



Audit, Governance & Standards Committee

Thu 23 Oct
2025
6.30 pm



Oakenshaw Community Centre,
Castleditch Lane, Redditch, B98 7YB

**If you have any queries on this Agenda please contact
Mat Sliwinski**

**Town Hall, Walter Stranz Square, Redditch, B98 8AH
Tel: (01527) 64252 (Ext. 3095)
email: mateusz.sliwinski@bromsgroveandredditch.gov.uk**

GUIDANCE ON FACE-TO-FACE MEETINGS

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PUBLIC SPEAKING

The usual process for public speaking at Committee meetings will continue to be followed subject to some adjustments which allow written statements to be read out on behalf of residents and the virtual participation of residents at meetings of Audit, Governance & Standards Committee.

Notes:

Although this is a public meeting, there are circumstances when the Committee might have to move into closed session to consider exempt or confidential information. For agenda items that are exempt, the public are excluded.

Audit, Governance & Standards

Thursday, 23rd October, 2025
6.30 pm
Oakenshaw Community Centre

Agenda

Membership:

Cllrs:	Gemma Monaco (Chair)	Wanda King
	Chris Holz (Vice- Chair)	Rita Rogers
	William Boyd	Gary Slim
	James Fardoe	Paul Wren
	Andrew Fry	

1. Apologies and Named Substitutes

2. Declarations of Interest

To invite Councillors to declare any Disclosable Pecuniary Interests and/or Other Disclosable Interests they may have in items on the agenda, and to confirm the nature of those interests.

3. Minutes (Pages 7 - 22)

The minutes of the meeting of Audit, Governance and Standards Committee held on 24 July 2025 will be considered at this meeting.

4. Public Speaking

Members of the public have an opportunity to speak at meetings of the Audit, Governance and Standards Committee. In order to do so members of the public must register by 12 noon two days prior to the date of the meeting. A maximum of 15 minutes will be allocated to public speaking.

5. Feckenham Parish Council Representative's Report - Standards Regime

To receive a verbal report from the Feckenham Parish Council Representative on standards matters relating to the Parish Council.

6. Monitoring Officer's Report - Standards Regime (Pages 23 - 26)

7. Annual Review Letter of Local Government and Social Care Ombudsman (Pages 27 - 40)

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- 8. External Auditor Update Report 2023-24** (Pages 41 - 50)
- 9. Internal Audit Progress Report** (Pages 51 - 64)
- 10. Annual Governance Statement** (Pages 65 - 76)
- 11. Financial Compliance Report** (Pages 77 - 88)
- 12. Cyber Security Update (including WhatsApp and AI Policy)** (Pages 89 - 124)
- 13. Risk Champion Update**
- 14. Committee Work Programme** (Pages 125 - 126)



Audit, Governance & Standards Committee

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MINUTES

Present:

Councillor Gemma Monaco (Chair), Councillor Chris Holz (Vice-Chair) and Councillors William Boyd, Andrew Fry, Rita Rogers and Gary Slim
Parish Council Representative: Cllr Alan Smith

Also Present:

Councillor Ian Woodall – Portfolio Holder for Finance
Councillor Jane Spilsbury – Portfolio Holder for Performance
Mughees Ahmad – Manager, Government and Public Sector Audit, Ernst and Young

Officers:

Bob Watson, Debra Goodall and Nicola Cummings

Democratic Services Officers:

M Sliwinski

1. APOLOGIES AND NAMED SUBSTITUTES

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

The minutes of the meeting of Audit, Governance and Standards Committee held on 5th March 2025 were submitted for Members' consideration.

RESOLVED that

Chair

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the minutes of the Audit, Governance and Standards Committee meeting held on 5th March 2025 be approved as a true and correct record and signed by the Chair.

4. PUBLIC SPEAKING

There were no public who registered to speak at this meeting.

5. FECKENHAM PARISH COUNCIL REPRESENTATIVE'S REPORT - STANDARDS REGIME

The Chairman of Feckenham Parish Council provided an update on Feckenham Parish Council standards matters and in doing so reported that there were no standards issues to report in relation to the Parish Council at this meeting.

The Chairman of Feckenham Parish Council expressed concern about three matters affecting Feckenham. The recent submission of planning applications for the development of battery storage systems in the Parish was cited as a concern for the Parish around fire safety and encroachment on the Green Belt. A second concern stated was with regard to the allocation of house-building target within Feckenham. A figure of 4,000 houses was cited as the potential amount of housing to be built in Feckenham, and the Feckenham Parish Council Chairman explained this would have serious implications for the village that had around 750 residents at present.

The Chairman of Feckenham Parish Council also commented on the uncertainty with regard to what local government reorganisation (LGR) would mean for Feckenham and the difficulty in responding to any consultation on the issue in an informed manner. In response, Members of the Committee invited the Parish Council Chairman to the extraordinary full Council meeting (of Redditch Borough Council) which would be taking place on 4th September 2025. At that meeting, Redditch Borough Council would be selecting its preferred option for LGR within Worcestershire, i.e. whether a single or two unitary authorities within Worcestershire were preferable.

RESOLVED that

the Feckenham Parish Council's Representative update be noted.

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6. MONITORING OFFICER'S REPORT - STANDARDS REGIME

The Deputy Monitoring Officer presented the Monitoring Officer's report and in doing so reported that since the last report there had been two complaints submitted by members of the public against a Borough Councillor and one complaint submitted by a County Councillor against a Borough Councillor. After initial investigation, all three complaints were found not to be standards matters. It was confirmed there were no outstanding members' standards complaints awaiting decision.

It was reported that the Member Support Steering Group (MSSG) met on 23 July 2025 and actions arising from that meeting would be reported to the next ordinary council meeting. A concern was raised that eight Councillors were yet to complete cyber security training. In response to a question, it was confirmed that the Executive Committee had mandated cyber security training for all elected members and Deputy Chief Executive and Chief Finance Officer would be writing to all Members who had yet to complete the training.

It was stated that there was a risk that for Members who had not completed cyber security training and/or had not used their council devices for a period of time, that IT department could revoke account access due to issues with software not being up to date and at risk of being compromised.

There was a suggestion made by Members that the cyber security training course should include an online test that needed to be passed in order to complete the course. This would ensure retention of knowledge of principles of cyber security. It was suggested that officers explore the viability of providing such training.

The meeting of Constitutional Review Working Party (CRWP) which was due to take place on 28 July 2025 had been cancelled, with next meeting scheduled for October 2025.

The Deputy Monitoring Officer noted that member briefings and member engagement sessions on local government reorganisation (LGR) would continue in the run up to November 2025 when the LGR proposal for Worcestershire was due to be submitted to the Government.

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The Portfolio Holder for Performance addressed the Committee and stated that at the Member Support Steering Group meeting, concerns were raised about elected members' attendance at training. To address this, it was suggested that remote access to all training sessions should be made available and, possibly, that some training should be delivered remotely (on Microsoft Teams) only. The Portfolio Holder stated that Members were encouraged to provide their opinion regarding these suggestions.

RESOLVED that

the Monitoring Officer's report be noted.

7. ANNUAL UPDATE REPORT ON REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)

An annual update on the Regulation of Investigatory Powers Act 2000 (RIPA) was presented together with the Council's reviewed and updated RIPA policy. It was stated that due to the nature of the policy, it could only be utilised by local authorities in exceptional circumstances and this policy defined the guidelines and rules as to how and in what circumstances RIPA could be utilised.

It was reported that since the Protection of Freedoms Act 2012, which introduced the requirement for local authorities to get approval from the Magistrates Court for any proposed surveillance, the Council had not requested or authorised any use of RIPA powers.

The Deputy Monitoring Officer stated that a desktop inspection of the Council's RIPA policy and procedures was undertaken with the policy and procedures being deemed of a high standard nationally. The only follow up issue identified was some updating in relation to the Council's RIPA policy, which had been completed by officers within the latest version 8.6 included in the documents for this item.

Following the officer presentation, a Member pointed out a typographical error in relation to the definition of 'serious crime' within the RIPA policy. Page 27 of the Policy defined serious crime as 'the crime [which] attracts a custodial sentence of a maximum of 6 months or more...' which should be corrected to 'the crime [which] attracts a custodial sentence of a minimum of 6 months or more...'. Officers undertook to correct this error within the RIPA policy.

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The Portfolio Holder for Performance highlighted that it was important for Members to be familiar with this policy, noting that there were potential data protection implications when Members were dealing with case work from the public.

RESOLVED that

- 1) The Council's RIPA Policy at Appendix 1 as reviewed and updated be endorsed; and**
- 2) The update on RIPA activity as described in this report be noted.**

8. LOCALISM ACT 2011 - STANDARDS REGIME - DISPENSATIONS

The Dispensations Report was submitted for Members' consideration. It was stated that the purpose of this set of general dispensations for all Councillors was to enable elected members to participate in meetings where key matters were considered such as the Council Budget Setting. The other purpose of this report was for the Committee to consider granting individual members' dispensations as requested by Members and detailed within the first table at paragraph 4.10 of the report.

Following a Member comment, it was clarified that only the dispensations in the first table under paragraph 4.10 of the report were subject to the vote at this meeting. The second table detailed the dispensations granted as part of last year's report on dispensations and were for noting only. It was stated that as some of the individual members' circumstances had changed some of the individual dispensations granted last year were no longer applicable. Officers were requested to amend the format of future reports to remove possible confusion in relation to this matter.

RESOLVED that

- 1) any Individual Member Dispensations (IMDs) and Outside Body Appointments dispensations requested by Members up to the point of the meeting, and as advised by the Monitoring Officer at the meeting, be granted under section 33 (2) of the Localism Act 2011, to allow those Member(s) to participate in and vote at Council and Committee meetings in the individual circumstances detailed;**

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- 2) The Audit, Governance and Standards Committee grant a dispensation under Section 33 (2) of the Localism Act 2011 to allow Members to address Council and Committees in circumstances where a member of the public may elect to speak;
- 3) subject to the caveat set out in paragraph 4.9 of this report in relation to setting the Council's Budget, the Audit, Governance and Standards Committee grants dispensations under Section 33 (2) of the Localism Act 2011 to allow all Members to participate in and vote at Council and Committee meetings when considering the setting of:
 - a) the Budget;
 - b) Council Tax;
 - c) Members' Allowances; and
 - d) Non-Domestic Rates – Discretionary Rate Relief Policy and Guidance affecting properties within the Borough;
- 4) it be noted that all dispensations granted by the Committee take effect on receipt of a written request from Members for such a dispensation and where Members may have a Disclosable Pecuniary Interest in the matter under consideration, which would otherwise preclude such participation and voting; and
- 5) it be noted that the dispensations referred to at resolutions (1), (2) and (3) (new and re-granted dispensations) will remain valid until the first meeting of the Audit, Governance and Standards Committee following the next Borough Council Elections in May 2026.

9. EXTERNAL AUDIT ONBOARDING DISCUSSION UPDATE

The External Auditor from Ernst and Young provided an update and explained that Ernst and Young onboarding procedures with the Council had now been completed. It was explained that the Council had received a disclaimer opinion on its 2023/24 Accounts due to the backstop date requirement but that the Value for Money opinion for 2023/24 remained to be completed. It was anticipated that this work would be completed and reported to Members in September

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2025. The External Auditor stated that the backstop date for the auditing of 2024/25 Accounts was in February 2026.

10. INTERNAL AUDIT ANNUAL REPORT AND AUDIT OPINION 2024-25

The Internal Audit Annual Report for 2024-25 was presented on behalf of the Head of Worcestershire Internal Audit Shared Service. It was noted that the Head of Internal Audit's overall audit opinion on the Council's system of internal control environment was Reasonable Assurance which was the second highest grade. There were 13 graded internal audit assignments in 2024-25 of which three received substantial assurance, seven reasonable assurance, three limited assurance. There were no assignments that were graded as no assurance.

Of the three assignments that received limited assurance, the Accounts Payable received this level of assurance due to the internal auditors being unable to complete full review of this area as the finance team focused their efforts in 2024-25 on the work of completing the statements of accounts in line with statutory backstop dates.

Improvements were found in Procurement and Contract Management but limited assurance was given due to the Council not yet being fully compliant with the new procurement regulations. Procurement team was supporting services to achieve full compliance with the rules and a follow up review would be performed by Internal Audit in 2025-26 which would include monitoring compliance with the new regulations. In response to a Member question, it was reported that tender processes were subject to stringent monitoring process and when assessing tenders the Council looked at a mix of both quality and price.

The review of Corporate Credit / Procurement Cards found limited assurance owing to the current issues with authorisation controls and accountability for the overall process. To address this, the senior management team had vested authority and provided support to the Procurement Manager to monitor service-level compliance and challenge those officers who were not following the procurement procedure correctly.

It was noted that a review of council tax arrears in respect of single person discounts had not been undertaken for eight years and a review would be undertaken in 2025-26. It was highlighted that

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regular checks were undertaken by officers but a review was now due and it needed to be assessed whether it was economic for the Council to undertake a full-scale approach to chasing arrears in this area. The officers commented that it might be possible to approach the County Council to undertake and coordinate work in chasing council tax arrears as the County Council received circa 75 per cent of the overall council tax income.

A Member raised a concern about the Statutory Inspections internal audit review finding missing details and inconsistent approach in respect of fire safety controls and commented that this was a significant risk for the Council. The Deputy Chief Executive and Chief Finance Officer explained that internal audit reviews contained some mandatory actions for the Council to carry out and the relevant service managers had been tasked with rectifying the issues found in this review. Any areas where officers did not carry out actions by the deadline set could be raised at the Committee meetings. It was explained that the Committee could also ask the relevant officers to attend meetings if any actions had not been carried out by agreed internal audit dates.

The Portfolio Holder for Finance addressed the Committee and noted in terms of Council's oversight that the Council Tax collection rate was at about 98 per cent which ranked among the highest collection rates in the country. The Council was proactive in terms of governance, and the Portfolio Holder pointed out that in two of the three cases of limited assurance, this rating had been received because of the finance team being active in highlighting the problems to the Internal Auditor in the first place.

RESOLVED that

the Internal Audit Annual Report and Audit Opinion 2024-25 be noted.

11. INTERNAL AUDIT PLAN 2025-26

The Internal Audit Plan for 2025-26 was presented for Members' consideration. It was noted that this Internal Audit Plan prioritised areas where there was high risk to the Council and areas where failings could have serious financial and/or reputational repercussions for the Council.

The Internal Audit Plan had a basic resource allocation of 261 chargeable days for undertaking specific audits. The Deputy Chief

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Executive and Chief Finance Officer explained that there was contingency within the overall Plan to enable the Chief Finance Officer to call on Internal Auditors to undertake reviews to respond to emerging risks identified in year should the need arise.

The Portfolio Holder for Performance addressed the Committee and in doing so commented in relation to the Internal Audit Plans that there had been a lot less slippage in terms of fulfilling the Plan in 2024-25 than the year and it was encouraging to see the Internal Audit programme back on track for 2025-26.

RESOLVED that

the 2025-26 Internal Audit Plan be approved.

12. APPOINTMENT OF CHAIR FOR THE REMAINDER OF THIS MEETING

As the Chair of the Committee, Councillor Monaco, had to leave the meeting at this point, it was proposed that the Vice-Chair, Councillor Holz, chair the remainder of this meeting.

This proposal was moved, seconded and put to the vote and it was:

RESOLVED that

Councillor Chris Holz chair the remainder of the meeting of Audit, Governance and Standards Committee on 24 July 2025.

[Following the consideration of this item, the meeting was adjourned between 7.53pm and 8.00pm].

13. FINANCIAL COMPLIANCE REPORT INCLUDING UPDATE ON STATEMENTS OF ACCOUNTS

The Financial Compliance Report was presented which detailed the position regarding legislative reporting requirements and the position on submission of the Council's Statements of Accounts.

In reference to Government reporting requirements, the Council continued to provide the majority of key legislative deliverables within timeframes and was compliant with national requirements. The key outstanding issue was the Council's VAT returns. It was highlighted that since December 2024 the Council had been submitting VAT returns to HMRC on a monthly basis, but

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discussions were ongoing with HMRC regarding the prior three years of VAT returns.

To work on resolving outstanding VAT returns, the finance team had undertaken preparation of the Council for a possible VAT inspection. In addition, VAT consultants had been brought in alongside the existing tax advisor and training on VAT had been arranged for the entire finance team staff.

Members were reminded that the Council had published and made their draft 2023-24 Accounts available for public inspection from 17 January 2025 to 3 March 2025. The Council was listed by the Ministry of Housing, Communities and Local Government (MHCLG) as one of the local authorities that had not met the statutory backstop deadline of 28 February 2025 for having the audited 2023-24 Accounts available, but a note was included to explain that the Council had no appointed auditor for 2023-24 at the time of the backstop deadline when the Accounts were being submitted.

It was noted that the new External Auditor, Ernst and Young, had now finished their onboarding checks and had begun the audit of 2023-24 Accounts with the expectation that these would receive a 'disclaimer opinion'. The backstop date for publishing the audited statements of accounts for 2024-25 was 27 February 2026 with Ernst and Young being the Council's auditors for these set of accounts.

A Member asked whether the officers felt confident the Council would be able to meet the backstop date for audited 2024-25 Accounts submission. It was responded that the Council's finance team had effectively done work on three sets of accounts within the last year and that officers felt confident in meeting this deadline as the bulk of the work in catching up on accounts from previous years had already been done. It was expected that from the 2026-27 financial year the Council would be back on track in the audit cycle in having one year's accounts per year to prepare.

A question was asked with regard to the onboarding time for the new External Auditor, Ernst and Young. It was queried whether the onboarding period could have been reduced by all Members' filing in compliance forms more promptly and whether this would have made an impact on having the auditors in time for the 2023-24 Accounts backstop date. Members were reassured that the time taken for submission of compliance forms made no substantial difference to the length of the onboarding period and that the

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External Auditor onboarding was completed within a normal time for this process. It was commented that the Council was in an unusual position in that it had no External Auditor for a number of months and during the period of the 2023-24 backstop date but the onboarding process could not have been expedited further.

RESOLVED that

- 1) The Committee note that the 2023/24 Accounts public consultation period finished on 3 March 2025.**
- 2) The Committee note the position in relation to the delivery of the 2024/25 Accounts and the auditing of the 2023/24 Accounts.**
- 3) The Committee note the position in regard to other financial indicators set out in this report.**
- 4) The current position with the Council's new External Auditor, Ernst and Young, be noted.**
- 5) The introduction of a Financial Stability Plan following the successful delivery of the Financial Improvement Plan be noted.**

14. FINANCIAL SAVINGS MONITORING REPORT

The Committee received a report on financial savings monitoring. The Quarter 4 outturn position for 2024-25 was a £4,000 underspend on full year revenue budget of £10.8 million. This was a change from the position at quarter 3 where estimated a revenue overspend of £138,000 on the full year budget.

The departmental savings items were presented. In terms of position at year end of 2023-24, two departmental savings items remained amber (indicating risk to delivery). This related to establishment (service) reviews, where it was found that the spending on establishment salaries and Agency was above budgeted figures and as such there remained a significant risk. The second item related to the Capacity Grid project, recouping old Council Tax and Business Rates debt, which was nearing the end of its allocated time. There was a surplus in the collection fund of £1.004m, of which £0.125m related to Redditch Borough Council.

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The red risk savings item in relation to finance establishment would not be delivered due to the need to bring in additional resource to concentrate on completing all accounts up to the 2023/24 financial year. This task was completed in January 2025 and it was anticipated that through 2025-26 the Council would move back to the correct establishment in the finance department.

