Meeting of the Governance and Audit Committee

Thursday, 25 June 2026, 2.00 pm

SOUTH KESTEVEN DISTRICT COUNCIL

Committee Members present

Councillor Paul Wood (Chairman)
Councillor Vanessa Smith (Vice-Chairman)
Councillor Tim Harrison
Councillor Rhea Rayside
Councillor Paul Stokes
Councillor Mark Whittington
Councillor Sue Woolley
Alan Bowling

Cabinet Members present

Councillor Ashley Baxter
Councillor Philip Knowles
Councillor Bridget Ley

Other Members present

Councillor Harrish Bisnauthsing

Officers

Richard Wyles, Deputy Chief Executive and Section 151 Officer
Graham Kitchen, Director of Law and Governance (Monitoring Officer)
David Scott, Assistant Director of Finance and Deputy Section 151 Officer
Charles James, Policy Officer
James Welbourn, Democratic Services Manager
Tracey Elliott, Governance and Risk Officer
Joshua Mann, Democratic Services Officer
Janine Combrinck, Internal Auditor
John Blewett, External Auditor

1. Apologies for absence

An apology for absence was received from Councillor Peter Stephens.

2. Disclosure of interests

No interests were disclosed.

3. Minutes of the meeting held on 18 March 2026

The minutes of the meeting held on 18 March 2026 were proposed, seconded and AGREED as an accurate record.

4. External Audit Plan

The External Audit Plan was introduced by the External Auditor.

The External Auditor outlined the following identified audit risks and co-ordinated planned responses:

- Valuation of land and buildings – rolling programme.
- Valuation of land and buildings – council dwellings only
- Valuation of investment property
- Management override of controls
- Valuation of post-retirement benefit obligations
- General ledger migration.

The External Audit also gave an overview of the Value for Money Statement and outlined that a significant governance risk had been identified regarding the failure to publish the Council's unaudited statement of accounts prior to the statutory deadline.

During discussions, the following comments were made:

- It was confirmed that SKDC had an obligation to disclose its share of asset and liability regarding employee pensions.
- Reassurance was given that Internal Audit and External Audit were co-ordinating regarding the ledger migration. External Audit also confirmed that transaction codes were checked during the ledger migration process.
- External Audit confirmed that the Audit Plan Report was kept as a draft to allow any new risks to be updated.

The External Audit Plan was noted by the committee.

5. Internal Audit Progress Report

The Internal Audit Progress Report was introduced by the Internal Auditor.

The Internal Auditor concluded the delivery of the 2025/26 Internal Audit Plan by presenting the stock management audit to committee and noted that work had commenced for 2026/27, the first audit of which would be accounts receivable.

Prior to the presentation of the stock management audit, it was proposed, seconded, and AGREED to exclude the press and public under Section 100 (A) 4 of the Local Government Act 1972, during consideration of the item on the grounds that it is likely that, if they were present, there could be disclosed to them exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

RECORDED VOTE - Councillors Tim Harrison and Mark Whittington voted against proposal.

Councillor Harrish Bisnauthsing left the Chamber and did not return.

The Internal Audit Progress Report was noted by the committee.

6. Internal Audit Follow Up Report

The public session resumed at 14.58.

The Internal Audit Follow Up Report was introduced by the Internal Auditor.

The Internal Auditor outlined that all recommendations had been completed other than the following two which were both in progress and categorised as medium priority:

Performance Management -	The Council were working on a Performance Management Framework to formalise the KPI reporting process as recommended in the previous audit. Discussions were ongoing with Service Leads on refreshing several KPI indicators and targets
Building Control -	In addition to other measures, the Council were working on a Power BI dashboard which would provide live data including application stats, inspection booking reliability and completion certificate request response rate. This was still in its infancy (for building control) and was reliant on other Council service areas to complete the data transition.

The Internal Auditor confirmed that they were content with the progress made against the Audit Plan.

The Internal Audit Follow Up report was noted by the committee.

