



Audit, Governance & Standards Committee

Tue 3 Nov
2026
6.30 pm

 **Redditch**
Borough Council
Working together for our communities

Oakenshaw Community Centre,
Castleditch Lane, B98 7YB

**If you have any queries on this Agenda please contact
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GUIDANCE ON FACE-TO-FACE MEETINGS

Please note that this is a public meeting. You are able to access the agenda documents for this meeting from the Committee Pages of the Council's website.

If you have any questions regarding the agenda or attached papers, please do not hesitate to contact the officer named above.

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 and Standards Committee. Virtual participation of residents at meetings can be arranged by contacting the Committee Officer (named above) at least two working days in advance of the meeting.

Notes:

Although this is a public meeting, there are circumstances when Council 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

Tuesday, 3rd November, 2026

6.30 pm

Oakenshaw Community
Centre, Castleditch Lane,
Redditch

Agenda

Membership:

Cllrs:

David Meredith
(Chair)
Roger Bennett
(Vice-Chair)
Joe Baker
Joanna Kane

Jen Snape
Jane Spilsbury
Rita Rogers
Ian Woodall
Co-opted Member:
Parish Cllr Alan Smith
1 vacant seat

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 5 - 20)

The minutes of the Audit, Governance and Standards Committee meeting of 23rd July 2026 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 to speak by midday two working days prior to the date of the meeting. A maximum of 15 minutes will be allocated to public speaking.

5. Monitoring Officer's Report - Standards Regime (Pages 21 - 28)

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

To receive a verbal report from the Feckenham Parish Council Representative on Parish Council's standards matters.

7. Annual Update Report on Regulation of Investigatory Powers Act 2000 (RIPA) (Pages 29 - 78)

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- 8. Annual Statistics from Local Government and Social Care Ombudsman**
(Pages 79 - 88)
- 9. External Audit Progress Report and Sector Update** (Pages 89 - 146)
- 10. Internal Audit Progress Report** (Pages 147 - 162)
- 11. Financial Compliance Report** (Pages 163 - 174)
- 12. Annual Governance Statement 2025/26 Action Plan Update** (Pages 175 - 194)
- 13. Risk Champion Update**
- 14. Risk Management Report (Q2 2026-27)** (Pages 195 - 214)
- 15. Audit, Governance and Standards Committee Procedure Rules** (Pages 215 - 246)
- 16. Audit, Governance and Standards Committee Self-Assessment** (Pages 247 - 270)
- 17. Committee Work Programme** (Pages 271 - 272)



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MINUTES

Present:

Councillor David Meredith (Chair) and Councillors Susan Eacock, Joanna Kane, Andrew Fry, Sharon Harvey, Rita Rogers and Ian Woodall

Also Present:

Chris Green – Head of Worcestershire Internal Audit Shared Service

Officers:

James Walton, Nicola Cummings and Simon Parry

Democratic Services Officers:

M Sliwinski

14. APOLOGIES AND NAMED SUBSTITUTES

Apologies for absence were received from Councillors Bennett, Snape and Spilsbury. These Members were substituted at the meeting by Councillors Eacock, Fry and Harvey respectively.

Apology was also received on behalf of the Parish Council Representative, Alan Smith.

15. DECLARATIONS OF INTEREST

Councillor Harvey declared an interest in Minute Item 19 – Localism Act 2011 – Standards Regime – General and Individual Dispensations in that her request for an Individual Member Dispensation (IMD) would be considered under that item. She left the meeting during the consideration of Minute Item 19 (Agenda Item 6) and took no part in the debate nor vote thereon.

There were no other declarations of interest.

16. MINUTES

Chair

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The minutes of the meeting of Audit, Governance and Standards Committee held on 11th June 2026 were considered.

RESOLVED that

the minutes of the meeting of Audit, Governance and Standards Committee held on 11th June 2026 be approved as a true and correct record and signed by the Chair.

17. PUBLIC SPEAKING

There were no members of the public who had registered to speak at this meeting.

18. MONITORING OFFICER'S REPORT - STANDARDS REGIME

The Deputy Monitoring Officer presented the Monitoring Officer's report for Members' consideration. Members were advised that, for the period 1 April 2025 to 31 March 2026, two complaints had been received from members of the public against two elected Members. Neither complaint had passed the initial assessment stage. In addition, all complaints that had been reported to the previous meeting and remained unresolved at that time had since been concluded through informal resolution.

For the period starting 1 April 2026, one anonymous complaint had been received against a Member and referred to the Police. The Police had determined not to investigate the matter, and no further action had been taken. Two Member-to-Member complaints had also been received. One did not pass the initial assessment stage, the other matter was ongoing. A further eight complaints had been received from members of the public. Four complaints had been made against one Member and two complaints against another Member, none of which had met the initial assessment threshold. Of the two further complaints, one complaint had subsequently been withdrawn and one had been assessed as not constituting a Code of Conduct matter.

The Committee was advised that information regarding whistleblowing had now been incorporated into the report. Members were informed that two whistleblowing reports had been received during the period 1 April 2024 to 31 March 2025. Whilst neither allegation had been upheld, one investigation had identified

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opportunities for improvements in the Council's procedure for dealing with whistleblowing.

For the period 1 April 2025 to 31 March 2026, one whistleblowing report had been received and investigated, with the allegations not being upheld. It was reported that all future whistleblowing reports would be reported to both the Senior Leadership Team and the Committee. Members also noted that awareness raising had taken place amongst managers regarding the Council's whistleblowing policy and reporting procedures.

The Committee received updates regarding the work of the Member Support Steering Group and the Constitution Review Working Party, together with a summary of Member training delivered since the local elections.

During consideration of the report, a Member queried whether whistleblowing reports were monitored to identify recurring themes or trends. It was suggested that, whilst details of individual cases should remain confidential, information regarding broad categories of concerns could assist Members in identifying emerging issues and areas for organisational learning. In response, the Deputy Monitoring Officer explained that whistleblowing reports were recorded and reported to the Council's Senior Leadership Team (SLT), but any proposal to provide thematic reporting to the Committee would need to be considered further. It was agreed that this would be referred for consideration by the SLT.

Questions were also raised regarding the feedback provided to complainants where complaints did not pass the initial assessment stage. Members were advised that complainants were provided with an explanation outlining why the complaint had not progressed beyond initial assessment, including an explanation in cases where the matter did not pass initial assessment because it was identified that an elected Member was not acting in their official capacity.

A Member commented on the low turnout at some of the Member training sessions and the potential need to re-run some of the training sessions set out in the report. The Member highlighted the importance of ensuring Members attended the training to ensure value was maximised in terms of training resources and officer time.

RESOLVED that

the Monitoring Officer's report be noted.

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19. LOCALISM ACT 2011 - STANDARDS REGIME - GENERAL AND INDIVIDUAL DISPENSATIONS

[Councillor Harvey left the room prior to consideration of this item]

The Deputy Monitoring Officer presented the report regarding the general, individual and outside body appointment dispensations. Members were advised that the statutory grounds under which dispensations could be granted were set out within the report and that the applications before the Committee would, if approved, remain in force until the first meeting of the Audit, Governance and Standards Committee in the 2027/28 municipal year. The updated list of individual member dispensations (IMD) and outside body appointments dispensation requests was tabled at the meeting.

A Member queried the purpose of considering dispensations where there had been no specific concerns identified by the Committee Members in advance of the meeting. In response, it was explained that the Audit, Governance and Standards Committee was required to review and determine whether dispensations should be granted and that the Committee's role was to determine whether to approve the dispensation requests set out in the report. The process ensured that potential interests had been properly considered and managed in accordance with legal requirements. Members were also reminded that dispensations enabled councillors to participate in discussions and decision making where they might otherwise have been prevented from doing so due to a declarable interest.

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;**
- 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;**

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- 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) will remain valid until the first meeting of the Audit, Governance and Standards Committee in the 2027/28 municipal year.

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

There was no Parish Council Standards update as the Parish Council Representative was not present at the meeting.

21. FINAL STATEMENT OF ACCOUNTS 2023/24 AND 2024/25

The Director of Finance and Section 151 Officer presented the final Statement of Accounts for the 2023/24 and 2024/25 financial years, following the external audit being undertaken. Members were reminded that the Committee had considered the External Auditor's Audit Completion Report at the meeting on 11 June 2026 and that the Accounts for 2023/24 and 2024/25 had received disclaimed audit opinions. The accounts before the Committee represented the final stage in the approval process, enabling them to be formally

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signed off following completion of the necessary representations to the External Auditor.

Members welcomed the progress that had been achieved in bringing the Council's accounts process up to date and acknowledged the significant amount of work undertaken by the Council's Finance Team over a number of years to address the historic backlog in the accounts audit cycle. It was recognised that the Council had now reached a position where financial information was being produced in a more timely and transparent manner.

RESOLVED that

the Statements of Accounts for 2023/24 and 2024/25 be acknowledged.

22. RISK CHAMPION UPDATE (VERBAL)

Councillor Rogers reported that there would be no update provided at this meeting, and the Committee would receive the Risk Champion's update at the next meeting.

23. RISK MANAGEMENT REPORT (Q1 2026/27)

The Quarter 1 2026/27 Risk Management Report was presented for Members' consideration. The Committee was advised that additional detail had been included within the report in response to requests made at the previous meeting, including narrative explanations for individual corporate risks together with the detail on inherent and residual risk scores, this showing the impact and likelihood scoring that officers had made against each of the risks.

At the last meeting, Members suggested that risk owners would be invited to attend future meetings, where appropriate, to provide specific updates on individual corporate risks within their service areas. At this meeting, a detailed update was provided by the Assistant Director for Environmental and Housing Property Services on the Remedial Fire Safety Actions (COR027).

The Committee received a separate report, at Appendix 1, on the progress in addressing the outstanding fire safety remedial actions. Members were advised that the budget for fire remediation works had been increased by £1 million for 2026/27 and that an additional contractor had been appointed to increase capacity and accelerate the programme of works.

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It was highlighted that all of the existing flat entrance doors across Council stock properties were fire doors. The aim of the programme of works was to modernise and bring those fire doors up to modern standards, in line with FD30S standards. The fire safety programme was monitored with obviously quarterly reporting to Executive Committee and, if requested, scrutinised by the Overview and Scrutiny Committee.

There were a number of mitigations to ensure fire safety was improved including ongoing gas servicing and electrical safety testing. Through 2025, the caretaking service had also been introduced which helped ensure no combustible material was being left within communal areas.

A risk-based approach was being used to prioritise remedial activity, with higher-risk properties receiving priority attention. Members were also advised that an independent review of the Council's fire safety arrangements was being undertaken, with findings expected later in September 2026.

During discussion of the Risk Management Report, Members highlighted the continuing cyber security risks facing local authorities and emphasised the importance of completing cyber security and artificial intelligence awareness training. Questions were also raised regarding delays to fire risk assessment programme. In response, Members were advised that capacity issues were being experienced with the Council's specialist consultants as there had been increased demand for fire risk assessments across the housing sector nationally. There was ongoing dialogue to resolve this with the Council's consultants but the Council also continued to utilise existing fire risk assessments, if necessary, to address outstanding issues within affected blocks.

Members also raised questions regarding Local Government Reorganisation (LGR) and whether sufficient emphasis had been given to this issue within the Corporate Risk Register. Officers confirmed that LGR was included on the Corporate Risk Register.

RESOLVED that

- 1) The strategic risks and mitigations detailed in the Corporate Risk Register had been considered.**

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- 2) The risk scores, owners, leads and the updates to risks over the period of this report had been considered, with no changes proposed by the Committee.

24. FINANCIAL OUTTURN REPORT

The Director of Finance and Section 151 Officer presented a report to provide the Audit, Governance and Standards Committee with an overview of the Financial Outturn reporting process and its relationship to the Statement of Accounts.

The Committee was advised that the detailed Financial Outturn Report, setting out the Council's financial position at the end of the financial year, would be considered by the Executive Committee on 28th July 2026 before being submitted to full Council.

Members were informed that the purpose of the report before the Committee was to explain the background to the outturn process and how the Financial Outturn Report aligned with the Statement of Accounts. It was explained that, whilst the Statement of Accounts provided substantially more information, it could be difficult to reconcile directly with the financial monitoring reports considered throughout the year. The Financial Outturn Report therefore provided an important bridge between in-year budget monitoring and the year-end accounts process.

The Committee was advised that in future years the intention was for both the Financial Outturn Report and the Statement of Accounts to be presented to the Audit, Governance and Standards Committee at the same meeting. This would enable Members to consider the year-end financial performance, including any over or underspends and service variances, alongside the statutory accounts.

Although the detailed Financial Outturn Report was not included on the agenda for the meeting, Members were informed that it was already in the public domain and could be considered alongside the Statement of Accounts.

In response to a question from Members regarding why the full Financial Outturn Report was not included on the agenda as a separate item, it was explained that the Financial Outturn Report was still being finalised at the point when the Audit, Governance and Standards Committee agenda had been published. The Financial Outturn Report was completed and published after the

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Audit, Governance and Standards Committee papers had already been issued. It was further advised that this timing issue occurred due to the specific timescales for the submission of draft accounts for 2025/26 and would be addressed in future years through the reporting process to the Audit, Governance and Standards Committee being planned several weeks in advance of the Executive Committee meeting.

RESOLVED that

the purpose of the Financial Outturn Report and relationship to the Draft Statement of Accounts elsewhere on this agenda, and the proposed future-year closedown timetable and reporting arrangements, had been considered by the Committee.

25. INTERNAL AUDIT ANNUAL REPORT AND AUDIT OPINION 2025/26

The Head of the Worcestershire Internal Audit Shared Service presented the Internal Audit Annual Report and Audit Opinion for 2025/26. Members were advised that the report brought together the work undertaken by Internal Audit during the 2025/26 financial year and provided the annual opinion on the adequacy of the Council's framework for governance, risk management and internal control. The report also set out compliance with the Global Internal Auditing Standards and summarised the work undertaken to support continuous improvement within the Internal Audit service.

The Committee was informed that, despite recent organisational changes and senior management restructuring, a number of positive developments had been implemented to strengthen governance arrangements. These included the introduction of monthly governance meetings involving the Senior Leadership Team (SLT), greater management engagement with audit findings, the introduction of quarterly compliance reporting by Heads of Service and the reinstatement of the Strategic Risk Management Group. Members were also advised that Internal Audit had recently reviewed all service risk registers and had supported officers in strengthening risk management arrangements across the organisation.

The Head of Internal Audit reported that reasonable assurance could be provided in respect of the Council's governance arrangements, whilst limited assurance was provided in relation to the Council's internal control and risk management arrangements.

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Members were advised that this reflected the findings from audit work undertaken during the year and recognised that recently introduced improvements would require time before their impact could be fully evidenced through future audit reviews.

The Committee was further informed that Internal Audit Service had introduced a programme of work to embed compliance with the new Global Internal Auditing Standards, this included staff development and professional training programme.

RESOLVED that

the Committee is assured on the Annual Report of Internal Audit for 2025/26.

26. DRAFT STATEMENT OF ACCOUNTS 2025/26

The Director of Finance and Section 151 Officer presented the draft Statement of Accounts for the 2025/26 financial year. Members were advised that the accounts had been produced and published by the statutory deadline of 30 June 2026, alongside the Annual Governance Statement. It was highlighted that this represented a significant achievement and demonstrated the progress made by the Council in restoring timely financial reporting arrangements.

Members were informed that publication of the draft accounts for 2025/26 enabled those accounts to be released for a public inspection period and provided the basis for the forthcoming external audit by the Council's External Auditor, Ernst and Young. The Committee was advised that the audit was expected to commence later in the year, with the audit completion report and final accounts currently expected to be presented to the Committee in January 2027. It was noted that achieving this timetable would place the Council in line with the national backstop arrangements.

The Committee welcomed the considerable progress achieved by the Finance Team in reaching this position. Members remarked that the Council had produced and published draft accounts within the required timescales, which had not been the case for a number of prior years.

During discussion, a Member sought clarification regarding the comprehensive income and expenditure position shown within the Statement of Accounts. Officers explained the accounting treatment applied to local authority accounts and clarified the distinction

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between management accounting figures reported through budget monitoring and the statutory accounting position reflected within the Statement of Accounts. It was explained that for future years' reporting, the budget outturn reporting would be available prior to the published accounts for a given financial year and this would provide clarification on the management accounting figures and what overrides were being applied against any apparent loss/gain that appeared in the Statement of Accounts.

RESOLVED that

the Draft Statement of Accounts 2025/26, that were produced and published by the statutory deadline of 30 June 2026, are acknowledged and had been considered by the Committee.

27. ANNUAL GOVERNANCE STATEMENT 2025/26

The Director of Finance and Section 151 Officer presented the Annual Governance Statement (AGS) for 2025/26. Members were advised that the AGS formed an integral part of the Statement of Accounts and provided assurance regarding the Council's governance arrangements, identifying both areas of good practice and areas requiring further improvement.

Officers outlined that the first section of the AGS highlighted areas where strong governance arrangements had been identified and evidenced. The second section identified a number of governance issues requiring continued action and improvement. These included matters relating to financial reporting, organisational capacity and other governance concerns identified through internal assurance activity, as well as issues raised by the Council's External Auditors.

The Committee's attention was drawn to the action plan contained within the AGS. Members were advised that the action plan identified specific outcomes, actions, responsible officers and completion dates against each governance issue, providing a clear framework for monitoring progress. Officers confirmed that regular updates on the delivery of the action plan would be reported back to the Committee to enable effective oversight.

Members welcomed the layout and presentation of the AGS and commented that the document was clear, and information accessible and easier to follow than in governance statements considered previously.

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RESOLVED that

- 1) the Annual Governance Statement (AGS) for 2025/26, as attached at Appendix 1, be approved.**
- 2) The significant governance issues identified within the Annual Governance Statement be noted, and the Annual Governance Statement Action Plan, attached to the (AGS) be endorsed.**
- 3) That the Committee receive regular update reports to demonstrate delivery of the AGS Action Plan.**

**28. AUDIT, GOVERNANCE AND STANDARDS COMMITTEE
ANNUAL REPORT 2025/26**

The Audit, Governance and Standards Committee Annual Assurance Report for the previous 2025/26 municipal year was considered. Members were advised that, subject to approval, the report would be presented to full Council in September and would provide assurance to Council on the Committee's work and achievements during the 2025/26 municipal year.

Members noted the significant amount of scrutiny undertaken by the Committee in relation to financial governance, risk management, cyber security and organisational improvement. Particular recognition was given to the work undertaken by the previous Chair of the Committee, including work to introduce regular cyber security updates and policy as well as scrutiny of specific risk matters over the course of 2025/26.

RESOLVED that

the Audit, Governance and Standards Committee Annual Assurance Report 2025/26 be approved and referred to Council.

