

Meeting	Audit And Governance Committee
Date	11 March 2026
Present	Councillors Hollyer (Chair), Fisher, Merrett, Rose, Vassie, Baxter and Moroney
In Attendance	Bryn Roberts – Director Of Governance Debbie Mitchell – Director Of Finance Garry Taylor – Director Of City Development Mark Outterside - Director, Forvis Mazars Louise Stables - Audit Manager, Forvis Mazars Connor Munro - Assistant Director – Audit Assurance, Veritau Jonathan Dodsworth – Assistant Director – Counter Fraud, Veritau
Apologies	Councillors Burton, Coles, and Independent Member Mr Binney

50. APOLOGIES FOR ABSENCE (17:31)

It was confirmed that apologies had been received from Councillors Burton and Coles, as well as from the Committee's Independent Member Mr Binney. Councillors Burton and Coles were substituted by Councillors Baxter and Moroney.

51. DECLARATIONS OF INTEREST (17:32)

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.

Cllr Merrett did not have a prejudicial interest for the meeting but made the Committee aware that he was a Chartered Engineer and a Member of the York and North Yorkshire Combined Authority Audit and Governance committee.

52. EXCLUSION OF PRESS AND PUBLIC (17:37)

Resolved: That the press and public be excluded from the meeting during consideration of Annexes 2-9 to Agenda Item 14 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).

53. MINUTES & ACTION LOG (17:38)

The Committee considered the minutes from the Committee 28 January 2026 meeting. The Committee discussed the contribution under public participation from Councillor Widdowson at that meeting and agreed to amend the word stated with said to reflect that what was stated was the Councillors opinion.

The Committee also agreed to add under minute 39. Exclusion of Press and Public:

‘Councillor Rose disputed the account given in public participation by Councillor Widdowson; he said that the report showed that issues with contract management in major projects could also be dated back to previous administrations.

The Committee also requested that a future report relating to major projects and the Station Gateway give clearer timescales of events and issues in the project and where there were issues further detail of the issues identified to understand where problems occurred and how they were managed at an officer and Executive level. Officers reminded the Committee that its remit was to identify issues relating to the Council’s procedures and whether it had the right procedures in place and not specifically the operational decisions relating to a single project.’

Resolved: That the minutes of the meeting held on 28 January 2026 be approved and then signed by the Chair as a correct record with the additional changes outlined above.

54. PUBLIC PARTICIPATION (17:33)

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

Gwen Swinburn noted her shock at the Council's £28m overspend on a single project and raised concerns that the action plan would not be sufficient to deal with governance and control issues in major projects and asked the Committee review this to take more oversight of the process. She also asked if the Council was doing enough to be prepared for any equal pay liabilities.

55. EXTERNAL AUDIT COMPLETION REPORT FOLLOW UP 2024-25 (17:43)

Mark Outterside and Louise Stables from Forvis Mazars introduced the external audit completion report. The Committee discussed the Council's Corporate Scrutiny Budget and Medium-Term Financial Strategy Task and Finish group, that would review the Council's Medium Term Financial Strategy, to consider the savings identified within the strategy and the delivery against those savings. Members enquired as to whether the external auditors considered this a good approach to reviewing and delivering savings, the External Auditors noted that they would need to review this further before giving any statement on the approach.

Resolved:

- i. Noted the matters set out in the Auditors Annual Report.

Reason: To ensure the proper consideration of the progress of the external auditor in respect of the annual audit of accounts.

56. KEY CORPORATE RISKS MONITOR 4 (17:51)

The Head of Customer Finance Risk & Insurance and Emergency Planning Manager introduced the report which provided an update on the Council's Key Corporate Risk (KCR) and a focused review of 11 Major Incidents. The Emergency Planning - Resilience and Contingencies Manager outlined the

Council's role in responding to major incidents, the training and lessons learnt to ensure that the Council can respond to future incidents, and the work it does with partners as part of the Local Resilience Forum.

