AUDIT AND GOVERNANCE COMMITTEE

Meeting held on Thursday, 30th July, 2026 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr Bill O'Donovan (Chair)

Cllr P.J. Cullum
Cllr Craig Card
Cllr Dhan Sarki
Cllr Ian Simpson
Cllr Sarah Spall
Cllr Paul Taylor

Apologies for absence were submitted on behalf of Cllr M.J. Tennant, Cllr Thomas Day and Cllr Thomas Mitchell.

Cllr Steve Masterson, Nicky Slater and Ivan Whitmee attended the meeting as Standing Deputies.

4. **MINUTES**

The Minutes of the Meeting held on 10th June, 2026 were approved and signed as a correct record of proceedings.

5. **INTERNAL AUDIT PROGRESS REPORT**

The Chairman welcomed Natalie Jerams, Deputy Head of Southern Internal Audit Partnership (SIAP), and Nick Barrett, Audit Manager, from the Council's internal auditors, who joined the meeting remotely via Microsoft Teams.

The Committee received SIAP's Report No. SIAP26/04 which set out the Internal Audit Progress Report, which provided the Audit and Governance Committee with an overview of internal audit activity against assurance work completed in accordance with the approved audit plan. The Report also provided an overview of key updates pertinent to the discharge of the Committee's role, in relation to internal audit.

During discussion, Members raised questions regarding the Disabled Facility Grants (DFG) audit and the Agency Staff audit. Members noted that the limited assurance opinion for the Disabled Facilities Grants review reflected areas where controls and processes needed to be strengthened. It was also noted that the no assurance opinion for the Agency Staff review showed concerns regarding procurement legislation and internal governance standards. Further information on the Disabled Facilities Grants and Agency Staff audit reviews would be provided by SIAP at the next Committee Meeting.

Members stated that they wished for clarification regarding the legal requirements relating to Disclosure and Barring Service (DBS) checks for staff members. The Committee highlighted the need to ensure that risks identified through internal audit reports, together with any overdue audit actions, were appropriately considered within the Council's wider risk management arrangements. Members also emphasised the importance of audit action deadlines being met and noted that responsible officers could be required to attend Committee meetings to explain delays and outline mitigations where target dates had not been achieved. Members sought clarification that the requirement was clear to officers.

Members also discussed whether greater access to information from individual audit reports would support scrutiny, particularly for reviews that had received low or no assurance opinions, and requested additional detail where actions had been delayed.

ACTIONS:

What	**By Whom**	**When**
Provide Members with further detail on the findings of the Disabled Facilities Grants and Agency Staff audit reviews	Natalie Jerams - Deputy Head of Southern Internal Audit Partnership	For the next Committee meeting – 29th September
Review arrangements with the Senior Leadership Team (SLT) to ensure that risks identified through internal audit reports, together with any overdue audit actions, were appropriately considered within the Council's wider risk management arrangements	Amanda Bancroft – Executive Head of Governance and Law	Before the next Committee meeting – 29th September
Liaise with relevant officers regarding attendance at committee meetings where target dates were revised, and to report any revised dates in the next update.	Amanda Bancroft – Executive Head of Governance and Law Natalie Jerams – Deputy Head of Southern Internal Audit Partnership	Before the next Committee meeting – 29th September
Provide clarification on the legal requirements relating to DBS checks, including the circumstances in which councillors, employees and agency staff may require DBS clearance, and the arrangements in place to identify and evidence compliance with those requirements.	Amanda Bancroft – Monitoring Officer	Before the next Committee meeting – 29th September

RESOLVED: That:

(i) that SIAP's Report No. 26/04, be noted; and

(ii) the adjustments to the Internal Audit Plan 2026-27, as detailed in section 8 of Appendix A, be approved.

6. FREEDOM OF INFORMATION - ANNUAL UPDATE REPORT 2026

The Committee received the Executive Head of Governance and Law's Report No. LEG2602, which set out information about Freedom of Information (FOI) requests received by the Council, and performance on responses to FOIs.

The Freedom of Information Act 2000 (FOIA 2000) provided public access to information held by public authorities. Freedom of Information requests encouraged openness and scrutiny of the Council's decisions. Rushmoor Borough Council had a statutory duty to fulfil its obligations under FOIA 2000.

The Committee noted that the Council's performance on FOIs continued to steadily improve and had been responding within the target response rate. There was further work planned, including training, and publishing more information online to further enhance improvements already made. A new Microsoft Lists system had launched in Q2 of 2025 to improve resilience, and increase oversight by senior management, this had contributed to a positive improvement in response times.

RESOLVED: That officers:

(iii) continued the work on reducing the number of overdue FOIs within the system in 2026 and continued to ensure that at least 90% of requests were responded to within the statutory 20 working days, per the ICO target;

(iv) continued to raise FOI awareness and knowledge across employees, through regular training and guidance; and

(v) publish as much information proactively to reduce the number of FOI requests.

7. CORPORATE HEALTH AND SAFETY ARRANGEMENTS 2025/26

The Committee received the Executive Director's Report No. ED2613, which provided an update on the ongoing development and maintenance of the Council's corporate health and safety arrangements in 2025/26 and the plans in place for 2026/27.

The overall health and safety risk profile of the Council remained low, with the majority of high-risk work activity contracted out, only a few specific roles had an enhanced level of risk. Examples of these were technical staff working at Princes Hall and members of the Place Protection team.

It was noted that, the Corporate Health and Safety Advisor maintained a reporting regime on corporate health and safety matters that was taken quarterly to the Senior Leadership Team (SLT). This related predominately to operational matters. The numbers of accidents/incidents and violence at work incidents, including trends and a summary of those reports, was routinely reported to SLT and Cabinet via the quarterly performance management reporting process. The number of accidents and incidents seen at the Council was low and had remained relatively stable for a number of years, with a total number of 22 in 2025/26.

During discussion, Members sought clarification of the meaning of ‘Other’, with regard to reported incidents. Members noted that ‘Other’ referred to incidents reported by third parties, such as the police and other agencies. Members acknowledged measures in place to protect staff from abusive and challenging behaviour, including training, incident reporting procedures, access to counselling through the Employee Assistance Programme (EAP) and the involvement of the police, where necessary. Members were advised that staff perceptions of safety were monitored through regular staff surveys and that efforts continued to secure Trade Union Health and Safety representation at the Council.

ACTION:

What	By Whom	When
Clarify on future reports, that ‘Other’ refers to third party reporting of incidents.	Roger Sanders, Service Manager – Risk, Performance and Procurement	July 2027

RESOLVED: That the Executive Director’s Report No. ED2613, be noted.

8. **TREASURY MANAGEMENT AND NON-TREASURY INVESTMENT OPERATIONS AND PRUDENTIAL INDICATORS - OUTTURN 2025-26 AND Q1 2026/27**

The Committee considered items 5 and 6 on the agenda together.

Treasury Management and Non-Treasury Investment Operations and Prudential Indicators - Outturn 2025-26

The Committee received the Executive Head of Finance Report No. FIN2615, which set out the draft activities of the Treasury Management and non-Treasury Investment Operations for Quarter 4, in the financial year 2025/26, and reported on compliance with Prudential Indicators, pending the statement of accounts being signed off by the Council’s external auditors. The report was a statutory requirement under the Chartered Institute of Public Finance Accountants (CIPFA) Code of Practice on Treasury Management.

The Committee were advised that all activity was conducted within the approved Treasury Management Practices (TMPs). Borrowing maturity had moved towards longer term to give cost certainty and lower interest rate exposure risk, providing more interest rate stability on borrowing.

The Committee **RECOMMENDED TO THE CABINET** that the Executive Head of Finance Report No. FIN2615, in relation to the treasury management and non-treasury investment operations carried out, be approved.

Treasury Management and Non-Treasury Investment Operations and Prudential Indicators - Q1 2026/27

The Committee received the Executive Head of Finance Report No. FIN2616, which set out the activities of the Treasury Management and non-Treasury Investment Operations for Quarter 1 in the financial year 2026/27 and reported on compliance with Prudential Indicators. The report was a statutory requirement under the CIPFA Code of Practice on Treasury Management.

The Committee noted that all treasury activity had been conducted within the approved Treasury Management Practices. Borrowing maturity had moved towards longer term to give cost certainty and lower interest rate exposure risk, providing more interest rate stability on borrowing.

During discussion, Members raised questions regarding the Council's remaining short-term borrowing and whether it would be converted to longer-term borrowing. Officers advised that borrowing arrangements were reviewed regularly and that some short-term borrowing currently represented the most cost-effective approach. In response to a question about Union Yard, Members noted that the sale of Blocks C and D to Vivid, was due to be completed on 31st August.

The Committee **RECOMMENDED TO THE CABINET** that the contents of the Executive Head of Finance’s Report No. FIN2616, in relation to the Treasury Management and non-Treasury Investment Operations carried out, be approved.

9. **UNAUDITED STATEMENT OF ACCOUNTS AND ANNUAL GOVERNANCE STATEMENT**

The Committee considered item 7 on the agenda, the Unaudited Statement of Accounts and the Annual Governance Statement, separately.

The Committee received the Executive Head of Finance’s Report No. FIN2614, which set out, the unaudited Statement of Accounts for 2025/26, for review.

The Committee noted that the preparation of the Statement of Accounts and the audit scrutiny provided reassurance that the accounts gave a true and fair view of the financial position of the Council. Members’ role in approval was to demonstrate their ownership of the Statement of Accounts and their confidence in both the Chief Finance Officer and the process by which the accounting records were maintained and the Statement of Accounts prepared.

The Accounts and Audit Regulations 2015 stated that, for each financial year, the Council must conduct a review of the effectiveness of the Council’s internal control and prepare an annual governance statement for review and approval by the Committee prior to it being signed by the Chief Executive and Leader of the Council. The statement would then be finalised with the signed Statement of Accounts.

Members were advised that the Statement of Accounts had been published in accordance with statutory requirements and was currently subject to external audit. The first phase of the audit was nearing completion, with further audit work scheduled to take place in September.

The Committee were informed that, given the technical nature of the accounts, an informal workshop would be arranged in September or October to provide Members with an overview of the Statement of Accounts, explain the key issues and consider the findings of the External Auditor once available.

ACTION:

What	By Whom	When
Arrange a workshop to provide Members with an overview of the Statement of Accounts.	Peter Vickers, Executive Head of Finance.	September or October 2026

RESOLVED: That the unaudited Statement of Accounts, be noted.

10. **ANNUAL GOVERNANCE STATEMENT**

The Committee considered item 7 on the agenda, the Unaudited Statement of Accounts and the Annual Governance Statement, separately.

The Committee received the Executive Head of Finance's Report No. FIN2614, which set out the Annual Governance Statement for 2025/26, for approval.

The Report set out the procedure for compiling the Annual Governance Statement and the requirements of the Committee to ensure a meaningful review of the Annual Governance Statement. Members were reminded that they needed to be satisfied that the Annual Governance Statement reflected the governance environment and any actions required to improve it. Members also had to be satisfied that it demonstrated how governance supported the achievement of the Council's objectives.

During discussion, Members sought clarification regarding a reference to the Corporate Governance Group being on "hiatus" and were advised that the group was currently on hold pending a review of its terms of reference. Members questioned the use of procedural exemptions and suggested that the operation of these governance processes be reviewed through future Internal Audit work.

ACTION:

What	By Whom	When
Consider the operation and use of exemptions to normal decision-making procedures, as part of future Internal Audit work on governance arrangements.	Amanda Bancroft – Executive Head of Governance and Law and Natalie Jerams - Southern Internal Audit Partnership (SIAP)	Before the next Committee meeting – 29th September

RESOLVED: That the Annual Governance Statement, be approved.

11. **STATUS OF THE FINANCIAL RECOVERY WORKING GROUP**

The Committee received a verbal update on the Council's financial position and the arrangements that had been put in place to monitor delivery of the Budget Strategy.

Members were advised that a Financial Recovery Working Group had been established, following the approval of the Council’s budget in February 2025, to oversee the delivery of actions required to return the budget to a balanced position. It was noted that the majority of these actions had now been completed, with only a small number of capital receipt matters remaining outstanding.

The Committee noted that, following the announcement of Local Government Reorganisation (LGR), the Council's financial strategy had changed. Rather than pursuing further service reductions, the focus was on maintaining service delivery, preparing for the new authority and ensuring that the Council remained financially sustainable until Vesting Day. Members were advised that monthly budget monitoring reports were the primary mechanism for managing financial risks and monitoring progress against the strategy.

During discussion, Members expressed concern regarding the Council's ongoing financial risks and emphasised the importance of regular Member oversight. It was confirmed that financial sustainability was included within the Council's corporate risk register. Members agreed that the Council's financial position would benefit from more regular Member scrutiny and oversight. Consequently, the Committee supported a proposal that Cabinet establish a politically balanced Member working group, meeting monthly for the remainder of the Council's term, to review the Council’s financial management. The Chair advised that the recommendation would be raised with the Leader of the Council and, if it was not progressed by the Cabinet, it would be taken to Council.

ACTION:

What	By Whom	When
Write to the Leader of the Council, to recommend to the Cabinet to set up a Working Group to review the Council’s financial management.	Cllr Bill O’Donovan – Chair of Audit and Governance Committee	Before the next Cabinet meeting – 4th August

The Committee **RECOMMENDED TO THE CABINET** that the Cabinet establish a politically balanced Member Working Group, meeting monthly for the remainder of the Council's term, to review financial management.

The meeting closed at 9.18 pm.

CLLR BILL O'DONOVAN (CHAIR)