29. ANNUAL TREASURY REPORT 2025/26

The Director of Finance and Section 151 Officer presented the Annual Treasury Management Report for 2025/26. Members were advised that the report summarised treasury activities undertaken throughout the year and provided assurance that borrowing and investment transactions had been completed in accordance with the

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approved Treasury Management Strategy and Prudential Indicators.

The Committee received a detailed explanation regarding the operation of the treasury management function, including management of day-to-day cash balances, borrowing requirements and short-term investments. Members were advised that treasury decisions were taken within a highly regulated framework and that robust controls were in place to protect public funds whilst maximising value for money.

Officers outlined the economic background during the year and explained the factors influencing treasury management, including inflationary pressures and wider economic uncertainty. It was reported that all treasury activities had remained within approved limits and complied with the Council's established governance framework.

Members discussed future reporting arrangements and expressed support for receiving more regular treasury monitoring information. Officers advised that a half-yearly review represented recognised good practice and would provide Members with additional assurance regarding treasury activity at more regular intervals. Members also requested that future treasury management training be made available to substitute Members as well as regular Committee members.

Questions were raised regarding borrowing levels and future capital financing requirements. Officers confirmed that treasury arrangements remained under control and explained that wider work was underway to review capital programme governance, and treasury management.

RESOLVED that

- 1) The Treasury Management outturn position for 2025/26 be acknowledged.**
- 2) The treasury management activities, undertaken in accordance with the Council's approved Treasury Management Strategy and Prudential Indicators, be acknowledged.**

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The Head of Worcestershire Internal Audit Shared Services (WIASS) presented the Internal Audit Strategy, Charter and Mandate. Members were advised that approval of these documents was required under the Global Internal Auditing Standards and that they set out the purpose, scope, responsibilities and authority of the Internal Audit function.

The Committee was informed that the strategy focused on targeting internal audit resources more effectively in higher-risk areas and increasing the value achieved through audit activity. Members also noted the emphasis placed on professional development within the Internal Audit team and preparations for Local Government Reorganisation that were being undertaken.

It was explained that the revised Charter clarified Internal Audit's rights of access to records, systems and information when required, whilst also setting out the respective roles of the Council's management, Members and Internal Audit itself in the internal audit process. Attention was drawn to section 3 of the Internal Audit Charter and in particular the the open books approach that approving the Charter would provide to Internal Audit to access the Council's (both officers and Members) documents and records when that was deemed to be required for internal audit purposes.

RESOLVED that

The Internal Audit Strategy, Charter and Mandate be approved.

31. INTERNAL AUDIT PLAN 2026/27

The Committee considered the proposed Internal Audit Plan for 2026/27. Members were advised that the plan had been developed using a risk-based approach, taking account of previous audit findings, emerging risks and the Council's corporate priorities. It was noted that a planned resource allocation of 360 days represented 52 more days than those that had been allocated last year, due to the extra work commissioned by the Council.

It was reported that all areas previously receiving limited assurance opinions would be revisited by Internal Audit during the year and that resources had also been allocated to Local Government Reorganisation (LGR). 50 audit days had been set aside at the moment for work around LGR, reflecting the significance of the changes and significant work around disaggregation of services that would need to be carried out around LGR.

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Members questioned whether sufficient audit resource had been allocated to LGR, particularly in light of developments regarding future council structures. In response, officers explained that the provision represented the best estimate currently available and that the plan could be amended during the year if circumstances changed or additional assurance activity became necessary.

RESOLVED that

the 2026/27 Internal Audit Plan be approved.

32. WHISTLEBLOWING AND ANTI-FRAUD, BRIBERY AND CORRUPTION POLICIES

The Director of Finance and Section 151 Officer presented the Council's updated Whistleblowing Policy together with the updated Anti-Fraud, Bribery and Corruption Policy and Anti-Money Laundering Statement.

Members were advised that the whistleblowing arrangements were largely unchanged but had been reviewed to ensure they remained up to date and reflected current best practice.

The Committee was informed that the Anti-Fraud, Bribery and Corruption Policy expanded upon the Council's previous anti-bribery arrangements and provided a more comprehensive framework covering fraud, corruption, whistleblowing and anti-money laundering considerations. Members noted the inclusion of a reporting flowchart designed to help officers understand how concerns should be raised and escalated.

The Director of Finance and Section 151 Officer explained that a range of reporting routes would be available, including reporting to line managers, the Monitoring Officer, the Section 151 Officer or the Head of Internal Audit. Where allegations were received, the relevant senior officers would meet promptly to determine whether further investigation was required and to identify an appropriate course of action.

During consideration of the report, Members sought clarification regarding the designation of Money Laundering Reporting Officers and the meaning of the term "tipping off" within the policy. With regard to the officer designation, it was explained that this was not a separate officer role but a designation for some officers in the

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Council who were, through the designation, to specifically deal with and consider any concerns raised around money laundering. It was responded regarding the terminology used that Members would be provided with a clarification around this terminology.

Members welcomed the strengthening of the Council's governance framework and emphasised the importance of communication and training to ensure staff were aware of the reporting mechanisms available to them.

RESOLVED that

- 1) The contents of the Whistleblowing Policy, the Corporate Anti-Fraud, Bribery and Corruption Policy, and the Anti-Money Laundering Statement had been considered.**
- 2) The policies provide an appropriate framework for the prevention, detection, reporting and investigation of fraud, bribery, corruption and related financial misconduct.**

33. COMMITTEE WORK PROGRAMME

The Committee considered the work programme for the remainder of the municipal year. No amendments were proposed and Members noted the items scheduled for future meetings.

RESOLVED that

the Committee Work Programme be noted.

The Meeting commenced at 6.31 pm
and closed at 7.50 pm

REDDITCH BOROUGH COUNCIL**Audit, Governance & Standards Committee****3rd November 2026****MONITORING OFFICER'S REPORT**

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Report Author Claire Felton	Job Title: Assistant Director Legal, Democratic and Procurement 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 and other governance 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 2026.
- 2.2 Members have previously agreed 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 and governance matters.
- 2.3 Any further updates arising after publication of this report, including any relevant standards issues raised by Parish Councils, will be reported verbally by Officers at the meeting.

3. FINANCIAL IMPLICATIONS

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

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. COUNCIL PRIORITIES - IMPLICATIONS**Local Government Reorganisation Implications**

- 5.1 There are no direct implications for Local Government Reorganisation.

Relevant Council Priority

- 5.2 It is important to ensure that the Council manages standards regime matters and other governance 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

- 5.3 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.

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Operational Implications**Member Complaints**

- 6.2 Since the last report the unresolved member to member complaint has now been resolved. The Monitoring Officer has received one complaint from a member of the public which did not pass the initial assessment and a complaint from officers against a member, which was resolved informally.

Whistleblowing

- 6.3 The whistleblowing matter reported at the last meeting is now completed. The allegations were not upheld.
- 6.4 From 1st April 2026, the Council has received 2 whistleblowing reports. Both matters are currently being investigated.
- 6.5 Any whistleblowing reports are logged and reported to the Senior Leadership Team (SLT) as part of their governance monitoring arrangements.

Contract Procedure Rules – Waivers

- 6.6 The Contract Procedure Rules require a waiver to be approved in writing and signed by the Monitoring Officer and Section 151 Officer and recorded on the waivers register. Where the contract is £50,000 or above the relevant Portfolio Holder must also be consulted. Assistant Directors must monitor the use of waivers relevant to their department.
- 6.7 The list of waivers approved since May 2026 is attached at Appendix 1.

Member Support Steering Group

- 6.8 The Member Support Steering Group (MSSG) is responsible for reviewing Member training, induction and ICT support. The most recent meeting took place on Wednesday 7th October 2026. At the meeting, Members received updates with respect to ICT and attendance at Members' training. At the meeting it was agreed that additional equalities' training as well as Treasury Management training be

REDDITCH BOROUGH COUNCIL**Audit, Governance & Standards Committee****3rd November 2026**

arranged. It was also agreed for the draft 2027-28 Members' induction and training programme to be presented to the next meeting of MSSG, due to take place in December 2026.

Constitutional Review Working Party

- 6.9 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. These meetings take place when upcoming review is required.
- 6.10 The last meeting was on 13th July 2026 and there have been no further meetings of CRWP since the last update to this Committee. The item under consideration was a general review of the Scheme of Delegations in respect of Planning. The changes proposed to the Council's Scheme of Delegations in respect of planning were subsequently approved at the meeting of Council held on 21st September 2026.

Member Training

- 6.11 A comprehensive programme of member training has taken place following the local elections in May 2026, including induction sessions for new Councillors. These training sessions mostly took place over the period May-July 2026. The training sessions that have taken place since the last update to the Committee in July 2026 include:
- Members' Equalities Training (Monday 14th September 2026)
 - New National Planning Policy Framework (NPPF) Training (Tuesday 29th September)

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.

REDDITCH BOROUGH COUNCIL**Audit, Governance & Standards Committee****3rd November 2026**

8. APPENDICES and BACKGROUND PAPERS**Appendices**

Appendix 1 – Contract Procedure Rules – Waivers

Background Papers

Chapter 7 of the Localism Act 2011

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Warhurst, Deputy Leader and Portfolio Holder for Finance and Governance	26.10.2026
Legal Services	Nicola Cummings Principal Solicitor (Governance)	23.10.2026
Assistant Director	Claire Felton Assistant Director Legal, Democratic and Procurement Services.	26.10.2026

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Waivers since May 2026

Date	Council	Department	Supplier	Description	Value	Term
15/05/2026	Redditch	Finance	Technology1	Tech1 Support Contract AMS	130,000.00	29.5.26-28.5.2027
18/06/2026	Redditch	CCTV/Lifeline	Simpla Solutions Ltd	Contract for My Home Helper Devices and Subscriptions	12,000.00	15.6.26-14.6.29
18/06/2026	Redditch	Finance	Frontier Software	Payroll and HR Software	35,000.00	1.6.26-31.5.28
10/07/2026	Redditch	CCTV/Lifeline	Total Integrated Systems	Redditch Town Hall CCTV	45,000.00	July 26-July 27
23/07/2026	Both	Corporate	Ichabod	Statement of Accounts Review	£1,800	1 week
24/08/2026	Redditch	Env Services	ACE ATV	Purchase of Tyres - Mule SX	1,827.04	1 month
24/08/2026	Redditch	Leisure	Self Select Distribution Ltd	Supermarket booklet distribution	662.00	1.8.26-30.9.26
26/08/2026	Redditch	Housing Strategy	Arkham Consultants	Brokering service to enable the Purchase of 15 units of social rented housing	13,307.84	No dates applicable- purchase of property only
	Redditch	Property Services	Vale Fire & Security Ltd	Paxton Door Control Migration of data to new PC	2,500.00	7.9.26-6.12.26
16/09/2026	Redditch	Community Service	Portcullis Site Security	Solar Powered CCTV Tower Rental	£3,200	28/09/26 - 18/01/27

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REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3rd November 2026****Annual Update Report on RIPA**

Relevant Portfolio Holder	Cllr Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Report Author: Claire Felton	Job Title: Assistant Director for Legal, Democratic and Procurement Services Contact email: c.felton@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	N/A
Non-Key Decision	

1. RECOMMENDATIONS

The Committee is asked to RESOLVE that:-

- 1.1 The Council's RIPA Policy (version 8.9) as reviewed and updated be endorsed; and**
- 1.2 The update on RIPA activity described in this report be noted.**

2. BACKGROUND

- 2.1 The Regulation of Investigatory Powers Act 2000 ("RIPA") gave local authorities powers to conduct covert surveillance under certain circumstances. The Act also regulates the use of 'Covert Human Intelligence Sources' ("CHIS") and obtaining certain Communications Data.
- 2.2 The revised Code of Practice for Covert Surveillance and Property Interference, 2024, at paragraph 4.47, advises that elected members should, at least on an annual basis, review the RIPA policy and the authority's use of the Act. This report is published in compliance with that requirement.
- 2.3 Local Authority powers are at the lower end of the scale and changes in legislation since the Act was originally introduced have resulted in further restrictions on their use:
 - the use of surveillance restricted to criminal investigations;
 - the Protection of Freedoms Act 2012 required local authorities to get approval from the Magistrates Court for any proposed surveillance; and
 - the threshold for the level of crime being investigated was raised to include only 'serious crime' (as defined).

REDDITCH BOROUGH COUNCILAudit, Governance and Standards Committee 3rd November 2026

- 2.4 Any organisation which has investigatory powers under RIPA is required to have in place a Policy governing all aspects of the regime, including the need for updating and officer training, regardless of whether the powers are exercised. The Council's Policy is regularly updated to comply with any changes in the legislation, guidance and codes of practice which apply to the regime. Changes are notified to the Council by an external RIPA expert, who also provides training and advice on RIPA issues.
- 2.5 Historically the Council's use of RIPA powers was always low. There were a number of reasons for this. A rigid process has to be followed to establish that a proposed surveillance activity is both "necessary" and "proportionate". A senior officer has to evaluate the proposal against a number of criteria and it would then have to be referred to the Magistrates Court to be confirmed. If approved, there would have been major resource implications for any authorised surveillance to have been undertaken.
- 2.6 Since the changes introduced in 2012 as described in 2.3 above, the Council has not exercised its powers under RIPA. The Surveillance Commissioner has noted that in recent years authorities like this authority have granted far fewer RIPA authorisations and some have granted none at all.
- 2.7 The regime is overseen by the Investigatory Powers Commissioner's Office ("IPCO") and includes inspections of organisations by an Inspector appointed by the Commissioner, usually about every three years. Whilst traditionally these inspections took place in person, the IPCO has now moved to a more light touch approach of conducting the inspections remotely.
- 2.8 The last inspection was carried out remotely in April 2025. It consisted of a desk top exercise based on data submitted by officers with conversations with the inspector as required. This identified some updating to the policy, which was updated and endorsed by committee on 14th July 2025.
- 2.9 The annual review of the policy has since been completed by officers and version 8.9 of the RIPA policy listed as a background paper to this report. The only amendment made to the Policy has been the change to the List of Authorising Officers. As set out in recommendation 1.1 Members are being asked to endorse the updated policy.
- 2.10 In order to have the option of using RIPA powers in the future if required, the Council must keep the policy up to date and ensure officers are aware of how to use it and the processes to follow. Officers must also be careful to ensure that they follow the parts of the policy that cover other forms of surveillance that fall outside of the strict RIPA regime, and the guidance in the policy around use of social media.

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3rd November 2026**

- 2.11 The Council is a member of the National Anti-Fraud Network [NAFN], which is hosted by Thameside MBC and which provides data and intelligence services under the RIPA regime to public sector organisations in relation to fraud investigations. Over 90% of local authorities are members of NAFN. Membership enables the Council to avail of its expertise, without the requirement to have its own staff for that purpose.

3. OPERATIONAL ISSUES

- 3.1 Nothing additional to add to the information above.

4. FINANCIAL IMPLICATIONS

- 4.1 None as a direct result of this report.

5. LEGAL IMPLICATIONS

- 5.1 The Council demonstrated compliance with its statutory obligations under RIPA to the satisfaction of the Surveillance Commissioner at the recent inspection in April 2025 and continues to review and update its policy as required and provide training.
- 5.2 This report to Members complies with the Code of Practice requirement that Members should be updated annually on RIPA activity and endorse the policy, including any changes to it, for the coming year.

6. OTHER - IMPLICATIONS**Relevant Strategic Purpose**

- 6.1 Maintaining the ability to use RIPA powers provides the Council with more options to take effective action to protect its citizens from fraud and criminal activity.

Climate Change Implications

- 6.2 None

Equalities and Diversity Implications

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

7. RISK MANAGEMENT

- 7.1 The Council is required to comply with the statutory provisions and guidance governing the RIPA regime and any recommendations made by the Inspector on behalf of the Commissioner.

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3rd November 2026**

Officers need to be aware of the RIPA powers so that there is no risk of surveillance or CHIS activity being undertaken without the correct approvals being in place.

8. APPENDICES AND BACKGROUND PAPERS

Appendix 1 - The Council's RIPA Policy (version 8.9).

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Craig Warhurst	23.10.2026
Assistant Director	Claire Felton - Assistant Director for Legal, Democratic and Procurement Services	20.10.2026
Financial Services	James Walton – Director of Finance and Section 151 Officer	23.10.2026
Legal Services	Nicola Cummings - Principal Solicitor – Governance	01.10.2026
Policy Team (if equalities implications apply)	Not applicable	
Climate Change Team (if climate change implications apply)	Not applicable	



Bromsgrove
District Council
www.bromsgrove.gov.uk



**Bromsgrove District Council
And
Redditch Borough Council**

**Regulation of Investigatory Powers Act 2000
Policy**

Version 8.9

RIPA Policy BDC - RBC

Document Control

Organisation	Bromsgrove District Council and Redditch Borough Council
Owner	Principal Solicitor
Protective Marking	Unclassified
Review Due	Annual. See Revision History for date of last update. This Policy is also reviewed by Council Members for approval each year in June.

Revision History

Revision Date	Revised By	Version	Description of Revision
Jan 2013	Sarah Sellers		Not recorded.
30/8/2013	Clare Flanagan	August 2013	- Document history page added. - References to 'urgent oral authority' removed. - Appendix 5 (about accessing Comms data) removed, now unnecessary.
1/9/2013	Clare Flanagan	August 2013	Update to Appendix 2 to remove all 'grounds for use' except prevention of crime.
28/8/2015	Nicola Brothwell	V4.0	Version numbering introduced. Removal of mention of staff who have left the Council.
19/1/2016	Nicola Brothwell	V5.0	Minor updates to list of Authorising Officers. OSC guidance on use of social media added.

RIPA Policy BDC - RBC

Revision Date	Revised By	Version	Description of Revision
18/5/2016	Nicola Brothwell	V6.0	Chris Phillips has now left the council, so his name is removed from the policy.
10/04/2017	Sarah Sellers	V7.0	Amalgamated policies of both BDC and RBC into one policy. Updated advice on use of social media and use of non-RIPA surveillance.
11/01/2019	Nicola Brothwell	V7.1	Change authorisation period for juvenile CHIS from 1 to 4 months. IPCO has taken over from IOCCO and OSC, so all references updated.
4/02/2019	Nicola Brothwell	V7.2	Liz Tompkin removed as an Authorising Officer.
16/6/2020	Nicola Brothwell	V7.3	Addition of section 'Obtaining Communications Data'
3/9/2020	Nicola Brothwell	V7.4	'Review Due' field added to Document Control Section.
18/11/2021	Nicola Brothwell	V8.0	New SRO. Changes in line with IPCO requirements outlined in letter 2020, new Data safeguards section in this Policy. RIPA forms removed from Policy. General review re changes required by UK leaving the EU.