7. Internal Audit Annual Report 2025/26

The Internal Audit Annual Report 2025/26 was introduced by the Internal Auditor.

The report outlined that the Internal Auditor categorised the adequacy and effectiveness of the Council’s risk management, control and governance processes as being generally satisfactory with improvements required in some areas.

In coming to this decision, the Internal Auditor took the following into account:

- The assessment of the design and operation of the underpinning risk management framework and supporting processes, including whether risk appetite had been established and embedded within the activities, limits and reporting of the organisation.
- The range of individual opinions arising from risk-based audit assignments that had been reported throughout the year; including the relative materiality of these areas.
- Management's acceptance of the audit recommendations.
- Management's progress in respect of addressing control weaknesses and implementing recommendations.
- Reliance placed upon other assurance providers which included external auditors and benchmarking data provided through the internal audit portfolio of local government organisations which showed that the Council performed in line with other authorities on a range of metrics.

During discussions, the following comments were made:

- The Internal Auditor confirmed that an element of management oversight and KPIs were considered within every audit. A dedicated performance management audit was undertaken in Autumn 2025, considering the operational aspect of the Council's KPIs.
- The Chairman confirmed their intention to arrange a catch-up meeting with the Internal Auditors.

The Internal Audit Annual Report 2025/26 was noted by the committee.

8. Stock Management Policy

The Stock Management Policy was introduced by the Cabinet Member for Corporate Governance and Licensing.

A recent stocks audit undertaken highlighted an absence of formal procedures for the controlling of various areas of stock. Therefore, to strengthen the formal arrangements, an overarching Stock Management Policy was developed. The formation of this Policy was to:

- Ensure stock is available to support service delivery (waste services, grounds maintenance, housing repairs and ICT equipment).
- Maintain strong financial and audit controls over all stock items.
- Reduce waste, loss, theft, and unnecessary disposal.
- Support compliance with the Council's Contract Procedure Rules and Financial Regulations.
- Provide clear responsibilities and procedures for staff handling stock.
- Ensure accurate, timely stock records for operational and financial reporting.

The Policy was to act as an overarching guide, but services were required to develop specific stock procedures that are specific to the stocks they held. These provided operational details of how stock was held, the stock access controls, reconciliation procedures and the movement of stock received and being booked out.

During discussions, the following comments were made:

- It was confirmed that the purpose of the policy was to codify the overarching principles for stock management control. Operational level procedures could then be developed based on these principles.

Following discussions, it was proposed, seconded, and AGREED to recommend the Stock Management Policy to Cabinet for approval.

9. Draft Annual Governance Statement 2025/26

The Draft Annual Governance Statement 2025/26 was introduced by the Cabinet Member for Corporate Governance and Licensing.

The Accounts and Audit Regulations 2015 Regulation 6(1)(a) required an authority to conduct a review of the effectiveness of the system of internal control and prepare a statement on the review with any published Statement of Accounts – this is known as the Annual Governance Statement.

The Draft Annual Governance Statement 2025/26 consisted of:

- Foreword from the Leader of the Council and the Chief Executive
- Key elements of the Council's Governance Framework 2025/256
- How the Council has complied with the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework
- Governance Framework for 2025/26
- Review of Effectiveness
- Assurance Statement 2025/26 review
- Follow up on 2025/26 key areas of focus
- Governance issues key areas of focus for 2026/27

The 'Governance key area of focus for 2026/27' was the delivery of:

- Substantial review of the Constitution, including provisions relating to change in planning laws
- Review of the Councillor Code of Conduct and surrounding processes and procedures
- Review of the Council's procedures relating to Freedom of Information and Subject Access Requests

- Local Government Reorganisation delivery team to be established. Decision on LGR structure expected in July 2026
- Lincolnshire Chief Executives and Leaders to develop a constituted structure for a new Joint Committee for LGR
- Undertaking governance work associated with LGR, including changes to SKDC's governance practices and contributing to the governance arrangements of any successor authority
- Preparation for elections to take place in May 2027 (District or new Shadow Authority)
- Implement new structure for the Council's legal team including recruitment of a new Democratic Services Manager
- Housing Regulator judgment expected by July 2026. Improvement Plan to be developed based on findings
- Housing Revenue Account financial sustainability and 30-year business plan review.