The 2024-25 savings position was presented in Appendix A. It was highlighted that the vast majority of savings items linked to increases in grant, agreed increases in tax or items no longer to be delivered until future financial years. The largest savings in recent years was on pension cost which linked to the 2023 triennial revaluation with revised figures up to the end of this financial year. Initial advice from actuaries indicated that these figures would not change in the next revaluation.

The Portfolio Holder for Finance addressed the Committee, noting he was pleased to see the 2024-25 budget delivered without overspend for the first time in many years. The Portfolio Holder explained that there had been significant work to ensure working practices were embedded that allowed the finance team to respond to emerging risks and undertake in-year adjustments where necessary to ensure savings were being delivered.

A Member asked for clarification in relation to reported variations in departmental spending relating to ICT overspend of £25,000 due to telephone costs (in Business Transformation and Organisational Development) and the £31,000 overspend in Democratic Services due to additional Shared Service costs charged to the Council. The Deputy Chief Executive and Chief Finance Officer responded that in relation to shared service item officers were looking to improve clarity in terms of recharges process between the two shared service authorities (Redditch Borough Council and Bromsgrove District Council), which aimed to provide a clearer explanation of how this was calculated. In relation to the ICT overspend on telephone costs, officers undertook to obtain further information and report back to Members.

The Vice-Chair queried the additional £50,000 spending with Wychavon District Council on the provision of car park civil enforcement function. Members requested more detail on the enforcement work currently being undertaken by Wychavon District Council within the Borough as it was commented that elected members had been receiving numerous complaints from residents

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about parking enforcement issues. Officers undertook to contact Wychavon District Council and provide a response to Members.

In relation to the Town Hall hub development, Members were advised that the Council had not secured the Department of Work and Pensions (DWP) as a tenant as previously planned. The Council was in the process of approaching other public sector organisations. The works on lower ground floor would be minimised until a tenant had been found for this space, to ensure the space was tailored to their requirements. In response to a question, it was stated that the DWP's decision not to move into the Town Hall was unrelated to devolution and local government reorganisation.

The rest of the Town Hall hub project had been progressing as planned and was at the RIBA 4 technical design stage at present. A question was asked with regard to what contingency was in place if tenants could not be secured. It was responded that the hub redevelopment would allow the Council's customer service centre to move back to the Town Hall, and the additional office space capacity would in any case allow other Council assets such as the Greenlands Business Centre and the Oakenshaw Community Centre to be released for other purposes. The Portfolio Holder for Finance added that the risk of not securing tenants was being actively minimised.

It was noted that going forward, savings monitoring would be reported as part of the quarterly finance and performance monitoring reports, to be considered by the Executive Committee and scrutinised by the Budget Scrutiny Working Group rather than through the Audit, Governance and Standards Committee. This was proposed as it was felt to be more closely aligned with the terms of reference of the respective committees / working groups. Members noted this approach.

RESOLVED that

the outturn position on the 2024-25 Departmental Savings Programme be noted, including any potential implications for future years.

15. RISK MANAGEMENT REPORT (Q1 2025-26)

The Deputy Chief Executive and Chief Finance Officer introduced the Risk Management report and in doing so highlighted that the format of this report had been simplified to highlight the corporate

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and departmental risk profiles and show risk matrix before and after mitigation for each corporate risk.

The latest Corporate Risk Management Officer Group (CRMOG) meeting notes were provided, and it was explained that this officer group met every three months and/or additionally when a new risk was identified or a risk rating had fundamentally changed. Members requested that the format of the CRMOG notes presented in this report be updated so that context and background information be provided on each risk including the risk rating.

It was highlighted that there were 47 departmental risks of which 1 risk relating to revenues was red.

The Council's insurance team was commended for their successful effort to insure the Council for the right assets, including appropriate premiums and excesses. It was highlighted that through this work £250,000 saving was delivered across shared service councils (Redditch and Bromsgrove Councils).

Following the report presentation, it was asked whether the corporate risk of Bromsgrove District Council being placed into special measures due to quality of planning application decisions could have negative implications for Redditch. The Deputy Chief Executive and Chief Finance Officer responded that in his view this would have no impact on Redditch as this risk applied to Bromsgrove as a sovereign council making decisions on its planning applications and did not relate to the shared service functions arrangements with Redditch Borough Council.

RESOLVED that

the present list of Corporate and Departmental risks be noted.

16. ANNUAL APPOINTMENT OF RISK CHAMPION

Councillor Rita Rogers was nominated to the position of Risk Champion for the 2025/26 municipal year. The nomination was moved, seconded and put to the vote and it was

RESOLVED that

Councillor Rita Rogers be appointed as the Council's Risk Champion in the 2025/26 municipal year.

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17. COMMITTEE WORK PROGRAMME

The Committee discussed the meeting cycle for 2025/26 and it was agreed that six meetings would be retained for this municipal year. To achieve six meetings, there would likely be additional meeting dates scheduled for September 2025 and February 2026 to consider the external audit reports for the Council's 2023/24 and 2024/25 Statements of Accounts respectively, which would include Value for Money reports. The precise dates of these meetings would be confirmed in due course.

The report on Annual Governance Statement for 2024/25 was requested for addition to the work programme for consideration at the October meeting of the Committee.

A request was made that the start time of Audit, Governance and Standards Committee meetings be moved from 7.00pm to 6.30pm for 2025/26. This was agreed by the Committee.

RESOLVED that

- 1) The Committee continues to hold six meetings per municipal year in 2025/26.**
- 2) That the start time of Audit, Governance and Standards Committee meetings be moved to 6.30pm for 2025/26.**
- 3) That Annual Governance Statement 2024/25 report be added to the work programme for the October meeting of the Committee.**

The Meeting commenced at 6.59 pm
and closed at 8.54 pm

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REDDITCH BOROUGH COUNCIL**Audit, Governance
& Standards Committee****23rd October 2025****MONITORING OFFICER'S REPORT**

Relevant Portfolio Holder	Councillor Jane Spilsbury
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Report Author Claire Felton	Job Title: Assistant Director Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	An Effective and Sustainable Council
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Audit, Governance and Standards Committee is asked to RESOLVE that:-

- 1) subject to Members' comments, the report be noted.**

2. BACKGROUND

- 2.1 This report sets out the position in relation to key standards regime matters which are of relevance to the Audit, Governance and Standards Committee since the last update provided at the meeting of the Committee in July 2025.
- 2.2 It has been proposed that a report of this nature be presented to the Committee on a quarterly basis to ensure that Members are kept updated with any relevant standards matters.
- 2.3 Any further updates arising after publication of this report, including any relevant standards issues raised by Parish Councils, will be reported on orally by Officers at the meeting.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications arising out of this report.

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4. LEGAL IMPLICATIONS

- 4.1 Chapter 7 of Part 1 of the Localism Act 2011 ('the Act') places a requirement on authorities to promote and maintain high standards of conduct by Members and co-opted (with voting rights) Members of an authority. The Act also requires the authority to have in place arrangements under which allegations that either a District or Parish Councillor has breached his or her Code of Conduct can be investigated, together with arrangements under which decisions on such allegations can be made.

5. STRATEGIC PURPOSES - IMPLICATIONS**Relevant Strategic Purpose**

- 5.1 It is important to ensure that the Council manages standards regime matters in an appropriate manner. The issues detailed in this report help to ensure that there is an effective and sustainable Council.

Climate Change Implications

- 5.2 There are no specific climate change implications.

6. OTHER IMPLICATIONS**Equalities and Diversity Implications**

- 6.1 There are no direct implications arising out of this report. Details of the Council's arrangements for managing standards complaints under the Localism Act 2011 are available on the Council's website and from the Monitoring Officer on request.

Operational Implications**Member Complaints**

- 6.2 Since the last report to the Committee, the Monitoring Officer has received one complaint from a member of the public against three councillors – this complaint is currently at the initial assessment stage.

REDDITCH BOROUGH COUNCIL**Audit, Governance
& Standards Committee****23rd October 2025**

One further complaint was received from a member of the public against a councillor. This complaint was assessed and found not to be a code of conduct matter.

Member Support Steering Group

- 6.3 The Member Support Steering Group (MSSG) is responsible for reviewing Member training, induction and ICT support. A meeting took place on 23 July where mandatory cyber security training, modern.gov training, lifeline dongles, and May 2026 Members Induction including the 'Hitting the Ground Running' session were discussed.
- 6.4 A further meeting took place on 7 October 2025 at which further discussion of arrangements for May 2026 Members Induction and training pack for 2026-27 took place.

Constitutional Review Working Party

- 6.5 The Constitutional Review Working Party (CRWP) is responsible for reviewing the Council's constitution and makes recommendations to full Council regarding any proposed changes to the content of the constitution. The next meeting of CRWP is due to take place on 29 October 2025.

Member Training

- 6.6 Since the last meeting of the Committee, additional member briefings and engagement sessions on local government reorganisation (LGR) have been taking place. These briefings and engagement on LGR will continue to be provided in the run up to the Extraordinary Council meeting on LGR on 17 November 2025. The 28 November 2025 is a final date for when proposal for LGR within Worcestershire must be submitted on behalf of all seven Worcestershire councils.

7. RISK MANAGEMENT

- 7.1 The main risks associated with the details included in this report are:
- Risk of challenge to Council decisions; and
 - Risk of complaints about elected Members.

**Audit, Governance
& Standards Committee**

23rd October 2025

8. APPENDICES and BACKGROUND PAPERS

No appendices.

Background Papers: Chapter 7 of the Localism Act 2011.

**Audit, Governance and
Standards Committee****23 October 2025****Annual Statistics from the Local Government & Social Care Ombudsman**

Relevant Portfolio Holder	Councillor Jane Spilsbury - Portfolio Holder for Performance, Engagement and Governance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton Assistant Director for Legal, Democratic and Procurement Services
Report Author Nicola Cummings	Job Title: Principal Solicitor Contact email: Nicola.cummings@bromsgroveandredditch.gov.uk Contact Tel: 01527 881613
Wards affected	All
Ward Councillor(s) consulted	n/a
Relevant Strategic Purpose(s)	Sustainability
Key Decision / Non-Key Decision	n/a
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Committee RESOLVE that, subject to Members' comments, the report be noted.

2. BACKGROUND

2.1 The purpose of this report is to inform the committee of the annual summary of complaint statistics issued by the Local Government and Social Care Ombudsman ("LGSCO") for the period ending 31st March 2025.

2.2 The usual way this information is delivered to Councils is in an annual letter issued by the LGSCO in September each year. However, this year the LGSCO has decided to change the system. Instead of issuing an annual review letter in September setting out the statistics, a two stage approach will now be used:-

- (i) In May each year the LGSCO will finalise the annual statistics for the year ended 31st March and will forward this information to Councils and publish it on the LGSCO

Audit, Governance and Standards Committee

23 October 2025

website. This will apply to all Councils in England and Wales.

- (ii) In July each year certain Councils (but not all) will receive an annual letter. The LGSCO has stated that “this will apply where there is exceptional practice or where we have concerns about an organisation’s complaint handling”.

3. OPERATIONAL ISSUES

- 3.1 Officers can confirm that Redditch Borough Council (RBC) did not receive an annual letter as outlined in paragraph 2.2 (ii). Accordingly, this report sets out for Members a breakdown of the annual statistics and Members are referred to the following Appendices:-

- Appendix 1 – Annual letter dated 21st May 2025
- Appendix 2 – Annual Statistics

- 3.2 For the period ending on 31 March 2025, the statistics for RBC as collated and published by the LGSCO were recorded as follows:-

Number of Complaints Received – 14

Housing	13
Other	1

Number of Complaints Decided - 14

Housing	13
Other	1

- 3.3 Of these 14 decided cases, there was only one case where the LGSCO upheld the complaint and found the Council to be at fault. This was in the category of housing and related to a decision made under the housing allocations policy. Specifically, new evidence came to light in a complex housing case which led to a previous decision to award the status of homelessness to the complainant being overturned. Whilst the investigation did not criticise the decision making, the Council was found to be at fault for not having offered the complainant the right to appeal when the original homelessness decision was reversed. The remedy was for the Council to offer the complainant the option to appeal.

Audit, Governance and Standards Committee

23 October 2025

3.4 The outcome of this complaint was recorded as “Upheld – fault and injury”. As set out above, the remedy was to provide the option of an appeal and there was no separate requirement for the payment of any compensation.

3.5 In relation to the other 13 complaints the recorded outcomes were as follows:-

Outcome	Number	Explanation
Closed after initial inquiries	2	Complaint assessed but LGSCO decided not to investigate it.
Advice given	7	Early advice given by LGSCO or customer directed to appropriate service.
Referred back for local resolution	3	Premature complaint; referred back to Council for resolution.
Incomplete/ Invalid	1	Insufficient information to proceed.

3.6 Guidance issued by the LGSCO provides that where findings of maladministration/fault with regard to routine mistakes and service failures occur and the authority has agreed to remedy the complaints by implementing the recommendations made following the investigation, the duty to report to members is satisfactorily discharged if the Monitoring Officer makes a periodic report to members summarising the findings on upheld complaints over a specific period. In a small authority this may be adequately addressed through an annual report.

3.7 Only where an investigation has wider implications for council policy or exposes a more significant finding of maladministration, perhaps because of the scale of fault or injustice, or the number of people affected, the LGSCO would expect the Monitoring Officer to consider whether the implications of that investigation should be individually reported to members.

3.8 Other relevant factors which impact on the levels of complaints are provision of a high standard of customer service and good complaint handling. Members will be aware that an updated compliant handling system was introduced in September 2024. The LGSCO guidance on complaint handling was taken into consideration by officers when the new system was designed.

Audit, Governance and Standards Committee

23 October 2025

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications as a result of this report.

5. LEGAL IMPLICATIONS

- 5.1 The Local Government Ombudsman powers are contained in the Local Government Act 1974 as amended by the Local Government and Public Involvement in Health Act 2007.
- 5.2 The main activity of the LGSCO is the investigation of complaints, which are limited to complaints from members of the public.

6. OTHER - IMPLICATIONS

Local Government Reorganisation

- 6.1 Not applicable.

Relevant Council Priority

- 6.2 An Effective and Sustainable Council.

Climate Change Implications

- 6.3 Not applicable.

Equalities and Diversity Implications

- 6.4 In terms of customer implications, providing good customer service is of significant importance to the Council and the statistics in the review will assist officers in the monitoring of complaint handling and resolution.

7. RISK MANAGEMENT

- 7.1 The main risks associated with the details included in this report are those linked to poor standards of complaint handling. The effects of not handling complaints efficiently can include poor customer service, increased customer dissatisfaction, increased numbers of complaints and damage to the Council's reputation.

Audit, Governance and Standards Committee

23 October 2025

- 7.2 These risks are being managed through the Council's Customer services strategy which aims to promote good customer service throughout the Council and includes a defined procedure for responding to complaints before they reach the stage of being referred to the Ombudsman.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Annual Letter dated 21st May 2025

Appendix 2 - Annual summary of complaint statistics 2024 to 2025

Link to view annual statistics on the LGSCO website:

[Redditch Borough Council - Local Government and Social Care Ombudsman](#)

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Jane Spilsbury	10/10/2025
Lead Director / Head of Service	Claire Felton – Assistant Director for Legal, Democratic and Procurement Services	10/10/2025
Financial Services	Deb Goodall - Assistant Director - Finance and Customer Services	09/10/2025
Legal Services	Nicola Cummings – Principal Solicitor	06/10/2025
Policy Team (if equalities implications apply)	n/a	
Climate Change Officer (if climate change implications apply)	n/a	

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Local Government & Social Care OMBUDSMAN

21 May 2025

By email

Mr Leach
Chief Executive
Redditch Borough Council

Dear Mr Leach

Annual Review letter 2024-25

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2025. The information offers valuable insight about your organisation's approach to complaints, and I know you will consider it as part of your corporate governance processes. We have listened to your feedback, and I am pleased to be able to share your annual statistics earlier in the year to better fit with local reporting cycles. I hope this proves helpful to you.

[Your annual statistics are available here.](#)

In addition, you can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

In a change to our approach, we will write to organisations in July where there is exceptional practice or where we have concerns about an organisation's complaint handling. Not all organisations will get a letter. If you do receive a letter it will be sent in advance of its publication on our website on 16 July 2025, alongside our annual Review of Local Government Complaints.

Supporting complaint and service improvement

In February we published [good practice guides](#) to support councils to adopt our [Complaint Handling Code](#). The guides were developed in consultation with councils that have been piloting the Code and are based on the real-life, front-line experience of people handling complaints day-to-day, including their experience of reporting to senior leaders and elected members. The guides were issued alongside free [training resources](#) organisations can use to make sure front-line staff understand what to do when someone raises a complaint. We will be applying the Code in our casework from April 2026 and we know a large number of councils have already adopted it into their local policies with positive results.

This year we relaunched our popular [complaint handling training](#) programme. The training is now more interactive than ever, providing delegates with an opportunity to consider a complaint from receipt to resolution. Early feedback has been extremely positive with delegates reporting an increase in confidence in handling complaints after completing the training. To find out more contact training@lgo.org.uk.

