

**13 FEBRUARY 2026**

**NEW FOREST DISTRICT COUNCIL**

**AUDIT COMMITTEE**

Minutes of a meeting of the Audit Committee held on Friday, 13 February 2026

\* Cllr Alan Alvey (Chairman)

\* Cllr John Adams (Vice-Chairman)

**Councillors:**

\* Kate Crisell  
\* Jacqui England  
\* Alan O'Sullivan  
\* Caroline Rackham

**Councillors:**

\* Janet Richards  
\* Malcolm Wade  
Richard Young  
\* John Sleep

\*Present

**Officers Attending:**

Kate Ryan, Alan Bethune, Paul Whittles, Simon Mathers, Antony Harvey,  
Daniel O'Rourke, Andrew Bouflower and Karen Wardle

**Apologies**

Apologies for absence were received from Cllr Young.

**34 MINUTES**

The minutes of the meeting held on 31 October 2025 were agreed and signed by the Chairman as a correct record.

**35 DECLARATIONS OF INTEREST**

No declarations of interest were made in connection with any agenda item.

**36 PUBLIC PARTICIPATION**

There was no public participation at the meeting.

**37 AUDIT RESULTS REPORT YEAR ENDED 31 MARCH 2025**

The Committee received the External Auditor's Audit Results Report for the year ended 31 March 2025.

Of the areas covered in the report, including VFM, audit differences, the AGS, fraud risk, there were no issues of concern.

It was reported that all planned work had been completed, meaning that this year, a normal audit had been undertaken and the Committee could take a good degree of assurance from this. An audit opinion would be issued by the backstop date of 27 February.

A disclaimed opinion was being issued due to a lack of assurances on opening balances carried forward from 2022/23, but it was hoped that a qualified opinion could be issued in the next year.

It was explained that statements were produced on time and to a very good standard, but did not contain entries for IFRS 16, though it was acknowledged that adoption of this new accounting standard was onerous and most local authorities had found this difficult. Once the NFDC statements had been updated and reproduced they were found to be done well. It was commented that the NFDC team were responsive, quick and efficient through the course of the audit.

It was queried that members' interests were highlighted as not up to date on the Council website, but it was explained that members were regularly reminded to advise on any updates to their interests, and if there was no change in their circumstances, the form as originally submitted remained on the website. In line with a suggestion from External Audit, officers would consider ways to show that a reminder process had been regularly undertaken.

**RESOLVED:**

That the External Auditor's Audit Results Report for the year ended 31 March 2025 be approved.

**38 FINAL ANNUAL FINANCIAL REPORT 2024/25 INCLUDING FINAL ANNUAL GOVERNANCE STATEMENT**

The Committee considered the Final Annual Financial Report 2024/25 including the Final Annual Governance Statement.

The report set out the requirements and reasoning for the request for Authority to be given for the approval of the final 2024/25 Annual Financial Report (including the Letter of Representation) and additionally recommended that the final Annual Governance Statement 2024/25 be approved.

A minor amendment was noted at page 60 where the date should have read 13 February 2026 instead of 27 June 2025.

**RESOLVED:**

- 1) That the Strategic Director Corporate Resources (Section 151 Officer), in consultation with the Chairman of the Audit Committee, be given authority to review and consider the 2024/25 Audit Completion Report from the Council's external auditor.
- 2) That the Strategic Director Corporate Resources (Section 151 Officer) and the Chairman of the Audit Committee, approve:
  - a) the Annual Financial Report for 2024/25; and
  - b) the 2024/25 letter of representation.
- 3) That the Final Annual Governance Statement 2024/25 be approved by the Chief Executive and Leader of the Council.

**39 AUDITORS ANNUAL REPORT YEAR ENDED 31 MARCH 2025**

The Committee considered the External Auditor's Annual Report for 2024/25.

The main purpose of the report was to set out commentary on the Council's Value For Money arrangements covering financial sustainability, governance, economy, efficiency and effectiveness with resources.

There were no significant risks or weaknesses or material misstatements identified in the report.

**RESOLVED:**

That the report be noted.

**40 INTERNAL AUDIT PROGRESS REPORT 2025-26 (DECEMBER 25)**

The Committee received the Internal Audit Progress Report, which provided the Audit Committee with an overview and key updates of internal audit activity and assurance work completed in accordance with the approved audit plan.

On Open Spaces and Playground Safety Checks, it was noted that a report was under preparation and would be brought to the March Committee meeting.

It was noted that at the time of reporting, 34% of the agreed audit plan had been completed and 6 reports finalised since the previous update.

It was confirmed that 7 actions identified had now been completed. Overdue actions had remained relatively low.

