

**MINUTES**  
**OF THE MEETING OF THE**  
**GOVERNANCE SCRUTINY GROUP**  
**THURSDAY, 5 FEBRUARY 2026**

Held at 7.00 pm in the Council Chamber, Rushcliffe Arena, Rugby Road, West  
Bridgford  
and live streamed on Rushcliffe Borough Council's YouTube channel

**PRESENT:**

Councillors D Simms (Chair), M Gaunt (Vice-Chair), P Gowland, H Om,  
N Regan, C Thomas, T Wells and P Matthews (as substitute)

**ALSO IN ATTENDANCE:**

J Causton	Independent Member
M Armstrong	BDO (The Council's Internal Auditors)
M Surridge	Forvis Mazars (The Council's External Auditors)

**OFFICERS IN ATTENDANCE:**

P Linfield	Director of Finance and Corporate Services
S Whittaker	Assistant Director of Finance
E Palmer	Communications and Customer Services Manager
M Heald	Finance Business Partner
E Richardson	Democratic Services Officer

**APOLOGIES:**

Councillors G Wheeler

**27 Declarations of Interest**

There were no declarations of interest.

**28 Minutes of the Meeting held on 4 December 2025**

The minutes of the meeting held on 4 December 2025 were agreed as a true record and were signed by the Chair.

**29 Internal Audit Progress Report**

Mr Armstrong from BDO, the Council's Internal Auditors, presented the Internal Audit Progress Report Quarter 3. He referred Members of the Group to page 15 of the report which provided a summary table showing progress made in the year to date and confirmed that three quarters of the audits had been completed, with the remaining two audit in progress and expected to be completed by the end of March, and would be presented to Committee as part of the Annual Report in June 2026.

Mr Armstrong said that the two audit reports completed within this quarter related to Asset Management and Investment and Rushcliffe Oaks

## Crematorium Operational Management.

In relation to Asset Management and Investment, Mr Armstrong explained that the scope of the review comprised two parts, the Council's governance arrangements for its Asset Management Strategy and also its investment properties and income management, including lease agreements and rental charges. He said that a substantial rating had been given for design and assurance with one low finding related to leases that had expired. He said that whilst the terms of the lease would usually carry over and so were limited risk to the Council, it was considered best practice to ensure that new lease terms were signed.

In relation to Rushcliffe Oaks Crematorium, Mr Armstrong explained that an Internal Audit review of the Crematorium's financial management had been completed a few years ago and that this review looked at the operational side of the facility. He noted that new legislation had recently been brought into force regarding crematorium management by Local Authorities, with strict criteria. He said that a substantial rating for both design and effectiveness had been given with no findings, and that it had been found that the Crematorium fully complied with statutory requirements. He added that the Council may seek to obtain accreditation under the Federation of Burial and Cremation Authority and that this Audit had checked to ensure that appropriate controls were in place ahead of any potential application.

Mr Causton asked how many leases had been found to be expired and Mr Armstrong said that the Audit had focussed on those considered higher risk and of those there were seven.

It was **RESOLVED** that the Governance Scrutiny Group considered the quarter 3 progress report for 2025/26 (Appendix A) prepared by the Council's Internal Auditor.

## 30 Internal Audit Strategy

Mr Armstrong presented the Internal Audit Strategy and explained that under the global Internal Audit standards it was required that the Internal Audit Plan and Internal Audit Charter be presented to Members. He noted that there were nine audits scheduled for 2026/27, with 150 internal audit days, both of which were consistent with the current year. He explained that a range of service areas had been identified to ensure broad coverage of the Council's services and included core assurance areas such as the Council's financial systems and GDPR.

Mr Armstrong referred Members of the Group to page 48 of the report which set out the three-year plan and said that this was not fixed and was more of a horizon scanning plan. He referred Members of the Group to the Internal Audit Charter on page 49 of the report, which set out the role of this Committee and the expectations of management in engaging with Internal Audit.

Councillor Thomas asked why Gamston SPD had not been selected for review. Mr Armstrong said that the selection process was multi phased, incorporating the Council's own risk registers alongside an understanding of key risks within

the sector along with discussion with the Executive Management Team. He said that it was considered that the risk could be managed through existing controls and did not necessarily merit a full internal audit as there were ongoing assurances in place. The Director for Finance and Corporate Services said that there were various governance and assurances in place for planning processes, including for example, the Planning Inspector.

Councillor Om asked how many audits were completed in 2025/26 and Mr Armstrong said that there were nine, with 150 audit days, with the number of audit days remaining at 150 every year, which was considered sufficient to provide an Internal Audit opinion on the Council's governance, internal controls and risk management at the end of the year. The Director for Finance and Corporate Services said that the Council could also call in Internal Audit if required in addition to this.