Yours sincerely,

Amerdeep Somal
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

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Annual Summary of Complaint Statistics 2024 to 2025 (Redditch Borough Council)

Received by Ombudsman:

Reference	Authority	Category	Subcategory	Received
23007863	Redditch Borough Council	Housing	Allocations	03/04/2024
23014584	Redditch Borough Council	Housing	Managing council tenancies	29/04/2024
23019238	Redditch Borough Council	Housing	Managing council tenancies	07/07/2024
24001435	Redditch Borough Council	Housing	Managing council tenancies	21/05/2024
24001517	Redditch Borough Council	Housing	Domestic Abuse	28/05/2024
24004903	Redditch Borough Council	Other	Non-local government	22/07/2024
24009391	Redditch Borough Council	Housing	Managing council tenancies	04/09/2024
24009515	Redditch Borough Council	Housing	Homelessness	05/09/2024
24009971	Redditch Borough Council	Housing	Allocations	11/09/2024
24011342	Redditch Borough Council	Housing	Housing-other	30/09/2024
24011819	Redditch Borough Council	Housing	Housing-other	07/10/2024
24016141	Redditch Borough Council	Housing	NULL	12/12/2024
24019328	Redditch Borough Council	Housing	Managing council tenancies	18/03/2025
24021171	Redditch Borough Council	Housing	Domestic Abuse	06/03/2025

Decided by Ombudsman:

Reference	Authority	Category	Subcategory	Decided	Decision	Decision Reason	Remedy
23007863	Redditch Borough Council	Housing	Allocations	30/07/2024	Upheld	fault & inj	Provide information/advice to person affected
23014584	Redditch Borough Council	Housing	Managing council tenancies	29/04/2024	Advice given	Signpost - go to complaint handling	
23019238	Redditch Borough Council	Housing	Managing council tenancies	28/08/2024	Closed after initial enquiries	Sch 5.5A/5.5B Social housing landlord	
24001435	Redditch Borough Council	Housing	Managing council tenancies	21/05/2024	Advice given	Signpost - go to complaint handling	
24001517	Redditch Borough Council	Housing	Domestic Abuse	28/05/2024	Referred back for local resolution	Premature Decision - advice given	
24004903	Redditch Borough Council	Other	Non-local government	22/07/2024	Advice given	Signpost - go to complaint handling	
24009391	Redditch Borough Council	Housing	Managing council tenancies	04/09/2024	Advice given	Signpost - go to complaint handling	
24009515	Redditch Borough Council	Housing	Homelessness	05/09/2024	Referred back for local resolution	Premature Decision - advice given	
24009971	Redditch Borough Council	Housing	Allocations	11/09/2024	Incomplete/Invalid	Insufficient information to proceed and PA advised	

24011342	Redditch Borough Council	Housing	Housing-other	03/10/2024	Closed after initial enquiries	Not warranted by alleged fault	
24011819	Redditch Borough Council	Housing	Housing-other	07/10/2024	Advice given	Signpost - go to complaint handling	
24016141	Redditch Borough Council	Housing	NULL	12/12/2024	Advice given	Signpost - go to complaint handling	
24019328	Redditch Borough Council	Housing	Managing council tenancies	18/03/2025	Advice given	Signpost - go to complaint handling	
24021171	Redditch Borough Council	Housing	Domestic Abuse	06/03/2025	Referred back for local resolution	Premature Decision - advice given	

Compliance with Ombudsman Decision:

Reference	Authority	Category	Subcategory	Decided	Remedy	Remedy Target Date	Remedy Achieved Date	Satisfaction with Compliance
23007863	Redditch Borough Council	Housing	Allocations	29/07/2024	Provide information /advice to person affected	30/08/2024	01/08/2024	Remedy complete and satisfied

Explanatory notes	
A new column has been added to the received, decided and compliance outcome sheets, detailing the primary subcategory recorded on the case (the main subject of the complaint).	
Cases received	
Cases with a recorded received date between 1 April 2024 and 31 March 2025. Status as of 3 April 2025.	
Cases decided	
Cases with a recorded decision date between 1 April 2024 and 31 March 2025. Status as of 3 April 2025.	
Please note that some cases may have been reopened since that date, with either a decision outcome pending or a new decision outcome recorded.	
Service improvement recommendations are no longer included in this workbook. Councils can view them on the online map here: https://www.lgo.org.uk/your-councils-performance	
We report our decisions by the following outcomes:	
Invalid or incomplete: We were not given enough information to consider the issue.	These decision outcomes are included in the number of cases reported as not for us / not ready for us in the complaints overview section on the online map.
Advice given: We provided early advice or explained where to go for the right help.	
Referred back for local resolution: We found the complaint was brought to us too early because the organisation involved was not given the chance to consider it first.	
Closed after initial enquiries: We assessed the complaint but decided against completing an investigation. This might be because the law says we're not allowed to investigate it, or because it would not be an effective use of public funds if we did.	This decision outcome is included in the number of cases reported as assessed and closed in the complaints overview section on the online map.
Upheld: We completed an investigation and found evidence of fault, or the organisation provided a suitable remedy early on.	These decision outcomes are included in the number of cases reported as investigated in the complaints overview section on the online map.
Not upheld: We completed an investigation but did not find evidence of fault.	
The following decision reasons are satisfactory remedy decisions , i.e. upheld cases where we were satisfied the authority had already provided a suitable remedy to resolve the complaint:	These decision reasons are included in the number of cases reported as satisfactory remedies provided by the council on the online map.
<i>Upheld - Injustice remedied during organisations complaint processes</i>	
<i>Upheld - fault & inj - no further action organisation already remedied</i>	
Compliance outcomes	
Cases with a recorded remedy achieved date between 1 April 2024 and 31 March 2025. Status as of 23 April 2025. The relevant date is the date of compliance with the recommendations (for example, the date on an apology letter) rather than the date the evidence is provided to us. If we were notified after 23 April 2025 of a remedy achieved before 31 March 2025, this will not be included here.	
Some cases may be marked as 'Remedy completed late' even when the remedy achieved date is before the remedy target date. This happens because the target date covers all remedies (service improvements and personal remedies). As service improvements often have a longer timescale for completion, we will mark a case as 'completed late' where this longer timescale is met, but the personal remedy was provided late.	

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Redditch Borough Council

Audit status report

Year ended 31 March 2024

15 October 2025



Shape the future
with confidence



The better the question. The better the answer. The better the world works.



Audit, Governance and Standards Committee
Redditch Borough Council
Town Hall
Walter Stranz Square
Redditch
B98 8AH

15 October 2025

Dear Audit, Governance and Standards Committee Members,

2023/24 Audit Update report

We are pleased to attach our audit update report, summarising the status of our audit for the forthcoming meeting of the Audit, Governance and Standards Committee. We will update the Audit, Governance and Standards Committee at its meeting scheduled for 23 October 2025 on further progress to that date and explain the remaining steps to the issue of our final opinion.

The audit is designed to express an opinion on the 2023/24 financial statements and address current statutory and regulatory requirements. This report contains our update on the 2023/24 audit of Redditch Borough Council (the 'Council').

This report considers the impact of Government proposals, which have now been enacted through secondary legislation, to clear the backlog in local audit and put the local audit system on a sustainable footing. The proposals recognise that timely, high-quality financial reporting and audit of local bodies is a vital part of our democratic system. Not only does it support good decision making by local bodies, by enabling them to plan effectively, make informed decisions and manage their services, it ensures transparency and accountability to local taxpayers. All stakeholders have a critical role to play in addressing the audit backlog.

The Audit, Governance and Standards Committee, as the (Council's) body charged with governance, has an essential role in ensuring that it has assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support the delivery of a timely and efficient audit. We will consider and report on the adequacy of the Council's external financial reporting arrangements and the effectiveness of the Audit, Governance and Standards committee in fulfilling its role in those arrangements as part of our assessment of Value for Money arrangements and consider the use of other statutory reporting powers to draw attention to weaknesses in those arrangements where we consider it necessary to do so. We draw Audit Committee members' and officers' attention to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) which clearly sets out what is expected of audited bodies in preparing their financial statements.

This report is intended solely for the information and use of the Audit, Governance and Standards Committee, and management, and is not intended to be and should not be used by anyone other than these specified parties.

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting on 23 October 2025.

Yours faithfully

Hayley Clark

Partner

For and on behalf of Ernst & Young LLP

Enc



01 Audit status

Public Sector Audit Appointments Ltd (PSAA) issued the "Statement of responsibilities of auditors and audited bodies". It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>). The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The "Terms of Appointment and further guidance (updated July 2021)" issued by the PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code), and in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Audit, Governance and Standards Committee and management of Redditch Borough Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Audit, Governance and Standards Committee and management of Redditch Borough Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit, Governance and Standards Committee and management of Redditch Borough Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

Audit status

Context for the audit - Measures to address local audit delays

Timely, high-quality financial reporting and audit of local bodies is a vital part of the democratic system. It supports good decision making by local bodies and ensures transparency and accountability to local taxpayers. There is general agreement that the backlog in the publication of audited financial statements by local bodies has grown to an unacceptable level and there is a clear recognition that all stakeholders in the sector need to work together to address this. Reasons for the backlog across the system have been widely reported and include:

- lack of capacity within the local authority financial accounting profession;
- increased complexity of reporting requirements within the sector;
- a lack of auditors and audit firms with public sector experience; and
- increased regulatory pressure on auditors, which in turn has increased the scope and extent of audit procedures performed.

Ministry of Housing, Communities and Local Government (MHCLG) has worked collaboratively with the Financial Reporting Council (FRC) and other system partners, to develop and implement measures to clear the backlog. The approach to addressing the backlog consists of three phases:

- Phase 1: Reset involving clearing the backlog of historic audit opinions up to and including financial year 2022/23 by 13 December 2024. This has now been delivered.
- Phase 2: Recovery from Phase 1, starting from 2023/24, in a way that does not cause a recurrence of the backlog by using backstop dates to allow assurance to be rebuilt over multiple audit cycles. The backstop date for audit of the 2023/24 financial statements was 28 February 2025. The backstop date for audit of the 2024/25 financial statements is 27 February 2026. This process of rebuilding assurance will take several years to achieve. The National Audit Office (NAO), supported by the MHCLG and the FRC, are responsible for issuing guidance and have been liaising with audit firms to understand the complexities involved and to seek to ensure a more consistent approach for restoring assurance for disclaimed periods. The NAO has now published its Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 setting out considerations for rebuilding assurance following the issue of disclaimed audit opinions under the backstop arrangements. The guidance predominantly focuses on the rebuilding of assurance over reserves, where it is more difficult to obtain assurance because of the way in which they accumulate over successive years. It also continues to recognise that the approach needed to rebuild assurance will differ authority to authority and will need to be considered in the context of both inherent risk factors which all authorities subject to recently disclaimed opinions will share, and factors specific to each individual authority's system of internal control and financial reporting. We will continue to consider the impact of this on our audit approach.
- Phase 3: Reform involving addressing systemic challenges in the system and embedding timely financial reporting and audit.

The Council was not able to meet the deadline for phase 1 of the recovery plan due to delays in the preparation of the financial statements for 2020/21, 2021/22 and 2022/23. Grant Thornton, the auditor for those financial years issued their audit opinions in January 2025 following the preparation of the financial statements and completion of the inspection period for those respective years. All three were disclaimed in accordance with the statutory legislation enacted to implement the 13 December 2024 backstop date to reset and recover local government audit.

The draft statement of accounts for 2023/24 were not published until mid January 2025 with the inspection period ending on 28 February 2025. Due to our appointment as auditor to the Council by PSAA not being until 2024/25, following completion of acceptance and onboarding procedures the audit for 2023/24 did not commence until June 2025.

We have taken into account SI 2024/907 and Local Authority Reset and Recovery Implementation Guidance Notes issued by the National Audit Office and endorsed by the Financial Reporting Council, together with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

As the backstop date has passed we are required to undertake our responsibilities in relation to value for money and also undertake procedures to enable us to issue a disclaimed audit opinion on the financial statements.

Audit status (continued)

Status of the 2023/24 audit

Auditing standards require auditors to perform certain procedures irrespective of the form of opinion. We commenced these procedures in June 2025 and requested information from management for this purpose. However, resources were focused towards meeting the 30 June deadline for publishing the 2024/25 draft statement of accounts. We rescheduled our available resources to July and August; however, further challenges were met, including annual leave and delays in the provision of requested information. In addition, whilst performing our audit procedures we have identified matters requiring further investigation relevant but not limited to VAT, capital budgeting, compliance with laws and regulations and Value for Money which has led to further information requests from management.

We have collaborated with management to support the audit process through weekly catch-ups, further reallocation of our experienced resources, incorporating further flexibility in the audit team's working hours, on-site visits, and redefining our information requests to focus solely on compulsory required procedures. Whilst we have sought to reschedule resources across the summer, further delays and uncertainty in the receipt of information has meant that we have exhausted the available resource and have had to pause the audit until we have a clear delivery timeline from management and have available resources to recommence.

We understand that the Council has not been subject to audit for a number of years and has had a number of capacity challenges and changes in personnel. However, it is important that the Council evaluates its preparedness for audit to ensure resources can be deployed efficiently and effectively to support us in conducting and completing the audit within the required timescales.

It is now highly unlikely that we will have available resource to recommence the audit of the 2023/24 financial statements until the 2024/25 planned audit period. As such, there will be an impact on the delivery of the 2024/25 audit.

We will continue to work with management on the timeline and implications for each audit. We understand that management is in process of strengthening their team through a number of appointments. This includes a Chief Accountant (who has joined in week commencing 22 September 2025) to provide further support with the audit process, increasing the capacity of the team.

We have recently received some of the outstanding queries from management, which will be reviewed when the audit recommences. Below are the key information requests that remain outstanding:

Area	Summary of work Performed and pending information
Public correspondence	Following the receipt of information from an anonymous source, we are assessing any audit or value for money considerations and awaiting further information as requested from management to complete our work in this area along with compliance with laws and regulations.
Capital budgeting	Awaiting details from management to review capital budgeting process and understand the reasons for underspent in response to our VFM risk.
VAT	We are pending information from management to complete our work for this area.
Analytical review	We have received the initial information from management, however, our procedures may result in further additional queries to complete our work in this area.

Audit status (continued)

Provisional audit risks

The following 'dashboard' summarises the significant accounting and auditing matters identified as part of our planning work. It seeks to provide Those Charged with Governance with an overview of our initial risk identification for the year.

Audit risks and areas of focus

Risk/area of focus	Risk identified	Details
Management Override: Misstatement due to fraud or error	Fraud risk	There is a risk that the financial statements as a whole are not free from material misstatement whether caused by fraud or error. We perform mandatory procedures regardless of specifically identified fraud risks.
Risk of fraud in revenue and expenditure recognition	Fraud risk	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. We consider the risk to be relevant to those significant revenue streams other than taxation receipts and grant income, where management has more opportunity to manipulate the period in which the income is reported. Specifically, our risk is focused on the occurrence of income, where management may have overstated income in the current financial year. This is likely to occur around the end of the financial year (i.e. bringing forward income from the subsequent year) and would also lead to an overstatement of Debtors therefore we associate this risk to that balance too. In the public sector, the requirement of ISA 240 is also modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition. We assess that this risk manifests itself in the understatement of expenditure (completeness of expenditure and associated accruals balances) in order to manage the Council's financial position. We consider this risk does not apply to payroll. This could also extend to non-recognition of required provisions.
Valuation for Pension assets / liabilities and disclosures	Inherent risk	The Local Authority Accounting Code of Practice and IAS19 require the Council to make disclosures within its financial statements regarding its membership of the Local Government Pension Scheme. Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. ISAs (UK) 500 and 540 require us to undertake procedures on the use of management experts and the assumptions underlying fair value estimates for scheme assets.
Valuation of property, plant and equipment	Inherent risk	PPE represent significant balances in the Council's financial statements and are subject to valuation on a periodic basis. Management is required to make material judgemental inputs and apply estimation techniques to calculate the year end balances recorded in the balance sheet. We will specifically focus on assets where a higher degree of estimation uncertainty exists: ➤ Depreciated Replacement Cost (specialised operational assets for which an active market does not exist); ➤ Fair Value (surplus assets valued at the price that would be received to sell an asset); and ➤ Existing Use Value (operational assets for which there is an active market to provide comparable evidence). The Council engages external property valuation specialists to determine asset valuations and small changes in assumptions when valuing these assets can have a material impact on the financial statements.

Audit status (continued)

The Authority's responsibility for Value for Money (VfM)

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Authority tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the NAO Code of Audit Practice. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment and status of our work

We are required to consider whether the Council has made 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

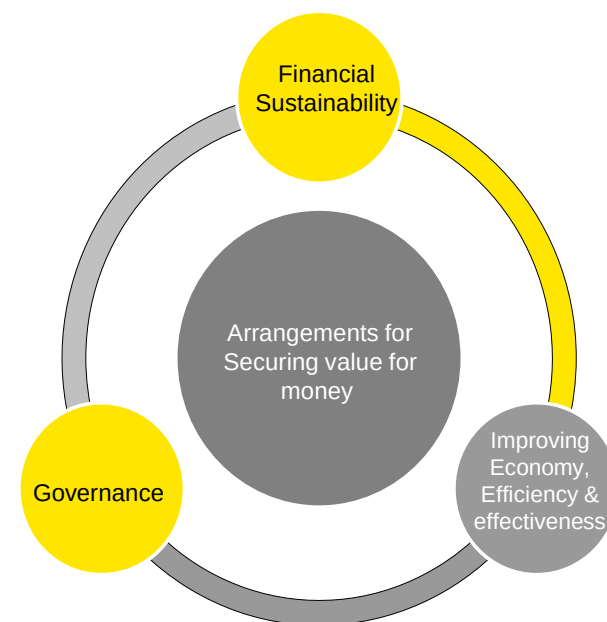
Our value for money planning and the associated risk assessment is focused on gathering sufficient evidence to enable us to document our evaluation of the Council's arrangements, to enable us to draft a commentary under three reporting criteria (see below). This includes identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations.

We will provide a commentary on the Council arrangements against three reporting criteria:

- Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services;
- Governance - How the Council ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our risk assessment and detailed VfM work remains in progress. As such, we will report our final risk assessment and findings to a further meeting of the committee.

Given that we are assessing the arrangements in place for the financial year 31 March 2024 and the delay in publication of the financial statements, it is highly likely that previous significant weaknesses and statutory recommendations raised by Grant Thornton will be continued to be reported.



Audit status (continued)

Risk of significant weakness in VFM arrangements

What is the risk of significant weakness?	What arrangements does this impact?
Section 24 Recommendation – The predecessor auditor issued a S24 recommendation in relation to its financial systems and governance arrangements. Due to flawed ERP implementation, the entity was not able to produce statement of accounts on a timely basis for 2020/21, 2021/22 and 2022/23. Though progress was made subsequently to produce the outstanding set of accounts, the predecessor auditor highlighted that they experienced significant difficulties in obtaining sufficient appropriate evidence to support the work on data transfer to enable them to commence their audit work. This impacted the general ledger data being used for multiple reports including but not limited to Council's medium term financial strategy. The recommendation remained outstanding for 2022/23 period and the Council was also not able to meet the backstop date for 2023/24 period. We have created a risk of significant weakness for 2023/24 in this respect.	Financial sustainability and Governance
During our review of CIFPA financial resilience index analysis, we noted that the council has a low level of reserves in relation to its peers and also per the type of authority. Lower income levels as well as reliance on debt to finance operations can impact the financial sustainability.	Financial sustainability
A significant weakness was reported by the predecessor auditor on the Council's organizational capacity concerning high staff turnover and a high number of the Council's positions being filled through interim / temporary arrangements leading to a loss of corporate knowledge and history, impacting the finance team and audit processes.	Governance
The partner in charge of the audit received correspondence from a member of the public concerning governance arrangements at the Council. We are considering the information and identifying if there are any risks of significant weakness, or actual significant weaknesses in the Council's arrangements.	Governance
The challenges with the finance system implementation has meant that the Council was unable to submit VAT returns since 1 st April 2021 highlighting potential non-compliance with relevant taxation laws.	Governance
During our risk assessment procedures, we noted that Council has been reporting capital budget underspends which have historically been more than 60% underspent. We are considering the Council's arrangements on capital budget setting procedures and policies and actions taken by the council to reflect on the underspend.	Governance

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ED None

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INTERNAL AUDIT PROGRESS REPORT 2025/26

Relevant Portfolio Holder	Cllr Ian Woodall
Portfolio Holder Consulted	Yes
Relevant Head of Service	Bob Watson, S151 Officer
Report Author: Chris Green	Job Title: Head of Internal Audit Shared Service Worcestershire Internal Audit Shared Service Contact email: chris.green@worcester.gov.uk Contact Tel: 07542 667712
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	Good Governance & Risk Management underpins all the Strategic Purposes.
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATION**1.1 The Audit, Governance and Standards Committee notes the report.****2. BACKGROUND**

2.1 The purpose of this report is to provide an update of Internal Audit's progress towards meeting its objectives in the audit plan for 2025/26 as approved by the Audit and Governance Committee on 24th July 2025.

2.2 The Council has a legal duty to maintain an adequate and effective Internal Audit service. The primary role of Internal Audit is to provide independent assurance that the Council has put in place appropriately designed internal controls to ensure that:

- The Council's assets and interests are safeguarded;
- Reliable records are maintained;
- Council policies, procedures and directives are adhered to; and
- Services are delivered in an efficient, effective and economic manner

- 2.3 The Internal Audit plan for 2025/26 was approved by the Audit, Governance and Standards Committee on 24th July 2025. Progress against delivery of that plan is set out at Appendix 1.
- 2.4 The Global Internal Audit Standards require that any significant changes to the internal audit plan must be approved by the Audit, Governance & Standards Committee. It is also good practice to continually review the audit plan in light of emerging issues, to ensure that the work of internal audit adds maximum value by proactively responding to and aligning its work with the most significant risks facing the organisation. There are no proposed amendments to the internal audit plan at this time.