RIPA Policy BDC - RBC

Revision Date	Revised By	Version	Description of Revision
1/7/2022	Nicola Brothwell	V8.1	Change of SRO Inclusion in CHIS section of relevant text regarding Public Volunteers, from Covert Human Intelligence Sources Code of Practice 2018. Inclusion in Social Media section of relevant text from Covert Surveillance and Property Code of Practice. Update mention of quarterly RIPA meetings to six-monthly meetings.
18/7/2022	Nicola Brothwell	V8.2	In Data safeguards section, added a timescale for reviews of documentation to comply with the Inspector's recommendation.
14/5/2024	Nicola Brothwell	V8.3	Authorised Officer list updated (removed Kevin Dicks, added Peter Carpenter, and updated Sue Hanley's job title)
1/8/2024	Nicola Brothwell	V8.4	Use of Social Media section updated to remove mention of OSC and IPCO guidance.
24/3/2025	Nicola Brothwell	V8.5	Update RBC logo on cover page. Update job title, Claire Felton. Authorised Officer list updated (removed Sue Hanley and Peter Carpenter, added John Leach and Bob Watson)
27/5/2025	Nicola Brothwell	V8.6	IPCO suggested updates from inspection April/May 2025. Deb Poole removed from list of Authorised Officers.

RIPA Policy BDC - RBC

Revision Date	Revised By	Version	Description of Revision
27/8/2025	Nicola Brothwell	V8.7	Replace mention of Twitter with 'X'. Appendix 2 flowchart – wording now outdated (refers to Her Majesty). Added accompanying wording.
22/5/2026	Nicola Brothwell	V8.8	Removed Bob Watson from list of Authorising Officers, added James Walton. Updated Authorising Officer contact telephone numbers.
1/10/2026	Nicola Brothwell	V8.9	Removed Simon Wilkes from the list of Authorising Officers, added Mark Cox, and updated contact details. Also removed header hyperlink and replaced with text, to solve problem with modern.gov uploading the Policy.

RIPA Policy BDC - RBC

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RIPA Policy BDC - RBC

Introduction

The purpose of this policy is to explain the scope of Regulation of Investigatory Powers Act 2000 and the circumstances where it applies to the Council. It provides guidance on the authorisation procedures to be followed in the event that you need to undertake surveillance, setting it into context so that its importance may be appreciated.

The subject covered by this policy is complicated but of major importance. If, having read this document, you are unclear about any aspect of the process, or you have questions which are not answered explicitly by the content of this document, these should be referred either to one of the Authorising Officers or to the Assistant Director of Legal, Democratic and Procurement Services for assistance.

If, having taken advice, doubt exists as to whether the circumstances require an authorisation for consideration under this legislation, you should submit an application form to be authorised. This will demonstrate to any examining body that Bromsgrove District Council / Redditch Borough Council have taken their responsibilities seriously with regards to the protection of a person's privacy against the need for the activity to take place in operational terms. If you do not secure an authorisation it leaves any evidence gathered open to challenge under section 78 of the Police and Criminal Evidence Act 1984 (PACE,) as amended, as well as challenges for breach of privacy against the Council.

To assist with oversight of the Council's RIPA processes Claire Felton, Assistant Director of Legal, Democratic and Procurement Services, has been appointed as the Senior Responsible Officer who will be responsible for the integrity of the process. However it must be stressed that all staff involved in the process must take their responsibilities seriously. This will assist with the integrity of the Council processes and procedures.

On advice from the OSC (now superseded by the IPCO), and to reflect the operation of shared services across the two organisations, the separate RIPA policies for Bromsgrove District Council (BDC) and Redditch Borough Council (RBC) have been merged into one single policy. References made to "the Council" should be read as references to either BDC or RBC as the context requires.

Claire Felton

Assistant Director, Legal, Democratic and Procurement Services

Bromsgrove District Council and Redditch Borough Council

Updated: July 2022, reviewed September 2026

What are the origins of RIPA?

The Human Rights Act 1998 brought into UK law many of the provisions of the 1950 European Convention on Human Rights and Fundamental Freedoms. Article 8 requires the Council to have respect for people's private and family lives, their homes, and their correspondence. These subjects can be referred to as "Article 8 rights".

The Human Rights Act makes it unlawful for any local authority to act in a way which is incompatible with the European Convention on Human Rights. However, these are not absolute rights and there is a specific qualification giving the Council the ability to interfere with a person's Article 8 rights to the effect that:-

Such interference is in accordance with the law if:

- is **necessary**
- and is **proportionate**

These three points are clarified further in the next paragraphs.

When we talk of interference being "in accordance with the law", this means that any such interference is undertaken in accordance with the mechanism set down by the Regulation of Investigatory Powers Act (RIPA for short) and the Home Office Covert Surveillance Codes of Practice. The Codes of Practice deals with the use of Covert Surveillance and the use of persons such as informants and Undercover Officers who gather information in a covert capacity (Covert Human Intelligence Source or CHIS for short – refer to Page 16).

However a considerable amount of observations are carried out in an overt capacity by Council employees carrying out their normal functions such as parking enforcement, general patrolling etc. These activities are general and routine and do not involve the systematic surveillance of an individual. RIPA is not designed to prevent these activities or regulate them.

The Council has numerous statutory duties and powers to investigate the activities of private individuals and organisations within its jurisdiction for the benefit and protection of the greater public. Some of these investigations may require surveillance or the use of a CHIS. These may include

- benefit fraud
- environmental health
- housing
- planning
- criminal investigations by audit such as fraud offences

RIPA Policy BDC - RBC

RIPA aims to provide a framework to control and supervise covert activities such as surveillance and the use of a CHIS in these criminal investigations. It aims to balance the need to protect the privacy of individuals against the need to protect others by the Council carrying out its enforcement functions. There are two separate codes of practice:

- Covert Surveillance and Property Interference
- CHIS

Any covert activity carried out under this legislation must meet the test of necessity and proportionality as set out in this policy. .

When does RIPA apply and who does it apply to?

RIPA applies to Public Authorities such as Local Authorities and permits them to conduct Covert Surveillance activities and use Covert Human Intelligence Sources (CHIS) such as informants and undercover officers (see pages 14 and 16) However, on 1 November 2012 two significant changes came into force that affect how local authorities use RIPA.

- **Approval of Local Authority Authorisations under RIPA by a Justice of the Peace:** The amendments in the Protection of Freedoms Act 2012 mean that local authority authorisations under RIPA for the use of Directed Surveillance or use of Covert Human Intelligence sources (CHIS) can only be given effect once an order approving the authorisation has been granted by a Justice of the Peace (JP). **This applies to applications and renewals only, not reviews and cancellations.**
- **Directed surveillance crime threshold:** Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 ("the 2010 Order") mean that a local authority can now only grant an authorisation under RIPA for the use of **Directed Surveillance** where the local authority is investigating criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.

The crime threshold, as mentioned is only for Directed Surveillance.

The only lawful reason for Local Authorities to conduct activity under RIPA is **prevention and detection of crime** in respect of its Core Functions. As from 1 November 2012 there is no provision for a Local Authority to use RIPA to conduct covert activities for disorder such as anti-social behaviour unless there are criminal offences involved which attract a maximum custodial sentence of six months.

As a local authority Bromsgrove District Council and Redditch Borough Council and its staff have a responsibility to adhere to the RIPA legislation and the Human Rights Act.

RIPA Policy BDC - RBC

In addition to applying to all staff employed by the two Councils who are engaged in activities that involve the protection and detection of crime, the policy will also apply to the following categories of staff:

- Contract or agency staff working at Bromsgrove District Council / Redditch Borough Council undertaking such activity as is covered by the RIPA and associated legislation and guidance.
- From 01 June 2010 all staff who are employed by Bromsgrove District Council as part of the Worcestershire Regulatory Services.
- All staff employed by Redditch Borough Council but whose duties include performing services for Bromsgrove District Council under any secondment arrangements or under section 113 of the Local Government Act 1972.
- All staff employed by Bromsgrove District Council but whose duties include performing services for Redditch Borough Council under any secondment arrangements or under section 113 of the Local Government Act 1972.

The Human Rights Act 1998

The RIPA Codes of Practice state where there is an interference by a public authority with the right to respect for private and family life guaranteed under Article 8 of the European Convention on Human Rights, and where there is no other source of lawful authority, the consequence of not obtaining an authorisation under the 2000 Act may be that the action is unlawful by virtue of section 6 of the Human Rights Act 1998.

Public authorities are therefore strongly recommended to seek an authorisation under RIPA where the surveillance is likely to interfere with a person's Article 8 rights to privacy by obtaining private information about that person, whether or not that person is the subject of the investigation or operation. Obtaining an authorisation will ensure that the action is carried out in accordance with law and subject to stringent safeguards against abuse.

Definition of core functions

Recent case law has established that a public authority may only use the powers under the 2000 Act when in performance of its core functions. These are defined by section 28(3) of the 2000 Act. It has been held that disciplinary investigations are ordinary functions whereas the investigation of benefit fraud would be a core function. Using the RIPA application and monitoring process when exercising core functions assists with protecting the Council from challenges under section 78 of PACE. However, surveillance in the case of serious disciplinary issue would be outside of RIPA. Any type of surveillance outside of RIPA should still meet the same tests of necessity and proportionality and advice should be sought from Legal Services prior to any such surveillance taking place.

RIPA Policy BDC - RBC

Private information

Private information includes any information relating to a person's private or family life. Private information should be taken generally to include any aspect of a person's private or personal relationship with others, including family and professional or business relationships.

Whilst a person may have a reduced expectation of privacy when in a public place, covert surveillance of that person's activities in public may still result in the obtaining of *private information*. This is likely to be the case where that person has a reasonable expectation of privacy even though acting in public and where a record is being made by a *public authority* of that person's activities for future consideration or analysis.

Private life considerations are particularly likely to arise if several records are to be analysed together in order to establish, for example, a pattern of behaviour, or if one or more pieces of information (whether or not available in the public domain) are covertly (or in some cases overtly) obtained for the purpose of making a permanent record about a person or for subsequent data processing to generate further information. In such circumstances, the totality of information gleaned may constitute *private information* even if individual records do not. Where such conduct includes surveillance, a directed surveillance authorisation may be considered appropriate.

If you need to conduct surveillance or use a CHIS as part of investigating a criminal matter which might result in court proceedings or proceedings before some other form of tribunal, you should consider whether private information is likely to be gained as a result of the activities and whether RIPA applies.

What happens if RIPA is ignored?

If Investigators undertake covert activity to which this legislation applies without the relevant authority being obtained and the case progresses to criminal proceedings, the defence may challenge the validity of the way in which the evidence was obtained under Section 78 of PACE. Should the evidence then be disallowed by a court, the prosecution case may be lost with a financial cost to the Council.

The person who was the subject of your surveillance may complain to the Ombudsman who may order the Council to pay compensation. The activity may also be challenged through the civil courts under the Human Rights Act 2000 for breach of privacy.

There is also a requirement to report errors to the Investigatory Powers Commissioner's Office or IPCO (formerly the OSC), such as surveillance activity which should have been authorised but which was carried out outside of RIPA. (See section on errors)

A properly obtained and implemented authorisation under RIPA will provide the Council with lawful authority to interfere with the rights of the individual. It is not simply enough that an authorisation for surveillance is obtained. It must be properly obtained, implemented, managed, reviewed and cancelled.

RIPA Policy BDC - RBC

Surveillance outside of RIPA

As explained earlier there may be a necessity for the Council to undertake surveillance which does not meet the criteria to use the RIPA legislation such as in cases of serious disciplinary investigations. The Council still must meet its obligations under the Human Rights Act and therefore any surveillance outside of RIPA must still be necessary and proportionate having taken account of the intrusion issues. The decision making process and the management of such surveillance must be well documented.

There is a requirement for the Councils' Senior Responsible Officer (SRO) to regularly monitor surveillance outside of RIPA. Therefore before any such surveillance takes place, advice must be sought from the Assistant Director of Legal, Democratic and Procurement Services or the Principal Solicitor.

What is surveillance?***Surveillance***

Surveillance is defined in paragraph 1.9 of the Revised Codes of Practice as:

Surveillance, for the purpose of the 2000 Act, includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. It may be conducted with or without the assistance of a surveillance device and includes the recording of any information obtained.

Covert surveillance

Covert Surveillance is defined in paragraph 1.10 of the Revised Codes of Practice as:

Surveillance is covert if, and only if, it is carried out in a manner calculated to ensure that any persons who are subject to the surveillance are unaware that it is or may be taking place.

If activities are open and not hidden from the persons subject to surveillance, such as Officers conducting Council business openly, e.g. a market inspector walking through markets, the RIPA framework does not apply because that is "Overt Surveillance". Equally, if you tell the subject that surveillance may take place, the surveillance is overt.

RIPA does not regulate Overt Surveillance. However, remember the Council's responsibilities to ensure that whatever action is taken is compliant with the Human Rights Act and is a necessary and proportionate response to the issue being dealt with.

RIPA regulates two types of Covert Surveillance which are

- **Directed Surveillance**
- **Intrusive Surveillance**

RIPA Policy BDC - RBC

Directed surveillance

Directed Surveillance is defined in paragraph 2.2. of the Revised Codes of Practice as:

Surveillance is directed surveillance if the following are all true:

- it is covert, but not intrusive surveillance;
- it is conducted for the purposes of a specific investigation or operation;
- it is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation);
- it is conducted otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under Part II of the 2000 Act to be sought.

Thus, the planned covert surveillance of a specific person, where not intrusive, would constitute directed surveillance if such surveillance is likely to result in the obtaining of private information about that, or any other person.

Immediate response to events

There may be occasions when officers come across events unfolding which were not pre-planned which then require them to carry out some form of observation. This will not amount to Directed Surveillance. However it will amount to surveillance outside of RIPA and must still be necessary and proportionate and take account of the intrusion issues. As there is no provision to obtain an urgent oral authorisation it is important that officers do not abuse the process and they must be prepared to explain their decisions in court should it be necessary. Therefore they should document their decisions, what took place and what evidence or information was obtained.

Recording of telephone conversations

The recording of telephone conversations connected to criminal investigations (outside of the Councils monitoring at work policy with its own equipment) falls under RIPA which provides that where one party to the communication consents to the interception, it may be authorised in accordance with section 48(4) of the 2000 Act. In such cases, the interception is treated as directed surveillance.

There may be occasions where this is required such as a witness who has text or voicemail evidence on their mobile telephone and we need to examine the phone.

Intrusive surveillance:

Intrusive surveillance is defined in section 26(3) of the 2000 Act as covert surveillance that:

- is carried out in relation to anything taking place on any residential premises or in any private vehicle; and

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- involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.

Local authorities are not permitted to carry out Intrusive Surveillance.

Where surveillance is carried out in relation to anything taking place on any residential premises or in any private vehicle by means of a device, without that device being present on the premises, or in the vehicle, it is not intrusive unless the device consistently provides information of the same quality and detail as might be expected to be obtained from a device actually present on the premises or in the vehicle. Thus, an observation post outside premises, which provides a limited view and no sound of what is happening inside the premises, would not be considered as intrusive surveillance.

A risk assessment should be carried out of the capability of equipment being used when filming residential premises and private vehicles to ensure that the activity does not meet the criteria of Intrusive Surveillance.

Commercial premises and vehicles

Commercial premises and vehicles are therefore excluded from the definition of intrusive surveillance. However they are dealt with under the heading of Property Interference contained within the Police Act 1997.

Bromsgrove District Council/ Redditch Borough Council has no authority in law to carry out Intrusive Surveillance or activity under the Police Act 1997.

Covert Human Intelligence Source (CHIS)

A CHIS could be an informant or an undercover officer carrying out covert enquiries on behalf of the council. However the provisions of the 2000 Act are not intended to apply in circumstances where members of the public volunteer information to the Council as part of their normal civic duties, or to contact numbers set up to receive information such as the Benefit Fraud Hot Line. Members of the public acting in this way would not generally be regarded as sources unless they repeatedly provide information about particular issues, which is covered later in this section of the policy.

Under section 26(8) of the 2000 Act a person is a source if:

- they establish or maintain a personal or other relationship with a person for the covert purpose of facilitating the doing of anything falling within paragraph (b) or (c);
- they covertly use such a relationship to obtain information or to provide access to any information to another person; or
- they covertly disclose information obtained by the use of such a relationship or as a consequence of the existence of such a relationship.

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By virtue of section 26(9)(b) of the 2000 Act a purpose is covert, in relation to the establishment or maintenance of a personal or other relationship, if and only if, the relationship is conducted in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the purpose.

By virtue of section 26(9)(c) of the 2000 Act a relationship is used covertly, and information obtained as above is disclosed covertly, if and only if it is used or, as the case may be, disclosed in a manner that is calculated to ensure that one of the parties to the relationship is unaware of the use or disclosure in question.

Conduct and use of a source

The **use of a source** involves inducing, asking or assisting a person to engage in the conduct of a source or to obtain information by means of the conduct of such a source.

The **conduct of a source** is any conduct falling within section 29(4) of the 2000 Act, or which is incidental to anything falling within section 29(4) of the 2000 Act.

The **use of a source** is what the Authority does in connection with the source and the **conduct** is what a source does to fulfill whatever tasks are given to them or which is incidental to it. **The Use and Conduct require separate consideration before authorisation.**

When completing applications for the use of a CHIS you are stating who the CHIS is, what they can do and for which purpose.

When determining whether a CHIS authorisation is required, consideration should be given to the covert relationship between the parties and the purposes mentioned in a, b, and c above.

Management of sources

Within the provisions there has to be;

- (a) a person who has the day to day responsibility for dealing with the source and for the source's security and welfare (**Handler**)
- (b) at all times there will be another person who will have general oversight of the use made of the source (**Controller**)

At all times there will also be a person who will have responsibility for maintaining a record of the use made of the source.

The **Handler** will have day to day responsibility for:

- dealing with the source on behalf of the authority concerned;
- directing the day to day activities of the source;
- recording the information supplied by the source; and

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- monitoring the source's security and welfare;

The Controller will be responsible for the general oversight of the use of the source.

Tasking

Tasking is the assignment of activity to the source by the Handler or Controller by, asking him to obtain information, to provide access to information or to otherwise act, incidentally, for the benefit of the relevant public authority. Authorisation for the use or conduct of a source is required prior to any tasking where such tasking requires the source to establish or maintain a personal or other relationship for a covert purpose.

In some instances, tasking will not require the source to establish a personal or other relationship for a covert purpose. For example a source may be tasked with finding out purely factual information about the layout of commercial premises. Alternatively, a Council Officer may be involved in the test purchase of items which have been labelled misleadingly or are unfit for consumption. In such cases, it is for the Council to determine where, and in what circumstances, such activity may require authorisation.

