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Meeting	Audit and Governance Committee
Date	28 January 2026
Present	Councillors Fisher, Merrett, Rose, Healey (Substitute), Orrell (Substitute), Whitcroft (Substitute), Baxter, and Binney (Independent Member)
In Attendance	Bryn Roberts – Director of Governance Debbie Mitchell – Director of Finance Garry Taylor – Director of City Development Patrick Looker – Assistant Director of Finance David Walker - Customer Finance Risk & Insurance Mark Outterside - Director, Forvis Mazars Louise Stables - Audit Manager, Forvis Mazars Connor Munro - Assistant Director – Audit Assurance, Veritau
Apologies	Councillors Hollyer, Burton, Coles, and Vassie

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### **37. APOLOGIES FOR ABSENCE (17:30)**

It was confirmed that apologies had been received from Councillors Burton, Coles, Hollyer, and Vassie. These Councillors were substituted by Councillors Baxter, Healey, Orrell, and Whitcroft.

As apologies had been received from both the chair and vice chair of the Committee, Cllr Fisher was elected to chair the meeting.

### **38. DECLARATIONS OF INTEREST (17:33)**

Members were asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which they may have in respect of business on the agenda. None were declared.

**39. EXCLUSION OF PRESS AND PUBLIC (17:41)**

The Committee discussed whether the private annexes could be discussed in public session. Officers noted that due to the ongoing nature of some of the contracts within the papers there could be issues with those contracts at the end point should all the information be made public. Officers also confirmed that an additional report would be brought to the Committee's 11 March 2026 meeting.

Resolved: That the press and public be excluded from the meeting during consideration of Annex 1 to Agenda Item 13 on the grounds that it contains 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).

**40. MINUTES & ACTION LOG (17:56)**

The Committee considered the minutes of the Committee from 12 November 2025. Members highlighted that while representatives of the Conservative Labour, Liberal Democrat groups had been consulted on the revisions Public Participation in the Constitution, by the Monitoring Officer, the Conservative and Liberal Democrat groups it was noted were not in agreement with the full range of changes at that consultation.

The Monitoring Officer updated the Committee on the working groups progress reviewing the Council's public participation protocol. He confirmed that the proposed changes would be shared with the Constitution Working Group for consideration, before coming back to the Committee.

Officers confirmed that appointments were being confirmed for new independent members for the Audit and Governance Committee, Joint Standards Committee, and three appointments were to be made to the Independent Remuneration Panel. The Committee noted the importance of having independent members and thanked the Head of Democratic Services for

their work in the appointment of these new independent members.

Resolved: That the minutes of the meeting held on 11 November 2025 be approved and then signed by the Chair as a correct record.

#### **41. PUBLIC PARTICIPATION (17:33)**

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

Gwen Swinburn raised concerns relating to KCR 7 and how the Capital Programme was managed. She also raised concerns that the Committee were not given the sufficient tools or information to perform their auditing function in relation to the capital programme and suggested the governance arrangements of the Committee should be reviewed to ensure it can perform its functions more effectively.

Cllr Widdowson stated that it was real for the internal audit report to be so damning in relation to the Council's performance and stated that with a £20m overspend on just one capital scheme alone was incredible. She asked that the full audit report information be made public and stated that a combination of changes by the Executive and a failed corporate restructure losing key experience had led to the level of overspend on the project.

#### **42. AUDIT COMPLETION REPORT 2024/25 (18:06)**

Mark Outterside and Louise Stables from Forvis Mazars introduced the report and outlined the work undertaken during their audit and what areas had been completed as part of the audit. They also confirmed that they were progressing with the final Accounts Audit which included a value for money audit for the Council. It was confirmed that they expected to be able to issue an unqualified opinion for the Council.

Resolved:

- i. Noted the matters set out in the Audit Progress Report and draft Auditors Annual Report presented by the external auditor.

Reason: To ensure the proper consideration of the progress of the external auditor in respect of the annual audit of accounts and review of the council's arrangements for ensuring value for money

#### **43. FINAL STATEMENT OF ACCOUNTS 2024/25 (18:21)**

Assistant Director for Finance introduced the report and outlined the recommendation to delegate to the Committee chair and vice chair to sign off the Statement of Accounts.

Resolved:

- i. Noted the matters set out in the Audit Completion Report.

Reason: To ensure the proper consideration of the opinion and conclusions of the external auditor in respect of the annual audit of accounts and review of the council's arrangements for ensuring value for money.

#### **44. TREASURY MANAGEMENT MONITOR 3 (18:32)**

The Director of Finance introduced the report that outlines the Council's treasury activity to date. The Committee enquired whether the Council had to large a capital programme considering the Council's debt to income outlined in the report. Officers confirmed that the size of the capital programme was for the consideration of the Executive but that the Council remained significantly under borrowed compared to what the Council's prudential indicators would allow for. Officers also confirmed that a significant portion of upcoming borrowing for the Capital Programme was connected to York Central which would generate income from the enterprise zone when occupied. Members enquired as to whether there were any delays in the development of this part of York Central which could impact the Council's debt to income. Officers confirmed that the programme was currently on schedule and that positive talks had been held regarding occupancy of the enterprise zone.

