

Governance Scrutiny Group

Chair's Foreword

This annual report summarises the main work undertaken by the Governance Scrutiny Group for 2025/2026 and focuses on the impact of scrutiny. The Governance Scrutiny Group scrutinises and approves the Council's finances, approach to risk, as well as other corporate issues. I am pleased to report the Governance Scrutiny Group have proceeded as planned and all items programmed for 2025/2026 were considered.

The Group has explored the Council's responsibilities in line with the Council's priorities within the Corporate Strategy, which include:

- Reviewing the outcomes of both internal and external audit investigations to ensure the Council is compliant with legislation and best practice.
- Monitoring the Annual Governance Statement to ensure compliance with the Council's Code of Corporate Governance.
- Scrutinising and approving the Statement of Accounts.
- Reports on the Council as a 'Going Concern'.
- Considering the Council's Risk Management Framework annually to ensure current risks are being monitored, and effective controls and mitigating actions are in place.
- Considering regular reports on Asset and Investment Management to ensure prudent use of Council resources is being made to fulfil the objectives of the Investment Strategy and Annual Capital Programme.
- Monitoring the operation of the Council's constitution to ensure that it is being upheld and to recommend to Council any necessary fundamental changes.

Councillor David Simms
Chair Governance Scrutiny Group



Councillor David Simms
Chair



Councillor Mike Gaunt
Vice-Chair

What we are responsible for?

The Governance Scrutiny Group's responsibilities include:

- **Statement of Accounts:** To examine the outturn and statement of accounts resulting in its approval.
- **Annual Governance Statement:** To consider the annual report on applying the Council's system of internal control. This statement ultimately comprises a key element of the Council's Statement of Accounts.
- **Going Concern:** To consider the report of the Council's S151 officer on the status that the authority, its functions and services will continue in operational existence for the foreseeable future.
- **Capital and Investment Management:** To consider the annual and interim reports on capital and investment management activity. Ensuring that practice has complied with the approved Capital and Investment Strategy, making recommendations to Cabinet or Full Council as appropriate. Including changes to the Capital and Treasury Management Codes of Practice, which includes reporting on the position concerning both treasury and non-treasury (commercial) investments.
- **Protecting against fraud:** To consider the annual report on fraud and irregularities in order to make an informed judgement on the corporate governance and internal control statements, making recommendations to Cabinet on improvements. To consider any matters arising as a result of irregularity referred to it by Cabinet.
- **Internal Audit:** To consider the three-year internal audit plan and periodic reports on the progress of audits undertaken throughout the year in order to make an informed judgement on corporate governance and internal control statements, making recommendations to Cabinet on improvements.
- **External Audit:** To consider the annual report of the external audit and consider significant findings and the Value for Money opinion and to agree the annual audit plan for the forthcoming audit.
- **Risk Management:** To consider periodic reports on controls over key risk areas as identified in the risk register in support of making an informed judgement on the corporate governance and internal control statements, making recommendations to Cabinet on improvements.
- **Regulation of Investigatory Powers Act (RIPA):** To consider the regulatory powers that govern the use of covert surveillance and investigations by public bodies.

Our work this year

During the year, the Group welcomed a new Independent Person to the Governance Scrutiny Group and considered a wide range of service areas and issues as part of its scrutiny role, particularly:

- Internal Audit, including quarterly Progress Reports, Annual Report and Strategy.
- Risk Management, including half yearly Progress Reports.
- Going Concern Assessment.
- Capital and Investment Strategy.
- Approval of the Statement of Accounts.
- Capital and Investment Strategy Outturn 2024/25.
- Capital and Investment Quarterly Updates.
- Regulation of Investigatory Powers Act (RIPA).
- Auditors Annual Report and Value for Money conclusion.
- Annual Audit Completion Report.
- External Audit Annual Plan 2024/25.
- Annual Governance Statement 2024/25.
- Annual Fraud Report.

Internal Audit, including quarterly Progress Reports, Annual Report, and Strategy

The Governance Scrutiny Group reviewed the Council's internal audit work undertaken by BDO, the Council's Internal Auditors. Representatives from BDO attended each meeting to present the quarterly Progress Reports and, at the February 2026 meeting, presented the Internal Audit Strategy for 2026-29.

Across the four meetings, the Group reviewed and challenged the following areas:

19 June 2025

- Equality and Diversity Inclusion (EDI)
- Disabled Facilities Grant (DFG)

25 September 2025

- Council Tax and NNDR
- Streetwise Management

4 December 2025

- Main Financial Systems
- Business Continuity and Emergency Planning

5 February 2026

- Asset Management and Investment
- Rushcliffe Oaks Crematorium Operational Management

At the September 2025 meeting, Mr Armstrong proposed that licensing risks be considered for inclusion in future audit planning, and the Group discussed and supported this suggestion.

