

MINUTES OF A MEETING OF THE AUDIT COMMITTEE

TUESDAY 24 FEBRUARY 2026

- Councillors Present:** Councillor Anna Lynch in the Chair
Cllr Ben Lucas (Vice-Chair) and Cllr Midnight Ross
- Apologies:** Councillor George Gooch, Councillor Patrick Pinkerton, Councillor Caroline Selman and Councillor Gilbert Smyth
- Officers in Attendance:** Michael Sheffield Corporate Head of Audit, Anti Fraud and Risk Management,
Rickardo Hyatt, Group Director for Climate, Homes and Economy
Dawn Carter McDonald, Chief Executive
Matthew Powell, Corporate Risk Manager
Mizanur Rahman, Assistant Director Corporate Finance
Deirdre Worrell, Director of Financial Management
Naeem Ahmed Group Director Finance and Corporate Resources,
Sandra Farquharson, Director, HR and OD,
Kieran Read, Director of Corporate Strategy & Transformation
Josephine Sterakides, Legal Representative
Tessa Mitchell, Governance Services Manager

1 Apologies for Absence

Apologies were received from Councillor Selman, Councillor Gooch, Councillor Pinkerton and Councillor Symth.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes of the Previous Meeting

RESOLVED

That the Minutes of the previous meeting held on 13 January 2026 were approved as a correct record.

4 External Audit Completion Report 2024/25

- 4.1 The Committee considered the External Audit Completion Report for 2024/25 and was asked to note its contents and authorise the Group Director of Finance and Corporate Resources to approve the final Statement of Accounts, subject to completion of the remaining audit work.
- 4.2 It was reported that the audit had resulted in a higher number of findings than in previous years, primarily due to the first-year implementation of IFRS16, the appointment of a new external valuer for property assets, and some delays on the auditor's side. Despite these challenges, the auditors confirmed that they were proposing unqualified opinions for both the Council and the Pension Fund accounts. A small number of technical matters remained outstanding and were expected to be finalised shortly.
- 4.3 Several valuation and lease-related adjustments were identified and agreed, including corrections to asset valuations and lease accounting. A significant IFRS16 adjustment relating to the discounting of lease liabilities was processed during the year and had no impact on reserves or the Council's reported surplus or deficit. Testing of journals identified no evidence of fraud or management override, although some control recommendations were made, including an issue within the CEDAR finance system relating to segregation of duties. Officers confirmed that practical controls are in place and that system improvements are being progressed.
- 4.4 The Pension Fund audit required additional work, particularly in relation to investment classifications and reconciliations; however, no material misstatements were identified. Control recommendations focused on strengthening the timeliness of reconciliations and improving data flows from third parties.
- 4.5 The Committee noted the actions being taken to address previously identified weaknesses relating to financial sustainability, housing governance, and Temporary Accommodation, including the development of a new housing management system and strengthened governance arrangements. An update was also provided on a prior objection to the 2023/24 accounts, which is not considered material and does not affect the proposed audit opinion for 2024/25.

5 Any Other Business that the Chair Considers Urgent

There was no urgent business for consideration.

Duration of the meeting: 6.30 - 7.00 pm