3. Financial Implications

- 3.1 There are no direct financial implications arising out of this report.

4. Legal Implications

- 4.1 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2024 to “maintain in accordance with proper practices an adequate and effective system of internal audit of its accounting records and of its system of internal control”.

To aid compliance with the regulation, the Internal Audit Standards detail that “Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes”.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 Good governance along with risk management underpin all the Corporate strategic purposes. This report provides an independent assurance over certain aspects of the Council's operations.

Climate Change Implications

- 5.2 There are no climate change implications arising from this report.

6. **OTHER IMPLICATIONS**

Equalities and Diversity Implications

6.1 There are no implications arising out of this report.

Operational Implications

6.2 There are no new operational implications arising from this report.

7. **RISK MANAGEMENT**

The main risks associated with the details included in this report are to:

- Insufficiently complete the planned programme of audit work within the financial year leading to an inability to produce an annual opinion; and,
- Continuous provision of an internal audit service is not maintained.

8. **APPENDICES and BACKGROUND PAPERS**

Appendix 1 ~ Internal Audit Progress Report

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INTERNAL AUDIT PROGRESS REPORT APPENDIX 1

Date: October 2025



1. Background

- 1.1 The Council is responsible for maintaining or procuring an adequate and effective internal audit function under the Accounts and Audit (England) Regulations 2024.
- 1.2 The Global Internal Audit Standards (the Standards) require the Audit, Governance and Standards Committee to scrutinise the performance of Internal Audit and to satisfy itself that it is receiving appropriate assurance that the controls put in place by management address the identified risks to the Council. This report aims to provide the Committee with details on progress made in delivering planned work, the key findings of audit assignments completed since the last Committee meeting, updates on the implementation of actions arising from audit reports and an overview of the performance of the team.

2. Performance

2.1 *Will the Internal Audit Plan be delivered?*

The position at the time of writing this report is as follows:

- 1 assignment is fully completed.
- 2 assignments are at the draft report stage.
- 1 assignment is at the fieldwork completion stage, and a report will be issued shortly.
- 6 assignments are in progress.
- 3 assignments are at the planning stage.
- 5 assignments have not yet been started.

- 2.2 The service is fully resourced. The annual plan was developed later for 2025/26, to allow for the development of an internal audit universe and for a comprehensive review of risk and coverage to be undertaken with the new Deputy Chief Executive. As such, internal audit work has been backloaded for the current financial year. Adequate resources are in place to deliver the remainder of the Plan and the Annual Internal Audit Opinion for 2025/26. All work has been allocated, and delivery will accelerate in the coming months. Progress on individual assignments, including commentary on the results of those which are complete, is set out at pages 7 to 8.

□



2.3 ***Performance Indicators***

The service is implementing a suite of indicators which aim to demonstrate and enhance performance. Each individual member of staff has an agreed target to deliver 90% of their own work plan by the end of March each year. In addition, the following performance indicators have been established, and the results will be included in the annual report for 2025/26:

Description	Narrative	Target
Delivery	% of audit days delivered by Year End	90%
Productivity	% of available time spent on productive audit work	85% Actual YTD: 87%
Effectiveness	% of agreed recommendations implemented by the target date	75%
Customer Satisfaction	% of Post Audit Questionnaires which have rated the service as "Very Good" or "Good"	80%

2.4 ***Based upon recent Internal Audit work, are there any emerging issues that impact upon the Internal Audit opinion of the Council's Control Framework?***

At this stage there are no emerging issues arising from the work of Internal Audit which significantly impact upon the Internal Audit opinion of the Council's Control, Governance and Risk Management framework for 2025/26.

2.5 ***Are clients progressing audit recommendations with appropriate urgency?***

At the time of writing there are 23 outstanding internal audit recommendations, of which 1 High risk recommendation is overdue. The overdue recommendation relates to the provision of assurance that cyber security awareness training has been completed by all Members.

Internal Audit will follow up on this outstanding action again in late 2025.



3. Internal audit opinions and prioritisation of recommendations

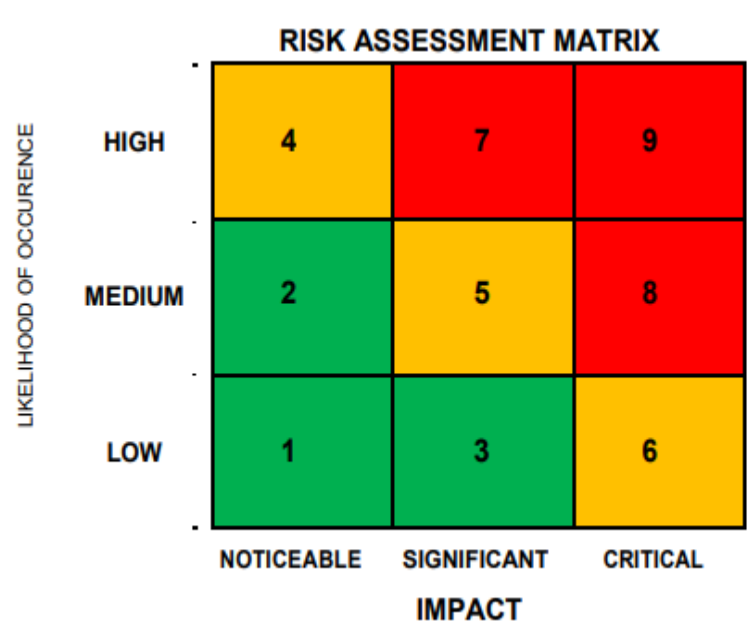
- 3.1 The Auditor's Opinion for each assignment is based on the fieldwork carried out to evaluate the design of the controls upon which management rely and to establish the extent to which controls are being complied with. The table below explains what the opinions mean:

Table 1 – Assurance Categories

Opinion	Definition
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

The prioritisation of recommendations made by Internal Audit is based upon an assessment of the level of risk exposure. The Auditor's Opinion considers the likelihood of corporate/ service objectives not being achieved, and the impact of any failure to achieve objectives. In order that recommendations can be prioritised according to the potential severity of the risk, a traffic light system is used as follows:

Table 2 - Definition of Priority of Recommendations

Risk Level	Definition	Matrix
H (7-9)	Immediate control improvement required. Fundamental control weaknesses that present a significant material risk to the function or system objectives and requires immediate attention by Senior Management.	RISK ASSESSMENT MATRIX  LIKELIHOOD OF OCCURRENCE IMPACT
M (4-6)	To be monitored closely and cost-effective controls sought. Other control weaknesses where there are some controls in place but there are issues with parts of the control that need to be addressed by Management within the area of review.	
L (1-3)	To be reviewed regularly and seek low-cost control improvements. Issues of best practise where some improvement can be made.	



4. Internal Audit delivery

- 4.1 At the time of report writing 116 productive days had been delivered against the full year plan of 308 days. It is anticipated that the objective of hitting 90% of the full year plan by 31st March 2026 will be achieved.

Table 3 - Summary of Days Delivered for 2025/26

Summary of Audit Areas	Plan Budget	Days Delivered as at 30/09/2025
Core Financial Systems	83	30
Corporate Work	67	26
Other systems audits	126	41
Sub total	276	97
Support Budgets including reading, audit management meetings, corporate meetings, annual plans, reports and Audit Committee Support.	32	19
Sub total	32	19
Total Audit Days	308	116

The following table shows the status of each assignment in the annual plan, the budget in days, and the anticipated reporting date. The table is designed to assist members in building up a picture of the assurance being provided during the course of the year.

Table 4 – Summary of Internal Audit progress and findings, year to date

<u>Audit Area</u>	<u>Status</u>	<u>Anticipated Reporting Date</u>	<u>Assurance Rating</u>	<u>Summary of Findings/ Comments</u>
General Ledger	Draft Report issued	November 2025	TBC	
Payroll	Work in Progress	November 2025	TBC	
Treasury Management	Not Yet Started	March 2026		
Contract Management	Work in Progress	January 2026	TBC	
Procurement	Planning	March 2026	TBC	
Use of Grant Monies including Bus Operators Grant Claim	Work in Progress	March 2026	Not Applicable	Certification work is completed as and when required. In July 2025 the Bus Operators Grant Claim was certified for the period ended 31 st March 2025. At the time of writing the claim for the period ended 30 th September 2025 was in the process of being certified.
Creditors/ Accounts Payable	Not Yet Started	February 2026		
Insurance	Planning	December 2025	TBC	

<u>Audit Area</u>	<u>Status</u>	<u>Anticipated Reporting Date</u>	<u>Assurance Rating</u>	<u>Summary of Findings/ Comments</u>
Corporate Health & Safety	Fieldwork completed	November 2025	TBC	
Anti-Fraud, Bribery & Corruption	Not Yet Started	January 2026		
Data Protection/ GDPR	Planning	January 2026		
Local Government Transparency Code	Draft Report issued	November 2025	TBC	
Environmental Impact Assessments	Work in Progress	November 2025	TBC	
Trade Waste	Not Yet Started	March 2026		
Safeguarding	Not Yet Started	February 2026		
Assurance Statements of Internal Control	Completed	Not applicable	Not applicable	This work supports the Council in preparing its Annual Governance Statement.
Food Waste consultancy review	Work in Progress	November 2025	Not applicable – consultancy work	
Follow up of Recommendations	Work in Progress	March 2026	TBC	At the time of writing there are 26 outstanding internal audit recommendations, of which 1 High and 1 Medium risk recommendations are overdue.



5. Limitations inherent in the work of internal audit

Internal Audit undertakes a programme of work agreed by the Council's senior managers and approved by the Audit Committee subject to the limitations outlined below.

Opinion

Each audit assignment undertaken addresses the control objectives agreed with the relevant responsible managers. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of the programme of work, were excluded from the scope of individual internal audit assignments or were not brought to the attention of Internal Audit. As a consequence, the Audit Committee should be aware that the Audit Opinion for each assignment might have differed if the scope of individual assignments was extended or other relevant matters were brought to Internal Audit's attention.

Internal Control

Internal control systems identified during audit assignments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees, management override of controls, and unforeseeable circumstances.

Future Periods

The assessment of each audit area is relevant to the time that the audit was completed. In other words, it is a snapshot of the control environment at that time. This evaluation of effectiveness may not be relevant to future periods due to the risk that:

- The design of controls may become inadequate because of changes in operating environment, law, regulatory requirements or other factors; or
- The degree of compliance with policies and procedures may deteriorate.

Responsibilities of Management and Internal Auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance, and for the prevention or detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

Internal Audit endeavours to plan its work so that there is a reasonable expectation that significant control weaknesses will be detected. If weaknesses are detected, additional work is undertaken to identify any consequent fraud or irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and its work should not be relied upon to disclose all fraud or other irregularities that might exist.

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REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****23 October 2025****ANNUAL GOVERNANCE STATEMENT – 2024/25**

Relevant Portfolio Holder	Councillor Ian Woodall Portfolio Holder for Finance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author: Bob Watson	Job Title: Bob Watson, Deputy Chief Executive and Chief Finance Officer bob.watson@bromsgroveandredditch.gov.uk Contact telephone: 07990 840078
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. SUMMARY OF PROPOSALS

- 1.1 The production of the Annual Governance Statement (AGS) forms part of the annual closure of accounts process. It is not a financial exercise but a corporate overview of the processes and procedures adopted by the Council to manage its affairs.

2. RECOMMENDATIONS

Audit, Governance and Standards Committee are asked to RESOLVE:

- 1) to note the arrangements for compiling, reporting on and signing the Draft Annual Governance Statement;**
- 2) to review and comment on the Draft Annual Governance Statement including any areas which should be considered; and**
- 3) subject to any changes identified, as detailed above, to agree and approve the statement for signature by the Chief Executive and Leader of the Council for inclusion in the statement of accounts.**

3. Background**Introduction**

- 3.1 The preparation of an AGS is necessary to meet the statutory requirements as set out in the Accounts and Audit (England) Regulations 2015. The AGS

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****23 October 2025**

covers the Council's governance arrangements for the 2024/25 reporting year to 31 March 2025. The proposed AGS is attached at Appendix 1.

- 3.2 This report includes the AGS for Audit, Governance and Standards Committee to review, challenge and advise the Leader and Chief Executive upon accordingly.
- 3.3 Internal control and risk management are recognised as important elements of good corporate governance. The scope of governance, as covered in the AGS, spans the whole range of the Council's activities and includes those designed to ensure that:
- The Council's policies are implemented in practice;
 - High quality services are delivered efficiently and effectively;
 - The Council's values and ethical standards are met;
 - Laws and regulations are complied with;
 - Required processes are adhered to;
 - Its financial statements and published information are accurate and reliable; and
 - Human, financial and other resources are managed efficiently and effectively.

Arrangements for compiling the Annual Governance Statement

- 3.4 The Council has established governance arrangements which are consistent with the seven principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework – Delivering Good Governance in Local Government.

Supporting Evidence

- 3.5 Evidence has been compiled to confirm the governance arrangements in operation across the Council for the period concerned. This sets out how the District Council demonstrates compliance with the principles of good governance and highlights where action is needed to address any weaknesses in the Council's governance arrangements.

Internal Audit

- 3.6 Based on the audits performed in accordance with the revised plan, the Head of Internal Audit Shared Service has concluded that the internal control arrangements during 2024/25 effectively managed the principal risks in a number of areas, but not all, and can be reasonably relied upon to ensure that the Council's corporate objectives have been met in the main. However, emerging risks will need to be identified and managed. Close monitoring of remediation measures is set to continue and the need to reduce the overall

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****23 October 2025**

risk and work towards a better and sustainable approach beyond 2024/25 will be critical to create better transparency, expectation, and accountability. This will be necessary to ensure the Borough can continue to manage risk effectively and, ensure the development and deployment of a sound control environment where there is the potential for emerging risk.

External Auditors

- 3.7 Following the completion of the audits up to 31 March 2023 by Grant Thornton, which all received a 'disclaimed opinion', Bishop Fleming were appointed by PSAA as our auditors. They subsequently withdrew from the local authority audit sector. PSAA then appointed Ernst and Young (EY) as external auditors from 1 April 2023 onwards.
- 3.8 The Council is engaging with EY on the audit of the 2023/24 and 2024/25 accounts.

Internal Control and Governance Self-Assessment

- 3.9 Internal Audit issued each Service Area with the Internal Control Assurance Statement and this assessment provides a considered overview of the controls in place in order to come to an opinion on the governance arrangements and internal control environment within their service. Heads of Service completed this Assurance Statement which didn't highlight any further areas of risk / concern.

Risk Management

- 3.10 Risk management encompasses a number of areas such as projects, performance and partnerships. In addition, there is a corporate risk register which incorporates significant issues which could have a major impact on the strategic delivery of the Council's objectives.
- 3.11 Risk Management is overseen through a separate Risk Management Board which has representatives of all Services as well as specific risk specialists such as the Insurance Manager. Meeting on a quarterly basis, it is chaired by the Deputy Chief Executive and Chief Finance Officer. Risks at a Directorate level are discussed on a monthly basis and those considered strategic escalated through to Senior Leadership Team in line with the risk appetite. A report is also submitted to Audit Governance and Standards Committee on a quarterly basis.

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****23 October 2025****Corporate Governance**

- 3.12 Regular updates on governance arrangements are reported through Senior Leadership Team, Executive, Audit, Governance and Standards Committee and ultimately to Full Council. This covers all aspects of governance – from constitutional changes, operational procedures such as Financial or Contract regulations or standards issues. Significant governance issues established in the AGS are reported to Audit Governance and Standards Committee.

4. IMPLICATIONS**Financial Implications**

- 4.1 Financial implications are set out in section 3.

Legal Implications

- 4.2 The Accounts and Audit Regulations 2015 require that the Council complies with statutory accounting legislation and changes.

Service / Operational Implications

- 4.3 Outputs of Governance Reports must be addressed by Services.

Customer / Equalities and Diversity Implications

- 4.4 Outputs of Governance Reports must be addressed by Services; however, this will reflect best practice.

Local Government Reorganisation (LGR)

- 4.5 The outcome of the government's decision on LGR will impact on the Council's future existence. Until such time the Council will continue to manage its governance and report this AGS in the annual accounts as required by statute.

5. RISK MANAGEMENT

- 5.1 Contained in section 3.11 above

6. APPENDICES and BACKGROUND PAPERS

Appendix A – Annual Governance Statement 2024/25

REDDITCH BOROUGH COUNCIL

Audit, Governance and Standards Committee

23 October 2025

7. BACKGROUND PAPERS

None.

8. KEY

None

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****23 October 2025****APPENDIX 1****ANNUAL GOVERNANCE STATEMENT****Scope of Responsibility**

Redditch Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and provides value for money. Redditch Borough Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, Redditch Borough Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The purpose of the Governance Framework

The governance framework comprises the systems and processes, culture, and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with, and leads its communities. It enables the authority to monitor the achievement of the Council's priorities and to consider whether those objectives have led to the delivery of appropriate services and value for money. It also enables the Council to demonstrate to the public that it has effective stewardship of the public funds it is entrusted to spend.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level, consistent with the risk appetite of the Council. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Redditch Borough Council's policies and Council Priorities, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively, and economically.

The governance framework has been in place at Redditch Borough Council for the year ended 31 March 2025 and up to the date of approval of the Statement of Accounts.

The Governance Framework

The framework to deliver good governance across the Council's services in delivering the Council Priorities encompasses a number of elements.

- The Council Priorities have been developed in line with the needs of our communities and customers and the Council Plan has been approved to reflect the activities that need to be undertaken by the Council to further support the delivery of these purposes.
- Strategic Partnership meetings are held on a regular basis to ensure that all partners and agencies are engaged in supporting the Council's aims to deliver the purposes to our community. Liaison between officers to deliver joint working arrangements is encouraged and actively undertaken by the Council.
- A performance dashboard is in place, and integrated quarterly finance and performance reporting, for members and officers to review the performance of key measures, both strategic and operational across the organisation. This includes national statistics where relevant to the community of the Borough.
- The Council's Constitution clearly sets out the roles and responsibilities of Councillors, and the procedural rules for Full Council, the Executive Committee and the other Committees operated by the Council.
- Terms of reference for member working groups (e.g., Scrutiny Task Groups) are clearly defined.

