

# Meeting of the Governance and Audit Committee

Thursday, 13 November 2025, 2.00  
pm



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

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## Committee Members present

Councillor Tim Harrison (Chairman)  
Councillor Paul Wood (Vice-Chairman)  
Councillor Bridget Ley  
Councillor Rhea Rayside  
Councillor Paul Stokes  
Councillor Sue Woolley  
Alan Bowling

## Cabinet Members present

Councillor Ashley Baxter  
Councillor Philip Knowles

## Other Members present

Councillor Graham Jeal

## Officers

Richard Wyles, Deputy Chief Executive and Section 151 Officer  
David Scott, Assistant Director of Finance and Deputy Section 151 Officer  
Debbie Roberts, Head of Corporate Projects, Policy and Performance  
Claire Moses, Head of Service (Revenues, Benefits, Customer Services and Community)  
Sarah McQueen, Head of Service (Housing Options)  
James Welbourn, Democratic Services Manager  
Joshua Mann, Democratic Services Officer  
Gurpreet Dulay, Internal Auditor  
Paul Akanbi, Internal Auditor  
Salma Younis, External Audit

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### 40. Apologies for absence

Apologies for absence were received from Councillor Robert Leadenham.

### 41. Disclosure of interests

No interests were disclosed.

### 42. Minutes of the meeting held on 24 September 2025

The minutes of the meeting held on 24 September 2025 were proposed, seconded and agreed as an accurate record.

#### **43. Internal Audit Progress Report**

The Internal Audit Progress Report was presented by the internal auditors and reviewed performance management.

The report granted performance management at the Council as having a substantial design opinion and moderate effectiveness opinion.

Areas of strength identified included the key performance indicators (KPIs) which were embedded into service plans, the agreed escalation and reporting process for KPIs, and the oversight of KPIs given to Members via Cabinet and overview and scrutiny committees.

The area of concern identified was that some KPIs lacked supporting commentary to explain the performance, despite being assigned an owner. A recommendation and management response accompanied this observation.

During discussions, Members commented on the following:

- The Internal Auditors urged for KPI responses to be more comprehensively followed through when a KPI was unconfirmed for a particular period. The suggestion was made for this to be monitored more closely by Overview and Scrutiny Committees.
- A Member recognised that the KPIs had overall been positive and could be used to support external funding bids.
- The auditors confirmed that the current audit plan ran until 31 March 2026 and the subsequent plan would run until LGR was implemented.

The Internal Audit Progress Report was noted by the Committee.

#### **44. External Audit Annual Governance Report**

The External Audit Annual Governance Report was presented by the external auditors.

The report included an Executive Summary and a Value for Money statement.

The Executive Summary confirmed that no public interest report had been issued for the financial year, no judicial reviews had been requested, and no advisory notices had been issued. Whilst the external auditors reserved the power to make recommendations to the Council, no new recommendations were made within the report.

The External Auditor did note that SKDC had missed the regulatory deadline for the publication of draft unaudited statement of accounts for the second year running. It was explained the reasons for the delay related to resourcing issues and the implementation of the new finance system.

Whilst the Value for Money statement identified a governance risk regarding the accounts production, the external auditors were satisfied this did not amount to a significant weakness in arrangements over governance at the Council. The result was a moderate assurance was granted as the Head of Internal Audit Opinion for 2024-25. It was also noted that in relation to the final audited accounts the Council was in a good position compared to many councils as a significant number were still awaiting their final opinions. The external auditor was confident the final accounts would be signed off by the statutory backstop date of 27 February 2026.

During discussions, Members commented on the following:

- A Member queried whether the additional legal costs due to Code of Conduct complaints was comparable across local authorities. The External Auditors confirmed that SKDC were not an outlier. The Leader of the Council noted that training had helped to reduce the level of Code of Conduct complaints.
- The External Auditor confirmed that Governance was not deemed to be an area of weakness. They also confirmed that an IT specialist was currently reviewing the new finance system. This was due to be presented in the audit plan in April 2026.

The External Audit Annual Governance Report was noted by the Committee.

#### **45. Co-opted Member**

*As the current co-opted Member of the committee, Alan Bowling declared an interest and left the Chamber for the remainder of the item.*

The Co-opted Member report was presented by the Cabinet Member for Corporate Governance & Licencing.

The Governance and Audit Committee had the ability as part of its terms of reference in the Constitution to appoint an External Co-opted Member onto its Committee. Alan Bowling was appointed as an 'External Co-opted Member' at the Governance and Audit meeting held on 27 November 2024. Given that the initial one-year term of this co-opted Member was due to expire, the decision of extending the currently co-opted Members term sat with the Committee.

The Cabinet Member suggested an amendment to agree the extension of the term length to 31 March 2027 to coincide with the financial year.

Incorporating this amendment, it was proposed, seconded and AGREED for the term of the current co-opted member of the Governance & Audit Committee to be extended until 31 March 2027.

*Alan Bowling returned to the Chamber.*

#### **46. Treasury Management Report Quarter 2 2025/26**

The Treasury Management Report Quarter 2 2025/26 was presented by the Leader of the Council.

The report outlined that no additional borrowing had been required during the first half of 2025/26. The current Council borrowing was with the Public Works Loan Board (PWLb) and the average rate of interest paid on the debt portfolio was 2.5%.