It was **RESOLVED** that the Governance Scrutiny Group reviewed and approved:

- a) the Internal Audit Plan and Charter 2026/27-2028/29 Appendix A
- b) the Internal Audit Strategy, Appendix 1 of the Internal Audit Plan
- c) the Quality Assurance Improvement Plan (QAIP) Appendix 2 of the Internal Audit Plan.

### 31 **External Audit Progress Report and Indicative Audit Plan 2025/26**

Mr SurrIDGE from Forvis Mazars, the council's external auditors, presented the External Audit Progress Report and Indicative Audit Plan 2025/26.

Mr SurrIDGE referred to page 73 of the agenda pack which provided a summary of progress and confirmed that the audit for 2024/25 had been fully completed in the calendar year of 2025. He said that work had commenced on the process for 2025/26, with a view to carrying out the detailed interim planning work in the spring followed by the final visit in July. He added that a draft Plan would be submitted to Members in the interim, with the formal Plan coming to the next meeting of this Committee. He said that no significant changes were expected in relation to the Financial Statements.

It was **RESOLVED** that the Governance Scrutiny Group reviewed the Progress Report and Indicative Audit Plan for 2025/26.

### 32 **Risk Management Progress Report**

The Communications and Customer Services Manager presented the Risk Management Progress Report and confirmed that this comprised 36 corporate risks, 21 operational risks and three opportunity risks.

The Communications and Customer Services Manager took the Group through changes to the risk register and said that no new risks had been identified and that three had been removed, including central Government funding following the multi-year settlement for 2026/27 to 2028/29. He noted that that areas of

increased risk included the 5-year housing supply and asylum relocation scheme and that there was reduced risk in relation to inflation, the council's Carbon Management Plan and CCTV cameras.

Councillor Gowland asked whether the Council's IT systems operated on local systems or if they were cloud based and what mitigation was in place if the cloud went down. The Communications and Customer Services Manager said that the Council used both a cloud based and on premises system and had made much investment to ensure that its system was as robust and safe as possible and regularly reviewed possible threats and implications. He said that he would report back to the Group on cloud mitigation in the next Risk Management update.

Councillor Chewings referred to the increased risk in the asylum relocation scheme and asked what had changed to lead to this increase. The Communications and Customer Services Manager said that this was due to Serco indicating that they may be looking at more properties within the Borough, although assurances had been given as to how the properties would be assessed and managed. He noted that this had been discussed at a recent Communities Scrutiny Group meeting.

Mr Causton asked whether the Council had conducted a simulated cyber-attack, if there were any lessons learned from it and whether those lessons could be brought to the next meeting of this Committee. The Communications and Customer Services Manager confirmed that the Council had conducted simulated attacks and he would confirm to the Group about any outcomes. The Assistant Director for Finance added that a confidential report had been prepared by Internal Audit, feedback from which could be shared with the Group at the next Internal Audit update report.

Councillor Thomas referred to the risk related to staff retention and asked whether the Council had any budgetary provision to deal with this, particularly in the LGR transition year. The Assistant Director for Finance said that the Council had an LGR reserve and whilst it had not been allocated to specific items as yet, staffing was a potential allocation in the future.

Councillor Thomas referred to an increase in risk for Gamston SPD and noted its impact on the five-year housing supply and GNSP and asked whether the mitigations in place were sufficient. The Communications and Customer Services Manager said that the Council was lobbying Government to review national policy and noted the difficulty in managing a site of this size and complexity and the associated impact on housing land supply. Councillor Thomas thought that the Council needed to be more proactive and look for measures that it could implement itself to deal with this matter. The Chair thought that a risk plan was required that could be followed through. An update would be included in the next report to Cabinet, due in March.

Councillor Om asked what system the Council used to record risk, who had access to that system and how often risk assessments were carried out. The Communications and Customer Services Manager responded that the Council used the Pentana system and that this informed the risk registers presented to Committee. He said that a selected number of Officers had access to it and

that performance clinics were held every other month. The Assistant Director for Finance said that risks were monitored on an ongoing basis and that any changes in circumstances were reviewed and an assessment completed, with operational level assessments completed on a monthly basis.

Councillor Matthews referred to the asylum relocation scheme and noted that it had increased then decreased and referred to a report to Cabinet regarding Article 4 direction and asked whether that had been taken into account in the risk decision making process. The Communications and Customer Services Manager said that the increase in risk had been triggered by Serco potentially looking for more properties in the area.