Should a CHIS authority be required, all of the staff involved in the process should make themselves fully aware of the contents of the CHIS codes of Practice.

Management responsibility

Bromsgrove District Council/ Redditch Borough Council will ensure that arrangements are in place for the proper oversight and management of sources including appointing a Handler and Controller for each source prior to a CHIS authorisation.

The Handler of the source will usually be of a rank or position below that of the Authorising Officer.

It is envisaged that the use of a CHIS will be infrequent. Should a CHIS application be necessary, the CHIS Codes of Practice should be consulted by those considering the use of such tactics to ensure that the Council can meet its management responsibilities under the Code.

Security and welfare

The Council has a responsibility for the safety and welfare of the source and for the consequences to others of any tasks given to the source. Before authorising the use or conduct of a source, the Authorising Officer should ensure that a risk assessment is carried out to determine the risk to the source of any tasking and the likely consequences should the role of the source become known. The ongoing security and welfare of the source, after the cancellation of the authorisation, should also be considered at the outset.

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Persons who repeatedly provide information

It is possible that members of the public repeatedly supply information to Council staff on either one particular subject or investigation or a number of investigations. It is important that Council staff make the necessary enquiries with the person reporting the information to ascertain how the information is being obtained. This will not only assist with evaluating the information but will determine if the person is establishing or maintaining a relationship with a third person to obtain the information, and then provide it to the Council staff. If this is the case, the person is likely to be acting as a CHIS and there is a potential duty of care to the individual which treating them as a duly authorised CHIS would take account of. Therefore Council staff should ensure that they are aware of when a person is potentially a CHIS by reading the below sections. If further advice is required contact the RIPA Coordinating Officer.

Public Volunteers

The following extract from the CHIS Code of Practice is included to assist in understanding when public volunteers may become covert human intelligence sources (CHIS).

2.21 In many cases involving human sources, the source will not have established or maintained a relationship for a covert purpose. Many sources provide information that they have observed or acquired other than through a relationship. This means that the source is not a CHIS for the purposes of the 2000 Act and no CHIS authorisation is required.

Example 1: A member of the public volunteers a piece of information to a member of a public authority regarding something they have witnessed in their neighbourhood. The member of the public is not a CHIS. They are not passing information obtained as a result of a relationship which has been established or maintained for a covert purpose.

Example 2: A caller to a confidential hotline (such as Crimestoppers, the HMRC Fraud Hotline, the Anti-Terrorist Hotline, or the Security Service public telephone number) reveals that they know of criminal or terrorist activity. Even if the caller is involved in the activities on which they are reporting, the caller would not be considered a CHIS as the information is not being disclosed on the basis of a relationship which was established or maintained for that covert purpose. However, should the caller be asked to maintain their relationship with those involved and to continue to supply information (or it is otherwise envisaged that they will do so), an authorisation for the use or conduct of a CHIS may be appropriate.

2.22 Certain individuals will be required to provide information to public authorities or designated bodies out of professional or statutory duty. For example, employees within organisations regulated by the money laundering provisions of the Proceeds of Crime Act 2002 are required to report suspicious transactions. Similarly, financial officials, accountants or company administrators may have a duty to provide information that they have obtained by virtue of their position to the Serious Fraud Office.

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2.23 Any such professional or statutory disclosures should not usually result in these individuals meeting the definition of a CHIS, as the business or professional relationships from which the information derives will not have been established or maintained for the covert purpose of obtaining or disclosing such information.

2.24 Tasking a person to obtain information covertly may result in a CHIS authorisation being appropriate. However, this will not be true in all circumstances. For example, where the tasking given to a person does not require that person to establish or maintain a relationship for the purpose of obtaining, providing access to or disclosing the information sought, or where the information is already within the personal knowledge of the individual, that person will not be a CHIS.

Example: A member of the public is asked by a member of a public authority to maintain a record of all vehicles arriving and leaving a specific location or to record the details of visitors to a neighbouring house. A relationship has not been established or maintained in order to gather the information and a CHIS authorisation is therefore not available. Other authorisations under the 2000 Act, for example, a directed surveillance authorisation, may need to be considered where the activity is likely to result in the public authority obtaining information relating to a person's private or family life.

2.25 Individuals or members of organisations (e.g. travel agents, housing associations and taxi companies) who, because of their work or role have access to personal information, may voluntarily provide information to public authorities on a repeated basis and need to be managed appropriately. Public authorities must keep such human sources under constant review to ensure that they are managed with an appropriate level of sensitivity and confidentiality, and to establish whether, at any given stage, they should be authorised as a CHIS.

2.26 Determining the status of an individual or organisation is a matter of judgement by the public authority. Public authorities should avoid inducing individuals to engage in the conduct of a CHIS, either expressly or implicitly, without obtaining a CHIS authorisation or considering whether it would be appropriate to do so.

Example: Mr Y volunteers information to a member of a public authority about a work colleague out of civic duty. Mr Y is not a CHIS at this stage as he has not established or maintained (or been asked to establish or maintain) a relationship with his colleague for the covert purpose of obtaining or disclosing information. However, Mr Y is subsequently contacted by the public authority and is asked if he would ascertain certain specific information about his colleague. At this point, it is likely that Mr Y's relationship with his colleague is being maintained and used for the covert purpose of providing that information. A CHIS authorisation would therefore be appropriate.

2.27 It is possible that a person may become engaged in the conduct of a CHIS without a public authority inducing, asking, or assisting the person to engage in that conduct. However, a CHIS authorisation should be considered, for example, where a public authority is aware that an individual is independently maintaining a relationship (i.e.

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“self-tasking”) in order to obtain evidence of criminal activity, and the public authority intends to make use of that material for its own investigative purposes.

Record management for CHIS

Proper records must be kept of the authorisation and use of a source. The particulars to be contained within the records are;

- a. the identity of the source;
- b. the identity, where known, used by the source;
- c. any relevant investigating authority other than the authority maintaining the records;
- d. the means by which the source is referred to within each relevant investigating authority;
- e. any other significant information connected with the security and welfare of the source;
- f. any confirmation made by a person granting or renewing an authorisation for the conduct or use of a source that the information in paragraph (d) has been considered and that any identified risks to the security and welfare of the source have where appropriate been properly explained to and understood by the source;
- g. the date when, and the circumstances in which, the source was recruited;
- h. the identities of the persons who, in relation to the source, are discharging or have discharged the functions mentioned in section 29(5)(a) to (c) of the 2000 Act or in any order made by the Secretary of State under section 29(2)(c);
- i. the periods during which those persons have discharged those responsibilities;
- j. the tasks given to the source and the demands made of him in relation to his activities as a source;
- k. all contacts or communications between the source and a person acting on behalf of any relevant investigating authority;
- l. the information obtained by each relevant investigating authority by the conduct or use of the source;
- m. any dissemination by that authority of information obtained in that way; and
- n. in the case of a source who is not an undercover operative, every payment, benefit or reward and every offer of a payment, benefit or reward that is made or provided by or on behalf of any relevant investigating authority in respect of the source's activities for the benefit of that or any other relevant investigating authority.

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Please refer to the section headed “Documentation and Central Record” (page 37) for further information regarding the holding of records relating to CHIS sources/ authorisations by the Information Management Team.

RIPA application and authorisation process

On 1 November 2012 two significant changes came into force that affects how local authorities use RIPA.

- **Approval of Local Authority Authorisations under RIPA by a Justice of the Peace:** The amendments in the Protection of Freedoms Act 2012 mean that local authority authorisations under RIPA for the use of Directed Surveillance or use of Covert Human Intelligence sources (CHIS) can only be given effect once an order approving the authorisation has been granted by a Justice of the Peace (JP). **This applies to applications and renewals only, not reviews and cancellations.**
- **Directed surveillance crime threshold:** Amendments to the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010 (“the 2010 Order”) mean that a local authority can now only grant an authorisation under RIPA for the use of Directed Surveillance where the local authority is investigating criminal offences which attract a maximum custodial sentence of six months or more or criminal offences relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.

This crime threshold, as mentioned, is only for Directed Surveillance.

Application, review, renewal and cancellation forms

No covert activity covered by RIPA or the use of a CHIS should be undertaken at any time unless it meets the legal criteria (see above) and has been authorised by an Authorising Officer and approved by a JP/Magistrate as mentioned above. The activity conducted must be in strict accordance with the terms of the authorisation.

The effect of the above legislation means that all applications and renewals for covert RIPA activity will have to have a JP’s approval. It does not apply to Reviews and Cancellations which will still be carried out internally.

The procedure is as follows:-

All applications and renewals for Directed Surveillance and use of a CHIS will be required to have a JP’s approval.

The applicant will complete the relevant application form ensuring compliance with the statutory provisions shown above. The application form will be submitted to an Authorising Officer for consideration. If authorised, the applicant will also complete the required section of the judicial application/order form. Although this form requires the applicant to provide a brief summary of

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the circumstances of the case on the judicial application form, this is supplementary to and does not replace the need to supply the original RIPA authorisation as well.

It will then be necessary within Office hours to arrange with Her Majesty's Courts & Tribunals Service (HMCTS) administration at the magistrates' court to arrange a hearing. The hearing will be in private and heard by a single JP.

Details of how to contact the local Courts for out of hours applications will be circulated to managers to be passed on to staff when required.

Officers who may present the application at these proceedings will need to be formally designated by the Council under section 223 of the Local Government Act 1972 to appear, be sworn in and present evidence or provide information as required by the JP. The list of officers currently authorised can be found on the RIPA page of Orb. For further authorisations please contact the RIPA Coordinating Officer.

Upon attending the hearing, the officer must present to the JP the partially completed judicial application/order form, a copy of the RIPA authorisation form, together with any supporting documents setting out the case, and the original authorisation form.

The original RIPA authorisation should be shown to the JP but will be retained by the local authority so that it is available for inspection by the Commissioners' offices and in the event of any legal challenge or investigations by the Investigatory Powers Tribunal (IPT).

The JP will read and consider the RIPA authorisation and the judicial application/order form. They may have questions to clarify points or require additional reassurance on particular matters. These questions are supplementary to the content of the application form. **However the forms and supporting papers must by themselves make the case. It is not sufficient for the local authority to provide oral evidence where this is not reflected or supported in the papers provided.**

The JP will consider whether he or she is satisfied that at the time the authorisation was granted or renewed, there were reasonable grounds for believing that the authorisation was necessary and proportionate. They will also consider whether there continues to be reasonable grounds. In addition they must be satisfied that the person who granted the authorisation or gave the notice was an appropriate designated person within the local authority and the authorisation was made in accordance with any applicable legal restrictions, for example that the crime threshold for directed surveillance has been met.

The JP may decide to:

- Approve the Grant or renewal of an authorisation
- Refuse to approve the grant or renewal of an authorisation
- Refuse to approve the grant or renewal and quash the authorisation

Approve the Grant or renewal of an authorisation

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The grant or renewal of the RIPA authorisation will then take effect and the local authority may proceed to use the surveillance requested.

Refuse to approve the grant or renewal of an authorisation

The RIPA authorisation will not take effect and the local authority may **not** use the surveillance requested in that case.

Where an application has been refused the applicant may wish to consider the reasons for that refusal. If more information was required by the JP to determine whether the authorisation has met the tests, and this is the reason for refusal the officer should consider whether they can reapply, for example, if there was information to support the application which was available to the local authority, but not included in the papers provided at the hearing.

For, a technical error, the form may be remedied without going through the internal authorisation process again. The officer may then wish to reapply for judicial approval once those steps have been taken.

Refuse to approve the grant or renewal and quash the authorisation

This applies where the JP refuses to approve the authorisation or renew the authorisation and decides to quash the original authorisation. However the court must not exercise its power to quash the authorisation unless the applicant has had at least 2 business days from the date of the refusal in which to make representations. If this is the case the officer will inform the Legal team who will consider whether to make any representations.

Whatever the decision the JP will record their decision on the order section of the judicial application/order form. The court administration will retain a copy of the local authority RIPA authorisation form and the judicial application/order form. The officer will retain the original authorisation and a copy of the judicial application/order form.

If approved by the JP, the date of the approval becomes the commencement date and the three months duration will commence on this date. The officers are now allowed to undertake the activity.

The original RIPA authorisation form and the copy of the judicial application/order form should be forwarded to the Central Register and a copy retained by the applicant and by the AO. This will enable the AO to check what was authorised and monitor any reviews and cancellation to determine if any errors occurred and if the objectives were met.

There is no complaint route for a judicial decision unless it was made in bad faith. If the applicant has any issues they must contact the Legal Department for advice. A local authority may only appeal a JP decision on a point of law by judicial review. If such a concern arises, the Legal team will review the case and consider what action, if any, action should be taken.

All the relevant forms for authorisation through to cancellation must be in writing using the standard forms which are available from the Intranet site and the Information Management

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Team, but officers must ensure that the circumstances of each case are accurately recorded on the application form.

If it is intended to undertake both directed surveillance and the use of a CHIS on the same surveillance subject the respective applications forms and procedures should be followed and both activities should be considered separately on their own merits.

An application for an authorisation must include an assessment of the risk of any collateral intrusion or interference (see collateral intrusion on page 30). The Authorising Officer will take this into account, particularly when considering the proportionality of the directed surveillance or the use of a CHIS.

Applications

All the relevant sections on an application form must be completed with sufficient information for the Authorising Officer to consider Necessity, Proportionality and the Collateral Intrusion issues. Risk assessments should take place prior to the completion of the application form. Each application should be completed on its own merits of the case. **Cutting and pasting or using template entries should not take place as this would leave the process open to challenge.**

All applications will be submitted to the Authorising Officer via the Line Manager of the appropriate enforcement team, in order that they are aware of the activities being undertaken by the staff. The Line Manager will perform an initial quality check of the application. However they should not be involved in the sanctioning of the authorisation. Completed application forms are to be initialed by Line Managers to show that the quality check has been completed.

Applications whether authorised or refused will be issued with a unique number by the Authorising Officer, taken from the next available number in the Central Record of Authorisations. To obtain this number please contact Information Management Team on 01527 64252 ext. 1661.

If authorised the applicant will then complete the relevant section of the judicial application/order form and follow the procedure above by arranging and attending the Magistrates Court to seek a JP's approval (see procedure above RIPA application and authorisation process).

Duration of applications

Directed Surveillance	3 Months
Renewal	3 Months
Covert Human Intelligence Source	12 Months
Juvenile Sources	4 Months

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Renewal

12 months

All Authorisations must be cancelled by completing a cancellation form. They must not be left to simply expire (see cancellations page 27).

Reviews

The reviews are dealt with internally by submitting the review form to the authorising officer. There is no requirement for a review form to be submitted to a JP.

Regular reviews of authorisations should be undertaken to assess the need for the surveillance to continue. The results of a review should be recorded on the central record of authorisations. Particular attention is drawn to the need to review authorisations frequently where the surveillance provides access to confidential information or involves collateral intrusion.

In each case the Authorising Officer should determine how often a review should take place. This should be as frequently as is considered necessary and practicable and they will record when they are to take place on the application form. This decision will be based on the circumstances of each application. However reviews will be conducted on a monthly or less basis to ensure that the activity is managed. It will be important for the Authorising Officer to be aware of when reviews are required following an authorisation to ensure that the applicants submit the review form on time.

Applicants should submit a review form by the review date set by the Authorising Officer. They should also use a review form for changes in circumstances to the original application so that the need to continue the activity can be reassessed. However if the circumstances or the objectives have changed considerably or the techniques to be used are now different, a new application form should be submitted and will be required to follow the process again and be approved by a JP. If in doubt seek advice. The applicant does not have to wait until the review date if it is being submitted for a change in circumstances.

Managers or Team Leaders of applicants should also make themselves aware of when the reviews are required to ensure that the relevant forms are completed on time.

Renewal

If at any time before an authorisation would cease to have effect, the Authorising Officer considers it necessary for the authorisation to continue for the purpose for which it was given, he may renew it in writing for a further period of three months.

Should it be necessary to renew a Directed Surveillance or CHIS authorisation, this must be approved by a JP.

Applications for renewals should not be made until shortly before the original authorisation period is due to expire but the applicant must take account of factors which may delay the renewal process (e.g. intervening weekends or the availability of the relevant authorising officer and a JP to consider the application).

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The applicant should complete all the sections within the renewal form and submit the form to the authorising officer.

Authorising Officers should examine the circumstances with regard to Necessity, Proportionality and the Collateral Intrusions issues before making a decision to renew the activity. A CHIS application should not be renewed unless a thorough review has been carried out covering the use made of the source, the tasks given to them and information obtained. The Authorising Officer must consider the results of the review when deciding whether to renew or not. The review and the consideration must be documented.

If the Authorising officer refuses to renew the application the cancellation process should be completed. If the AO authorises the renewal of the activity the same process is to be followed as mentioned earlier for the initial application.

A renewal takes effect on the day on which the authorisation would have ceased and lasts for a further period of three months.

Cancellation

The cancellation form is to be submitted by the applicant or another investigator in their absence. The Authorising Officer who granted or last renewed the authorisation must cancel it if they are satisfied that the directed surveillance no longer meets the criteria upon which it was authorised. Where the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer.

As soon as the decision is taken that directed surveillance should be discontinued, the applicant or other investigating officer involved in the investigation should inform the Authorising Officer. The Authorising Officer will formally instruct the investigating officer to cease the surveillance, noting the time and date of their decision. This will be required for the cancellation form. The date and time when such an instruction was given should also be recorded in the central record of authorisations (see paragraph 5.24 in the Codes of Practice). **You must record the amount of time spent on the surveillance.**

The officer submitting the cancellation should complete in detail the relevant sections of the form and include the period of surveillance and what if any images were obtained and any images containing third parties. The Authorising Officer should then take this into account and issue instructions regarding the management and disposal of the images etc.

The cancellation process should also be used to evaluate whether the objectives have been achieved and whether the applicant carried out what they stated was necessary in the application form. This check will form part of the oversight function. Where issues are identified they will be brought to the attention of the line manager and the Senior Responsible Officer (SRO). This will assist with future audits and oversight.

Who can grant a RIPA authorisation?

Officers who are designated “Authorising Officers” may authorise the use of directed surveillance or the use of a CHIS.

Please refer to Appendix 1 for the list of Authorising Officers, to show name, departmental details, contact number and levels of Authority.

The Chief Executive Officer or in their absence the Deputy Chief Executive will authorise cases where confidential information is likely to be gathered or in the case of a juvenile or vulnerable CHIS.

The Assistant Director of Legal, Democratic and Procurement Services will inform the Information Management Team of any changes to the list of Authorising Officers and will amend the policy accordingly. The intranet will also be updated appropriately.

Urgent oral authorisations

As from 1 November 2012 there is now no provision under RIPA for urgent oral authorisations.