The Group agreed to:	Progress Update – June 2026:
Review and considered the quarterly Internal Audit Progress reports	Management has taken the audit findings and recommendations on board as opportunities to improve the Council’s systems and processes. Follow-up on agreed management actions has taken place throughout the year
Review and considered the Internal Audit Annual Report 2024/25	
Review and considered the Internal Audit Strategy 2026/29 and the Internal Audit Charter	

Approval of the Statement of Accounts

At the September 2025 meeting, the Assistant Director of Finance presented the Council’s statutory Statement of Accounts for the financial year 2024/25 and summarised the key points. The Group reviewed the significant service developments, which included a capital programme for leisure upgrades and carbon reduction, administering UKSPF and REPF grants to the community organisations and businesses, refurbishing play areas and transitioning to environmental refuse vehicles.

Statement of Account Training was provided to the Group on 25 September 2025, before the Governance Scrutiny Group meeting that evening.

The Group agreed to:	Progress Update – June 2026:
Approve the Statement of Accounts for 2024/25, including the Annual Governance Statement	The Statement of Accounts was approved
Delegate authority to the Director of Finance and Corporate Services to make any changes necessary resulting from the matters outstanding on the accounts and advise both the Chair of Governance Scrutiny Group and Finance Portfolio Holder accordingly, such changes to be reported to the Governance Scrutiny Group	The Group agreed to delegate authority to the Director of Finance and Corporate Services

External Audit Annual Plan, Progress Report and Indicative Audit Plan 2025/26

Ms Norman from Forvis Mazars, the Council’s External Auditors, presented the External Audit Annual Plan for 2024/25 to the Group at the June 2025 meeting and summarised the audit activity in relation to the final accounts process and their approach to value for money work. The Group considered the implementation of IFRS 16, including a risk assessment around lease transactions, with the Council being required to reclassify its lease arrangements for its 2024/25 accounts.

At the February 2026 meeting, Mr SurrIDGE from Forvis Mazars, the Council’s External Auditors, presented the External Audit Progress Report and Indicative Audit Plan 2025/26 and confirmed that the audit for 2024/25 had been fully completed during the 2025 calendar year and that work had commenced on the 2025/26 process.

The Group agreed to:	Progress Update – June 2026:
Accept the 2024/25 External Audit Annual Plan	The Group reviewed and accepted the External Audit Annual Plan
Review the Progress Report and Indicative Audit Plan for 2025/26	The Group reviewed the Progress Report and Indicative Audit Plan. The External Audit Annual Plan 2025/26 is scheduled to be presented to the June 2026 meeting

Annual Audit Completion Report 2024/25 and Draft Management Representation Letter

At the September 2025 meeting, Ms Norman from Forvis Mazars, the Council's External Auditors presented the External Audit Completion Report 2024/25, which summarised the audit of the Statement of Accounts. The Group received assurance that work had been substantially completed and that there was a new deadline specifically for value for money work and that work was being carried out under the new National Audit Office Code of Audit Practice.

The Group agreed to:	Progress Update – June 2026:
Approve the findings of Forvis Mazars Audit Completion Report and Approve the Draft Management Representation Letter	The Group reviewed and approved the Audit Completion Report and draft Management Representation Letter

Annual Audit Report

At the September 2025 meeting, Ms Norman from Forvis Mazars, the Council's External Auditors, presented the Annual Audit Report which provided information on the value for money work and the key conclusions. The Group was advised that no significant weaknesses were identified in arrangements, and no formal recommendations were made. The Group explored the increased costs for external audit work and were informed that these were set by Public Sector Audit Appointments (PSAA) and that PSAA carried out annual consultation to confirm the fees.

The Group agreed to:	Progress Update – June 2026:
Note the receipt of the Draft Annual Audit Report at Appendix A	The Group scrutinised and noted the Draft Annual Audit Report

Risk Management and Risk Management Strategy

The Council's Risk Register was considered at the September 2025 and February 2026 meetings. The Assistant Director of Finance updated the Group on the Council's risk management activity and changes to the Risk Register, and Members asked a range of questions, including on Local Government Reorganisation, CCTV, New Homes Bonus, capital resourcing and the crematorium.

The Communications and Customer Services Manager presented the Risk Management Strategy 2026-29 to the Group at the February 2026 meeting. The Group reviewed the light-touch update to the Strategy and provided challenge on emerging

risks, including Local Government Reorganisation, capital funding pressures, and operational issues such as the crematorium and CCTV provision.

Risk Management Training was provided to the Group on 5 February 2026, before the Governance Scrutiny Group meeting that evening.

The Group agreed to:	Progress Update – June 2026:
Scrutinise the changes made to the Council's Risk Registers during this period	The Group reviewed and commented on the Risk Registers and feedback from the Group has been relayed to the Council's Risk Management Group
Consider and make recommendations on risks that have red alert status	
Consider the draft Risk Management Strategy for 2026-2029	The Group reviewed and commented on the Risk Management Strategy and approved the Strategy
Approve the Risk Management Strategy for 2026-2029	

Going Concern Assessment

The Director for Finance and Corporate Services presented the Going Concern Assessment at the September 2025 meeting. The Group considered the assessment and recognised the Council's strong financial position, while acknowledging ongoing financial risks, including funding pressures and future uncertainties. The Group also reviewed the Council's position in relation to delivering a balanced budget and its capital programme for the year, noting the increase in overall net worth and the Council's continued investment in its assets, healthy reserves and strong projected financial position.