Two proposed plan adjustments were reported, specifically the withdrawal of the item on open spaces play areas, with the addition of arrangements for implementation of phase 3 of the waste collection service roll out.

**RESOLVED:**

- 1) That the Internal Audit Progress Report 2025-26 (December 2025) be noted.
- 2) That the proposed changes to the audit plan as set out in the report be approved.

**41 EXTERNAL QUALITY ASSESSMENT - FINAL REPORT**

The Committee received the External Quality Assessment Final Report.

The purpose of the report was to provide the Committee with the outcome from the External Quality Assessment (EQA) of the Southern Internal Audit Partnership (IAP) against the new Global Internal Audit Standards (GIAS) in the UK Public Sector.

The report showed that the IAP either generally or fully conformed with the GIAS and was 'firmly in the top quartile among its peers and represented the highest level of achievement and confidence'.

**RESOLVED:**

- 1) 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 (Appendix 1) be noted.
- 2) That the action plan developed against suggested opportunities for future development (Appendix 2) be noted.

**42 TREASURY MANAGEMENT STRATEGY 2026-27**

The Committee considered the Council's proposed Treasury Management Strategy for 2026/27.

The Treasury Management Strategy Statement set out how the Council's treasury service would support the capital expenditure and financing decisions taken over the three-year period from 2026/27 to 2028/29. The day-to-day treasury management function and the limitations on activity through treasury indicators were also set out in the statement.

The report set out a comparison of alternative options leading to the recommended strategy together with consultation arrangements and financial, legal and other implications.

It was reported that the Council was compliant with all indicators in the year to date. The balance sheet summary and forecasts were noted.

The Capital Financing Requirement was forecast to increase over the forthcoming period, along with a reduction in balance sheet resources, which moved the Council from a net investment position at the end of the financial year, to a net borrowing position for the remainder of the forecast period.

In answer to a question concerning LGR and oversight by a new Council, it was explained that the current Council had sovereignty over its Treasury Management decisions until the Council was formally replaced by a new joint authority.

In response to a query, it was explained that the rise in HRA expenditure was due to the Council's intention to deliver the requirements arising from housing energy improvements, planned maintenance, the current housing development programme and carbon reduction requirements.

**RESOLVED:**

That it be a recommendation to Full Council that:

- 1) the Treasury Management Strategy 2026/27 to 2028/29 including the Annual Treasury Management Investment Strategy for 2026/27 (and the remainder of 2025/26), and the Treasury Indicators contained within, as provided in Appendix 1 be approved; and
- 2) Authority be delegated to the Section 151 Officer, who in turn delegates to Hampshire County Council's Director of Corporate Operations, as agreed in the Service Level Agreement, to manage all Council investments and borrowing according to the Treasury Management Strategy Statement as appropriate.

**43 INVESTMENT STRATEGY 2026/27**

The Committee considered the Council's proposed investment strategy for 2026/27.

The proposed strategy provided a high-level overview of how the Council managed and invested its surplus cash and its associated investment assets.

Members asked a number of detailed questions to which answers were given.

**RESOLVED:**

That it be a recommendation to Full Council that the Investment Strategy 2026/27 provided at Appendix 1 to the report be approved.

**44 PRINCIPAL RISK REGISTER**

The Committee considered an updated Principal Risk Register, which set out the most strategically significant risks facing the Council and the mitigations in place to resolve them.

It was noted that a full review of service risk registers had been completed by service managers and EMT, which fed into various detailed updates to the risk register, including the examples where residual risk had reduced.

The Committee suggested that EMT consider reviewing the residual risk score upwards for PR17 – Climate and Ecological Emergency, in the context of expediting coastal erosion plans for the Waterside. Whilst this issue was the responsibility of the Environment Agency, the Committee felt NFDC's responsibilities as landowner should be better reflected, whilst noting that this was in part covered in PR2 Emergency Planning.

The Committee asked that section PR18 on Working Practices be clarified regarding corporate / in - service differences in working practices.

Members referred to the new customer services system about to be implemented and suggested that this should be considered for inclusion as a principal risk in the Register.

Officers agreed to refer matters back to EMT as part of their next review of the Principal Risk Register.

Subject to consideration of the above comments, the Committee supported the recommendation to Cabinet and Council to adopt the Register.

**RESOLVED:**

That subject to feedback given, it be a recommendation to the Cabinet that the Principal Risk Register and updates be approved and adopted by the Council.

**45 AUDIT COMMITTEE WORK PLAN**

The Committee noted its Work Programme.

It was noted that a report on Playground audits would be included on the March agenda.

CHAIRMAN