Resolved:

- i. Noted the Treasury Management Quarter 3 Report and Review of Prudential Indicators 2025/26.

Reason: That those responsible for scrutiny and governance arrangements are updated on a regular basis to ensure that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

#### **45. TREASURY MANAGEMENT STRATEGY (18:52)**

The Director of Finance introduced the report and confirmed that it had been to Executive and following approval by the Committee would go onto Full Council for final approval.

Resolved:

- i. Noted the treasury management strategy statement and prudential indicators for 2026/27 to 2029/30 at annex A.

Reason: So that those responsible for scrutiny and governance arrangements are properly updated and able to fulfil their responsibilities in scrutinising the strategy and policy

#### **46. KEY CORPORATE RISKS MONITOR 3 (18:54)**

The Committee considered the report on the Council's Key Corporate Risks (KCR). Members were informed that Officers were to discuss whether a specific KCR was required for the delivery of the Local Plan or whether risks associated in it were covered in other areas of the risk register. The Committee asked that Officers enquire with as to whether enough weight was being assigned to mitigations in place against identified risks. The Committee noted how in areas such as Governance a Gross risk of 20 after mitigation only went to a 19 and asked whether risk owners could consider whether mitigations were

having a greater impact on the level of risk than that was presented in the register.

The Committee moved onto considering specifically KCR 7 Capital Programme. Members enquired whether KCR 7 needed to rise in its level of risk due to information in this report and the internal audit, officers confirmed that while the Capital Programme was large the level of risk was considered to be measured appropriately. The Committee enquired as to why level of risk had continued to increase relating to KCR 7, considering following the audit report more controls had been put in place. Officers confirmed that due to the risks identified within the internal audit into Major Projects the risks associated had been rescored to reflect this even with the additional controls in place, particularly as the Council was currently actioning those controls, so not all were in place.

Members raised concerns that the duelling of the outer ring road might not be fully delivered unless more funding from elsewhere such as the Combined Authority can be secured. Officers noted that they were delivering in a phased approach but continued to contract for the whole scheme as this remained the intention of the project and that they were working closely with the Combined Authority on the project. The Committee acknowledged that by phasing the project they reduced the level of risk to the Council's Capital Programme.

The Committee also enquired about whether the Council was able to recruit and retain people with the right skills to deliver against the Capital Programme. Officers acknowledged that matching pay in the private sector was not something the Council or any local authority could do in this sector, however, the Council continued to attract people with the right levels of skills and knowledge and was improving its pathway for staff to progress and train, with the understanding that the Council needed to ensure team wide resilience as areas such as this will have the potential for high turnover.

Resolved:

- i. Noted key corporate risks register;
- ii. Noted the in-depth review of KCR 7 (Capital Program);
- iii. Officers to review the scoring of risks after mitigations have been accounted for.

Reason: To provide assurance that the authority is effectively understanding and managing its key risks.

**47. INTERNAL AUDIT WORK PROGRAMME CONSULTATION REPORT 2026/27 (19:41)**

The Committee considered the Internal Audit Work Programme Consultation 2026/27 report which sought the Committee's input on the planned work for the Council's internal audits. It was confirmed that consultations were also taking place with Council officers to ensure auditors understood the risk profile of the Council.

Members enquired as to whether audits could be considered for the Council's role as a commercial landlord within the city and for an audit of the Council's progress against the Transformation Programme to support the Council in its work to find efficiencies understanding the challenge associated with the required level of budget savings needed in year.

Resolved:

- i. The Committee recommended that an internal audit be considered on the Council's role as a commercial landlord in the city;
- ii. The Committee recommended that an internal audit be considered on the Transformation Programme.

Reason: Internal audit professional standards require that the views of this committee are considered when developing the internal audit work programme.

**48. AUDIT AND GOVERNANCE WORK PLAN (19:52)**

The Committee considered its work plan for 2025-26. Members noted the additional item on Major Projects to come to the 11 March 2026 meeting and Members asked that a further briefing come to the Committee following the completion of the actions in the audit. The Committee also expressed an interest in an item on the Council's Code of Conduct to be added to the Committee's 2026-27 work plan.

Resolved:

- i. That an item on Major Projects be added the Committee's 11 March 2026 meeting and a further briefing be brought to the Committee at the completion of the actions against the internal audit.
- ii. That the Council's Code of Conduct be added as an item to the Committee's 2026-27 work plan.

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

**49. CONTRACT MANAGEMENT: MAJOR PROJECT DELIVERY  
(17:58)**

*This item was considered in private session in accordance with the resolution in minute 39.*

Cllr Hollyer, Chair

[The meeting started at 5.30 pm and finished at 7.58 pm].