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****23 October 2025**

- Council has approved financial Regulations and Contract Procedure Rules. A full training programme is in place to ensure all relevant officers comply and understand the regulations in place.
- A clear scheme of Councillor/Officer delegations exists to provide clarity on the powers entrusted to those appointed to make decisions on behalf of the Council. The Scheme of Delegations is included in the Council's constitution and is reviewed on an annual basis at the Annual Council meeting. A Member / Officer protocol is also set out in the Constitution.
- The roles and responsibilities of Councillors are underpinned by an extensive Member Development Programme to include both mandatory and discretionary training. This is developed by the cross-party Member Support Steering Group and includes induction, charring and specific Committee based training. This training programme was particularly important following all out elections held in Redditch Borough in May 2024, after agreement of a boundary review. Elections are held in thirds, with the next elections in May 2026. A fully comprehensive training programme was implemented during the year, including training in respect of planning committee roles and responsibilities, Licensing Committee training, code of conduct and standards training, equalities, data protection, safeguarding and cyber security training.
- The behaviour of Councillors is regulated by the Member Code of Conduct and is supported by a number of protocols.
- A review of the Constitution is undertaken on a regular basis to ensure it enables members to make informed and transparent decisions. This includes the Scheme of Delegation to officers. A Constitutional Review Working Party, comprising a membership of Councillors, meets during the year to review sections of the constitution, ensuring that the content remains up to date. Any recommendations arising from these meetings are reported to Council for approval.
- Decision making is carried out through the Executive Committee, Planning Committee and Audit, Governance and Standards Committee. The Overview and Scrutiny Committee has responsibility to review and scrutinise the activities of the Council and to hold the Executive Committee to account.
- The Council has one local authority company: Rubicon Leisure Limited. The governance structure of the company includes a Board, comprising Directors and a separate Shareholders Committee, comprising a membership of Councillors. The role of the Shareholders Committee is to determine matters reserved to the Committee in the articles of the company.
- There were two political groups represented on the Council in 2024/25. Each of these groups has a group leader. The Group Leaders were invited from time to time to meet with senior officers to discuss important strategic matters.
- The Overview and Scrutiny Committee is Member-led and determines what issues to scrutinise, including reports to the Executive Committee that the Overview and Scrutiny Committee pre-scrutinises prior to any decisions being taken. Examples of subjects that have been scrutinised during the year include redevelopment of the Town Hall, the work of the Redditch Partnership, social housing repairs and play and parks provision.
- The Crime and Disorder Scrutiny Panel, a sub-Committee of the Overview and Scrutiny Committee, is the body that fulfils the Council's requirement to scrutinise the work of the North Worcestershire Community Safety Partnership in Redditch Borough. This panel meets at least once a year.
- The Overview and Scrutiny Committee is also able to commission time limited Task Group reviews of specific policy areas. In 2024/25, reviews were undertaken of fly tipping and bulky waste collection services and post-16 education services.
- In Redditch, there is a standing Budget Scrutiny Working Group, which takes a lead on scrutinising the Council's budget. This group meets regularly, particularly during the busy budget setting months of December – February and provides Members with an opportunity to scrutinise budget proposals and opportunities in detail.
- There is also a standing Performance Scrutiny Working Group that scrutinises the performance of Council services. The focus of meetings varies, in accordance with areas identified by Members for consideration, but in 2024/25 included reviewing the Council's measures dashboard, tree maintenance service and road cleanliness services.

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****23 October 2025**

- In 2024/25, a review of the constitution resulted in the introduction of a Joint Appointments Committee. The purpose of this Committee, which is shared with Bromsgrove District Council, is to review and recommend appointments to statutory officer positions at the Councils. Joint Sub-Committees of the Joint Appointments Committee also fulfil other key functions, including the Statutory Officers Disciplinary Panel (if required).
- The Council has now set up a formal Senior Leadership Team governance meeting which consists of the Chief Executive Officer, Section 151 Officer, Monitoring Officer and Executive Director. The Senior Leadership Team meets weekly.
- Regular staff briefings and fourth tier manager forums are held to ensure staff are aware of changes and are engaged in the systems thinking methodology of supporting service changes across the Council. There are regular Chief Executive briefings held with staff – these include focus sessions and an opportunity for Q&As. Information is also circulated via the Oracle briefing which is sent electronically to staff, via other newsletters and information is also circulated to the Depots.
- In addition, a commercial approach to fees and charges and other income generation has been adopted. A framework of culture change is in place, through the Workforce Strategy, and managers are working with their teams to build up actions plans to support culture change in the Council.
- Financial management arrangements have been in place during the year through regular quarterly combined finance and performance monitoring reports, online purchase ordering systems and robust financial internal controls that ensure that the Council complies with statutory legislation. This has included resolving the financial systems issues linked to the enterprise system implemented on 8 February 2021 which resulted in S24 Recommendations to be issued by the Council's External Auditors for non-delivery of Statement of Accounts. A financial recovery process has been in place to rectify this position, and this is regularly reported to both Cabinet and the Audit, Governance and Standards Committee. This has delivered in terms of planned outcomes and will now be replaced by a Financial Stability Plan. In addition, Backstop Legislation implemented by the Government in September 2024 has also impacted the delivery of outstanding accounts.
- There is a clear procurement code and policy in place to ensure that purchases are made in a compliant and transparent manner.
- Assistant Directors are responsible for establishing and maintaining an adequate system of internal control arrangements when within their own services. They are required to sign off Annual Governance and Internal Control returns where they can raise any items of concern. There were no new issues raised during 2024/25.
- The Constitution clearly defines the roles of Monitoring Officer, S151 and Head of Paid Service
- Regular press releases are submitted and online information about the Council is sent to residents to inform them of the Council's activities and services provided. In addition, information on the commercial services provided by the Council was sent out to enable residents to utilise the services offered.

Review of Effectiveness

Redditch has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Assistant Directors within Redditch Borough who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and by comments made by the external auditors.

The Constitution clearly identifies the terms of reference, roles and responsibilities of Full Council, Executive, Overview and Scrutiny Committee and Audit, Governance and Standards Committee, all of which have fully understood governance responsibilities.

Throughout 2024/25, the Council adopted a robust approach to corporate governance, which has been advised through the work of the Audit, Governance and Standards Committee, Overview and Scrutiny

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as well as the statutory roles of the S151 Officer and the Monitoring Officer. As in 2023/24, the Audit Governance and Standards Committee continued to meet six times a year.

Audit, Governance and Standards Committee

The Committee played a role by reviewing and monitoring internal control issues throughout the year. This included approval of the treasury management strategy, savings reports, regular progress reports from Internal Audit and reports and updates from the External Auditors.

Internal Audit

RBC's responsibility for maintaining an effective internal audit function is set out in Regulation 6 of the Accounts and Audit Regulations 2015.

The Worcestershire Internal Audit Shared Service Team operates in accordance with best practice professional standards and guidelines. It independently and objectively reviews on a continuous basis the extent to which the internal control environment supports and promotes the achievement of the Council's objectives and contributes to the proper, economic, efficient, and effective use of resources.

During 2024/25 the Internal Audit team delivered a comprehensive programme including:

- a number of core systems which were designed to suitably assist the external auditor to reach their 'opinion' and other corporate systems for example governance, and,
- a number of operational systems, for example, procurement and business continuity were looked at to maintain and improve control systems and risk management processes or reinforce oversight of such systems.

Internal Audits' work programme helps to assure Audit, Governance and Standards Committee that the framework and statement can be relied upon based on the following:

- Evidence streams which were verifiable and could be relied upon
- Monitoring and reporting mechanisms were in place to report issues,
- These streams and reporting mechanisms are embedded in the RBC governance process

Internal Audit reports are considered by the relevant Assistant Director and Deputy Chief Executive / S151 Officer, before submission to the Audit, Governance and Standards Committee for further scrutiny.

There were three Audit returned with an assurance level of 'limited'. One related to Corporate Credit Cards and was undertaken at the request of the Assistant Director of Finance and Customer Services during the year. A full review of the existing processes has already been undertaken, and Financial Rules are being rewritten to reflect these changes. The second review related Procurement and Contract Management, which identified that a number of improvements had been made in this area, but further improvement was still required in terms of compliance deadlines and record retention. A follow-up review will take place in 2025/26. The final one is related to Accounts Payable. There were no major gaps identified in control – however as the audit could not be fully completed due to capacity issues within the Accounts Payable team, the Internal Audit Team could not provide assurance across all areas.

Significant Governance Issues

The Annual Governance Statement identifies governance issues and risks for the Council to address, and these are linked to the following two external documents: External Auditors Draft Annual Report for 2020/21 and the External Auditors Draft Report for 2021/22 and 2022/23. These include that the Council in November 2023 received a Report from the Council's External Auditor setting out that the Council had received a S24 Statement for non-delivery of the 2020/21 to 2022/23 Accounts within the required

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timescales due to the implementation of a new financial ledger and the inherent financial risks associated with this. In respect of Governance Arrangements relating to the 2021/22 financial year:

Actions in these reports have been updated following the issuing by the Government in September 2024 of “Backstop Legislation” to close accounts up to the 2022/23 financial year by the 13th December 2024 and the 2023/24 financial year by the 28th February 2025.

The 2021/22 and 2022/23 External Audit Report highlights the following key recommendations in the Draft 2020/21 External Audit Report:

- The 2020/21 to 2022/23 Account must be completed and Audited by the date of the next Audit report to ensure there is full confidence in the Council’s finances.
- The Council should direct effort toward embedding and stepping up the Workforce Strategy objectives. In line with the recommendations of the LGA Peer Review (March 2023), the Council should ensure that there is commitment at all levels of the organisation to enact succession planning, creative recruitment and development of the workforce. The Council should also ensure that existing staff are utilised in the most effective way possible to ensure delivery of key Council programmes (such as the finance recovery programme) and the strategic priorities
- The Council needs to ensure that the Medium-Term Financial Plan (MTFP) presented to members and stakeholders is completely transparent regarding the financial challenge and that any savings schemes included are fully worked up and approved by Members in advance.
- The Council needs to improve the management of key projects, such as the financial ledger implementation, to ensure that the expected benefits are realised. As part of this the Council needs to undertake a comprehensive review of the financial ledger implementation and ensure that lessons are learned for future key projects.

In response to these issues

- Now that the Government have imposed a backstop date of the 13 December 2024 for Draft Statement of Accounts to be produced, 2020/21 and 2021/22 have been delivered by the backstop date with “Disclaimer Opinions”. 2022/23 was delivered by the 22nd January 2025, also with a “Disclaimer Opinion. 2023/24 was published in draft in line with the timetable and requirements of the inspection notice for the accounts but could not be signed off due to the lack of an auditor (after the previous auditor, Bishop Fleming resigned). Work is now being undertaken with the Council’s new auditor, Ernst & Young on the 2023/24, with an expectation that a “Disclaimer Opinion” will be issued.
- There is a Country wide issue of what the impact of “Disclaimer Opinions” mean for the wider Local Government Sector and Redditch Council in particular.
- The Council put in place a Financial Recovery process to get accounts up to date. These have now been fully completed by the Council. Since Q1 2023 the Audit Standards and Governance Committee have met six times a year to ensure financial compliance is being delivered. This frequency will remain until the new Deputy Chief Executive / S151 Officer is fully settled into post.
- The MTFP, from 2023/4 onwards is now a 2 Stage process within Stage 1 for wider descriptions on savings and growth items and the time for Members to properly debate all the contents of the reports, including base underlying assumptions. Wider consultation has been undertaken in Q3 2024 for the 2025/26 budget.
- Joint finance and performance monitoring has taken place since Quarter 1 2022/23 with reports going to the Corporate Management Team and then Cabinet.
- An updated Risk Management process has been implemented with reports coming quarterly to the Corporate Management Team and Audit Standards and Governance Committee for review and comment. This regime also includes how formal project monitoring is delivered.
- The Workforce Strategy is moving forward with monthly meetings reviewing the action plan and delivery against it.

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In July 2025, Redditch Borough Council underwent a comprehensive inspection by the Regulator of Social Housing, under the Social Housing (Regulation) Act 2023, resulting in a C3 Regulatory Judgement, due to serious failings in key service areas including repairs, fire safety, tenant engagement, and data management. The inspection identified around 3,000 overdue repairs and fire safety actions, limited stock condition data, and weak tenant involvement. However, the RSH also recognised the Council's commitment to improvement, highlighting strengths in electrical safety, anti-social behaviour management, and the creation of a Damp and Mould Team, alongside the dedication of staff and Members. In response, the Council has developed a comprehensive Housing Improvement Plan, including a governance structure, comprising of senior managers, Members and tenant representatives, to monitor and manage progress against the plan which is subsequently reported to the Executive Committee on a quarterly basis.

An opinion from the Head of Worcestershire Internal Audit is provided in the Accounts on page 82.

Conclusion and Evaluation

As Leader and Chief Executive, we have been advised on the results of the review of the effectiveness of the Council's governance framework. Our overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment, and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

We are also satisfied that over the coming year, the Council will take appropriate steps to address any significant governance issues, and we will monitor their implementation and operation as part of our next annual review.

Signed

Signed

Leader of the Council & Chief Executive on behalf of Redditch Borough Council

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REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****23 October 2025****Financial Compliance Report**

Relevant Portfolio Holder	Cllr Ian Woodall Executive Member for Finance
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author	Job Title: Assistant Director Finance & Customer Services Contact email: debra.goodall@bromsgroveandredditch.gov.uk Contact Tel:
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	
Exempt Information – None	

1. RECOMMENDATIONS

The Audit, Governance and Standards Committee **RESOLVE** that:

- 1) The Committee note the position in relation to the delivery of the 2024/25 Accounts and the auditing of the 2023/24 accounts.
- 2) The Committee note that the 2024/25 Accounts public consultation period finished on 11 August 2025.
- 3) The Committee note the position in regard to other financial indicators set out in this report.
- 4) The current position with the Council's new External Auditor, Ernst and Young, be noted.
- 5) Note the position on the Financial Stability Plan following the successful delivery of the Financial Improvement Plan.

To **RECOMMEND** to Executive

- 6) Any areas of concern within this key compliance report for consideration.

2. BACKGROUND

- 2.1 From a Governance point of view, the financial framework under which the Council works is set out in the Constitution. In addition to this there are legislative reporting requirements which set out what needs to be done and by when. The Accounting Policies report which was tabled at the Audit, Standards and Governance Committee on the 23rd March 2023 set out the Financial Governance Framework, and associated references to key documentation, that the Council, its Member and Officers work to. These are (in summary):

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- **The Budget and Policy Framework Procedure Rules.** These set out: The framework for Executive Decisions, Decisions outside the budget or policy framework, Urgent Decisions outside of the Budget or Policy Framework, Virement rules, in-year changes to policy framework and, call-in of decisions outside the budget or policy framework. These rules set out how decisions can be made, by whom and how they can be challenged.
- **Financial Procedure Rules** which are set out in Part 14 of the Constitution. These “operational policies” run to 36 pages and set out how the organisation financially runs its “day to day” business. A full review of these is being undertaken as part of the Financial Stability Plan, discussed in further detail in a separate section of this report.
- **Finance Protocols** which set out requirements and expectations of the Finance Team and Services in terms of financial administration and demarcation of duties.

- 2.2 Audit Committee training was undertaken and Local Government Finance training was given on the 30th July. Training on the Statement of Accounts will take place later in the year.
- 2.3 One of the legislative reporting requirements the Council had not achieved is the delivery of the 2020/21, 2021/22 and 2022/23 Statement of Accounts which resulted in the issuing of a Section 24 Statement for the Council. Bromsgrove District Council (BDC) were also issued with a Section 24 Statement for the same non delivery of these accounts which is understandable given that officers support both Councils via a shared service.
- 2.4 Following the issuing of the original Section 24 Statements and a review of why this happened, which was undertaken by the Bromsgrove Audit Committee, the decision was taken to increase the frequency of Audit Committee meetings to six times a year until the Council rectified the situation. The Committee have agreed to continue to meet six times a year.
- 2.5 The 2024/25 budget was approved at Council on the 26th February 2024.

Legislative Requirements

- 2.6 The previous section sets out how the Council works, however equally important are the Central Government Legislative Requirements to which we deliver to and are compared to other Councils across the Council.
- 2.7 Attached as Appendix A are the key legislative deliverables, which were circulated by the Government for the 2025/26 financial year. The Council has delivered against all of the deadlines to date with the exception of the Whole of Government Accounts Cycle 1 which was due on 29th August. The Council will aim to complete the return in line with the Cycle 2 submission which is due on 3rd October.
- 2.8 Although the VAT returns are up to date, work continues to provide assurance to HRMC regarding the VAT return submitted in December 2024 covering the three years previous

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to this. In order to provide additional assurance, the Council has employed an experienced VAT accountant to work alongside our VAT consultants, PS Tax. The Council has also arranged mandatory VAT training for all Finance staff. Training will then be rolled out across the organisation.

- 2.9 Appendix B reflects a wider set of deliverables (outside the 2025/26 MHCLG Listing). These have now been fully delivered.

Financial Stability Plan

- 2.10 Following the successful completion of the Financial Improvement Plan and the delivery of the Accounts for 2020/21 – 2024/25, the Council will now look to develop of Financial Stability Plan. This will cover a number of areas including; the Tech One system; financial rules; training plans; procurement processes. Work is ongoing to put a structure in place to deliver this and a verbal update will be provided by the S151 officer at this meeting.

Update on the Statement of Accounts

- 2.11 Following the General Election in July 2024, the previous Minister of State for Housing, Communities and Local Government Jim McMahon OBE MP wrote to Councils noting the significant and unacceptable backlog of unaudited accounts. This situation undermines trust and transparency in the way taxpayers' money is being spent and auditors cannot focus on up-to-date accounts, where assurance is most valuable.
- 2.12 To tackle the backlog, The Minister laid secondary legislation, and this legislation was approved on the 9th September to provide for an initial backstop date of 13 December 2024 for financial years (FYs) up to and including 2022/23 and five subsequent backstop dates: 2015/16 through to 2019/20 had to be signed off by the 30th December 2023.

Financial Year	Backstop date
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

- 2.13 The Council, as set out at the meeting on the 10th December has received “Disclaimer Opinions” for the 2020/21, 2021/22, and 2022/23. The 2023/24 Accounts are currently being audited by Ernst and Young. An update is given in a later section of this report.
- 2.14 The Council’s position on these key Closure deliverables are as follows:
- Closure 2020/21 - Reported as per the 10th December Audit Committee and Disclaimer Opinion received and approved.

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- Closure 2021/22 - Reported as per the 10th December Audit Committee and Disclaimer Opinion received and approved.
- Closure 2022/23 - Reported as per the 10th December Audit Committee and “Disclaimer Opinion” received and approved.
- Closure 2023/24 - Draft Accounts have been available for public consultation since the 17th January. This closed on the 3rd March. Ernst & Young, the External Auditors, are currently carrying out their audit. However, they are expecting to issue a ‘disclaimer opinion’ for these accounts.
- Closure 2024/25 – completed by 30th June deadline as required for public inspection period.

- 2.15 As per the requirement of the Draft External Auditors Report 21/22 and 22/23 on the 27th November 2023, the External Auditors made a further written recommendation of the Authority under section 24 of the Local Audit and Accountability Act 2014 in relation to its financial systems and governance arrangements. They recommended that the authority should produce “true and fair” draft accounts for 2020/21, 2021/22 and 2022/23 signed off by the S151 Officer and supported by high quality working papers. This has now been complied with although given the instigation by the Government of the backstop date and the requirement of “disclaimer opinion” audits across the Country it is not clear how the new Auditors will frame their 2023/4 External Audit Report in respect of this matter
- 2.16 As has been reported previously the combined 2021/22 & 2022/23 Draft External Audit Report set out that:
- The S24 Recommendation still in place and extended for 2021/2 and 2022/3 Accounts.
 - All of the 6 2020/21 Key Recommendations either delivered or now linked to Improvement Recommendations.
 - 9 of 13 2020/21 Improvement Recommendations either fully or partially delivered.
 - There was one new Key Recommendation – linked to Workforce Strategy. This is being delivered as part of the workforce strategy.
 - There were ten updated Improvement Recommendations. The Council has met nine of these.
- 2.17 In terms of those Draft External Audit Reports the following progress has been made against recommendations (Key and Improvement):
- The Accounting Policies Report goes to every Audit Committee.
 - The key closure deliverables for each financial year are clearly set out. The owners of these deliverables are the S151 and Deputy S151 Officers.
 - Progress on key financial and compliance indicators are reported quarterly to CLT and to both Audit Committees by the S151/Deputy 151 Officers. There is a requirement to report all finance deliverables as per the Recommendations of the Audit Task Group.
 - Delivery of Financial training detailed in this document will move staff to right level of skills.
 - TechOne has been upgraded to version 24B in March 2025. The next upgrade to 25B will take place in November 2025.
 - Quarterly combined financial and performance monitoring started in the 2022/23 financial year and has continued in 2025/26.