Local sensitivities

Authorising Officers and Applicants should be aware of particular sensitivities in the local community where the directed surveillance is taking place, or of similar activities being undertaken by other public authorities which could impact on the deployment of surveillance. This should form part of the risk assessment.

It should be noted that although this is a requirement there is no provision made within the application form for this information. Therefore applicants should cover this area where they feel it is most appropriate such as when detailing the investigation or proportionality or within the separate risk assessment form. However it must be brought to the attention of the Authorising Officer when deciding whether to authorise the activity.

Authorising officers' responsibility

Authorising officers should not be responsible for authorising investigations or operations in which they are directly involved, although it is recognised that this may sometimes be unavoidable such as where it is necessary to act urgently. Where an Authorising Officer authorises such an investigation or operation the Central Record of authorisations (see page 37) should highlight this and it should be brought to the attention of a Commissioner or Inspector should his next inspection.

Authorising Officers must treat each case individually on its merits and satisfy themselves that the authorisation is in accordance with the law, **necessary** for the prevention and detection of crime, that the crime attracts a custodial sentence of a maximum of 6 months or more, or is an offence relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933.

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The Authorising Officer must believe the surveillance is **proportionate** to what it seeks to achieve, taking into account the **collateral intrusion** issues, and that the level of the surveillance is appropriate to achieve the objectives. If any equipment such as covert cameras or video cameras are to be used, the Authorising Officer should know the capability of the equipment before authorising its use. This will have an impact on collateral intrusion, necessity and proportionality. They should not rubber-stamp a request. It is important that they consider all the facts to justify their decision. They may be required to justify their actions in a court of law or some other tribunal.

Authorising Officers are responsible for determining when reviews of the activity are to take place (see Reviews on page 26).

Authorising Officers must also pay particular attention to Health and Safety issues that may be raised by any proposed surveillance activity. Under no circumstances, should the Authorised Officer approve any RIPA form unless, and until s/he is satisfied the health and safety of Council employees/agents are suitably addressed and/or risks minimised, so far as is possible, and proportionate to/with the surveillance being proposed.

Before authorising surveillance the Authorising Officer should also take into account the risk of intrusion into the privacy of persons other than those who are directly the subjects of the investigation or operation (collateral intrusion). Measures should be taken, wherever practicable, to avoid or minimise unnecessary intrusion into the lives of those not directly connected with the investigation or operation.

In the absence of your particular Line Manager or Assistant Director of Department the application should be submitted to another Authorising Officer for authorisation (see list of Authorising Officers - Appendix 1).

Necessity and proportionality

Obtaining a RIPA authorisation will only ensure that there is a justifiable interference with an individual's Article 8 rights if it is necessary and proportionate for these activities to take place.

It must be necessary for the **prevention and detection of crime and that** the crime attracts a custodial sentence of a maximum of 6 months or more, or is an offence relating to the underage sale of alcohol or tobacco under sections 146, 147 or 147A of the Licensing Act 2003 or section 7 of the Children and Young Persons Act 1933. It must also be shown the reasons why the requested activity is necessary in the circumstances of that particular case. Can you achieve the same end result without the surveillance?

If similar objectives could be achieved by methods other than covert surveillance, then those methods should be used before resorting to surveillance methods, unless it can be justified why they cannot or should not be used.

Then, if the activities are **necessary**, the person granting the authorisation must believe that they are **proportionate** to what is sought to be achieved by carrying them out. This involves balancing the intrusiveness of the activity on the subject and others who might be affected by it

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against the need for the activity in operational terms. The activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means. All such activity should be carefully managed to meet the objective in question and must not be arbitrary or unfair. The interference with the person's right should be no greater than that which is required to meet the aim and objectives.

The onus is on the Authorising Officer to ensure that the surveillance meets the tests of **necessity and proportionality**.

The codes provide guidance relating to proportionality which should be considered by both applicants and Authorising Officers:

- balancing the size and scope of the proposed activity against the gravity and extent of the perceived crime or offence;
- explaining how and why the methods to be adopted will cause the least possible intrusion on the subject and others;
- considering whether the activity is an appropriate use of the legislation and a reasonable way, having considered all reasonable alternatives, of obtaining the necessary result;
- evidencing, as far as reasonably practicable, what other methods had been considered and why they were not implemented.

It is important that the staff involved in the surveillance and the line manager manage the enquiry and operation, and constantly evaluate the need for the activity to continue.

Collateral intrusion

Collateral intrusion is an integral part of the decision making process and should be assessed and considered very carefully by both applicants and Authorising Officers.

The Revised Codes state Collateral Intrusion is intrusion into the privacy of persons other than those who are directly the subjects of the investigation or operation such as neighbours or other members of the subject's family. Where it is proposed to conduct surveillance activity specifically against individuals who are not suspected of direct or culpable involvement in the overall matter being investigated, interference with the privacy or property of such individuals should not be considered as collateral intrusion but rather as intended intrusion. Any such surveillance activity should be carefully considered against the necessity and proportionality criteria.

Intended intrusion could occur if it was necessary to follow a person not committing any offences but by following this person it would lead you to the person who is committing the offences.

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Where such collateral intrusion is unavoidable, the activities may still be authorised, provided this intrusion is considered proportionate to what is sought to be achieved. The same proportionality tests apply to the likelihood of collateral intrusion as to intrusion into the privacy of the intended subject of the surveillance.

Prior to and during any authorised RIPA activity, a risk assessment should take place to identify the likely intrusion into the subject and any collateral intrusion. Officers should take continuing precautions to minimise the intrusion where possible. The collateral intrusion, the reason why it is unavoidable and your precautions to minimise it will have to be detailed on any relevant application forms. This will be considered by the Authorising Officer.

Before authorising surveillance the Authorising Officer should take into account the risk of collateral intrusion detailed on the relevant application forms as it has a direct bearing on the decision regarding proportionality.

The possibility of Collateral Intrusion does not mean that the authorisation should not be granted, but you should weigh up the importance of the activity to be carried out in operational terms on the one hand and the risk of collateral intrusion on the other hand.

Unexpected interference with third parties

When you are carrying out covert directed surveillance or using a CHIS, you should inform the Authorising Officer if the investigation unexpectedly interferes with the privacy of individuals who are not the original subjects of the investigation or covered by the authorisation in some other way. It will be appropriate in some circumstances to submit a review form and in other cases the original authorisation may not be sufficient and consideration should be given to whether a separate authorisation is required.

Confidential information

Confidential information consists of matters subject to legal privilege, confidential personal information or confidential journalistic material and applications where there is a likelihood of acquiring such information can only be authorised by the Chief Executive or the Executive Director of Services.

No authorisation should be given if there is any likelihood of obtaining legally privileged material without consulting the shared BDC/ RBC Legal Team.

Confidential personal information is information held in confidence relating to the physical or mental health or spiritual counselling concerning an individual (whether living or dead) who can be identified from it. Such information, which can include both oral and written communications, is held in confidence if it is held subject to an express or implied undertaking to hold it in confidence or it is subject to a restriction on disclosure or an obligation of confidentiality contained in existing legislation. Examples might include consultations between a health professional and a patient, or information from a patient's medical records. Journalistic material is also mentioned in the codes however it is highly unlikely that this will be obtained. The definition should it be required can be obtained from the Codes of Practice at Chapter 4.

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The following general principles apply to confidential material acquired under authorisations:

- Those handling material from such operations should be alert to anything which may fall within the definition of confidential material. Where there is doubt as to whether the material is confidential, advice should be sought from the Assistant Director of Legal, Democratic and Procurement Services before further dissemination takes place;
- Confidential material should not be retained or copied unless it is necessary for specified purpose;
- Confidential material should be disseminated only where an appropriate officer (having sought advice from the Assistant Director of Legal, Democratic and Procurement Services) is satisfied that it is necessary for a specific purpose;
- The retention or dissemination of such information should be accompanied by a clear warning of its confidential nature. It should be safeguarded by taking reasonable steps to ensure that there is no possibility of it becoming available, or its content being known, to any person whose possession of it might prejudice any criminal or civil proceedings related to the information;
- Confidential material should be destroyed as soon as it is no longer necessary to retain it for a specified purpose.

Use of CCTV

The use of the CCTV systems operated by the Council does not normally fall under the RIPA regulations. However it does fall under the Data Protection Act 1998 and the Councils CCTV policy. However should there be a requirement for the CCTV cameras to be used for a specific purpose to conduct surveillance it is likely that the activity will fall under Directed Surveillance and therefore require an authorisation.

On the occasions when the CCTV cameras are to be used in a Directed Surveillance situation either by enforcement officers from relevant departments within the Council or outside Law Enforcement Agencies such as the Police, either the CCTV staff are to have a copy of the application form in a redacted format, or a copy of the authorisation page. It is important that the staff check the authority and only carry out what is authorised. A copy of the application or notes is also to be forwarded to the Information Management Team for filing. This will assist the Council to evaluate the authorisations and assist with oversight.

Operators of the Councils CCTV system need to be aware of the RIPA issues associated with using CCTV and that continued, prolonged systematic surveillance of an individual may require an authorisation.

Use of Social Media

This part of the policy covers the use of social media, including Social Networking Sites (SNS) such as X (formerly Twitter) and Facebook, and selling platforms such as eBay and Gumtree.

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It is taken as good professional practice in relation to covert surveillance of SNS that repeat viewing of individual 'open source' sites for the purpose of intelligence gathering and data collation should be considered within the context of the protection that RIPA affords to such activity.

The fact that digital investigation is routine or easy to conduct does not reduce the need for authorisation. Care must be taken to understand how the social networking site being used works. Authorising Officers must not be tempted to assume that one service provider is the same as another or that the services provided by a single provider are the same.

Whilst it is the responsibility of an individual to set privacy settings to protect unsolicited access to private information from their social media sites and, even though data may be deemed published and no longer under the control of the author, it is unwise to regard it as 'open source' or publicly available. The author has a reasonable expectation of privacy if access controls are applied.

Where privacy settings are available but not applied the data may be considered 'open source' and an authorisation is not usually required. However, repeat viewing of 'open source' sites may constitute directed surveillance on a case by case basis and officers need to be aware of this and seek advice about obtaining an authorisation. For example if someone is being monitored through, for example, their Facebook profile for a period of time and a record of the information is kept for later analysis, this is likely to require a RIPA authorisation for directed surveillance.

If it is necessary and proportionate for the Council to breach covertly access controls, the minimum requirement is an authorisation for directed surveillance.

Officers also need to be aware that if viewing of on-line information progresses to an officer establishing a relationship whether through a friend request or sending an email purporting to be interested in an item to purchase, then a CHIS authorisation will be required. In that scenario the officer themselves would be regarded as acting as a CHIS. Using a third party to contact the subject on behalf of the Council would also require authorisation of the third party as a CHIS.

It is not unlawful for a council officer to set up a false identity, but this should not be done for a covert purpose without significant management consideration and under the control of an authorisation. Using photographs of other persons without their permission to support the false identity infringes other laws.

To further assist in understanding matters pertaining to the use of social media in investigations, the following is included in this policy, from the Covert Surveillance and Property Interference Code of Practice 2018:

3.10 The growth of the internet, and the extent of the information that is now available online, presents new opportunities for public authorities to view or gather information which may assist them in preventing or detecting crime or carrying out other statutory functions, as well as in understanding and engaging with the public they serve. It is important that public authorities are able to make full and lawful use of this information for their statutory purposes. Much of it can be accessed without the need

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for RIPA authorisation; use of the internet prior to an investigation should not normally engage privacy considerations. But if the study of an individual's online presence becomes persistent, or where material obtained from any check is to be extracted and recorded and may engage privacy considerations, RIPA authorisations may need to be considered. The following guidance is intended to assist public authorities in identifying when such authorisations may be appropriate.

3.11 The internet may be used for intelligence gathering and/or as a surveillance tool. Where online monitoring or investigation is conducted covertly for the purpose of a specific investigation or operation and is likely to result in the obtaining of private information about a person or group, an authorisation for directed surveillance should be considered, as set out elsewhere in this code. Where a person acting on behalf of a public authority is intending to engage with others online without disclosing his or her identity, a CHIS authorisation may be needed (paragraphs 4.10 to 4.16 of the Covert Human Intelligence Sources code of practice provide detail on where a CHIS authorisation may be available for online activity).

3.12 In deciding whether online surveillance should be regarded as covert, consideration should be given to the likelihood of the subject(s) knowing that the surveillance is or may be taking place. Use of the internet itself may be considered as adopting a surveillance technique calculated to ensure that the subject is unaware of it, even if no further steps are taken to conceal the activity. Conversely, where a public authority has taken reasonable steps to inform the public or particular individuals that the surveillance is or may be taking place, the activity may be regarded as overt and a directed surveillance authorisation will not normally be available.

3.13 As set out in paragraph 3.14 below, depending on the nature of the online platform, there may be a reduced expectation of privacy where information relating to a person or group of people is made openly available within the public domain, however in some circumstances privacy implications still apply. This is because the intention when making such information available was not for it to be used for a covert purpose such as investigative activity. This is regardless of whether a user of a website or social media platform has sought to protect such information by restricting its access by activating privacy settings.

3.14 Where information about an individual is placed on a publicly accessible database, for example the telephone directory or Companies House, which is commonly used and known to be accessible to all, they are unlikely to have any reasonable expectation of privacy over the monitoring by public authorities of that information. Individuals who post information on social media networks and other websites whose purpose is to communicate messages to a wide audience are also less likely to hold a reasonable expectation of privacy in relation to that information.

3.15 Whether a public authority interferes with a person's private life includes a consideration of the nature of the public authority's activity in relation to that information. Simple reconnaissance of such sites (i.e. preliminary examination with a view to establishing whether the site or its contents are of interest) is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a directed surveillance authorisation. But where a public authority is systematically collecting and recording information about a particular person or group, a directed surveillance authorisation should be considered. These considerations apply regardless of when the information was shared online. See also paragraph 3.6. Example 1: A police officer undertakes a simple internet search on a name, address or telephone number to find out whether a subject of interest has an online presence. This is unlikely to need an authorisation. However, if having found an individual's social media profile or identity, it is decided to monitor it or extract information from it for retention in a record because it is relevant to an investigation or operation, authorisation should then be considered. Example 2: A customs officer makes an initial examination of an individual's online profile to establish

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whether they are of relevance to an investigation. This is unlikely to need an authorisation. However, if during that visit it is intended to extract and record information to establish a profile including information such as identity, pattern of life, habits, intentions or associations, it may be advisable to have in place an authorisation even for that single visit. (As set out in the following paragraph, the purpose of the visit may be relevant as to whether an authorisation should be sought.) Example 3: A public authority undertakes general monitoring of the internet in circumstances where it is not part of a specific, ongoing investigation or 20 operation to identify themes, trends, possible indicators of criminality or other factors that may influence operational strategies or deployments. This activity does not require RIPA authorisation. However, when this activity leads to the discovery of previously unknown subjects of interest, once it is decided to monitor those individuals as part of an ongoing operation or investigation, authorisation should be considered.

3.16 In order to determine whether a directed surveillance authorisation should be sought for accessing information on a website as part of a covert investigation or operation, it is necessary to look at the intended purpose and scope of the online activity it is proposed to undertake. Factors that should be considered in establishing whether a directed surveillance authorisation is required include: • Whether the investigation or research is directed towards an individual or organisation; • Whether it is likely to result in obtaining private information about a person or group of people (taking account of the guidance at paragraph 3.6 above); • Whether it is likely to involve visiting internet sites to build up an intelligence picture or profile; • Whether the information obtained will be recorded and retained; • Whether the information is likely to provide an observer with a pattern of lifestyle; • Whether the information is being combined with other sources of information or intelligence, which amounts to information relating to a person's private life; • Whether the investigation or research is part of an ongoing piece of work involving repeated viewing of the subject(s); • Whether it is likely to involve identifying and recording information about third parties, such as friends and family members of the subject of interest, or information posted by third parties, that may include private information and therefore constitute collateral intrusion into the privacy of these third parties.

3.17 Internet searches carried out by a third party on behalf of a public authority, or with the use of a search tool, may still require a directed surveillance authorisation (see paragraph 4.32). Example: Researchers within a public authority using automated monitoring tools to search for common terminology used online for illegal purposes will not normally require a directed surveillance authorisation. Similarly, general analysis of data by public authorities either directly or through a third party for predictive purposes (e.g. identifying crime hotspots or analysing trends) is not usually directed surveillance. In such cases, the focus on individuals or groups is likely to be sufficiently cursory that it would not meet the definition of surveillance. But officers should be aware of the possibility that the broad thematic research may evolve, and that authorisation may be appropriate at the point where it begins to focus on specific individuals or groups. If specific names 21 or other identifiers of an individual or group are applied to the search or analysis, an authorisation should be considered.

Obtaining Communications Data

The Investigatory Powers Act 2016 governs the lawful obtaining of communications data by public authorities. The term communications data includes the 'who', 'when', 'where', and 'how' of a communication but not the content, that is, what was said or written. A local authority cannot make an application that requires the processing or disclosure of internet connection records for any purpose.

Communications data is generated, held or obtained in the provision, delivery and maintenance of communications services, that is, postal services or telecommunications

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services. All communications data held by a telecommunications operator or obtainable from a telecommunication system falls into two categories of entity data and events data.

Examples of entity data include:

- 'subscriber checks' such as "who is the subscriber of phone number 01234 567 890?", "who is the account holder of email account example@example.co.uk?" or "who is entitled to post to web space www.example.co.uk?"
- subscribers' or account holders' account information, including names and addresses for installation, and billing including payments method(s), details of payments;
- information about apparatus or devices used by, or made available to, the subscriber or account holder, including the manufacturer, model, serial numbers and apparatus codes.

Examples of events data include, but are not limited to:

- information tracing the origin or destination of a communication that is, or has been, in transmission (including incoming call records);
- information identifying the sender or recipient of a communication from data comprised in or attached to the communication;
- itemised timing and duration of service usage (calls and/or connections);
- information about amounts of data downloaded and/or uploaded;

Part 3 of IPA contains provisions relating to authorisations for obtaining communications data. This part of IPA is now in force but the acquisition of communications data was previously covered by RIPA. Under RIPA, local authorities were required to obtain judicial approval in order to acquire communications data. However, the position has now changed and from June 2019, all communication data applications must instead be authorised by the Investigatory Powers Commissioner's Office.

The Home Office issued 'Communications Data' Code of Practice in November 2018 and chapter 8 covers local authority procedures. A local authority must make a request to obtain communications data via a single point of contact (SPoC) at the National Anti-Fraud Network ("NAFN"). In addition to being considered by a NAFN SPoC, an officer within the local authority of the rank of service manager or above should be aware the application is being made before it is submitted to an authorising officer in the IPCO.