During discussions, the following comments were made:

- The Internal Auditors confirmed that they did not see any issues with the document as long as there were no contradictions within it.

The Draft Annual Governance Statement 2025/26 was noted by the committee.

10. Reporting Fraud Whistleblowing Annual Report 2025/26

The Reporting Fraud Whistleblowing Annual Report 2025/26 was introduced by the Cabinet Member for Corporate Governance and Licensing.

To develop and promote greater awareness, and in line with best practice, a review of the Council's fraud detection and whistleblowing disclosures was undertaken, culminating in the Annual Report for 2025/26.

Within the definition of whistleblowing, no issues were raised during 2025/26.

During 2025/26, the Council received 46 external notifications of fraud disclosure that required investigation. This was an increase of 22 on previous years where there were 24 in 2024/25, 14 in 2023/24, and 20 in 2022/23.

Of these 46 notifications, 18 related to Housing, 18 related to Benefits and/or Single Person Discount, and 10 related to 'other', namely:

- Three planning allegations (all unfounded)
- Two anti-social behaviour allegations (both unfounded)
- Business rates (ongoing)
- Illegal HMO (unfounded)

- Register to Vote error (founded – error corrected)
- Vehicles with no MOT/tax (founded – vehicles removed)
- Bins being missed regularly and overtime claims (unfounded – full investigation undertaken).

During discussions, the following comments were made:

- It was confirmed that the instance of a vehicle being found with no MOT/tax and being removed was due to the matter being raised through the reporting channel.
- South Kesteven reviewed the Single-Rate Claim more frequently than neighbouring authorities given the number of false claims alleged.
- Given that there were no instances of whistleblowing in 2025/26, reassurance was sought and given that measures were in place to allow Council staff the confidence to report issues should they need to. The Section 151 Officer acknowledged that the Council had previously ensured strong publicity about any instance of whistleblowing.

15.26 – Councillor Sue Woolley left the Chamber and did not return.

- Officers did not believe that they had received any vexatious reports but ensured that they would be subject to the same proper process.

The Reporting Fraud Whistleblowing Annual Report 2025/26 was noted by the committee.

11. Whistleblowing Policy 2026-28

The Whistleblowing Policy 2026-28 was introduced by the Cabinet Member for Corporate Governance and Licensing.

The Whistleblowing Policy was updated to include the amendments to Employment Law in the Employment Rights Act 2025, which took effect on 6 April 2026, and updated the explicit classification of sexual harassment as a protected, “qualifying disclosure” under the whistleblowing legislation.

The Committee monitored and reviewed the whistleblowing arrangements in place, and the activities that were being undertaken to mitigate those risks, by receiving an annual report on whistleblowing and reviewing the Whistleblowing Policy every two years.

It was proposed, seconded, and AGREED to approve the revised Whistleblowing Policy 2026-28.

12. Corporate Plan 2024-27: Key Performance Indicators Report - End-Year (Q4) 2025/26

The Corporate Plan 2024-27: Key Performance Indicators Report - End-Year (Q4) 2025/26 was introduced by the Cabinet Member for Corporate Governance and Licensing.

This report was the fourth of the reporting cycle and covers the period January to March 2026 (Quarter 4 2025/26).

Appendix A presented the overall performance against the three actions being presented in this session. Commentary by the responsible officer was provided for each action. Performance was summarised using a RAG system described below.

Zero actions were rated Green. These were actions which were on, or above target as planned.

Three actions were rated Amber, these were those off target by less than 10% or where milestone achievement was delayed but with resolution in place to be achieved within a reasonable timeframe.

Zero actions were rated as Red. These were actions that were significantly below target.