Councillor Chewings referred to CCTV being downgraded in risk and noted that much mitigation seemed to be about future activity and asked whether the downgrade was appropriate. Councillor Regan asked about potential costs in transitioning from setup to maintenance. This is covered as part of the budget process.

The Chair suggested that information about the risk owner, risk lead and activity taking place in relation to a risk be provided.

Councillor Thomas referred to New Homes Bonus and Capital Resourcing not being risks but still being classified as risks. The Assistant Director for Finance said that due to the timing of the production of this report New Homes Bonus appeared on it but that for the new year it would not appear. In relation to the Capital Financing risk, she explained that this related to delivery of projects and schemes and as such there was always a risk that costs such as labour and materials would increase which may impact on the deliverability of those schemes. She noted that the purpose of the report was to provide an overview and summary of the changes to risks and confirmed that the Risk Management Group discussed the details of the risks and that Officers carried out weekly and monthly monitoring.

Councillor Gowland referred to the risk of a break in seamless service delivery being classified as red and the link to LGR. The Assistant Director for Finance said that this related to the unknown risk posed by LGR and to ensure that there were measures in place between now and vesting day.

Councillor Thomas referred to increased service demand resulting from increased population leading to expected increased cost and increased service pressure but thought that this would also lead to increased Council Tax revenue. The Assistant Director for Finance said that increased demand would impact on all Council services it was unlikely that this would be covered by the increase in Council Tax.

Councillor Thomas referred to the destabilisation of the budget risk and the Assistant Director for Finance said that this risk related to the impact of LGR on the Council's five-year plan and as such was recognising that there would at some point be an impact on it.

Councillor Gaunt referred to the five-year housing supply and also to the Gamston SPD mitigation which looked to other sites within the Local Plan Part

2 which could be quickly released and asked what reflection and lessons had been learned in relation to the Council's Local Plan. Checks and balances with Councillors are managed via the LDF Group.

Councillor Wells referred to the Disabled Funding Grant (DFG) and the Assistant Director for Finance confirmed that this related to DFG historically being underfunded with demand far outstripping funding, with the Council having topped up funds out of its own budget previously. She said that the risk related to the deficit in grant funding potentially leading to a loss of quality of life and that the Council hoped for a change to the formula in the settlement and was waiting for notification.

It was RESOLVED that Governance Scrutiny Group:

- a) scrutinised the changes made to the Council's Risk Register during this period
- b) considered and made recommendations on risks that have red alert status.

### 33 **Draft Risk Management Strategy**

The Communications and Customer Services Manager presented the Draft Risk Management Strategy. He confirmed that the current Strategy was due to expire in April and in consideration of the expected Local Government Reorganisation in the near future, a light touch review had been undertaken.

The Communications and Customer Services Manager said that there had been no major changes in good practice legislation nor to the Council's risk appetite and confirmed that the Council remained committed to adopting a practice of identification, evaluation, and cost-effective control of risks. He said that the Council sought to ensure that risks were reduced to within the Council's level of risk tolerance or were eliminated, to maximise opportunities to achieve the council's corporate objectives and deliver core service provision.

The Chair asked about the Council's risk appetite number. The Assistant Director for Finance said that the Council maintained a balanced approach to its risk appetite, with the risk appetite varying dependent on the different specifics of different scenarios and the different potential outcomes. She referred to the risk matrix in the report which indicated how the Council assessed risk and what would be considered a red risk.

The Chair said that organisations often had a number indicating their overall level of risk tolerance, with anything above or below being rejected or tolerated, with risk leads and operational risk managers operating within that. He thought that the Council was taking more of a pick and mix approach and the Assistant Director for Finance said that she would feedback the Chair's comments (to feedback when the next Risk Management report was discussed).

Councillor Thomas said that LGR had changed the risks faced by the Council and thought that this could have been an opportunity to reassess the risk strategy. The Chair said that in light of LGR the organisation needed to review its way of managing its risk register.

Councillor Thomas asked about membership of the Risk Management Group and the Assistant Director for Finance said that it was the Executive Management Team, in consultation with the Monitoring Officer.

It is **RESOLVED** that Governance Scrutiny Group:

- a) Considered the attached draft Risk Management Strategy for 2026-2029
- b) Approved the Risk Management Strategy for 2026-2029.

#### 34 **Capital and Investment Strategy Update**

The Finance Business Partner presented the Capital and Investment Strategy Update for Q3 and said that the Council's overall financial position remained strong. She said that investment income was significantly outperforming expectations and that pooled fund values remained volatile but were being closely monitored.