A serious crime threshold applies to the obtaining of some communications data. The Council can only submit an application to obtain events data for the investigation of a criminal offence capable of attracting a sentence of 12 months or more. However, where the Council is looking to obtain entity data this can be done for any criminal investigation where it is necessary and proportionate to do so.

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Joint agency surveillance

In cases where one agency is acting on behalf of another, it is usually for the tasking agency to obtain or provide the authorisation. For example, where surveillance is carried out by Council employees on behalf of the Police, authorisation would be sought by the police. If it is a joint operation involving both agencies the lead agency should seek authorisation.

Council staff involved with joint agency surveillance must ensure that all parties taking part are authorised on the authorisation page of the application to carry out the activity. When staff are operating on another organisations authorisation, they should obtain either a copy of the application form (redacted if necessary) or a copy of the authorisation containing the unique number. This will ensure they see what activity they are authorised to carry out. Their line manager should be made aware of the joint surveillance and a copy of the authorisation forwarded to the central register in order that a record can be retained. This will assist with oversight of the covert activities undertaken by Council staff.

Provisions should also be made regarding any disclosure implications under the Criminal Procedures Act (CPIA) and the management, storage and dissemination of any product obtained.

Documentation and central record

Authorising Officers or Managers of relevant enforcement departments must keep whatever records are necessary to administer and manage the RIPA application process, in compliance with the requirements of the Codes of Practice as reflected in the Safeguarding Policy. The Council holds a centrally held and retrievable record, also in compliance with the Codes of Practice.

This record will be held by the Information Management team and regularly updated whenever an authorisation is refused, granted, renewed or cancelled.. The record will be made available to the relevant Commissioner or an Inspector from the Office of Surveillance Commissioners, upon request.

All original surveillance Authorisations and copies of judicial applications/order forms (whether authorised or refused), Review, Renewal and Cancellation documents will be forwarded electronically to the Information Management team for security purposes. The Information Management team will be responsible for maintaining the Central Record of Authorisations and will ensure that all records are held securely with no unauthorised access. The only persons who will have access to these documents will be the Information Management team, the Senior Responsible Officer and the RIPA Co-ordinating Officer. The Assistant Director of the shared Regulatory Service will have access to a read only copy of the Central Record of Authorisations. The use, retention and disposal of this information is also governed by the Safeguarding Policy.

The Information Management team can be contacted on extension 1661 or extension 3871.

The documents contained in the centrally held register should be retained for at least three years from the ending of the authorisation or for the period stipulated by the Council's document

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retention policy, whichever is greater. The centrally held register should contain the following information:

- if refused, that the application was not authorised and a brief explanation of the reason why. The refused application should be retained as part of the Central Record of Authorisation.
- if granted, the type of authorisation and the date the authorisation was given and approved by the JP.
- name and rank/grade of the authorising officer.
- the unique reference number (URN) of the investigation or operation.
- the title of the investigation or operation, including a brief description and names of subjects, if known.
- whether the urgency provisions were used, and if so why.
- frequency and the result of each review of the authorisation.
- if the authorisation is renewed, when it was renewed and who authorised the renewal, including the name and rank/grade of the authorising officer and the date approved by the JP.
- whether the investigation or operation is likely to result in obtaining confidential information as defined in this code of practice.
- the date the authorisation was cancelled.
- authorisations by an Authorising Officer in urgent cases where they are directly involved in the investigation or operation (see Authorising Officer Responsibility page 17.) If this has taken place it must be brought to the attention of a Commissioner or Inspector during their next RIPA inspection.
- the date and time when any instruction was given by the Authorising Officer.

As well as the Central Record the Information Management Team will also retain:

each application, review, renewal and cancellation, copy of the judicial application/order form, together with any supplementary documentation of the approval given by the Authorising Officer

- a record of the period over which the surveillance has taken place;

For CHIS applications

In addition, records or copies of the following, as appropriate, should be kept by the relevant authority:

- the original authorisation form, copy of the judicial application/order form, together with any supplementary documentation and notification of the approval given by the Authorising Officer;

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- the original renewal of an authorisation, copy of the judicial application/order form, together with the supporting documentation submitted when the renewal was requested;
- the reason why the person renewing an authorisation considered it necessary to do so;
- any risk assessment made in relation to the source;
- the circumstances in which tasks were given to the source;
- the value of the source to the investigating authority;
- a record of the results of any reviews of the authorisation;
- the reasons, if any, for not renewing an authorisation;
- the reasons for cancelling an authorisation.
- the date and time when any instruction was given by the Authorising Officer to cease using a source.

The records kept by public authorities should be maintained in such a way as to preserve the confidentiality of the source and the information provided by that source. There should, at all times, be a designated person within the relevant public authority who will have responsibility for maintaining a record of the use made of the source.

Annual report to Investigatory Powers Commissioner's Office

The Council is required to provide statistics to the IPCO (was the OSC) every year in March for the purposes of the Annual Report. The Information Manager shall be responsible for completing the return and providing the statistics.

Storage and retention of material

In addition to the need to comply with the data safeguards provisions set out below, all material obtained and associated with an application will be subject of the provisions of the Criminal Procedures Investigations Act 1996 (CPIA) Codes of Practice which state that relevant material in an investigation has to be recorded and retained and later disclosed to the prosecuting solicitor in certain circumstances. It is also likely that the material obtained as a result of a RIPA application will be classed as personal data for the purposes of the Data Protection Act. All officers involved within this process should make themselves aware of the provisions of both the requirements under the Safeguarding Policy and the CPIA and how it impacts on the whole RIPA process.

Data safeguards

Material obtained through surveillance may include private information, legally privileged information, or other confidential material including journalistic material and constituency

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business of Members of Parliament. The Council must ensure that any information it obtains through surveillance is handled in accordance with the safeguards the Council has put in place, any relevant frameworks (such as data protection), and the Home Office Codes.

Dissemination, copying and retention of material must be limited to the minimum necessary for authorised purposes. Something is necessary for the authorized purposes where the material:

- a) is (or is likely to become) necessary for the surveillance purposes set out in the legislation
- b) is necessary for facilitating the carrying out of the functions of the Council under the surveillance legislation
- c) is necessary for facilitating the carrying out of any functions of the Commissioner or Investigatory Powers Tribunal
- d) is necessary for the purposes of legal proceedings
- e) is necessary for the performance of the functions of any person by or under any enactment.

Evidence

When information obtained under a surveillance authorisation is used evidentially, the Council should be able to demonstrate how the evidence has been obtained, to the extent required by the relevant rules of evidence and disclosure. Where the product of surveillance could be relevant to pending or future criminal or civil proceedings, it should be retained in accordance with established disclosure requirements

Reviews

As set in this document and within the Home Office Codes, regular reviews of all authorisations should be undertaken during their lifetime to assess the necessity and proportionality of the conduct. Particular attention should be given to the need to review authorisations frequently where they involve a high level of intrusion into private life or significant collateral intrusion, or particularly sensitive information is likely to be obtained.

Dissemination of information

The Council will likely need to share information obtained through surveillance within the Council and between the Council and other public bodies where legally necessary. This must be limited to the minimum necessary. If a summary of the information will be sufficient to meet necessity, no more than that should be disclosed.

When sharing this type of information the Council will ensure that it has appropriate safeguards and agreements in place to ensure compliance.

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Copying

Information and material obtained through surveillance must only be copied to the extent necessary. Copying includes direct copies as well as summaries and extracts.

Storage

All information and material obtained through surveillance and all copies, extracts or summaries must be stored securely to minimise the risk of theft or loss. Only those with appropriate legal authority and security clearance should be able to access the information. The Council will ensure that it has in place:

- a) physical security to protect premises where the information is stored or can be accessed
- b) IT security to minimise risk around unauthorised access to IT systems

Destruction

Information obtained through surveillance, and all copies, extracts and summaries which contain such material, should be scheduled for deletion or destruction and securely destroyed as soon as they are no longer needed for the authorised purpose(s). If such information is retained, it should be reviewed at appropriate intervals, and at least every six months, to confirm that the justification for its retention is still valid.

Confidential or privileged information

Where the material contains information that is legally privileged, confidential journalistic material or where material identifies a journalist's source, where material contains confidential personal information or communications between a Member of Parliament and another person on constituency business ["confidential constituent information"], authorisations can only be granted by the Assistant Director of said Service.

The reasons for acquiring information of this type must be clearly documented and the specific necessity and proportionality of doing so must be carefully considered.

Material which has been identified as confidential personal or confidential constituent information should be retained only where it is necessary and proportionate to do so in accordance with the authorised purpose or where otherwise required by law. It should be securely destroyed when its retention is no longer needed for those purposes.

Where confidential personal or constituent information is retained or disseminated to an outside body, reasonable steps should be taken to mark the information as confidential. Where there is any doubt as to the lawfulness of the proposed handling or dissemination of confidential information, advice should be sought

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from a legal adviser to the Council before any further dissemination of the material takes place.

Items subject to legal privilege

The acquisition of material subject to legal privilege is particularly sensitive and is therefore subject to additional safeguards which provide for three different circumstances where legally privileged items will or may be obtained. They are:

- a) where privileged material is intentionally sought
- b) where privileged material is likely to be obtained
- c) where the purpose or one of the purposes is to obtain items that, if they were not generated or held with the intention of furthering a criminal purpose, would be subject to privilege

Further details and guidance about each of the above circumstances are set out in the Home Office Codes.

Covert surveillance of legal consultations

The 2010 Legal Consultations Order provides that surveillance that is carried out in relation to anything taking place on so much of any premises specified in article 3(2) of the Order as is, at any time during the surveillance, used for the purposes of 'legal consultations', shall be treated for the purposes of Part II of RIPA as intrusive surveillance. **As a result, such authorisations are not available to the Council.**

Lawyers' material

Where a lawyer, acting in this professional capacity, is the subject of surveillance, it is possible that a substantial proportion of any material which will or could be acquired will be subject to legal privilege. In addition to considering the applicability of the 2010 Legal Consultations Order, the Council will need to consider which of the three circumstances that apply when items subject to legal privilege will or may be obtained is relevant, and what processes should therefore be followed.

Any case involving lawyers' material should also be notified to the Commissioner during their next inspection, and any material which has been retained should be made available to the Commissioner on request.

Handling, retention, and deletion of legally privileged material

Additional arrangements apply to legally privileged items where the intention is to retain them for a purpose other than their destruction:

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- a) A legal adviser to the Council must be consulted and is responsible for determining whether that material is privileged;
- b) Material which has been identified as legally privileged (and is being retained for purposes other than its destruction) should be clearly marked as subject to legal privilege; and
- c) the Investigatory Powers Commissioner must be notified of the retention of the items as soon as reasonably practicable

Training

There will be an on-going training programme for Council Officers who will need to be aware of the impact and operating procedures with regards to this legislation. The training officer will be required to retain a list of all those officers who have received training and when the training was delivered.

Authorising Officers must have received formal RIPA training before being allowed to consider applications for surveillance and CHIS.

Errors

There is now a requirement to report all covert activity that was not properly authorised to the Investigatory Powers Commissioner's Office (IPCO) in writing as soon as the error is recognised. This includes activity which should have been authorised but wasn't or which was conducted beyond the directions provided by the authorising officer. It is therefore important that when an error has been identified it is brought to the attention of the SRO in order to comply with this guidance. The Council has a responsibility to report to the Inspector at the commencement of an inspection all activity which should have been authorised but wasn't. This is to confirm that any direction provided by the Commissioner has been followed. This will also assist with the oversight provisions of the Councils' RIPA activity.

This does not apply to covert activity which is deliberately not authorised because an authorising officer considers that it does not meet the legislative criteria, but allows it to continue. This would be surveillance outside of RIPA (see oversight section below).

Oversight

It is important that all staff involved in the RIPA application process take their responsibilities seriously. Careful management and adherence to policy and procedures will assist with maintaining oversight and reducing unnecessary errors. The policy and use of RIPA will be monitored on an on-going basis through the quarterly meetings referred to below.

Senior Responsible Officer and RIPA Co-ordinating officer

Overall oversight within the Council will fall within the responsibilities of the Senior Responsible Officer (SRO) for the Council. The Senior Responsible Officer is Claire Felton, Assistant Director

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of Legal, Democratic and Procurement Services. To assist the SRO with monitoring, ensuring the policy is kept up to date, liaising with the Office of Surveillance Commissioner and organising training for staff, the Principal Solicitor has been identified as the RIPA Co-ordinating Officer. The SRO and the RIPA Co-ordinating Officer will meet on a six-monthly basis to review the RIPA activity that has taken place, consider any changes to legislation or guidance and to review the policy and processes for RIPA and the training programme. This six-month review has been agreed by the Surveillance Commissioner's Inspector as adequate oversight for our council.

Reporting to members

Quarterly returns of all surveillance activity undertaken by Council staff including joint surveillance and Directed Surveillance using the CCTV system will be compiled by the Senior Responsible Officer and the RIPA Co-ordinating Officer and reported to the Portfolio Holder for Resources in line with the current advice in the Codes of Practice. As with the above reviews, this will also be six-monthly. It will be the role of the Portfolio Holder to report to the Cabinet any issues of concern arising out of the quarterly returns. Members will also receive an annual report to keep them updated as to the levels of RIPA activity, legislative changes, staff training and any issues regarding the RIPA policy.

Scrutiny and tribunal

Scrutiny will be provided by the Investigatory Powers Commissioner's Office or IPCO (formerly provided by the Office of the Surveillance Commissioner). The Commissioner will periodically inspect the records and procedures of the Authority to ensure the appropriate authorisations have been given, reviewed, cancelled, and recorded properly.

It is the duty of any person who uses these powers to comply with any request made by a Commissioner to disclose or provide any information the Office requires for the purpose of enabling them to carry out their functions.

A tribunal has been established to consider and determine complaints made under RIPA if it is the appropriate forum. Persons aggrieved by conduct, e.g. directed surveillance, can make complaints. The forum hears application on a judicial review basis. Claims should be brought within one year unless it is just and equitable to extend that period.

Complaints can be addressed to the following address:

Investigatory Powers Tribunal

PO Box 33220

London

SW1 H9ZQ

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Appendix 1

List of Authorising Officers for Bromsgrove District Council and Redditch Borough Council and authorising levels:

Name	Department	Contact Number	Level of Surveillance Authority		
			Juvenile or Vulnerable CHIS and/or Confidential Material from CHIS or Directed Surveillance	CHIS	Directed Surveillance
John Leach	Chief Executive	01527 881185	Yes	Yes	Yes
Mark Cox	Director of Regulatory Services	01562 738023	No	No	Yes
James Walton	Director of Finance and Section 151 Officer	01527 64252 Ext 3055	Yes	Yes	Yes

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3rd November 2026****Annual Statistics from the Local Government & Social Care Ombudsman**

Relevant Portfolio Holder	Councillor Craig Warhurst – Portfolio Holder for Finance 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
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 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 2026.
- 2.2 As reported to Members in the 2025 ombudsman report, the LGSCO has changed the way in which information about complaints is delivered to Councils. Instead of issuing an annual review letter in September setting out the statistics, a two stage approach is now being 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 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".

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3rd November 2026****3. OPERATIONAL ISSUES**

- 3.1 Officers can confirm that Redditch Borough Council 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. A link to view the statistics online is included at the end of the report.
- 3.2 For the period ending on 31 March 2026, the statistics for RBC as collated and published by the LGSCO were recorded as follows:-

Number of Complaints Received – 16

Housing	10
Environmental Services & Public Protection & Regulation	2
Corporate & Other Services	2
Benefits & Tax	1
Highways & Transport	1

[From the 16 complaints received, 9 were rejected as not being matters for which the Council was responsible and/ or that the LGSCO had authority to investigate.]

Number of Complaints Decided - 11

Housing	7
Environmental Services & Public Protection & Regulation	2
Benefits & Tax	1
Highways & Transport	1

- 3.3 Of these 11 decided cases, 2 were closed after initial inquiries, 7 were referred back for local resolution, 1 was closed on the grounds of being incomplete with insufficient information to proceed and in one case advice was given. The reason the numbers of complaints received and complaints decided do not match is because some of the complaints received will still be subject to on-going assessment and had not been concluded by 31st March 2026.
- 3.4 The detail of the recorded outcomes of the 11 decided cases is set out below: -

Outcome	Number	Explanation
Closed after initial inquiries	2	Complaint assessed but LGSCO decided not to investigate it

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3rd November 2026**

Advice given	1	Early advice given by LGSCO or customer directed to appropriate service
Referred back for local resolution	7	Premature complaint; referred back to Council for resolution
Incomplete/ Invalid	1	Insufficient information to proceed

- 3.5 During this reporting period none of the decided complaints were upheld meaning that there were no findings that the Council was at fault in relation to any of the 7 decided cases. The data also shows that there were no investigations linked to the 7 matters that did not proceed.

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.
- 5.3 In compliance with LGSCO guidance this report discharges the Council's obligation to provide an annual report to members summarising the complaint findings for the year ended 31st March 2026.

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

- 6.1 There are no direct implications for Local Government Reorganisation.

Relevant Council Priority

- 6.2 An effective and sustainable Council.