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- The 2024/25 and 2025/26 MTFP process has been completed in both Councils. Work for the 2026/27 MTFP process has begun in both Councils.
- Risk workshops are still to be run to assess Risk Appetite of Executive and Audit Committees.
- A Treasury Management strategy, half yearly report, and outturn report are now part of the work programme. 2024/5 Half Yearly Reports were delivered and an Outturn Report went to July Executive.
- To address staffing issues, additional posts have been recruited to as the team looks to start to move any from its reliance on external agency/consultants. Further posts are being recruited to as part of the stability programme.

In terms of more specific items:

- More Budget Consultation has been addressed in Tranche 1 of the budget through a targeted consultation process which finished in January 2025.
- Wider savings monitoring is now being undertaken as part of the Quarterly monitoring process.
- Capital and its deliverability has been reviewed as part of the 2025/6 Budget Tranche 2. This will continue as part of the 2026/27 MTFP and the in-year monitoring processes.
- Benchmarking is now incorporated into the budget process (using LG Futures data).
- The Internal Audit Service has been externally assessed in early 2024 and passed that assessment.
- The Council is seeking an independent Audit Committee member and ensures the Committee remains apolitical in nature.
- The whistleblowing policy has been updated.
- Procurement and contract rules have been updated (to reflect changes to legislation in February 2025).
- Performance Indicators have been reviewed and updated following the Strategic Priority and business plan sessions.

2.18 It was confirmed by the PSAA that Ernst and Young would become the Councils External Auditors on the 24th October. The onboarding process has now completed and Ernst and Young are currently auditing the 2023/24 Statement of Accounts. They have confirmed that they expect these to be fully disclaimed.

2.19 In terms of the 2024/5 Closure position, the draft accounts were ready for Public Consultation at the end of June 2025 as per existing Government legislation. The Public Consultation end date was Monday 11 August. Auditing of these accounts will depend on Ernst and Young and the planning process but is expected to be close to the Government backstop date of 27 February 2026.

Update on the Budget and ongoing Monitoring.

2.20 The Councils 2025/26 Budget was approved on the 24th February 2025 at Council.

2.21 Quarter One 2025/6 Financial and Performance monitoring reports went to Executive in September.

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- 2.22 There are a number of areas where compliance is now being measured going forwards. Compliance to process and timetable is a key underlying theme of both the Draft External Audit Report 2020/21 and the Combined 2021/22 & 2022/23. These items are being measured to improve how we work and change behaviours. This will lead to an improved financial health/knowledge across both Councils.

Training:

- Closure Training took place in March with 83 attending.
- Mandatory Budget Manager Training (including the use of TechOne) took place in September 2023 – upskilling budget managers with the tools to input their forecasts directly onto TechOne. This will be reviewed again as part of the Financial Stability Plan.
- Mandatory Financial Awareness Training for managers took place in August and September 2024.
- Payments Purchase Order Training takes place monthly.
- Mandatory Purchase Order Retraining is now taking place annually.
- Mandatory VAT training for all finance staff

New tranches of training are being organised regularly.

Treasury Management

- The 2023/24 Outturn Report was approved by Council in September 2025.
- The 2025/26 Strategies were approved by Council in February.
- The Q1, Q2 and Q3 2024/25 positions have been reported in the Finance and Performance Reports. The Outturn report was reported to Council in September 2025.
- The Q1 2025/26 position has been reported to Council in September 2025.

Errors:

- Non delivery of GPC Card Data (monthly basis) – now being completed on a monthly basis
- Miscoding on TechOne per month – by Service Area –miscoding is now being cleared on a monthly basis. Previous years have been reconciled in most areas.

Procurement:

- The new 'No Compliance No Order' process has been live since April 2023.
- We have now got to the place where the number of orders coming to procurement for approval where contracts are not in place are minimal and SLT are now putting in place measures to stop these going forward.
- Council approved an increase of the Key Decision Level from £50k to £200k. Finance and Performance Monitoring Reports now set out:
 - All contracts requiring renewal over the next year that are over the present £200k threshold and these are placed on the forward plan.

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- All contracts requiring renewal over the next year that are between £50k and £200k for reference.
- All contracts that are being procured by Bromsgrove over this period that relate to Redditch Services.

2.23 The issues with cash receipting work are ongoing but the closure of 2020/21 through to 2023/24 has reallocated over £125m of income wrongly allocated to suspense accounts. This ongoing work will be picked up as part of the Financial Stability Plan.

Summary

2.24 This report sets out the policies (local and national) that underpins the Council finances and the key deliverables. The 2020/21 to 2023/24 draft Accounts have now been submitted for Public Inspection and Audit and the report sets out the Plan for the delivery of other years accounts. This report is now up to date as at the end of September 2025 and delivered to each Audit, Governance and Standards Committee at Redditch to update it on progress against targets and also alert them to any issues and risks

3. FINANCIAL IMPLICATIONS

3.1 This paper sets out the financial frameworks within which the Council works. The Closure of accounts process and the associated audit process confirms the overall financial position of the Council

4. LEGAL IMPLICATIONS

4.1 There are no direct legal implications arising as a result of this report, however the frameworks are generally linked to statute or the Council's Constitution.

5. STRATEGIC PURPOSES - IMPLICATIONS**Relevant Strategic Purpose**

5.1 The Strategic purposes are included in the Council's Corporate Plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the Borough and our communities. Our Financial monitoring and strategies are integrated within all our Strategic Purposes.

Climate Change Implications

5.2 There are no direct climate change implications arising as a result of this report.

6. OTHER IMPLICATIONS**Equalities and Diversity Implications**

6.1 There are no direct equalities implications arising as a result of this report.

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****23 October 2025****Operational Implications**

- 6.2 Operational implications have been dealt with as part of the 2025/26 MTFP, quarterly monitoring and the Closedown process.

7. RISK MANAGEMENT

- 7.1 The financial stability and sustainability of the Council is a core underlying theme of the Council's Risk Management Strategy.
- 7.2 The Impact of the government imposed "backstop position", which has led to "disclaimer opinions here and also at numerous other Councils is still to be understood and remains a significant risk.
- 7.3 Deliver of financial data to government is important in their allocation of resources process. It is key that the Council deliver this information to timetable and the required standards

8. BACKGROUND PAPERS

Interim Auditors Annual Report on Redditch Borough Council 2021/22 & 2/22/23 – Audit Governance and Standards Committee November 2023, Council December 2023.

Section 24 Report to Audit and Council – November 2022, November 2023.

Accounting Policies Report – March, June, July, September, November 2023 and January, March, May, July and December 2024, January 2025 Audit, Governance and Standards Committee.

Finance Recovery Report – June 2023 and October 2023, January and September 2024 – Executive

Programme Management Office Requirements – July 2023 – Executive

Approvals to Spend Report - July 2023 – Executive

9. Appendices

Appendix A – DLUHC Deliverables timetable

Appendix B – Timetable of other deliverables

REDDITCH BOROUGH COUNCIL

Appendix A – DLUHC Deliverables timetable

Return	Council	Return Type	Code	Description	Period End	Submission Deadline	Completed?
Revenue Account Budget	BDC/RBC	GVT	RA	Local authority revenue expenditure and financing for 2025-26 Budget	2025-26	04-Apr-25	Complete
Quarterly Borrowing & Lending - Quarter 4	BDC/RBC	GVT	QB4	Local authority borrowing and investments from all local authorities to the end of Q4 2024-25	Q4 2024-25	07-Apr-25	Complete
Capital payments & receipts Q4 and provisional outturn	BDC/RBC	GVT	CPR4	Cumulative capital expenditure and receipts for Q1, Q2, Q3, and Q4 2024-25. Expanded collection, used as provisional outturn.	Y/E 2024-25	25-Apr-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Apr-2025	08-May-25	Complete
Council Tax & NDR Collection - Quarter 4	BDC/RBC	GVT	QRC4	Annual data of levels of council tax and non-domestic rates collected by local authorities in 2024-25; and receipts collected in Q4 and local council tax support claimants at the end of Q4	Q4 2024-25	09-May-25	Complete
Non Domestic Rates Outturn - unaudited	BDC/RBC	GVT	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2024-25 - provisional data	Prov'n Outturn 2024-25	31-May-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-May-25	06-Jun-25	Complete
Exit payments	BDC/RBC	GVT	exit	Local authority exit payments, 2024-25	Y/E 2024-25	06-Jun-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	30-Jun-25	07-Jul-25	Complete
Quarterly Borrowing & Lending - Quarter 1	BDC/RBC	GVT	QB1	Local authority borrowing and investments from all local authorities to the end of Q1 2025-26	Q1 2025-26	07-Jul-25	Complete
Council Tax & NDR Collection - Quarter 1	BDC/RBC	GVT	QRC1	Quarterly return of how much council tax and non-domestic rates are collected in Q1 2025-26; Number of local council tax support claimants at the end of Q1 2025-26	Q1 2025-26	11-Jul-25	Complete
Revenue Outturn suite - provisional	BDC/RBC	GVT	RO	Local authority revenue expenditure and financing, 2024-25 Outturn (first release)	Prov'n Outturn 2024-25	25-Jul-25	Complete
Capital Payments & Receipts - Quarter 1	BDC/RBC	GVT	CPR1	Cumulative capital expenditure and receipts for Q1 2025-26	Q1 2025-26	25-Jul-25	Complete
Quarterly Revenue Update - Quarter 1	BDC/RBC	GVT	QRU1	Q1 2025-26 data and forecast end year local authority revenue expenditure update	Q1 2025-26	01-Aug-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Jul-25	07-Aug-25	Complete
Capital Outturn Return	BDC/RBC	GVT	COR	Final capital outturn figures for 2024-25	Outturn 2024-25	22-Aug-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Aug-25	05-Sep-25	Complete
Local Government Pension Funds	BDC/RBC	GVT	SF3	Collect information on income and expenditure on local government pension schemes for 2024-25	Outturn 2024-25	12-Sep-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	30-Sep-25	07-Oct-25	
Quarterly Borrowing & Lending - Quarter 2	BDC/RBC	GVT	QB2	Local authority borrowing and investments from all local authorities to the end of Q2 2025-26	Q2 2025-26	07-Oct-25	
Revenue Outturn suite - certified	BDC/RBC	GVT	RO	Local authority revenue expenditure and financing, 2024-25 Outturn (second release)	Certified Outturn 2024-25	10-Oct-25	
Council Tax Base/ Supplementary	BDC/RBC	GVT	CTB	Information about the 2025 council tax base for each billing authority.	2025	10-Oct-25	
Council Tax & NDR Collection - Quarter 2	BDC/RBC	GVT	QRC2	Quarterly return of how much council tax and non-domestic rates are collected in Q2 2025-26; Number of local council tax support claimants at the end of Q2 2025-26	Q2 2025-26	10-Oct-25	

REDDITCH BOROUGH COUNCIL

Appendix A – DLUHC Deliverables timetable

Return	Council	Return Type	Code	Description	Period End	Submission Deadline	Completed?
Quarterly Revenue Update - Quarter 2	BDC/RBC	GVT	QRJ2	Quarter 1 & 2 2025-26 data and forecast end year local authority revenue expenditure update	Q2 2025-26	17-Oct-25	
Capital Payments & Receipts - Quarter 2	BDC/RBC	GVT	CPR2	Cumulative capital expenditure and receipts for Q1 and Q2 2025-26	Q2 2025-26	24-Oct-25	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Oct-25	07-Nov-25	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	30-Nov-25	05-Dec-25	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Dec-25	08-Jan-26	
Quarterly Borrowing & Lending - Quarter 3	BDC/RBC	GVT	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2025-26	Q3 2025-26	08-Jan-26	
Council Tax & NDR Collection - Quarter 3	BDC/RBC	GVT	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2025-26; Number of local council tax support claimants at the end of Q3 2025-26	Q3 2025-26	16-Jan-26	
Capital Payments & Receipts - Quarter 3	BDC/RBC	GVT	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2025-26	Q3 2025-26	23-Jan-26	
Quarterly Revenue Update - Quarters 3 & 4	BDC/RBC	GVT	QRJ3	Quarter 1 to 3 2025-26 data and forecast end year local authority revenue expenditure update.	Q3 2025-26	23-Jan-26	
Non Domestic Rates Forecast	BDC/RBC	GVT	NNDR1	Billing authority forecasts of the amount of non-domestic rates to be collected in the 2026-27	2026-27 Forecast	31-Jan-26	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Jan-26	06-Feb-26	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	28-Feb-26	06-Mar-26	
Council Tax Requirement/ Parish Council Tax	BDC/RBC	GVT	CTRL/2/3/4	Information on council tax levels set by local authorities in 2026-27. Council tax levels for 2026-27 set by parishes	2026-27 Forecast	11-Mar-26	
of which: Parish council tax	BDC/RBC	GVT	-	Information on council tax levels set by parish and town councils in 2026-27. This data is collected on the CTRL form but published later		11-Mar-26	
Capital Estimates Return	BDC/RBC	GVT	CER	Capital forecast for 2026-27	2026-27 Forecast	27-Mar-26	
Revenue Account Budget	BDC/RBC	GVT	RA	Local authority revenue expenditure and financing for 2026-27 Budget	2026-27 Forecast	03-Apr-26	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Mar-26	07-Apr-26	

REDDITCH BOROUGH COUNCIL**Appendix B – Timetable of other deliverables****Budget**

- Delivered by 11th March in preceding financial year – ***2025/26 Budget and MTFP delivered 24th Feb 2025***
- Council Tax Base – Yearly – ***2025/26 delivered on 14th January 2025***
- Council Tax Resolution – ***2025/26 delivered on 24th February 2025***
- Council Tax Billing – Yearly – ***Bills distributed in March 2025***
- **Policies**
 - Treasury and Asset Management Strategies
 - 2023/4 Outturn Report ***delivered in September 24.***
 - 2025/26 Strategy ***Approved at Council 24th February 2025.***
 - 24/25 Q1 and Q2 reports ***delivered 3rd Sept and 26th Nov 2024. Q3 delivered on 18th March 2025. Outturn delivered on 8 July 2025.***
 - 25/26 Q1 report delivered on 15th Sept 2025.
 - Council Tax Support Scheme – ***25/6 Approved at Executive in January 2025.***
 - Minimum Revenue Provision – yearly – ***Approved as part of the MTFP, with 2025/6 included in the 25/26 Treasury and Asset Management Strategy.***
- Financial Monitoring – ***Q1 24/5 in Sept 2024. Q2 in Nov 24, Q3 in March 25, Outturn in July 25, Outturn in July 25. Q1 25/26 in Sept 2025***
- Risk Management – ***Q1 24/5 delivered July 24, Q2 delivered Dec 24, Q3 delivered in March 25, Q4 in July 25. Q1 25/26 in Sept 2025***
- Savings Report – ***Q1 24/5 delivered in September, Q2 delivered in December, Q3 delivered in March 25, Q4 delivered in July 25 NOW PART OF QUARTERLY MONITORING***
- VAT – Monthly
 - ***discussions ongoing with HMRC since mid-summer 2024, final versions provided to get transactions up to date on the 19th December 2024. Conversations are ongoing. Submissions from December 2024 onwards are now being made on a monthly basis.***
- Whole of Government Accounts Returns
 - ***No longer required for previous years. Outstanding for Cycle 1 2024/25.***
- Revenue Outturn Reports
 - ***Delivered for all years up to and including 2024/25***
- Over £500 spending.
 - ***Updated to July 2025.***

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REDDITCH BOROUGH COUNCIL**Audit Governance & Standards Committee
2025****23 October****Artificial Intelligence (AI) Policy, WhatsApp Policy and Cyber Meeting Notes**

Relevant Portfolio Holders	Cllr Jane Spilsbury / Cllr Ian Woodall
Portfolio Holders Consulted	Yes
Relevant Assistant Director	Debra Goodall
Report Author: Mark Hanwell	Job Title: ICT Transformation Manager Contact: mark.hanwell@bromsgroveandredditch.gov.uk Contact Tel: 01527 881248
Wards Affected	None
Ward Councillor(s) consulted	No
Relevant Council Priority	Governance
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS**The Committee is asked to RESOLVE:**

- 1) That the minutes of the previous Cyber Security Board meeting, attached at Appendix 1, be noted.

The Committee is asked to RECOMMEND to Executive Committee:

- 2) That the Executive adopts the Artificial Intelligence (AI) Acceptable Use Policy (Appendix 2) as a formal policy document.
- 3) That the Executive adopts the WhatsApp Policy (Appendix 3) as a formal policy document.

2. BACKGROUND

- 2.1 The Artificial Intelligence (AI) Acceptable Use Policy has been developed to ensure the ethical, transparent, and responsible use of AI technologies across Redditch Borough Council. The policy outlines the principles, governance, and operational expectations for AI use, including transparency in automated decision-making, data protection, and human oversight. It also addresses the use of third-party tools and the importance of training and education for staff.

**Audit Governance & Standards Committee
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-
- 2.2 The WhatsApp policy has been developed to provide staff guidance in use of the social media application and sets out when it is, and is not, acceptable to use WhatsApp, and how to reduce the risks of using it.
- 2.3 The minutes of the previous Corporate Cyber Security Group are included to provide some background to what this group has recently been working on.

3. OPERATIONAL ISSUES

- 3.1 The AI policy mandates that all AI tools used within the Council must be approved and listed in the Information Asset Register. Automated decision-making must comply with UK GDPR and include human oversight. Staff must not input confidential or personal data into public AI tools. Procurement processes must include clauses prohibiting unauthorized AI use. Training programs will be developed to ensure staff understand responsible AI use.
- 3.2 The WhatsApp Policy states WhatsApp is only permitted for the narrow band of uses as set out in the document, where it helps to meet a particular need to communicate. In general, WhatsApp should be considered a last resort for work purposes, to be used when there is no viable alternative across the systems the councils provide for work purposes. WhatsApp is a social media application, and is therefore also covered by our Social Media Policy.
- 3.3 ICT will keep a list of permitted AI tools to be used by the Authority and will ensure these are upgraded where possible (some will be based solely in the cloud and upgraded by the vendor).
- 3.4 WhatsApp will not be updated by ICT where it is used on peoples own devices and will require the staff member to keep their apps up to date.
- 3.5 The minutes of the Cyber Security Meeting held on 14 October 2025 are attached at Appendix 1.
- 3.6 The Council held a Cyber Security Exercise on Wednesday 8 October 2025 to test the continuity plans. This was coordinated by Applied Resilience and there feedback from the exercise will be included in the next update.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no financial implications.

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5. LEGAL IMPLICATIONS

- 5.1 The AI policy aligns with UK GDPR and ICO guidance, particularly in relation to automated decision-making and data protection.
- 5.2 The WhatsApp policy tries to mitigate the potential for data breaches that could involve the authority being fined by the Information Commissioners Office.

6. OTHER - IMPLICATIONS**Local Government Reorganisation**

- 6.1 There are no implications regarding Local Government Reorganisation or Devolution for either policy.

Relevant Council Priority

- 6.2 Both policies may help the council to deliver on all its priorities.

Climate Change Implications

- 6.3 The use of AI has raised questions about the amount of water used to cool cloud-based servers, however, the use of AI is now embedded into many computer systems and the AI policy sets out to ensure its correct usage and therefore limit any unnecessary use where possible.
- 6.4 There are no climate change implications for the use of WhatsApp.

Equalities and Diversity Implications

- 6.5 The policies attached apply to all staff.

7. RISK MANAGEMENT

- 7.1 Risks include misuse of AI tools, data breaches, and reputational damage. Mitigations include policy enforcement, training, DPIAs, and oversight mechanisms. The policy provides a framework to manage these risks effectively.