The average size of the investment portfolio for the 6-month period of 2025-26 was £67.960m compared to an average portfolio size of £66.479m during the same period in 2024/25.

As of 30 September 2025, the Council held short term investments of £60.520m (specified investments) and £3.000m (non-specified investments).

Across all short term investments the council is achieving an average rate of return of 4.37% which is higher in comparison to other public bodies within our benchmark group rate who are only achieving 4.30%. Overall, the Council was forecasting additional investment income of £0.175m against its budgeted level of £2.579m which would help support the delivery of council services and delivery of corporate priority projects.

The Treasury Management Strategy 2025/26 and the Treasury Management Prudential Indicators accompanied the report.

During discussions, Members commented on the following:

- Referring to section 3.10 of the report, it was confirmed that the council was forecasting additional investment income of £0.175m in addition to its budgeted level of £2.579m.

The Treasury Management Report Quarter 2 2025/26 was noted by the Committee.

#### **47. Corporate Plan 2024-27: Key Performance Indicators Report - Mid-Year (Q2) 2025/26**

The Corporate Plan 2024-27: Key Performance Indicators Report - Mid-Year (Q2) 2025/26 report was presented by the Cabinet Member for Corporate Governance & Licensing.

This report was the third of the reporting cycle and covered the period July to September 2025 (Quarter 2 2025/26).

Appendix A presented the overall performance against the 3 actions being presented. Commentary by the responsible officer was provided for each action. Performance was summarised using a RAG system as follows:

- One of the actions were rated Green. These were actions which were on or above target as planned. The actions related to the delivery of the Internal Audit Plan.
- Two actions were rated as 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. These actions related to Complaints, Freedom of Information (FOI) and Subject Access Request (SAR) reporting. Also the production and delivery of a Councillor Development Strategy and accompanying programme to achieve accredited Councillor Development Charter status.

During discussions, Members commented on the following:

- It was confirmed that waiting for the imposition of the new permanent Director of Law and Governance did not impact SKDC's pursuit of accredited Councillor Development Charter status as there was no deadline set by East Midlands Councils. This would be resumed when the Officer was in post and it was confirmed there was no cost implication during the delay.

The Corporate Plan 2024-27: Key Performance Indicators Report - Mid-Year (Q2) 2025/26 was noted by the committee.

#### **48. Counter Fraud Annual Report 2024/25**

*The Chairman of the Council entered the Chamber.*

The Counter Fraud Annual Report 2024/25 was presented by the Cabinet Member for Corporate Governance & Licensing.

A key activity undertaken during 2024/25 was a review of Housing Benefit and Council Tax Support Fund payments. Following the review, £391,434 was recovered (included prior year debt). A review was also undertaken into the single person discount, which resulted in 664 awards being removed from the Council Tax account. As a result of this, £299,834 of revenue was generated with SKDC's share at £26,985. Furthermore, SKDC entered a contract to for a third-party to undertake these reviews annually for the following three financial years.

As of 31 March 2025, the Council awarded business rates relief during 2024/25 of £3,677,321. For Small Business Rates Relief, a review was ongoing for 2025/26 which commenced in June 2025.

During discussions, Members commented on the following:

- The comment was made to consider whether the contract for the subsequent three annual reviews was worth it as the Member suggested the number of single-person discount rebates may diminish given that so many had already been identified.
- The Head of Service (Revenues, Benefits and Customer Service) confirmed the rolling review would see revenue generation above the cost of the contract, explaining there would be an ongoing review of any re-applications or new applications from those with a new council tax liability.

Following discussions, it was proposed, seconded, and AGREED to approve the Counter Fraud Annual Report 2024/25.

#### **49. Safeguarding Annual Report 24/25**

The Safeguarding Annual Report 2024/25 was presented by the Cabinet Member for Housing.

The report provided details of the Council's safeguarding responsibilities. Details of the training and development provided to officers and elected Members was included along with information regarding the number of modules that had been completed during 2024/25. The report outlined the safeguarding interventions undertaken within the timeframe, including short case studies to provide a background to some of the interactions between residents and officers.

During discussions, Members commented on the following:

- Clarity was sought about cross-district, partnership working. It was confirmed that SKDC regularly attended Lincolnshire-wide safeguarding partnership meetings where strong communication was undertaken. It was also clarified that SKDC's role was to refer safeguarding concerns to Lincolnshire County Council.
- It was noted that whilst there was no explicit list of veterans for whom safeguarding referrals had been made, it should be captured within the individual casefile whether the individual was a veteran.
- The Safeguarding Lead confirmed that there was resilience within the team despite there not being a dedicated Safeguarding Officer.

The Safeguarding Annual Report 24/25 was noted by the Committee.

#### **50. Work Programme 2025 - 2026**

It was noted to remove the Annual Governance Statement as an individual item as this was included within the Statement of Accounts.

It was also noted that the February meeting date was only provisional and may move by a few days.

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

A visiting Member raised the matter of compulsory annual training and suggested that the mandated frequency of these should be revisited. On the agreement that relevant legislation was considered, some Members were open to this discussion but the suggestion was made for this to be revisited when the new permanent Monitoring Officer was in post.

*The meeting concluded at 15.10.*