Climate Change Implications

- 6.3 None

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3rd November 2026**

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.
- 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 summary of complaint statistics 2025 to 2026

Link to view annual statistics on the LGSCO website:

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

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3rd November 2026****9. REPORT SIGN OFF**

Department	Name and Job Title	Date
Portfolio Holder	Councillor Craig Warhurst – Deputy Leader and Portfolio Holder for Finance and Governance	26.10.2026
Assistant Director	Claire Felton – Assistant Director for Legal, Democratic and Procurement Services	23.10.2026
Financial Services	James Walton – Director of Finance and S151 Officer	26.10.2026
Legal Services	Nicola Cummings – Principal Solicitor	23.10.2026
Policy Team (if equalities implications apply)	Not applicable	
Climate Change Team (if climate change implications apply)	Not applicable	

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Annual Summary of Complaint Statistics 2025 to 2026

Complaints Received 2025-26

Reference	Authority	Category	Subcategory	Received
25001774	Redditch Borough Council	Housing	Private housing disrepair	08/05/2025
25003872	Redditch Borough Council	Housing	Managing council tenancies	02/06/2025
25006169	Redditch Borough Council	Housing	Housing-other	27/06/2025
25007839	Redditch Borough Council	Environmental Services & Public Protection & Regulation	Trees	03/09/2025
25009580	Redditch Borough Council	Housing	Allocations	11/08/2025
25009931	Redditch Borough Council	Environmental Services & Public Protection & Regulation	Noise	14/08/2025
25012216	Redditch Borough Council	Housing	Homelessness	17/09/2025
25012855	Redditch Borough Council	Benefits & Tax	Council tax support	25/09/2025
25013050	Redditch Borough Council	Housing	Homelessness	26/09/2025
25013174	Redditch Borough Council	Housing	Allocations	05/12/2025
25014019	Redditch Borough Council	Housing	Allocations	12/11/2025
25016302	Redditch Borough Council	Housing	Allocations	12/11/2025
25021614	Redditch Borough Council	Highways & Transport	Parking provision	24/12/2025
25022407	Redditch Borough Council	Corporate & Other Services	Standards committees	24/01/2026
25027182	Redditch Borough Council	Corporate & Other Services	Standards committees	10/02/2026
25027238	Redditch Borough Council	Housing	NULL	18/02/2026

Complaint Decided 2025-26

Reference	Authority	Category	Subcategory	Decided	Decision	Decision Reason	Remedy
25001774	Redditch Borough Council	Housing	Private housing disrepair	08/05/2025	Referred back for local resolution	Premature Decision - advice given	
25003872	Redditch Borough Council	Housing	Managing council tenancies	02/06/2025	Advice given	Signpost - go to complaint handling	
25007839	Redditch Borough Council	Environmental Services & Public Protection & Regulation	Trees	22/12/2025	Closed after initial enquiries	No worthwhile outcome achievable by investigation	
25009580	Redditch Borough Council	Housing	Allocations	11/08/2025	Referred back for local resolution	Premature Decision - advice given	
25009931	Redditch Borough Council	Environmental Services & Public Protection & Regulation	Noise	14/08/2025	Referred back for local resolution	Premature Decision - advice given	
25012216	Redditch Borough Council	Housing	Homelessness	17/09/2025	Referred back for local resolution	Premature Decision - advice given	
25012855	Redditch Borough Council	Benefits & Tax	Council tax support	06/10/2025	Closed after initial enquiries	26(6)(a) tribunal Other	
25013050	Redditch Borough Council	Housing	Homelessness	26/09/2025	Referred back for local resolution	Premature Decision - advice given	
25016302	Redditch Borough Council	Housing	Allocations	12/11/2025	Referred back for local resolution	Premature Decision - referred to Organisation	
25021614	Redditch Borough Council	Highways & Transport	Parking provision	24/12/2025	Referred back for local resolution	Premature Decision - advice given	
25027238	Redditch Borough Council	Housing	NULL	18/02/2026	Incomplete/Invalid	Insufficient information to proceed and PA advised	

Compliance 2025-26

No compliance data recorded during the period.

Notes

Explanatory notes	
Cases received	
Cases with a recorded received date between 1 April 2025 and 31 March 2026. Status as of 7 April 2026.	
Cases decided	
Cases with a recorded decision date between 1 April 2025 and 31 March 2026. Status as of 7 April 2026. Please note that some cases may have been reopened since that date, with either a decision outcome pending or a new decision outcome recorded.	
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: <i>Upheld - Injustice remedied during organisations complaint processes</i> <i>Upheld - fault & inj - no further action organisation already remedied</i>	These decision reasons are included in the number of cases reported as satisfactory remedies provided by the council on the online map.
Compliance outcomes	
Cases with a recorded remedy achieved date between 1 April 2025 and 31 March 2026. Status as of 27 April 2026. 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 27 April 2026 of a remedy achieved before 31 March 2026, this will not be included here. Where the 'Satisfaction with Compliance' column records a non-compliance outcome of 'Remedy not complete and not satisfied', the 'Remedy Achieved' date designates the date the case was closed and a new case opened.	
This year we are publishing a timely compliance statistic alongside the overall compliance rate. The statistic will show both the number and percentage of cases where agreed recommendations were recorded as completed on time. To be recorded as 'on time', all parts of a multi part recommendation need to have been recorded as delivered within agreed timescales. Alongside this new statistic we are providing more detailed 'Satisfaction with Compliance' outcomes. These are: - <i>Remedy satisfied on time</i> - <i>Remedy satisfied late. Personal remedy and service improvement late.</i> - <i>Personal remedy late. No service improvement recommendations.</i> - <i>Personal remedy late. Service improvement satisfied on time.</i> - <i>Service improvement late. No personal remedy.</i> - <i>Service improvement late. Personal remedy satisfied on time.</i> - <i>Remedy not complete and not satisfied.</i>	

Audit, Governance and Standards Committee 3rd November 2026

External Audit Update

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Director	James Walton
Report Author: James Walton	Job Title: Director of Finance and Section 151 Officer. Contact email: James.walton@bromsgroveandredditch.gov.uk Contact Tel: 07990 840078
Wards Affected	ALL
Ward Councillor(s) consulted	No
Relevant Council Priority	ALL
Key Decision: NO – Information only	
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 to:

- 1.1. Consider and comment on the External Audit Planning Report for 2025/26, attached at Appendix 1, which sets out the external auditor's proposed approach, scope, significant audit risks, materiality, timetable and planned value for money work.

2. BACKGROUND

- 2.1. The Council's external auditor, Ernst & Young LLP, has prepared its Audit Planning Report for the year ended 31 March 2026. The report is attached at Appendix 1.
- 2.2. The report provides the Committee with an overview of the proposed approach and scope of the 2025/26 audit. It includes the auditor's assessment of significant audit risks and other areas of focus, the proposed materiality levels, the planned audit timetable and the approach to assessing the Council's arrangements for securing value for money.
- 2.3. The report also sets out the approach to rebuilding audit assurance following earlier disclaimed audit opinions and includes the external auditor's assessment of the Council's preparedness to support the audit process. Appendix C to the report records prior-year recommendations and the Council's associated management responses.

Audit, Governance and Standards Committee 3rd November 2026

- 2.4. Representatives of Ernst & Young LLP will attend the meeting to present the report and respond to questions from the Committee.

3. FINANCIAL IMPLICATIONS

- 3.1. The external audit fee and the assumptions on which it is based are set out within the External Audit Planning Report. Any proposed variation to the scale fee will be subject to the relevant external audit and Public Sector Audit Appointments arrangements.
- 3.2. The Council holds sufficient budget to accommodate the proposed audit fee.

4. LEGAL IMPLICATIONS

- 4.1. The external audit is undertaken in accordance with the Local Audit and Accountability Act 2014, the National Audit Office's Code of Audit Practice and applicable auditing and professional standards.

5. OTHER - IMPLICATIONS

Local Government Reorganisation (LGR)

- 5.1 There are no direct implications although the External Audit Planning Report notes the potential effect of structural uncertainty and organisational capacity on the Council's financial reporting and audit recovery arrangements.

Relevant Council Priority

- 5.2 Effective external audit and the timely consideration of audit findings support good governance, financial resilience and the delivery of all Council priorities.

Climate Change Implications

- 5.3 No climate change implications, nor governance issues, are identified in this report, the AGS or the AGS action Plan.

Equalities and Diversity Implications

- 5.4 There are no direct equalities and diversity implications arising from this report

6 RISK MANAGEMENT

Audit, Governance and Standards Committee 3rd November 2026

- 6.1 The External Audit Planning Report identifies the significant audit risks and other areas of focus that will inform the external auditor's work.
- 6.2 Consideration of the report supports the Committee's oversight of financial reporting, governance, internal control and the Council's arrangements for securing value for money.

7 APPENDICES and BACKGROUND PAPERS

- 7.1 Appendix 1 – External Audit Planning Report 2025/26

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Redditch Borough Council

Audit planning report

Year ended 31 March 2026

05 October 2026



Shape the future
with confidence



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



Private and Confidential

05 October 2026

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

Dear Audit, Governance and Standards Committee Members,

Audit planning report 2025/26

We are pleased to attach our audit planning report for the forthcoming meeting of the Audit, Governance and Standards Committee. The purpose of this report is to provide the Committee with a basis to review our proposed audit approach and scope for the 2025/26 audit, in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2024 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards, and other professional requirements.

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

We welcome the opportunity to discuss this report with you on 03 November 2026 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Hayley Clark

Partner

For and on behalf of Ernst & Young LLP

Enc

Contents

- 1 Overview of our 2025/26 audit strategy
- 2 Value for money
- 3 Audit materiality
- 4 Scope of the audit
- 5 Audit team
- 6 Audit timeline
- 7 Appendices

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 (<https://www.psaa.co.uk/managing-audit-quality/terms-of-appointment/terms-of-appointment-and-further-guidance-1-july-2021/>) sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice 2024 (the NAO 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. 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.



01

Overview of our 2025/26 audit strategy

2025/26 audit strategy overview: Rebuilding Assurance

The purpose of this report

As the Council's body charged with governance, the Audit, Governance and Standards Committee plays a crucial role in ensuring assurance over both the quality of the draft financial statements prepared by management and the Council's wider arrangements to support a timely and efficient audit. Failure to achieve this will significantly increase the level of resources required to fulfil our respective responsibilities.

As part of our responsibilities, we assess and report on the adequacy of the Council's external financial reporting arrangements, as well as the effectiveness of the Audit, Governance and Standards Committee in fulfilling its role within those arrangements as part of our Value for Money assessment. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. Wherever necessary, we will consider invoking other statutory reporting powers to highlight any weaknesses in these arrangements. We direct the Audit, Governance and Standards Committee members and officers to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28) for expectations on preparing financial statements (see Appendix A).

Our shared strategy to rebuild assurance

We are now in Phase 2 of the implementation of the Ministry for Housing, Communities and Local Government's (MHCLG) measures to address the backlog facing local government audit. Throughout 2023/24 and 2024/25, we have applied a structured, risk-based prioritisation approach to local government audits to support a return to unqualified audit opinions wherever feasible, while still meeting statutory backstop requirements. Our approach recognises that recovery depends heavily on the Council's own capacity and preparedness and that audit effort must be targeted where it can deliver meaningful assurance.

Management has overall responsibility for leading and sustaining the Council's recovery from a disclaimed audit opinion. This includes ensuring that the financial statements are prepared in accordance with proper practices and supported by complete, accurate and timely audit evidence.

To deliver this, it is essential that management:

- Strengthen the underlying control environment, particularly in areas linked to prior year disclaimers.
- Provide timely high-quality working papers and ensure that all audit evidence is complete, consistent and readily accessible.
- Allocate sufficient, knowledgeable resources throughout the audit cycle.
- Actively engage with auditors, promptly addressing findings and resolving weaknesses in financial reporting arrangements.
- Communicate transparently with the Audit, Governance and Standards Committee, as Those Charged with Governance, ensuring that Committee members have clear visibility of risks, progress and emerging issues.

In line with the National Audit Office's Local Audit Reset and Recovery Implementation Guidance (LARRIGs) - and specifically the guidance on rebuilding assurance following a disclaimed opinion - management must support the restoration of reliable opening balances and enable a phased progression from disclaimed to qualified and ultimately unmodified audit opinions. Achieving this requires sustained delivery of the "natural rebuild," through the completion of all planned audit procedures across successive annual cycles, alongside targeted work to rebuild assurance over historical balances, including both usable and unusable reserves, where cumulative gaps in evidence present the most significant challenges.

2025/26 audit strategy overview: Rebuilding Assurance

Our shared strategy to rebuild assurance continued

Appendix A explains the expected timeline to full assurance set out within the NAO's LARRIG 01 guidance, along with our assessment of the Council's status. During 2023/24 and 2024/25, the focus of the rebuild process has been on this "natural" rebuild, to complete all planned audit procedures for each respective audit year.

As set out in our Audit Completion Report dated 28 May 2026, we were not able to complete all planned audit procedures for the 2023/24 and 2024/25 audits for the following reasons:

- Delayed appointment as external auditors of the Council;
- 2022/23 audit not being concluded until 28 January 2025;
- Delayed publication of Council's 2023/24 draft Statement of Accounts; and
- Significant delays in receiving the required information from management.

As part of our audit procedures for 2025/26, we have undertaken a risk assessment to evaluate the risk of material misstatement in the opening reserves balances at 1 April 2025, and to assess management's readiness to support the historic rebuild process over transactions and balances in 2022/23 (and earlier years, if applicable) that were not subject to audit. We have discussed the outcome of our risk assessment over the opening reserves balances with management to confirm our planned approach for 2025/26. However, because we were unable to complete all planned audit procedures for 2023/24 and 2024/25 for the reasons outlined above, we will not commence any rebuilding of assurance over the historic position during the 2025/26 audit cycle. In line with our established prioritisation principles, we will focus our audit resources on rebuilding assurance for those bodies where planned audit procedures were completed in 2023/24 and 2024/25, in order to support the sector wide objective of returning to unmodified audit opinions as quickly and sustainably as possible.

On the next page we have set out the preparedness for the 2025/26 audit cycle, which following discussions with management means that all planned procedures will not be completed for 2025/26.

It is therefore critical that management ensure they can provide high-quality working papers, robust audit evidence, and resolve the underlying issues identified in prior years as part of the 2026/27 audit cycle. This will be essential to avoid any further delay in the eventual process for rebuilding assurance over the Council's historic position.

2025/26 audit strategy overview: Rebuilding Assurance

Preparedness for audit

Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. Our 2024/25 reporting concluded that the Council was not fully prepared for the audit and identified a number of areas requiring improvement. These included strengthening management capacity and capability to support effective discharge of financial reporting responsibilities and the audit process, improving the timeliness and quality of working papers provided for audit, and addressing ongoing challenges arising from the implementation of the Council's ERP system effecting business-as-usual.

Management has acknowledged the matters raised through our prior year reporting and has developed an action plan, as set out within the 2025/26 Annual Governance Statement, to address the underlying weaknesses. We will continue to report on our assessment of the quality of the Council's financial statements' preparation and support, to support ongoing transparency of the audit process to those charged with governance, and to facilitate benchmarking and tracking of progress in future years.

For 2025/26, we understand that management's immediate priority is to stabilise financial reporting processes and focus resources on improving the quality and timeliness of financial statement preparation in advance of the 2026/27 audit cycle. Given this context and that the 2023/24 and 2024/25 financial statements and audit process were not signed until August 2026, management has informed us that they are not in a position to support planned procedures in relation to the 2025/26 financial statements in advance of the backstop date. Due to this limitation, our procedures will focus on mandatory procedures where a disclaimer of opinion is likely to be issued, along with value for money requirements.

Scope of our audit

In accordance with the NAO Code, our primary objectives are to conduct work that supports the delivery of our audit report to the Council. Additionally, we aim to ensure that the Council has established proper arrangements for securing economy, efficiency, and effectiveness in its use of resources, as mandated by relevant legislation and the requirements of the NAO Code. We will issue an Audit Results Report that summarises our opinion on the financial statements by January 2027 and other procedures required by the Code. This includes our assessment of the control environment, including our follow up of the recommendations that we made in 2024/25 (refer to Appendix C). In addition, our Auditor's Annual Report will conclude on whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

In addition to the audit of the Council's standalone financial statements, we are also required to gain assurance over group consolidated financial statements which also includes Rubicon Leisure Limited, a company limited by guarantee which is 100% controlled by the Council.

The Council prepares its annual report and financial statements on a group basis. However, as management has informed us that they are not in a position to support planned procedures in relation to the 2025/26 financial statements we will be unable to perform planned procedures to gain assurance over the group financial statements.

Timeline

An audit timetable has been agreed with management. In Section 6 we include a provisional timeline for the audit. It is essential that all parties collaborate to ensure compliance with this timeline.

Our independence considerations

Please refer to Appendix B for our update on independence.

2025/26 audit strategy overview: Audit risks and materiality

Audit risks and areas of focus

The purpose of our audit is to obtain reasonable assurance to express an opinion about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error. There are two significant changes to the scoping for the audit of the 2025/26 financial statements. The presumed fraud risk relating to revenue recognition has been removed, with audit procedures instead focused on the risk of inappropriate expenditure recognition and the other change relates to the implementation of CIPFA's Bulletin 22 in relation to the valuation of Property, Plant and Equipment.

The following 'dashboard' summarises the significant accounting and auditing matters outlined in this report. It seeks to provide the Audit, Governance and Standards Committee with an overview of our initial risk identification for the upcoming audit and any changes in risks identified in the current year.

Risk/area of focus	Risk Identified	Change from PY	Details
Presumptive risk of management override of controls	Fraud risk	No change in risk or focus	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 expenditure recognition through inappropriate capitalisation of revenue expenditure	Fraud risk	Change in risk focus for 2025/26	Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is 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 have assessed the risk is most likely to occur through the inappropriate capitalisation of revenue expenditure (PPE Additions and REFCUS).
Valuation for Pension assets / liabilities and disclosure	Inherent Risk	No change in risk or focus	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.

2025/26 audit strategy overview: Audit risks and materiality

Audit risks and areas of focus continued

Risk/area of focus	Risk identified	Change from PY	Details
Valuation of property, plant and equipment	Inherent risk	Increase in risk or focus	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. In the 2025/26 financial statements the Council will be required to apply CIPFA Bulletin 22 which reassesses the current regime of valuation for non-investment assets across the public sector. The guidance mandates a quinquennial revaluation or a five-year rolling programme for formal valuations, supported by annual indexation in the intervening years. Successful implementation will depend on the Council ensuring that their existing valuation programme is adapted in line with the guidance and that appropriate indices are selected to be applied in intervening years.

2025/26 audit strategy overview: Audit risks and materiality

Materiality

 Planning materiality £1.84m	Group Materiality has been set at £1.84m, which represents 1.8% of total gross revenue expenditure in 2025/26 (2024/25: £1.82m, 1.8%). The level for the Council as a standalone entity is £1.72m.	 Performance materiality £0.92m	Group Performance materiality has been set at £0.92m, which represents 50% of materiality (2024/25: £0.91 million, 50%). The level for the Council as a standalone entity is £0.86m. (2024/25: £0.88m).	 Audit differences £0.09m	We will report all uncorrected misstatements relating to the primary statements over £0.09m (2024/25: £0.09m). Other misstatements identified will be communicated to the extent that they merit the attention of the Audit, Governance and Standards Committee.
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2025/26 audit strategy overview: Value for Money

Our risk assessment

Under the NAO Code we are required to:

- Satisfy ourselves that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources, having regard to [NAO AGN 03](#).
- Design work to provide sufficient assurance to support reporting against the Code's specified reporting criteria outlined below; and
- Apply a risk-based approach to our work, informed by sector knowledge, the annual governance statement, evidence from the financial statements audit and relevant work of other bodies.

In undertaking our risk assessment, we obtain an understanding of the key processes the Council has in place, including financial management, risk management and partnership working arrangements. Our Auditor's Annual Report, which will be issued before 30 November 2026 will include a summary of our commentary on the arrangements in place against each of the three value for money criteria and recommendations raised as a result of any significant weaknesses identified. A key part of our work will be the follow up of previous recommendations to provide the Committee with assurance on the pace of planned improvements.

At the date of this report, our 2025/26 Value for Money (VFM) risk assessment remains in progress. Given that the audit opinions for 2023/24 and 2024/25 were not signed until 06 August 2026 and considering the timings of previous audit opinions that the significant weaknesses identified in prior years remain relevant, these risks have been carried forward into our 2025/26 planning. We will complete our assessment of the Council's VFM arrangements and report our conclusions in the Auditor's Annual Report.