8. APPENDICES and BACKGROUND PAPERS

- 1. Minutes of last Corporate Cyber Security Group
- 2. AI Policy
- 3. WhatsApp Policy

**Audit Governance & Standards Committee
2025****23 October****9. REPORT SIGN OFF**

Department	Name and Job Title	Date
Portfolio Holder	Cllr Jane Spilsbury, Portfolio Holder for Performance, Engagement and Governance Cllr Ian Woodall, Portfolio Holder for Finance	15/10/2025
Lead Director / Assistant Director	Bob Watson, Deputy Chief Executive and Chief Finance Officer	01/08/2025
Financial Services	Debra Goodall, Assistant Director Finance and Customer Services	01/08/2025
Legal Services	Nicola Cummings, Deputy Monitoring Officer	10/10/2025
Policy Team (if equalities implications apply)	N/A	
Climate Change Team (if climate change implications apply)	N/A	

**Audit Governance & Standards Committee
2025**

23 October

Appendix 1**RBC/BDC CORPORATE CYBER SECURITY GROUP**
NOTES OF MEETING HELD ON 14th OCTOBER AT 10.00 AM

Present: Bob Watson (Chair), Guy Revans, Nicky Parry, Ian Masterton, Mike Dunphy, Anne-Marie Harley, Phil Weston

In attendance: Susan Tasker (notes)

Apologies: John Leach, Mark H, Mark C, Darren B, Ruth, Sarah C

1. Notes & Matters Arising from Previous Meeting on March 2025

Agreed as a true record. Action Log updated.

2. Cyber Exercise – 8th October

The Exercise was discussed and how much value / learning it provided.

Ian suggested that IT set up some war games so test different plans.
Sue said this probably needs to be in tandem with the phased / priorities discussed/on action plan.

Meeting considered key actions arising from the exercise to help start pulling together an action plan.

As part of piece of work to prioritise service, it would help to have clarity around response times ie lifeline 30 mins currently in BIA and what they would do.

Action: IT

Nicki mentioned insurance claims and implications of personal data and how it can be protected. Ian said there would be a lot of similar sensitive data given early help team, legal etc.

Action: IT/Info Mgmt

3. Reports to Audit & Governance

Reports will include AI Policy, Whatsapp Policy and notes of this meeting.

4. Technical

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Nothing by exception.

5. Educational

Noted lessons from Cyber exercise and action plan coming out from it.

6. Communications

Cyber Exercise will be mentioned in John's message in Oracle, Mark's Cyber briefing and other routes.

7. AOB

None.

8. Date of Next Meeting

9th December

Appendix 2

**Staff Policy
Document**

AI Acceptable Use Policy

Version 1.1



Document Control

Organisation	Bromsgrove and Redditch Councils
Owner	ICT Transformation Manager
Protective Marking	Not protected
Review date	One year from last approval

Version History

Revision Date	Reviser	Version	Description of Revision
20250321	Mark Hanwell	0.1	Policy drafted
20250521	Julie Hemming-Smout	1.0	Policy finalised
20250724	Julie Hemming-Smout	1.1	Slight amendment after going to members

Document Approvals

Sponsor Approval	Name	Date	Version Approved

Policy Governance

The following table identifies who within the Council is Accountable, Responsible, Informed or Consulted with regards to this policy. The following definitions apply:

- **Responsible** – the person(s) responsible for developing and implementing the policy.
- **Accountable** – the person who has ultimate accountability and authority for the policy.
- **Consulted** – the person(s) or groups to be consulted prior to final policy implementation or amendment.
- **Informed** – the person(s) or groups to be informed after policy implementation or amendment.

Policy Compliance

- 1.1 Non-compliance with this policy could have a significant effect on the efficient operation of the Council and may result in financial penalties, damage to our reputation, failure to meet our legal obligations, and an inability to provide necessary services to our customers. Contravening or failing to act within the spirit of the policy, might be seen as a breach of discipline and the person you may be subject to disciplinary procedure.
- 1.2 If you do not understand the implications of this policy, seek advice from your line manager who, if concerned, may contact ICT for further advice.

Acknowledgement

- 1.3 This policy has been developed based on guidance prepared by Socitm (UK):
 - www.socitm.net
- 1.4 Disclosure: Sections of this policy were generated with the assistance of an Artificial Intelligence (AI) based system to augment the effort. AI generated content has been reviewed by the author for accuracy and edited/revised where necessary. The author takes responsibility for this content.

Document Distribution

This document will be distributed via NetConsent to all Council employees, all temporary staff and all contractors. For those without access to NetConsent the Policy can be signed and returned to the Information Management Team.

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1. Introduction

- 1.1 Artificial Intelligence (AI) is several different technologies working together to enable machines to sense, comprehend, act, and learn with human-like levels of intelligence. AI is a transformative technology, which is already revolutionising many areas of our lives. Whether we know it or not, we all interact with AI every day - whether it's in our social media feeds and smart speakers, or on our online banking. AI, and the data that fuels our algorithms, help protect us from fraud and diagnose serious illness and this technology is evolving every day.
- 1.2 Generative Artificial Intelligence (GenAI), such as ChatGPT and CoPilot, augments human capabilities and possibilities. Based on public data-trained models, GenAI algorithms can generate new and creative information/data like the original content produced by humans. GenAI is a type of AI that, as this name suggests, generates new content. This contrasts with other types of AI, like discriminative AI, which focuses on classifying or identifying content that is based on pre-existing data.
- 1.3 AI-based technologies, can now be used to create pictures, write papers, write application code, draft articles and social media posts, and generate videos and audio recordings simply by writing a few sentences. However, while these capabilities help accelerate the creation of knowledge-based content, there are risks. For example, AI-generated results could deceive or mislead readers because of bias, data quality issues, malicious intent, lack of diverse thoughts, and a simple lack of ethics in disclosing the source of the content. Therefore, while the results may be excellent, the information generated must be weighted cautiously, as AI output is based on available data at the time and how it was trained. This is no different than information received from a human and should be treated as another source of information that should be weighed in with other viewpoints and sources.
- 1.4 AI has the potential to transform Bromsgrove District and Redditch Borough Councils (the Council) by improving efficiency, increasing citizen engagement, and providing data-driven insights.
- 1.5 This policy is designed to establish guidelines and best practices for the responsible and ethical use of AI within the Council. It ensures that our employees are using AI systems and platforms in a manner that aligns with the authority's values, adheres to legal and regulatory standards, the Council's existing information governance and security policies, and promotes the safety and well-being of our stakeholders.

2. Policy Statement

- 2.1 Use of AI must be in a manner that is responsible and ethical, avoiding any actions that could harm others, violate privacy, or facilitate malicious activities. Use of AI should promote fairness and avoids bias to prevent discrimination and promote equal treatment and be in such a way as to contribute positively to the Council's goals and values.
- 2.2 Users may use AI for work-related purposes subject to adherence to the following guidelines. This includes tasks such as generating text or content for reports, emails, presentations, images and communications.
- 2.3 Particular attention should be given to transparency, governance, vendor

practices, copyright, accuracy, confidentiality, disclosure and integration with other tools.

3. Scope

- 3.1 This policy applies to all employees, elected members, contractors, agents and representatives and temporary staff working for or on behalf of the Council, hereinafter referred to as “users”.
- 3.2 This policy applies to all users with access to AI, whether through Council-owned devices or BYOD (bring your own device) in pursuit of Council activities.
- 3.3 There are multiple AI systems available to purchase. However, ICT maintain a list of approved systems. To receive an up-to-date list, please contact ICT.

4. Transparency and Accountability

- 4.1 Users must be transparent about the use of AI in their work, ensuring that stakeholders are aware of the technology's involvement in decision-making processes.
- 4.2 **Information Asset Register (IAR):** The IAR is a list of personal and non-personal information assets held by the Council. Where systems, services and platforms utilise AI technology, this should be included in the IAR, for AI governance and compliance efforts.
- 4.3 **Data Protection Impact Assessments (DPIA)s:** The use of AI to process personal data will, in the vast majority of cases, likely result in a high risk to individuals' rights and freedoms, and will therefore trigger the legal requirement for the undertaking or updating of a DPIA. This will be assessed on a case-by-case basis. If the result of an assessment indicates residual high risk to individuals that cannot be sufficiently reduced, the Council must consult with the Information Commissioner's Office (ICO) prior to starting the processing.
- 4.4 **Privacy Notices:** A privacy notice should provide clear and transparent information to individuals about how personal data is collected, used or otherwise processed, and to what extent personal data are, or will be, processed. Where systems, services and platforms utilise AI technology, this should be disclosed in the relevant privacy notice.
- 4.5 **Publication Scheme:** The aim of a publication scheme is to foster openness in government and increase transparency and improves public access to the information the Council holds, this includes AI systems.
- 4.6 **Content Disclosure:** For content produced solely via AI, (for example CoPilot and ChatGPT), disclosures are critical for people to know and understand how to interpret, analyse, and respond to the information they consume. Employees are responsible for the outcomes generated by AI systems and should be prepared to explain and justify those outcomes.

For example, here is a high level disclosure that could be used and associated with written content so the person consuming the content knows how to best handle the information they are consuming:

Disclosure: The following content was generated entirely by an Artificial Intelligence (AI) based system based on specific requests asked of the AI system. AI generated content has been reviewed by the author for accuracy and edited/revised where necessary. The author takes responsibility for this content.

5. Automated Decision Making

- 5.1 AI can make decisions more quickly and accurately than humans by automating certain processes. The right to explanation and human review of algorithmic decision-making is an important part of the UK GDPR.
- 5.2 Legally you can only carry out this type of processing if you can rely on one of the three exceptions:
 - a. Explicit consent of the individual (Article 6(1)(a) of Regulation (EU) 2016/679 legislation - this must be a positive indication (and therefore there must be an alternative option)
 - b. Performance of a contract with the individual (Article 6(1)(b) of Regulation (EU) 2016/679 - e.g. credit checks or recruitment shortlisting)
 - c. Authorised by law i.e. there is a law enabling us to make automatic decisions about whatever it is we're trying to decide.

Or there is human involvement in the decision making i.e. the decision is reviewed by a human to sense check (please consult with Information Management if processing special category data).

- 5.3 Automated decision-making should not be used without prior information being provided to the user (e.g. through use of a Privacy Notice). A detailed disclosure is therefore required that alerts consumers to the fact that they are being subjected to an automated decision, explains the basic logic the algorithm employs and lists the personal data that flow into the automated decision-making process and explains any right to appeal. Examples of where this disclosure should be provided include:
 - a. Online forms
 - b. Online portals
 - c. Applications

6. Procurement

- 6.1 A question(s) of AI must be included in the Invitation to Tender (ITT)
- 6.2 A clause will be included in the contract to state we prohibit suppliers from using artificial intelligence technologies without express consent.

7. Third-party Services

- 7.1 When utilising third-party AI services, systems or platforms, users must ensure that the providers adhere to the same ethical standards and legal requirements as outlined in this policy.

Staff should not participate in meetings where AI tools are in use, for example ReadAI and Otter. Those who are attending external meetings hosted by someone else, should ask whether AI tools are in use. If they are, you should ask the host to have the tool switched off for the duration of the meeting. If they decline, remove yourself from the meeting, or if this is not an option, ensure you do not discuss anything confidential and that you do not mind sharing with unknown companies/agencies in any country.

Some of these tools are not UK GDPR compliant and have not been approved by the Cyber Security Board or the System & Data Group.

The only approved tool currently, is the transcription and recording option provided by MS Teams.

- 7.2 Any use of AI technology in pursuit of Council activities should be done with full acknowledgement of the policies, practices, terms and conditions of developers and vendors.
- 7.3 Vendors will be required to inform the council of all use of AI technology in their systems and services.

8. Confidentiality and Data Protection

- 8.1 Employees must adhere to the Council's Information security policies and Systems & Data Guidelines when using AI systems. They must ensure that any personal or sensitive data used by AI systems is anonymised and stored securely.
- 8.2 Confidential and personal information must not be entered into an AI tool such as ChatGPT, where information may enter the public domain. Users must follow all applicable data privacy laws and organisational policies when using AI. If a user has any doubt about the confidentiality of information, they should not use AI.
- 8.3 Users should consult the [ICO's Guidance on AI and Data Protection](#) and use [the ICO's AI and DP Risk Toolkit](#) which provides further practical support to organisations to reduce the risks to individuals' rights and freedoms caused by AI systems.

9. Copyright

- 9.1 Users must adhere to copyright laws when utilising AI. It is prohibited to use AI to generate content that infringes upon the intellectual property rights of others, including but not limited to copyrighted material. If a user is unsure whether a particular use of AI constitutes copyright infringement, they should contact the legal advisor or the Information Management Team before using AI.

10. Ethical Use

- 10.1 AI must be used ethically and in compliance with all applicable legislation, regulations and organisational policies. Users must not use AI to generate content that is discriminatory, offensive, or inappropriate. If there are any doubts about the appropriateness of using AI in a particular situation, users should consult with their supervisor or ICT.

11. Equality, Bias and Fairness

- 11.1 Users must actively work to identify and mitigate biases in AI systems. They should ensure that these systems are fair, inclusive, and do not discriminate against any individuals or groups.
- 11.2 An Equality Impact Assessment ([Equality and Diversity - Equality Impact Assessments - All Documents](#)) must be completed to ensure, and be able to show, that the use of AI systems will not result in discrimination that:
- causes an individual subject to the decision to be treated worse than someone else because of one of these protected characteristics; or
 - results in a worse impact on someone with a protected characteristic than someone without one.

12. Human-AI Collaboration

- 12.1 Users should recognise the limitations of AI and always use their judgment when interpreting and acting on AI-generated recommendations. AI systems should be used as a tool to augment human decision-making, not replace it.
- 12.2 A human review of decisions made by AI systems can be an important step to validate the decision proposed by the AI system.

13. Integration with other tools

- 13.1 API (Application Programming interfaces) and plugin tools enable access to AI and extended functionality for other services to improve automation and productivity outputs. Users should follow OpenAI's [Safety Best Practices](#) guidelines:
- Adversarial testing
 - Human in the loop (HITL)
 - Prompt engineering
 - "Know your customer" (KYC)

- Constrain user input and limit output tokens
- Allow users to report issues
- Understand and communicate limitations
- End-user IDs.

13.2 API and plugin tools must be rigorously tested for:

- Moderation – to ensure the model properly handles hate, discriminatory, threatening, etc. inputs appropriately.
- Factual responses – provide a ground of truth for the API and review responses accordingly.

14. Ensuring data quality for AI and checking outputs

14.1 AI is dependent on good quality data and accurate algorithms. It is important to implement auditing of the datasets used by AI, both for accuracy and consistency, by reviewing and spot-checking of the results generated.

15. Accuracy

15.1 All information generated by AI must be reviewed and edited for accuracy prior to use. Users of AI are responsible for reviewing output and are accountable for ensuring the accuracy of AI generated output before use/release. If a user has any doubt about the accuracy of information generated by AI, they should not use AI.

16. Training and Education

16.1 Users who use AI systems should receive appropriate training on how to use them responsibly and effectively. They should also stay informed about advances in AI technology and potential ethical concerns.

17. Guidelines for content produced by AI

17.1 Content solely produced via AI, such as ChatGPT and CoPilot, must be identified and disclosed as containing AI generated information.

 Do use • Do use AI for presentations • Do use AI for analysing public data • Do use a footnote advertising AI has been used to generate information for this document • Do use AI responsibly and ethically 	 Don't use • Don't use AI for confidential information • Don't use AI to store public records • Don't use AI for private customer records	 Be • Be careful when analysing data that the AI is only using the data you have provided / specified • Be careful the use of AI does not breach copyright or intellectual property rights • Be aware of AI risks around confidentiality, accuracy, bias and security	
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18. Risks – link risks and DPIA together above

18.1 Legal compliance

Data entered into AI may enter the public domain. This can release non-public information and breach regulatory requirements, customer or vendor contracts, or compromise intellectual property. Any release of private/personal information without the authorisation of the information's owner could result in a breach of the UK GDPR and the amended version of the Data Protection Act 2018. Use of AI to compile content may also infringe on regulations for the protection of intellectual property rights including the Copyright Act 1956. Users should ensure that their use of any AI complies with all applicable laws and regulations and with Council policies.

18.2 Bias and discrimination

AI may make use of and generate biased, discriminatory or offensive content. Users should use AI responsibly and ethically, in compliance with Council policies and applicable laws and regulations.

18.3 Security

AI may store sensitive data and information, which could be at risk of being breached or hacked. The Council must assess technical protections and security certification of AI before use. If a user has any doubt about the security of information input into AI, they should not use AI.

18.4 Data sovereignty and protection

While an AI platform may be hosted internationally, information created or collected in the United Kingdom of Great Britain and Northern Ireland (UK), under data sovereignty rules, is still under jurisdiction of UK laws. The reverse also applies. If information is sourced from AI hosted overseas for use in the UK, the laws of the source country regarding its use and access may apply. AI service providers should be assessed for data sovereignty practice by any organisation wishing to use their AI.

Appendix A: Example Staff Privacy Notice AI Statement

Purpose for processing

The Council's Human Resources (HR) and Organisational Development (OD) Service collects and processes personal data relating to our employees to manage our working relationship with you both directly and through our commissioned private sector processors.

This includes employment law and standards, administration of employee benefits, and all aspects of recruitment and employee management, staff engagement, feedback and compliance. We are committed to being transparent about how we collect and use your personal data and to meeting our obligations under data protection legislation.

These processing activities undertaken include:

- manage the HR and payroll functions so you receive correct remuneration and benefits and in order to administer your HR employment records
- monitoring and reporting of workforce statistics
- compliance with regulatory and inspection regimes (e.g. Local Government Ombudsman), including providing statistics
- prevention and detection of crime
- protection of the public funds we administer, including prevention and detection of fraud
- monitoring and reporting of access to and use of Council owned/rented buildings and car parks and ensure compliance to associated policies

We may also use automated decision-making or profiling techniques, including AI algorithms, to assess certain aspects of your employment, such as performance evaluations or training needs. These automated processes are designed to support fair and objective decision-making.

Your information rights

You are entitled to a copy, or a description, of the personal data we hold that relates to you, subject to lawful restrictions. Please go to our [Make a Data Protection Request](#) page to find out how to make a request or contact the Information Management Team information.management@bromsgroveandredditch.gov.uk

You may also be entitled to have incorrect or incomplete data amended, object to the processing (in some circumstances), the right to obtain human intervention with regards to automated processing (including profiling), and the restriction or erasure of your personal data where the data is no longer necessary for the purposes of processing depending on the service and legal basis. Please contact Information Management to exercise these Information Rights.

Please see our overarching [Privacy Notice](#) for further contact details and if you have a complaint about your information rights.

Appendix B: Example transparency information about use of AI

This information is to be included on the website and referenced in the Publication Scheme.

As part of our commitment to transparency and openness, we provide information about our systems that utilise artificial intelligence (AI). This information aims to promote understanding and awareness of the AI systems we employ, their purpose, and their potential impact.

Purpose of AI Systems

Our AI systems are designed to enhance and automate various processes within our organisation. These systems utilise advanced algorithms and machine learning techniques to analyse data, make predictions, or assist in decision-making.