Zero actions were rated as N/A. These were actions for which work had not yet meaningfully commenced e.g. being sequenced on the completion of other items, or where data was unavailable.

During discussions, the following comments were made:

- It was queried how SKDC compared to neighbouring authorities regarding Freedom of Information (FOI) requests. The officer confirmed that they did not have benchmarking figures to hand but FOIs were difficult to compare given the variety of their complex and nuanced nature. The Monitoring Officer confirmed that officers were currently reviewing the FOI requests were handled. It was noted that it was difficult to judge the resource level needed to handle FOI requests given the fluctuations in demand.
- It was confirmed that there was a provision within the legislation for FOI requests that were expected to take significant time could be declined or chargeable to those requesting.

The Corporate Plan 2024-27: Key Performance Indicators Report - End-Year (Q4) 2025/26 was noted by the committee.

13. Start time of Full Council meetings

The Start Time of Full Council Meetings report was introduced by the Cabinet Member for Corporate Governance and Licensing.

A request was received from the Conservative Group to change the start time of meetings of Full Council from 2pm to 1pm in the afternoon.

A survey was sent to all Members of the Council and was open for two weeks to seek their views on whether the start time for Full Council should move from 2pm to 1pm. 29 Members out of the Council's 56 completed the survey, equating to a 51.8% response rate.

Of those who took part in the survey, 48% of respondents (14 members) suggested a change in the start time to 1pm for meetings of Full Council. 38% (11 members) thought that the existing start time should not change, whereas 14% (4 members) were not sure or did not know.

During discussions, the following comments were made:

- A Member had received feedback from their group that those working full-time wouldn't be able to attend earlier meetings.
- It was noted that the results of an Local Government Association (LGA) survey showed that all day-time Full Council meetings were either held at 10am or 2pm.
- It was suggested that no clear mandate had arisen from the survey and that all Members knew the start time of meetings when they stood for election.

Following discussions, it was proposed, seconded and AGREED to recommend that the Chief Executive keeps the status quo and Full Council meeting continue to start at 2PM.

14. Proposed Review of the Constitution (Verbal Briefing)

The Proposed Review of the Constitution (Verbal Briefing) was presented by the Monitoring Officer.

The Monitoring Officer outlined his intention to seek members views on the following aspects of the Constitution:

- Committee Terms of Reference
- Training provisions
- Delegations (Cabinet)
- Procedure Rules (Full Council, Cabinet, and Access to Information)
- Key Decision threshold
- Member Code of Guidance (guidance and procedures)
- Removal of the Officer Code of Conduct.

The Monitoring Officer also anticipated incorporating forthcoming changes in Planning legislation.

Regarding the timeline, it was anticipated that the Governance & Audit Committee would meet and review the changes prior to the September meeting of Full Council. The timeline for incorporating the changes to the Planning legislation would be dictated externally.

The commitment was made to consider the constitutional provisions of potential local government reorganisation partners to ensure alignment prior to the transition to a shadow authority.

The suggestion was made to form an informal working group to consider the matter between committee dates with a view to reporting back to the September Governance & Audit Committee.

Following discussions, it was proposed, seconded, and AGREED that an informal working group be formed composing of up to five members of the Governance & Audit Committee, the Leader of the Council, and any other member that the Chairman believed to be prudent to extend the invitation to. The remit being to review the parts of the constitution worthy of review as highlighted to them by the Monitoring Officer, and then to report back to the Governance & Audit Committee no later than the September meeting.

15. Work Programme 2026 - 2027

As outlined during the Internal Audit Progress Report, it was AGREED to provide a progress update regarding stock management controls to the September meeting.

The Chairman outlined that a letter had been received from Barrowby Parish Council which was being reviewed but he did not want to comment further until appropriate advice had been received. The Chairman agreed to keep the committee updated. Councillor Mark Whittington declared an interest as a member of Barrowby Parish Council but noted that he had not been involved in the matter.

16. Any other business, which the chairman, by reasons of special circumstances, decides is urgent.

There was none.

The meeting concluded at 16.02.