The Committee were informed that additional flood barriers that had been installed should reduce impact on highways, households, and businesses. Officers confirmed that households and business were recommended to have a household or business plan for major incidents to ensure they can bounce back quickly. Members noted that the pandemic had meant the Council had become a lot more resilient in its ability to go digital with a lot of its meetings and services and asked whether this meant the Council needed to be more prepared for cyber threats. Officers confirmed that the Council undertook cyber training and resilience work with partners, the Council was also prepared with in person meetings to work around cyber attacks or national power outages.

Resolved:

- i. Noted the in-depth review of KCR 11 (Major Incidents) at Annex C;

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

57. UPDATE ON MAJOR PROJECTS (18:12)

The Director of City Development introduced the report which provided a further update into major projects. This report followed on from the Committees 28 January 2026 Contract Management Major Projects Delivery Report. He confirmed that the Council were recruiting to ensure it had sufficient resources to meet challenges highlighted in the internal audit report from Veritau and was reducing its reliance on private consultants to ensure the Council had more direct control over projects.

On the Station Gateway project, Officers noted that weekly progress reports were being provided to senior officers. It was confirmed that the Council could have been more prepared ahead of entering into the Station Gateway. It was confirmed that the Council had entered a NEC contract which meant that the final cost of the project would be determined at the end of

the project and that multiple unplanned issues had affected the projected overall cost.

Members queried as to whether the Council had sufficient staff training and experience in contracts and civil engineering within project management. Officers confirmed that the Council was currently recruiting and that there had been vacancies due to the challenge for Councils in recruiting within the sector. The Council was providing training opportunities and was standardising its project management procedures to ensure improvements in project management. The Committee asked whether the additional resources for the Station Gateway project would have addressed issues in reporting on the overspend sooner. Officers noted that additional resources can assist schemes, however, in the case of the Station project this was resourced but more from a consultancy side rather than specifically Council officers, something the Council was reducing its need for consultancy support.

The Committee asked about how the Council was reporting to Councillors about major projects. Officers confirmed that the risk register were released on a regular basis and that the Council would maintain transparent reporting on changes. It was confirmed that some information couldn't be made public, but this information is reported to senior management level in the Council and monthly meetings were now being held with Executive members to ensure they were fully briefed on major projects.

The Committee enquired as to why the Council might enter a contract to deliver a project that didn't have a fixed cost and how would the Council ensure there are not future projects that could have a £28m overspend like the Station Gateway. Officers noted that regular reporting was going to be key and that changes had been made to ensure this so that ongoing costs were better monitored. Officers confirmed that with better reporting on the Station Gateway project costs might have remained the same as they currently are, but it would have allowed the Council greater control over managing the project. In terms of entering the contract Officers noted that while it was correct that additional work pre contract agreement might have better identified the full nature of the work and potential costs, it was the case that there were numerous time constraints to secure funding. In the case of the project, officers also noted that it was not a guaranty that additional up-front work would

have changed the overall cost of the project, but might have more accurately assisted in identifying the overall cost of delivery.

Members raised several questions regarding when in the project issues occurred that led to project overspend on the Station Gateway. Members enquired as to whether the senior management restructure in 2024 had any impact, Officers noted that issues with the project were dated back to 2022 and links to the change in structure and the project would be difficult to determine but they did not believe it would have had a large factor in project management issues. Members highlighted the package 2 contract signed in April 2023 and asked whether more due diligence should have been given to the contract and asked why it was agreed in the pre-election period. Officers confirmed that the decision had been made previously by Executive therefore the entering of the contract could be an officer decision in the pre-election period. Officers also confirmed that the contract was fine in principal but that unforeseen issues had led to additional costs that were outlined in the projects predicted cost.

The Committee noted that it had mainly focused on the Station Gateway project due to the projected overspend on that project, however, they also noted that similar issues had been identified with the Tadcaster Road project. Members asked whether this showed a wider issue with the work the Council undertook to enter contracts for major projects. Officers noted that the audit suggested issues in the initial design phase in contracts and that the work undertaken on training, recruitment, and changes to project management should prevent similar issues with future projects.

Resolved:

- i. That a further update on progress against the Internal Audit Action Plan to be brought to the Committee's 16 September 2026 meeting.

Reason: To ensure that the action plan is being delivered.