Categories of AI Systems

1. Intelligent Process Automation: These AI systems automate repetitive and rule-based tasks, improving efficiency and reducing manual effort across various departments.
2. Data Analytics and Insights: These AI systems analyse large volumes of data to derive meaningful insights, identify patterns, and support data-driven decision-making.
3. Natural Language Processing (NLP): These AI systems process and understand human language, enabling intelligent text analysis, sentiment analysis, and language translation.
4. Image and Video Analysis: These AI systems employ computer vision techniques to analyse images and videos, facilitating object recognition, facial recognition, and content classification.
5. Recommendation Systems: These AI systems utilise machine learning algorithms to provide personalised recommendations to users based on their preferences and behaviour.

Impact of use of AI systems

1. General Description: A high-level overview of the purpose, functionalities, and intended use of each AI system category mentioned above.
2. Data Sources and Processing: Information about the data sources used by AI systems, data processing methodologies, and data security measures implemented to protect sensitive information.
3. Ethical Considerations: Explanation of the ethical considerations taken into account during the development and deployment of AI systems, including fairness, bias mitigation, and privacy protection.
4. Human Oversight and Intervention: Details on how human oversight is integrated into the AI systems, including validation, monitoring, and intervention protocols to ensure system performance and address potential risks.



5. Impact Assessment: Reports or summaries assessing the impact of AI systems on various aspects such as productivity, efficiency, quality, and potential societal implications.

Disclaimer

The information provided is subject to change and is accurate to the best of our knowledge at the time of publication. We reserve the right to update or modify the information as necessary.



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Appendix C: Example Privacy Notice text for systems using automated decision-making

This information is required to be inserted at the start of any process that includes automated decision-making affecting individuals that is not always reviewed or checked by a human:

- a. ensure that this text is added at the front of any system using automated decision making (this could be done by a box that expands when the user hovers over it - privacy info on demand) **and**
- b. add in a consent box at the end of this text for the individual to tick to say they agree **and**
- c. understand what the alternative option is for individuals who don't want to rely on an automated decision - this could be to make sure that the processing performed without consent is subject to a human review before finalising the decision.

The appeal right for someone to review the fully automated decision will still be needed regardless of the option to go down the fully-automated route.

Automated Decision-Making

Certain aspects of the decision-making process are automated, based on algorithms and artificial intelligence technologies. The following information is intended to provide transparency about the process and ensure you have an understanding of how the automated decision is made.

1. Purpose: The automated decision-making process is employed to *[state the purpose of the decision-making process, e.g., assess applications, determine eligibility for a service, etc.]*.
 2. Logic: The algorithm utilises *[describe the basic logic or factors considered by the algorithm, such as historical data, statistical analysis, or specific criteria]* to evaluate the information provided and generate a decision.
 3. Personal Data: The following personal data are used in the automated decision-making process: *[list the types of personal data that flow into the decision-making process, such as name, age, address, employment history, credit score, etc.]*.
 4. Data Sources: The personal data used in the decision-making process may be obtained from *[describe the sources of data, such as user-provided information, public records, credit bureaus, etc.]*.
 5. Accuracy and Reliability: We take utmost care to ensure that the data used in the automated decision-making process is accurate and reliable. We regularly update our data sources and employ data quality measures to minimise errors.
- ☐ I understand part of this process will include automated decision making and consent to this.
- ☐ I understand that I have the right to appeal or object to the decision, and the right to obtain human intervention in the decision.

Right to Appeal

Details of the Right to Appeal should be provided on a webpage providing information on our use of AI/automated decision-making as it will be the same for all systems. A hyperlink should be provided to the text from the declaration statement above.



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1. Review Mechanism: We understand the importance of fair and transparent decision-making. If you disagree with the outcome of the automated decision, you have the right to request a review or reconsideration of the decision.
2. Appeal Process: To exercise your right to appeal, please *[provide instructions on how consumers can initiate the appeal process, including any contact details, forms, or procedures]*.
3. Human Intervention: Our appeal process involves human intervention to reassess the decision and take into account any additional information or circumstances that may have an impact on the outcome.

Please note that the right to appeal is subject to *[state any limitations or conditions, such as specific timeframes for initiating an appeal, eligibility criteria, or any applicable legal requirements]*.

We are committed to ensuring fairness, transparency, and accountability in our automated decision-making processes. If you have any questions, concerns, or require further information about the automated decision-making process or your right to appeal, please contact *[provide contact details for further assistance]*."

Please customise this statement to fit your specific context, taking into account any legal requirements and ensuring that the information provided accurately the automated decision-making processes and appeals mechanism.



Appendix D: Example ITT / SQ Question regarding use of AI

Example questions for use in the Invitation to Tender (ITT) / Selection Questionnaire (SQ) regarding the use of AI in products and services.

1. **AI Utilisation:** Does your application or solution incorporate any artificial intelligence (AI) technologies or features? Please provide details regarding the specific AI functionalities, algorithms, or techniques used within your application.
2. **AI Capabilities and Benefits:** How does the integration of AI within your application enhance its capabilities and deliver value to users? Please describe the specific benefits or advantages that AI brings to your solution, such as improved accuracy, automation, predictive capabilities, personalised experiences, or any other relevant aspects.
3. **Data Requirements:** Specify the data inputs required for your AI-powered functionalities to operate effectively. Describe the nature of the data sources, including data formats, volume, and any dependencies or prerequisites for successful AI processing.
4. **Training and Model Updates:** Explain how the AI models or algorithms within your application are trained and updated over time. Provide information on the frequency and process of model updates or retraining to ensure optimal performance and accuracy. Clarify whether user data is utilised for ongoing model improvement and outline any privacy considerations related to this aspect.
5. **Explainability and Transparency:** Detail the steps taken to ensure transparency and explainability in the AI-driven decisions or outcomes generated by your application. Describe how users can understand the rationale behind AI recommendations, predictions, or actions, and any mechanisms in place to provide relevant explanations or context.
6. **Ethical Considerations:** Outline the ethical considerations and safeguards implemented within your application's AI functionalities. Discuss how your solution addresses potential biases, fairness, privacy, or any other ethical challenges associated with AI utilisation. Provide details on any third-party audits, certifications, or guidelines adhered to in ensuring ethical AI practices.
7. **Integration and Compatibility:** Specify the compatibility of your application's AI features with existing systems, infrastructure, or platforms within our organisation. Describe any potential integration requirements, dependencies, or limitations that need to be considered for seamless adoption and usage.
8. **Support and Maintenance:** Describe the support and maintenance services provided for the AI components of your application. Outline the availability of technical assistance, updates, bug fixes, and any ongoing support to ensure the smooth operation and performance of the AI features.

Note: The above question serves as a starting point to ascertain whether the tendered applications incorporate AI technologies. It should be customised to suit the specific requirements and objectives of the tender, aligning with the desired information about the AI

utilisation within the applications being evaluated.



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Appendix E: Example clause for use in contracts regarding use of AI in products and services

Example clause for use in the contracts:

"Prohibition of Supplier's Use of Artificial Intelligence Technologies without Express Consent

1. The supplier acknowledges and agrees that, without obtaining the express written consent of the Council, they shall not use any artificial intelligence (AI) technologies within the products, services, or solutions delivered under this contract.
2. "Artificial intelligence technologies" refer to any algorithms, machine learning models, or automated decision-making systems that utilise AI methodologies to analyse data, make predictions, automate tasks, or perform other AI-related functionalities.
3. The supplier shall not deploy or integrate AI technologies within their deliverables or services without the explicit written permission of the Council. This includes, but is not limited to, incorporating AI into software applications, utilising AI-powered analytics, or employing AI-driven automation.
4. If the supplier intends to use AI technologies within the scope of this contract, they must submit a formal request to the Council detailing the purpose, functionality, data requirements, and potential impact of the proposed AI utilisation. The Council reserves the right to review, evaluate, and grant or deny permission for such AI usage at its sole discretion.
5. Any unauthorised use of AI technologies by the supplier, including accidental or incidental use, without the express consent of the Council shall be deemed a material breach of this contract.
6. In the event that the supplier receives consent for the use of AI technologies, they shall be responsible for ensuring compliance with all applicable laws, regulations, and ethical considerations governing the use of AI, including but not limited to data protection, privacy, fairness, and transparency.
7. The Council reserves the right to monitor and audit the supplier's use of AI technologies to verify compliance with the terms and conditions outlined in this clause. The supplier shall cooperate fully with any such monitoring or auditing activities.
8. This clause shall survive the termination or expiration of the contract and shall remain in effect until otherwise agreed upon in writing by the Council.

By entering into this contract, the supplier acknowledges that they have read, understood, and agreed to comply with the terms and conditions outlined in this clause regarding the use of artificial intelligence technologies without express consent."

Please note that this example clause should be reviewed and customised to align with the

specific requirements and legal framework of the Council. It is advisable to seek legal advice to ensure compliance with relevant laws and regulations related to the use of AI technologies.



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Appendix F: Areas that training on the use of AI could cover

1. Understanding AI Fundamentals

Users should receive training on the fundamental concepts of artificial intelligence, including machine learning, algorithms, and automated decision-making. This training should provide an overview of how AI systems work, their limitations, and potential biases that may arise.

2. Responsible Use of AI

Training should emphasise the importance of using AI systems responsibly and ethically. Users should be educated on the potential impact of their actions when utilising AI technologies and be aware of the ethical considerations involved, such as fairness, transparency, privacy, and bias mitigation.

3. Effective Utilisation of AI Systems

Users should be trained on how to effectively utilise AI systems to achieve their intended goals. This training may include instruction on how to input data correctly, interpret AI-generated outputs, and leverage the capabilities of the AI system to improve decision-making or automate tasks.

4. Evaluating AI Results

Users should learn how to critically evaluate the outputs and results generated by AI systems. Training should cover methods to verify the accuracy and reliability of AI-generated information, validate predictions or recommendations, and identify potential errors or inconsistencies.

5. Staying Informed on AI Advances

Users should be encouraged to stay up-to-date with advancements in AI technology. This can be achieved through ongoing training, webinars, conferences, or access to educational resources that highlight the latest developments, best practices, and emerging ethical concerns related to AI.

6. Ethical Considerations and Social Impact

Training should address the broader societal impact of AI and the ethical considerations associated with its use. Users should be educated about the potential consequences of biased or discriminatory AI systems and the importance of promoting fairness, inclusivity, and accountability in AI applications.

7. Privacy and Data Protection

Users should receive training on the privacy and data protection aspects related to AI systems. This includes understanding the types of personal data being processed, data storage and security measures, and compliance with relevant privacy regulations. Users should also be aware of their responsibilities in handling sensitive data when interacting with AI systems.

8. Reporting and Feedback

Users should be educated on how to report issues or concerns related to AI systems. Training should provide clear channels for users to provide feedback, report biases, or highlight potential ethical issues they encounter while using AI systems.

It is essential to provide periodic refresher training sessions and resources to ensure that users stay well-informed about responsible and effective AI system usage. The training



program should be tailored to the specific AI systems in use and the needs of the user community.



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Appendix 3

WhatsApp Policy Draft v0.2

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WhatsApp draft v0.2

Introduction and aims

This guidance aims to:

1. Facilitate efficient and modern day-to-day communication
2. Manage risks to the security of information
3. Aid compliance with the principles of record-keeping, accountability and transparency

Adopting evolving modern technology means we can support our operation to stay effective over time. As a result, the councils have approved WhatsApp for use under the specific circumstances as set out in this document.

This guidance sets out when it is and is not acceptable to use WhatsApp, and how to reduce the risks of using it. Staff must follow this guidance.

WhatsApp is the market leading messaging app people use to share information. Any channel that allows us to communicate effectively offers significant opportunities. The risks to mitigate are also significant, as inappropriate or in non-compliant use could lead to:

- **Legal risks** of penalties to staff and the councils
- **Reputational risks** for the councils
- **Data breaches.**

For these reasons, WhatsApp is only permitted for the narrow band of uses as set out in this document, where it helps to meet a particular need to communicate. In general, WhatsApp should be considered a last resort for work purposes, to be used when there is no viable alternative across the systems the councils provide for work purposes.

Please remember that WhatsApp is a social media application, and is therefore also covered by our Social Media Policy.

Any deviation from this guidance must be backed up by a risk assessment with a strong justification or rationale.

Summary

You can use WhatsApp at work for non sensitive information only and with care. See below for a guide to what is non sensitive information.

When talking to	About	Use WhatsApp
Internal colleagues	Sensitive information	Never
	Non-sensitive information	With care
Official partners	Sensitive information	Never
	Non-sensitive information	With care
Customers	Sensitive information	Never
	Non-sensitive information	Never
The public	Sensitive information	Never
	Non-sensitive information	Via corporate Communications

'With care' means with due care, attention, and forethought to the contents of your conversation, particularly the risk of committing a data breach by including sensitive information including through unexpected data in the background of shared photos.

When information is 'sensitive'

As council employees, our data at work is automatically classified under government security rules as OFFICIAL. This means you can never just share work data, and rules will always apply to it. However under OFFICIAL there are two levels of 'sensitivity': OFFICIAL SENSITIVE and OFFICIAL NON SENSITIVE.

Here are examples:

OFFICIAL SENSITIVE	OFFICIAL NON SENSITIVE
Anything with recordkeeping requirements including under the GDPR and FOI, i.e. most data and normal business of the council.	Logistical communications, office admin, service info (e.g times, locations), info for public release (e.g news, photos, PR), promotional

E.g. customer service interactions, personal data, aggregated data, internal council data, decisions, transactions.	info (e.g. adverts, offers), dataless information.
---	--

These lists are not exhaustive.

In general, you must treat all council information as sensitive unless and until you exercise your professional judgement that it is non sensitive. You should expect to be able to defend your judgement on this if challenged. If in doubt, always treat information as sensitive.

Ask yourself

1. Do I really have to use WhatsApp for this? Is there any way I can avoid it?
2. Is there already a corporate system I could use for this, like Email or Teams?
3. Is this data definitely non-sensitive?
4. Would I be happy for this to be made public?

Examples

Example A: team group chat

WhatsApp can be helpful to share information within a team, for example, to alert to a change in venue for a meeting, arrange cover if someone is running late / off work / at late notice, or alert a team to information shared on another channel that they need to be aware of. All this kind of information would be non sensitive, and therefore permitted with care.

Such a chat must not however be used for any personal or confidential information relating to staff, customers, or the business of the council – all of which would be sensitive information, and never permitted. That business would have to be conducted via council systems.

Example B: “I’ve sent you an email that needs action”

WhatsApp can be helpful to alert someone, for example a partner, councillor, or someone you know is out in the field, to urgent information you have sent via another channel.

For example, you might need to say “I’ve sent you an important work email that needs attention by midday”. That is non sensitive information. The sensitive contents of that email, however, would never be OK to share on WhatsApp.

Remember

- You are subject to work policies at work, including the Code of Conduct and Social Media Policy.
- If you become aware of misconduct at work, it is your responsibility to report it.
- Remember to remove leavers from your team chats, as they have become external customers!
- Stay cyber savvy and be vigilant to the ever-present threat of scams and phishing.
- WhatsApp is not secure: once sent, content is out in the public domain and cannot be removed and there are no deletion guarantees anywhere.

- Even with 'disappearing messages' turned on – i.e. when messages are removed from the sender and receiver's phones after a certain period – you have no way to know what has happened to the data once you press send.
- WhatsApp's operator, Meta, stores data on the sender and receiver: their location, phone numbers, contact lists. Meta cannot see or access the content of messages.

If you accidentally share sensitive data on WhatsApp

If you think you have accidentally shared sensitive information on WhatsApp, it could be a data breach.

1. Don't panic
2. Delete the suspect message(s)
3. Delete any related media from your phone
4. Delete any cloud backups of that media your phone may have performed
5. Inform your line manager that you have done the above and what happened, so our processes around a potential data breach can be followed.

Photos via WhatsApp

In general, you should not include anything of a confidential or sensitive nature in shared images on WhatsApp.

Images of people are sensitive by default. They contain personal data with significant implications, including under the GDPR. There is a simple process to achieve compliance for sharing images. That includes completing an online photo consent form at www.bromsgrove.gov.uk/photo or www.redditchbc.gov.uk/photo. Contact Communications for further advice on this.

Using your own device? Know the risk

If you are using your own phone for WhatsApp, for example if you don't have a compatible work phone, understand that any device you use for sensitive council data could become subject to Freedom of Information (FOI) requests.

Calls and video calls via WhatsApp

In general, avoid using these. But in an emergency when there is no mobile signal but there is Wi-Fi, you can use this feature. Be aware of the usual risks of data breaches around audio and video calls (e.g. having sensitive data overheard by people who should not have access to it, or having sensitive data shared on screen or visible in the background),

Emergency Response: WhatsApp usage

The following has been provided by Applied Resilience and applies specifically to the use of an Emergency Response WhatsApp group.

Purpose

If action is required in a civil emergency, a message will be posted in the Emergency Response WhatsApp group. This allows the initial rapid notification of users in the group. Following the notification, the relevant group members will then be contacted by Applied Resilience via phone to ensure notification has been received. Ongoing general updates may be posted on the group in line with the guidance below.

Information that can be shared

The sharing of non-identifying, non-sensitive information can be shared within the group relating to the emergency. The primary purpose of the group is for initial notification and general updates.

Information that cannot be shared

Any identifying or sensitive information cannot be shared in this group. This includes personal details of affected residents. Adherence to GDPR policy must take place. If sensitive data needs to be shared, this should be done either via the phone or through email.

Data retention

Data in the group is retained for # years after which point it is deleted. The responsibility will be on the message sender to delete messages after the # year time limit is reached. If there are any changes to this timeframe you will be informed by one of the group administrators. If an incident is going to enquiry, then messages will be retained for the duration of the enquiry.

Group administration

The group administration will be undertaken by NAMED OFFICERS and Applied Resilience. If you no longer require access to the group for reasons such as, leaving the council, change in job role, or no longer forming a part of the response, please contact one of the above to be removed unless you have already been removed. Contact details will be updated upon the review of the Emergency Contacts Directory, however, if you have a change in details, please contact one of the administrators.

If you have any questions or queries, please contact the group administrators listed above.

Sources

1. West Mercia Police - internal WhatsApp policy
2. Cabinet Office [Cabinet Office guidance for the use of Non Corporate Communications Channels](#) (March 2023)
3. Cabinet Office [Guidance 1.1: Working at OFFICIAL](#) (Aug 2024)
4. West Mercia LRF - Rebecca Pritchett
5. Applied Resilience - Nick Moon and Robin Churchill

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REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE –
WORK PROGRAMME 2025-26**

23rd October 2025

Standing items:

- Monitoring Officer's Report – Standards Regime
- Feckenham Parish Council Representative's report - Standards Regime
- Financial Compliance Report
- Internal Audit Progress Update
- Risk Champion Update
- Committee Work Programme

Additional Items:

- Annual Review Letter of Local Government and Social Care Ombudsman
- Annual Governance Statement
- External Auditor's Interim Report 2023-24
- Cyber Security Update (including WhatsApp and AI policy)

20th January 2026

Standing items:

- Monitoring Officer's Report – Standards Regime
- Feckenham Parish Council Representative's report - Standards Regime
- External Audit Update Report
- Internal Audit Progress Update
- Financial Compliance Report
- Risk Management Report
- Risk Champion Update
- Committee Work Programme

Additional Items:

- Capital Strategy 2025-26 including Treasury Management Strategy

February 2026 (Date TBC)

Items:

- External Auditor's Report

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE –
WORK PROGRAMME 2025-26**

9th April 2026

Standing items:

- Monitoring Officer's Report – Standards Regime
- Feckenham Parish Council Representative's report - Standards Regime
- External Audit Update Report
- Internal Audit Progress Update
- Financial Compliance Report
- Risk Management Report (Q4 2025-26)
- Risk Champion Update
- Committee Work Programme

Additional Items: