DRAFT

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

AUDIT AND RISK COMMITTEE

MINUTES OF THE MEETING HELD ON TUESDAY 28 JULY 2026

Present: Councillors Erik Pattenden (Chairman), Ross Mackinnon (Vice-Chairman), Laura Coyle, Carolyne Culver, Billy Drummond and Owen Jeffery, and Independent Member Simon Carey (attending virtually)

Also Present: Councillor Iain Cottingham (Executive Portfolio: Finance and Resources), Sarah Clarke (Executive Director (Resources)), Toby Bradley (Service Lead, Financial Management), George Winterbourne (Service Lead – Finance and Strategic Assets), Duncan Laird (KPMG), Gordon Oliver (Clerk) and Darius Zarazel (Zoom Host)

Apologies for inability to attend the meeting: Councillor Jeremy Cottam

PART I

18 Declarations of Interest

There were no declarations of interest received.

19 Annual Governance Statement 2025/26

Councillor Iain Cottingham (Portfolio Holder: Finance and Resources) and Sarah Clarke (Executive Director – Resources) presented the Annual Governance Statement 2025/26 (Agenda Item 3).

It was noted that the report referred to the Governance Committee rather than the Audit and Risk Committee on page 25, and it was requested that this be updated.

Action: Change reference to Governance Committee to Audit and Risk Committee on page 25.

It was noted that Internal Audit had highlighted the risk that not all internal audit recommendations had been fully implemented. It was agreed that progress in implementing the recommendations should be regularly reviewed by the Committee going forward.

Action: Progress against internal audit recommendations to be reviewed as part of the quarterly internal audit update reports.

It was noted that External Audit had not identified any risk of significant weakness in the Council's governance or arrangements for improving economy, efficiency or effectiveness due to procedures performed, and the Council had appropriate and effective processes in place.

Members asked how the Code of Local Governance was embedded in day-to-day decision making. The Committee was directed to Part 5 of the Governance Statement, which had been updated to reflect the creation of the Audit and Risk Committee, adoption of the Finance Improvement Plan (FIP), and establishment of the Finance Improvement Group and the GPAW Boards.

Officers were asked how measures in the FIP had led to improved resilience. It was noted that the Council's financial position had improved due to the financial controls put in place. The Financial Review Panel had drilled down into the main drivers of cost. Service Directors were asked to present plans to bring costs in line with budgets. The Asset Optimisation Plan had helped to make the most of the Council's assets. Also, the Transformation Programme was helping to improve efficiency. While the Council was not yet in a position of financial sustainability, there was a clear route towards achieving this.

A number of potential changes to the report were suggested:

- Page 6 should refer to Resources and Place Scrutiny rather than Transformation and Place Scrutiny.
- The report should refer to recommendations from the Policy Development Group (PDG) around the Transformation Programme.
- Appendix A should refer to recommendations made by the Project Management Task and Finish Group, acknowledging the role of scrutiny.
- The document should include hyperlinks so readers could access the scrutiny and PDG reports.

Action: Officers to make suggested changes to the report.

Concerns were expressed that scrutiny had looked at project management on three occasions, but without cross-referencing of documents there was a risk of failure to learn lessons. Officers cited significant improvements that had been made to project management within the Council but noted that the Service Lead who had delivered these changes had recently left, so there was a need to embed the changes in the organisation's DNA to prevent slipping back.

It was acknowledged that implementation of scrutiny recommendations needed to be tracked.

Action: Officers and Members of the Executive to consider how scrutiny recommendations are tracked.

It was suggested that the report presented the Council's governance in an overly positive light. Concerns were expressed around policy making, decision making, and the administration of governance.

Members asked why the Council's Financial Statements and Annual Governance Statement was being considered at extraordinary meetings rather than a scheduled meeting. Officers indicated that it had been difficult to get the Governance Report to a scheduled meeting and discussions had taken place about scheduling additional meetings in future. It was acknowledged that the Annual Governance Statement had been omitted from the agenda of the previous extraordinary meeting in error. Assurance was provided that adequate processes were in place to ensure that reports came forward as planned.

Members voiced concern about the number of extraordinary meetings of various committees and highlighted that the Annual Pay Review had been considered at extraordinary meeting, despite being a statutory document. It was explained that this had been omitted in error, and because there was a requirement to approve it by 31 March, an extraordinary meeting had needed to be arranged.

Surprise was expressed that the Social Value Policy had not referenced the previous version produced in 2021. It was suggested that this was not the best way in which to work. Officers explained that there had been significant legislative change in the intervening period, which was why the new policy had been drafted from scratch.

It was highlighted that the Executive Summary had been missing from a recent Executive report. It was suggested that the report could not have been read in full by Members of the Executive - this was felt to be an unsatisfactory model of governance and decision making. Assurance was provided that Members of the Executive had reviewed the report in full, and it was suggested that there may have been an issue with the report's version control.

Members sought clarification on the workstream related to organisational culture. Officers indicated that this was intended to support the workforce to embrace opportunities presented by change. The name of the board had changed from 'We Can' to 'We Can, You Can, I Can' reflecting that it sought to empower the workforce to make decisions and deliver change. It was acknowledged that WBC was a small authority with limited resources, which made its ambitions difficult to achieve.

The Committee sought clarification on whether officers 'at the coal face' were involved in the We Can, You Can, I Can Board. It was confirmed that the Board comprised senior officers, but its work was informed by the Employee Engagement Forum. Opportunities would also be taken to work with trade unions.

RESOLVED subject to the requested changes being made, to approve:

(a) the Annual Governance Statement at Appendix A to this report

(b) the updated Code of Local Governance at Appendix B

(The meeting commenced at 7.37 pm and closed at 8.13 pm)

CHAIRMAN …………………………………………….

Date of Signature …………………………………………….