

## **AUDIT AND GOVERNANCE COMMITTEE**

**Thursday, 29 January 2026**

Attendance:

Councillors  
Morris (Chairperson)

Bailey-Morgan  
Chamberlain  
Godfrey

Pinniger  
Power

Apologies for Absence:

Councillors Brophy

Members in attendance who spoke at the meeting

Councillor Cutler (Cabinet Member for Finance and Transformation)

[Video recording of this meeting](#)

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1. **APOLOGIES**

Apologies were received from Councillor Brophy as noted above.

2. **DISCLOSURE OF INTERESTS**

There were no disclosures of interest made.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

There were no announcements made.

4. **TO NOTE THE AUDIT & GOVERNANCE WORK PROGRAMME 2025/26**

RESOLVED:

That the work programme for 2025/26 be noted.

5. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

That the minutes of the previous meeting held 27 November 2025 be agreed as a correct record.

6. **PUBLIC PARTICIPATION**

Ian Tait spoke regarding agenda items 8 and 12 as summarised under the relevant minutes below.

7. **CERTIFICATION OF CLAIMS & RETURNS ANNUAL REPORT 2024/25**  
(AG178)

The Director (Finance) introduced the report on behalf of the Service Lead – Revenues and Benefits and responded to members' questions thereon.

RESOLVED:

That the Annual Report be noted as set out at Appendix 1 to the report.

8. **COMMUNITY INFRASTRUCTURE LEVY (CIL) AND SECTION 106**  
**PAYMENTS - VERBAL UPDATE ON MANAGEMENT ACTION PLAN**

Ian Tait spoke during public participation as summarised briefly below.

Mr Tait addressed the committee to express concern regarding the management of Section 106 affordable housing payments. In particular he referenced monies received for off-site delivery of affordable homes relating to the North Whitely Major Development Area (MDA). He also queried the high build cost levels of the council's new homes programme and asked that the internal auditors investigate whether the current housing programme represented best value.

The Director (Finance) provided a verbal update on the management action plan relating to CIL and Section 106 payments which followed on from an internal audit of these. The Corporate Head of Planning and Regulatory Services was also present at the meeting and, along with the Director, responded to members' questions.

RESOLVED:

That the update be noted.

9. **24/25 AUDITOR'S ANNUAL REPORT**  
(AG175)

At the chair's request, the committee agreed to consider the contents of report AG175 alongside AG174 as there was significant overlap between both. Simon Mathers (EY) also agreed to this approach.

Mr Mathers (EY) introduced the report and emphasised that apart from the issue identified at Appendix B of AG174 where the auditors had been unable to gain assurance, the council's accounts and financial arrangements were generally of a good quality. However, the auditor's view was that resolving the judgemental differences relating to the land and property valuations were now a high priority.

Mr Mathers advised that the management response referred to at Appendix A of AG174 had been received since the report was published and would be included in the final report. It was noted that the Director (Finance) had circulated the text of the management response to committee members prior to the meeting as set out below.

*Management response*

*Management will continue to deliver the Housing Compliance Improvement Plan. In response to the SIAP and Counter Fraud reviews, management has also compiled a Housing Property Services Improvement Plan which addresses the weaknesses in internal control and risk management arrangements. Progress against this improvement plan will be monitored by the Executive Leadership Board and reported, at a summary level, to the Cabinet Committee: Housing. Many of the proposed improvements have been considered in drafting the ITT for the new repairs and maintenance contract, where enhanced technology and workflows will improve controls.*

The Director (Finance), Mr Mathers and Councillor Cutler responded to questions and comments made. The Director (Finance) acknowledged that there were judgemental differences between the assumptions used by the valuation teams employed by EY and the council and her intention was to work with both sides to resolve the issue prior to the next audit, however this was reliant on receiving detail from the EY team on those differences. Mr Mathers confirmed that he would provide the granular detail used in the EY valuations to enable this.

The Director (Finance), Mr Mathers and Antony Harvey (SIAP) also responded to questions regarding identified issues relating to housing property services for the Housing Revenue Account (HRA) properties.

RESOLVED:

1. That the Annual Audit Report 2024/25 be accepted.

10. **2024/25 AUDITORS ANNUAL RESULTS REPORT**  
(AG174)

The contents of the report and questions and debate thereon were considered alongside report AG175 above.

RESOLVED:

1. That the matters presented in the auditor's report (Appendix 1) be noted.
2. That the *Letter of Representation* (Appendix 2) be approved.

11. **AUDITED ANNUAL FINANCIAL REPORT 2024/25**  
(AG173)

The Director (Finance) introduced the report and responded to members' questions.

RESOLVED:

1. That the audited Statement of Accounts 2024/25 be approved as set out in Appendix 1 of the report.

2. That the Chair of the Audit & Governance Committee signs the Statement of Responsibilities on page 32 of Appendix 1 of the report to certify the accounts and authorise their issue.

12. **INTERNAL AUDIT PROGRESS REPORT 2025-26 (DECEMBER 2025)**  
(AG180)

Ian Tait spoke during public participation as summarised briefly below.

Ian Tait reiterated concerns he had raised at the previous committee on 17 July 2025 Committee relating to the council continuing to collect Winchester market pitch fees in cash, despite the internal auditor identifying this as a high-risk area and previous contractual intentions to switch to electronic payments. He highlighted that failure to implement digital systems also prevented the collection of vital information regarding trader attendance and the effective management of pitch demand. He urged the council to fulfil its own stated policy to discourage cash payments and adopt proprietary software to ensure better oversight and transparency of market operations.

The Director (Finance) responded that the points raised by Mr Tait would be addressed by Internal Audit as part of its planned audit which was scheduled to take place before the end of the 2025/26 financial year. The results of the audit would be reported back to the committee in the usual manner.

Antony Harvey (SIAP) introduced the report, drew members' attention to the areas where a "no assurance" opinion had been issued and responded to members' detailed questions.

RESOLVED:

That the Internal Audit Progress Report 2025-26 (December 2025) be noted.

13. **EXTERNAL QUALITY ASSESSMENT – FINAL REPORT**  
(AG181)

Antony Harvey (SIAP) introduced the report and responded to members' questions thereon.

RESOLVED:

That the report of the External Assessor following the External Quality Assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector (as set out in Appendix A of the report) and the action plan developed against suggested opportunities for future development (as set out in Appendix B of the report) be noted.

The meeting commenced at 6.30 pm and concluded at 8.20 pm

Chairperson