The Group agreed to:	Progress Update – June 2026:
Note the positive outcome of the assessment made of Rushcliffe Borough Council's status as a Going Concern for the purposes of the Statement of Accounts 2024/25	The Council continues to monitor its position throughout the year with the 2025/26 assessment due to be seen by the Group in September 2026

Capital and Investment Strategy Quarterly Updates

The Finance Business Partner presented quarterly Capital and Investment Strategy updates to the Group at each meeting throughout the year. These provided a summary of the Council's capital and investment activity in line with the Council's Capital and Investment Strategy 2024/25 to 2028/29. The Group was asked to consider the Council's capital investment plans and whether they remained affordable, prudent and sustainable in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA's) Code of Practice for Treasury Management.

The Group received updates on key capital and investment matters, including the economic forecast, investment income, capital expenditure and financing, treasury management, prudential indicators and commercial investments. It reviewed whether investment activity remained affordable, prudent and sustainable in line with CIPFA requirements.

The Group agreed to:	Progress Update – June 2026:
Consider and scrutinise the Capital and Investment Strategy quarterly updates and 2024/25 outturn position	The Group reviewed and noted the quarterly updates
Agree the change to the counterparty limit for banks (unsecured investments) from £3m to £5m	The Group agreed the increase in counterparty limit for banks

Capital and Investment Strategy 2026/27

The Finance Business Partner presented the Capital and Investment Strategy 2026/27 to the Group at the February 2026 meeting and outlined the Council's approach to treasury management and capital and commercial investment. The Group sought assurance that the Strategy complied with the Prudential Code and that the Council continued to apply the overriding principles of security, liquidity and yield in its investment activity. It also reviewed the Strategy with particular reference to CIL and section 106 monies and investment reserves.

The Group agreed to:	Progress Update – June 2026:
Scrutinise and recommend for approval by Full Council: <ul style="list-style-type: none"> • the Capital Strategy and Capital Prudential Indicators and limits for 2026/27 to 2030/31 • The Minimum Revenue Provision (MRP) Statement contained within Appendix A • The Treasury Management Strategy 2026/27 to 2030/31 and the Treasury Indicators contained within Appendix A • The Commercial Investments Indicators and Limits for 2026/27 to 2030/31 contained within Appendix A • The Treasury Management Policy Statement for 2026/27 	The Group reviewed the Capital and Investment Strategy 2026/27 and recommended it for approval by Full Council. The Strategy was adopted by Full Council at its meeting on 5 March 2026

Annual Governance Statement 2024/25

At the June 2025 meeting, the Director for Finance and Corporate Services presented the Annual Governance Statement 2024/25 which outlined the Council's governance arrangements and confirmed that the Statement followed a standard format of principles and reflected the requirements of the CIPFA/SOLACE framework. The Group reviewed the report and identified that, while there were no significant concerns, the forthcoming Local Government Reorganisation (LGR) could create a shift in governance risks.

The Group agreed to:	Progress Update – June 2026:
Review and approve the Annual Governance Statement 2024/25 which incorporated actions for the forthcoming year	The Group approved the Annual Governance Statement 2024/25

Annual Fraud Report

At the June 2025 meeting, Mr Dulay from BDO, the Council’s Internal Auditors, presented the Annual Fraud Report 2024/25, which summarised fraud-related activity and prevention measures at Rushcliffe Borough Council. The audit confirmed that no incidents of fraud directly associated with the Council had been identified. The Group was also advised that the Council had taken proactive steps to prepare a comprehensive fraud risk assessment and had introduced a bottom-up approach to identifying potential fraud risks across all services. The Group reviewed the Council’s Anti-Fraud and Corruption and Whistleblowing policies and acknowledged its participation in the National Fraud Initiative (NFI).

The Group agreed to:	Progress Update – June 2026:
Consider the Annual Fraud Report for 2024/25	The Group reviewed and noted the Annual Fraud Report

RIPA Review

At the December 2025 meeting, the Deputy Monitoring Officer presented the Regulation of Investigatory Powers Act 2000 (RIPA) Review report and advised that the Investigatory Powers Commissioner’s Office required that councillors were updated annually on the Council’s use of powers to ensure compliance with legislation. The Group received assurance that no surveillance powers had been used and that appropriate governance, training and oversight arrangements remain in place. The Group also reviewed the IPCO inspection cycle, noting that inspections of the Council’s records are carried out every three years, with the last inspection undertaken in 2023 and the next due in 2026.

The Group agreed to:	Progress Update – June 2026:
Considered and noted the information contained within this report regarding the Council’s use of RIPA powers	The Group reviewed the report and annual review
Acknowledged the Senior Responsible Officer’s annual review of the Council’s RIPA Policy	The Deputy Monitoring Officer confirmed that the Council hasn’t used RIPA powers for many years and not since the Government introduced the need to get a magistrate to sign off the authorisation

Member Panels

The Group did not establish any Member Panels during the year.

Call-ins

The Group did not consider any call-ins during the year.

Looking forward to the year ahead

The Governance Scrutiny Group is looking forward to developing a comprehensive work programme for the year ahead.