58. REVISED JOINT STANDARDS COMMITTEE PROCEDURES AND ASSOCIATED AMENDMENTS (19:51)

The Director of Governance introduced the report and informed the Committee that the proposed constitution changes to change the quoracy of meetings to 3 for all non-specified committee. It was confirmed that the proposed changes had been through the Constitution Working Group and was recommended by the group for approval. The Committee discussed whether the move from often 4 to 3 members for quoracy was appropriate. Officers confirmed that 3 members would see most committee's setting quoracy to a quarter of members on the Committee that was both legal and consistent with other local authorities.

The Committee considered the proposed changes and enquired whether in cases where the Monitoring Officer had a conflict of interest in a standards case and the deputies couldn't stand in was it appropriate for the chair and vice chair of the Committee to take up the Monitoring Officers role. Officers confirmed that this was appropriate procedure and reassured the Committee that the event of the Monitoring Officer and both their deputies being unable to perform the role of the Monitoring Officer would be incredibly rare. It was agreed for additional clarity that it would be amended to state that support would be provided by a Deputy Monitoring Officer to the Chair and Vice Chair in cases where the Monitoring Officer was unable to support the Joint Standards Committee.

Resolved:

- i. Noted the amended revised Joint Standards Committee Procedures with additional reference to support for the Chair and Vice Chair being provided by a Deputy Monitoring Officer in the event the Monitoring Officer is a complainant or has a conflict of interest;
- ii. Endorsed the proposed associated constitutional amendments;
- iii. Remit the changes above to the next ordinary meeting of Full Council for approval.

Reason: To allow Council to determine the proposed Constitutional changes.

59. COUNTER FRAUD PLAN 2026/27 (20:04)

This item was deferred to the Committee's next meeting on 6 May 2026.

60. COUNTER FRAUD PROGRESS REPORT 2025/26 (20:04)

This item was deferred to the Committee's next meeting on 6 May 2026.

61. INTERNAL AUDIT WORK PROGRAMME 2026/27 (20:05)

The Head of Internal Audit from Veritau introduced the report, which outlined how Veritau would deploy its resources in 2026/27. He confirmed that Veritau had agreed a 10% reduction in service with the Council which would be split 50/50 with counter fraud work and noted that he remained confident that the reduction would still allow sufficient time for audit and counter fraud work.

The Committee considered the audit work plan, and it was confirmed to the committee that as usual Veritau over programme for the year, some audits would be larger than others and if new priorities are identified it was confirmed the order of the programme could be adjusted. Members also asked whether it was possible to see Veritau performance data on other Council's to help benchmark how the Council was performing.

Resolved:

- i. Approved the 2026/27 internal audit work programme.
- ii. Veritau to consider whether performance data from other Council's it provides audit work for could be shared with the Committee to benchmark York's performance.

Reason: In accordance with the committee's responsibility for overseeing the work of internal audit service.

62. AUDIT AND GOVERNANCE COMMITTEE WORK PLAN (20:22)

The Committee considered its work plan and confirmed that the counter fraud reports from Veritau would be postponed to the Committee's 6 May 2026 meeting.

Resolved:

- i. Noted the Committee work plan with the addition of Veritau's counter fraud reports to be added to the Committee's 6 May 2026 meeting.

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

63. INTERNAL AUDIT PROGRESS REPORT 2025/26 (20:23)

The Head of Internal Audit from Veritau introduced the report. The Committee enquired about the Contract Management: Major Project Delivery audit and whether the findings of the audit would be different pre and post May 2023. The Head of Internal Audit noted that it would be difficult to determine from the audit undertaken, he confirmed that the audit didn't look specifically at the different packages of the project and that the audit considered contract management and identified issues in the delivery of major projects.

The remainder of this item was considered in private in accordance with the decision taken in minute 52.

Resolved:

- i. Noted the progress made in delivering the 2025/26 internal audit work programme, and plans for delivery over the remainder of the year;
- ii. To postpone multiple audit progress reports to the Committee's 6 May 2026 meeting.

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

Councillor Hollyer, Chair

[The meeting started at 5.31 pm and finished at 9.00 pm].