit service conformed to Global Internal Audit Standards in the UK Public Sector.

In response to questions from members, the Veritau Assistant Director – Audit Assurance confirmed that:

- Veritau was satisfied with what CYC's action plan entailed, and it was not yet possible to provide more assurance to the Committee. A fuller audit was scheduled to commence over summer 2026, and a report on this would come to the Committee to take members through the progress of reporting on next year's plan.

- When providing an opinion, systematic considerations were looked at; nine root cause categories had been identified which, going forward, would be used, alongside other existing considerations, to help identify themes in support of the annual opinion.

[The meeting was adjourned at 6:54pm and reconvened in private session at 7:00pm to consider annexes 2-15 of the report]

The Veritau Assistant Director – Audit Assurance presented members with Annexes 2-15 and members entered discussion.

Resolved: That the Audit and Governance Committee:

- Noted the progress made in delivering the 2025/26 internal audit work programme and plans for delivery over the remainder of the year.

Reason: To enable members to consider the implications of internal audit findings, and to review planned activity for the remainder of 2025/26.

- Noted the results of internal audit work undertaken and the opinion of the Head of Internal Audit on the adequacy and effectiveness of the Council's framework of governance, risk management, and internal control.

Reason: To enable members to consider the implications of internal audit findings.

- Noted the outcome of Veritau's quality assurance and improvement programme, including the confirmation that the internal audit service conformed to the GIAS UK Public Sector during 2025/26.

Reason: To enable members to consider the opinion of the Head of Internal Audit.

- Noted the one significant control weakness identified by internal audit during the year which is considered relevant to the preparation of the Annual Governance Statement.

Reason: To enable the Annual Governance Statement to be prepared.

**73. CODE OF CONDUCT (6:23PM)**

The Monitoring Officer presented the report and provided an update to the Code of Conduct following a request from a previous meeting and as referred to in a report of the Committee's previous meeting.

The Monitoring Officer detailed how the Government had provided an update on sanctions and that CYC could look into common law to see what could be done regarding this. Numerous reports had been received from residents regarding issues that weren't breaches and it was therefore clear that there were perceptions that the Code of Conduct was stronger than it is.

Resolved: That the Code of Conduct be removed from future agendas until potential changes to legislation are known, in which case a timely update would be brought back to the Committee.

Reason: So that the Committee are well updated on further legislation regarding the Council's Code of Conduct.

Cllr Hollyer, Chair

[The meeting started at 5.32 pm and finished at 7.23 pm].