The Finance Business Partner said that Treasury activity had remained within approved prudential limits and that the Council had no requirement to externally borrow. In relation to Capital Program spending, she said that the forecast underspend sat around £1.54m which was largely due to the Warm Homes Scheme reducing to match grant allocation and the land acquisition for carbon offsetting not yet being committed. She said that the Council's commercial income constituted circa 12% of its total income.

Counsellor Thomas referred to the Council consistently having an underspend and asked about the Council's budgeting and project profiling. The Assistant Director for Finance said that the Council's capital program did generally come in underspent due to the difficulty in planning for and delivering such large projects across the whole financial year, with many factors impacting on resourcing and delivery. She said that Officers appraised projects and monitored and reported back on those during the year. She also noted that an underspend did not create money it was rather money already held by the Council which it could invest for longer. The Finance Business Partner added that this occurred throughout organisations due to the size of the schemes and that the Council carried out quarterly monitoring and sought to accelerate and bring forward schemes where possible.

Councillor Regan referred to S106 and CIL monies and asked it would be possible to have a schedule of who those reserves were held for over a period of some years. The Assistant Director for Finance said that the Council published a report annually on its website detailing the amount of S106 and CIL funding held and said that she would provide a link to that for the Group.

It was **RESOLVED** that the Group considered the Capital and Investment Strategy update position as of 31 December 2025.

#### 35 **Capital and Investment Strategy 2026/27**

The Finance Business Partner presented the Capital and Investment Strategy

2026/27 which outlined the Council's approach to treasury management and capital and commercial investment. She confirmed that it was compliant with the Prudential Code.

The Finance Business Partner said that the Council followed the overriding principles of security, liquidity and yield when investing. In relation to ESG, she referred to paragraph 41 of the report.

The Finance Business Partner concluded that that Council did not expect to borrow during the medium term, that commercial investments remained proportionate and that Member and Officer training was ongoing.

Counsellor Thomas referred to the Council's ability to internally borrow against CIL and s106 monies and the Assistant Director for Finance confirmed that as the Council was holding those balances it was able to borrow internally against them rather than borrowing externally, which would be more expensive. She said that the Council had to apply interest to any funds that it held which was paid over when a claim was made for those funds.

Councillor Wells referred to falling investment reserves as listed on page 141 and the Finance Business Partner said that the reserves of the Council had fallen over the recent years.

Counsellor Thomas referred to the reducing CFR and the Assistant Director for Finance explained that CFR related to money that the Council had spent in advance of having the resources for, that it related to the Council repaying back into the pot of money that it had taken from.

It is RESOLVED that the Governance Scrutiny Group scrutinised and recommended for approval by Full Council:

- a) The Capital Strategy and Capital Prudential Indicators and limits for 2026/27 to 2030/31 contained within Appendix A (paragraphs 4 to 14);
- b) The Minimum Revenue Provision (MRP) Statement contained within Appendix A (paragraphs 15 and 16) which sets out the Council's policy on MRP;
- c) The Treasury Management Strategy 2026/27 to 2030/31 and the Treasury Indicators contained within Appendix A (paragraphs 17 to 69);
- d) The Commercial Investments Indicators and Limits for 2026/27 to 2030/31 contained within Appendix A (paragraphs 70 to 83);
- e) The Treasury Management Policy Statement for 2026/27 (Appendix B).

## 36 **Work Programme**

The Assistant Director for Finance presented the Governance Scrutiny Group Work Programme. She noted that the Asset Management Plan report had been added to the programme for the June meeting.

It was **RESOLVED** that the Governance Scrutiny Group approved the Work Programme as follows:

**xx June 2026**

- Annual Fraud Report
- Annual Governance Statement
- Internal Audit Progress Report
- Internal Annual Report
- Code of Conduct
- Investment Property Review
- Constitution update
- Capital and Investment Strategy Outturn
- Procurement Strategy
- Asset Management Plan

**Actions – 5 February 2026**

<b>Minute No.</b>	<b>Action</b>	<b>Officer Responsible/ Update</b>
32	Feedback to the Group about mitigation measures in place and learning from cyber-attack simulations and should the Cloud go down	Feedback for the next Risk Management update (IT Services Manager)
32	Provide information about the downgrade in the risk assessment for CCTV	Feedback for the next Risk Management update (Neighbourhoods Team)
34	Provide a link to the published S106 and CIL funds report on the Council's website	<a href="#">Annual Infrastructure Funding Statements - Rushcliffe Borough Council</a>

The meeting closed at 8.24 pm.

CHAIR