	 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.	 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.
Risks of significant weaknesses in arrangements identified in 2025/26:	▪ No risks identified	▪ Organisational capacity and capability ▪ Non-compliance with VAT regulations ▪ Non-compliance with Social Housing Standards	▪ No risks identified
Recommendations identified in 2024/25 (refer to Appendix C):	▪ No recommendations identified	▪ Ensure actions required to deliver Workforce Strategy are robustly monitored and that the finance team has adequate resources. ▪ Ensure accurate and timely submission of statutory returns. ▪ Ensure monitoring of delivery against the action plan to address the issues raised by the Regulator of Social Housing.	▪ No recommendations identified



02 Value for money

Value for money

Council's responsibilities for value for money

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 the financial statements, the Council is required to bring together a commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

Auditor responsibilities

Under the NAO Code we are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

The specified reporting criteria are:



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.



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.

Value for money

Planning and identifying risks of significant weakness in value for money arrangements

The NAO's guidance notes require us to conduct a risk assessment that collects sufficient evidence to document our evaluation of the Council's arrangements, allowing us to draft a commentary under the three reporting criteria. This involves identifying and reporting on any significant weaknesses in those arrangements and making appropriate recommendations. In considering the Council's arrangements, we consider:

- The annual governance statement;
- Evidence of arrangements during the reporting period;
- Evidence obtained from our audit of the financial statements;
- The work of inspectorates and other bodies; and
- Any other evidence that we deem necessary to facilitate the performance of our statutory duties.

We then evaluate whether there is evidence indicating significant weaknesses in arrangements. According to the NAO's guidance, determining what constitutes a significant weakness and the extent of additional audit work required to address the risk is based on professional judgment. The NAO indicates that a weakness can be considered significant if it:

- Exposes, or could reasonably be expected to expose, the council to significant financial loss or risk;
- Leads to, or could reasonably be expected to lead to, significant impact on the quality or effectiveness of service or on the council's reputation or unlawful actions;
- Identifies a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

When planning work identifies a risk of significant weakness, the NAO's guidance requires us to consider the additional evidence needed to verify whether there is a significant weakness in arrangements. This involves conducting further procedures as necessary. We are required to report our planned procedures to the Audit, Governance and Standards Committee.

Reporting on value for money arrangements

If we determine that the Council has not made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources, the NAO Code mandates that we reference this by exception in the audit report on the financial statements.

Additionally, we are required to provide a commentary on the value for money arrangements in the Auditor's Annual Report. The NAO Code specifies that this commentary should be clear, readily understandable, and highlight any issues we wish to draw to the Council's or the wider public's attention. This may include matters that are not considered significant weaknesses in arrangements but should still be brought to the Council's attention. It will also cover details of any recommendations from the audit and the follow-up of previously issued recommendations, along with our assessment of their satisfactory implementation. Our 2025/26 Auditor's Annual Report must be issued in draft by 30 November 2026 to comply with the revised requirements of the NAO Code.

Value for money

Status of our 2025/26 value for money planning

Given that the audit opinions for 2023/24 and 2024/25 were issued on 06 August 2026, we have not yet completed our detailed risk assessment procedures over Council's VFM arrangements. However, considering the timings 2023/24 and 2024/25 audit opinions we believe that the significant weaknesses identified in prior years remain relevant for 2025/26 as well. Accordingly, we have outlined our judgements on arrangements in 2024/25 below and will update in the next the Audit, Governance and Standards Committee meeting on the outcome of our value for money planning and our planned response to any additional identified risks of significant weaknesses in arrangements for 2025/26.

Criteria	2024/25 judgements on arrangements	2024/25 Recommendations (refer to Appendix C)
Governance	There has been significant turnover within the Council's senior leadership team, specifically in respect of the Section 151 Officer role. In addition, there have been ongoing capacity issues with the Council's finance team. These changes have weakened the Council's arrangements for ensuring that there is effective financial stewardship to support effective governance and decision making. There has also been a loss of corporate knowledge that has adversely impacted on the Council's financial management, including their ability to support the audit process. The Council agreed a Workforce Strategy in May 2023 and established a Workforce Strategy Board to oversee the implementation of the strategy. However, these arrangements were not fully effective during 2024/25 and therefore actions to address the underlying capacity constraints to enable the Council to fully deliver its corporate priorities remained outstanding.	The Council should ensure: • actions required to deliver its Workforce Strategy are robustly monitored to achieve delivery and, where relevant, mitigating actions are identified and agreed for areas of non-delivery; and • the finance team has adequate resources to enable the effective discharge of financial management responsibilities.
Governance	Due to deficiencies arising from the ERP system implementation, the Council did not have the required reporting mechanisms in place to prepare and complete monthly VAT returns. Consequently, VAT returns covering the period from 1 April 2021 to 31 October 2024 were not submitted on time. The Council engaged a tax advisor to support it in resolving this matter, including liaison with HMRC and the submission of an Error Correction Notice (ECN) in December 2024. Monthly VAT returns from November 2024 were submitted, however, during 2025/26 management identified further system reporting impacting the accurate completion of VAT returns. This resulted in further ECNs being submitted to HMRC from November 2025 resulting in a total refund of c. £20 million from HMRC.	The Council should ensure that the there is accurate and timely submission of statutory returns.

Value for money

Status of our 2025/26 value for money planning (Continued)

Criteria	2024/25 judgements on arrangements	2024/25 Recommendations (refer to Appendix C)
Governance	In July 2025, the Council underwent a comprehensive inspection by the Regulator of Social Housing, following the enactment of the Social Housing (Regulation) Act 2023. This inspection assessed the Council's compliance with the newly introduced Consumer Standards, which focus on safety, transparency, community engagement, and tenancy management. The Council received a C3 Regulatory Judgement as the Regulator found serious failings in how the Council is delivering the outcomes of the consumer standards and significant improvement was needed, specifically in relation to outcomes against the Safety and Quality Standard. The report noted that weaknesses were apparent, and improvement needed in relation to repairs and maintenance, fire safety, tenants' engagement, and data management.	The Council should ensure that it delivers against the agreed action plan to address the issues raised by the Regulator in the Regulatory Judgement to comply with relevant legal and regulatory requirements.

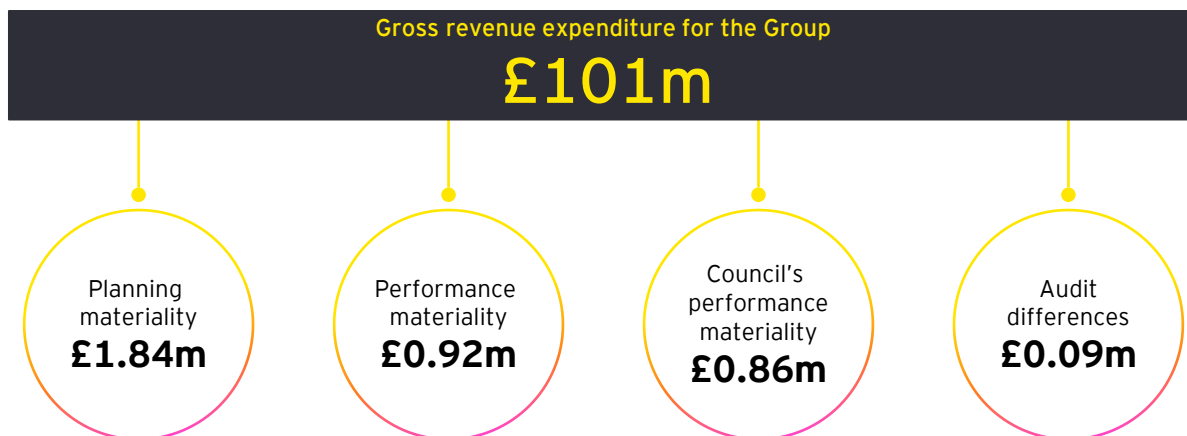


03 Audit materiality

Materiality

Group materiality

For planning purposes, Group materiality for 2026 has been set at £1.84 million. This represents 1.8% of the Group's 2026 gross revenue expenditure. It will be reassessed throughout the audit process.



We request that the Audit, Governance and Standards Committee confirm its understanding of, and agreement to, these materiality and reporting levels.

Key definitions

Planning materiality – the amount over which we anticipate misstatements would influence the economic decisions of a user of the financial statements.

Performance materiality – the amount we use to determine the extent of our audit procedures. We have set performance materiality at £0.92 million which represents 50% of group materiality. This threshold can be set at either 50% or 75%. Due to historical disclaimer of opinions and our limited experience of auditing the Council we consider that setting this threshold at lower range is appropriate.

Component performance materiality – we determine component performance materiality as a percentage of Group performance materiality based on risk and relative size to the Group.

Audit difference threshold – We will report to you all uncorrected misstatements over £0.09 million, relating to the primary statements.

Other uncorrected misstatements, such as reclassifications and misstatements in the cashflow or disclosures and corrected misstatements will be communicated to the extent that they merit the attention of the Audit, Governance and Standards Committee, or are important from a qualitative perspective.



04 Scope of our audit

Audit process and strategy

Objectives of our audit scoping

In accordance with the NAO Code, our primary objectives are to conduct work that supports the delivery of our audit report to the Council. Additionally, we aim to ensure that the Council has established proper arrangements for securing economy, efficiency, and effectiveness in its use of resources, as mandated by relevant legislation and the requirements of the NAO Code. We will issue an audit report that covers:

1. Financial statement audit

Our opinion on the financial statements:

- Whether the financial statements give a true and fair view of the financial position of the group and its expenditure and income for the period in question; and
- Whether the financial statements have been prepared properly in accordance with the relevant accounting and reporting framework as set out in legislation, applicable accounting standards or other direction.

Our opinion on other matters:

- whether other information published together with the audited financial statements is consistent with the financial statements.

Other procedures required by the Code:

- Examine and report on the consistency of the Whole of Government Accounts schedules or returns with the body's audited financial statements for the relevant reporting period in line with the instructions issued by the National Audit Office.

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources and report a commentary on those arrangements.

Internal audit

We will review internal audit plans and consider the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where they raise issues that could have an impact on the financial statements.

The Council's 2025/26 Internal Audit Annual Report provided an overall opinion of reasonable assurance on the governance framework and limited assurance on controls and risk management. Of the 14 graded audit reviews completed during the year, 5 were assessed as providing either Substantial or Reasonable Assurance, 5 were assessed as providing Limited Assurance and 4 advisories were issued.

Group scoping

The Council prepares its annual report and financial statements on a group basis. However, as management has informed us that they are not in a position to support planned procedures in relation to the 2025/26 financial statements we will be unable to perform planned procedures to gain assurance over the group financial statements.



05 Audit team

Audit team

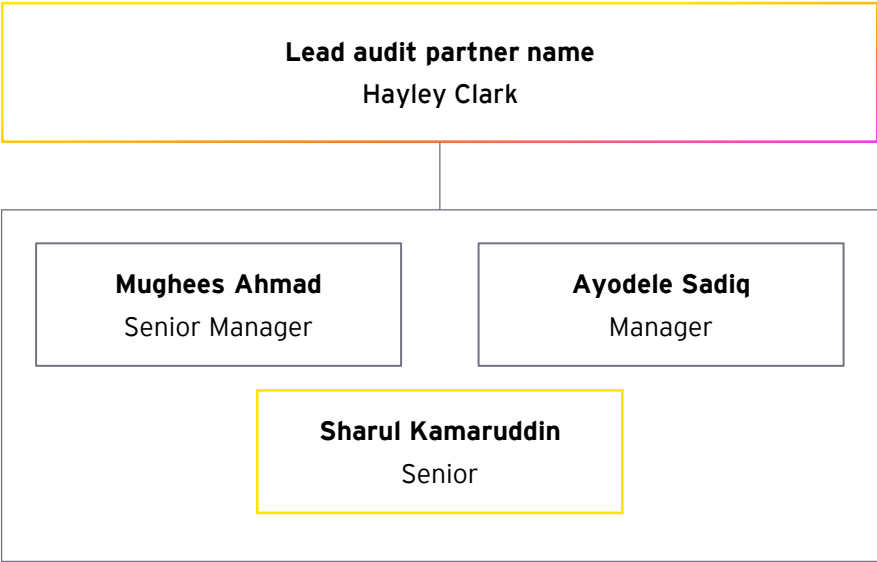
Audit team leadership

The engagement team is led by Hayley Clark, replacing Hassan Rohimun for 2025/26 audit. Hayley Clark has the overall responsibility for the performance of the audit and for the auditor’s report issued on behalf of EY.

Our approach to the use of specialists

When auditing key judgements, we are often required to use the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team.

For 2025/26, we will not be engaging with any specialists as management has informed us that they are not in a position to support planned procedures in relation to the 2025/26 financial statements.



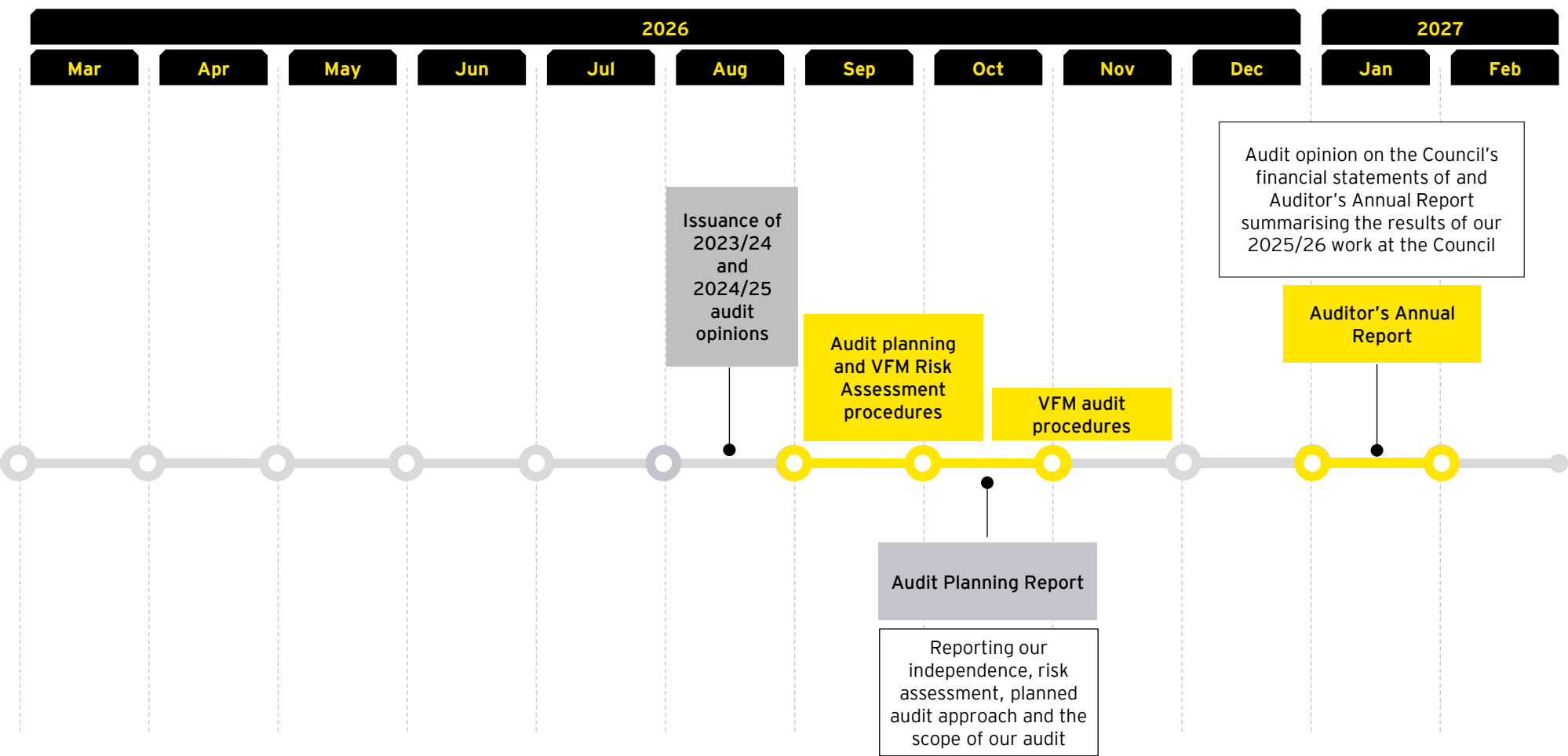


06 Audit timeline

Timetable of communication and deliverables

Timeline

Below is a timetable showing the key stages of the audit and the deliverables we have agreed to provide to you through the audit cycle in 2026. From time to time matters may arise that require immediate communication with the Audit, Governance and Standards Committee and we will discuss them with the Audit, Governance and Standards Committee Chair as appropriate. We will also provide updates on corporate governance and regulatory matters as necessary.





07 Appendices

Appendix A – Rebuilding assurance: responsibilities

The Council's responsibilities

As set out in Appendix B, our fee is based on the assumption that the Council complies with PSAA's Statement of Responsibilities of auditors and audited bodies. See <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/>. In particular, the Council should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly set out what is expected of audited bodies in preparing their financial statements. We set out these paragraphs in full below:

Preparation of the statement of accounts

26. Audited bodies are expected to follow Good Industry Practice and applicable recommendations and guidance from CIPFA and, as applicable, other relevant organisations as to proper accounting procedures and controls, including in the preparation and review of working papers and financial statements.

27. In preparing their statement of accounts, audited bodies are expected to:

- prepare realistic plans that include clear targets and achievable timetables for the production of the financial statements;
- ensure that finance staff have access to appropriate resources to enable compliance with the requirements of the applicable financial framework, including having access to the current copy of the CIPFA/LASAAC Code, applicable disclosure checklists, and any other relevant CIPFA Codes.
- assign responsibilities clearly to staff with the appropriate expertise and experience;
- provide necessary resources to enable delivery of the plan;
- maintain adequate documentation in support of the financial statements and, at the start of the audit, providing a complete set of working papers that provide an adequate explanation of the entries in those financial statements including the appropriateness of the accounting policies used and the judgements and estimates made by management;
- ensure that senior management monitors, supervises and reviews work to meet agreed standards and deadlines;
- ensure that a senior individual at top management level personally reviews and approves the financial statements before presentation to the auditor; and
- during the course of the audit provide responses to auditor queries on a timely basis.

28. If draft financial statements and supporting working papers of appropriate quality are not available at the agreed start date of the audit, the auditor may be unable to meet the planned audit timetable, and the start date of the audit will be delayed.

Observations from 2024/25

As we have outlined in prior years, our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. We presented our assessment of the Council's processes in relation to the financial statements and audit for 2024/25 as part of our prior year reporting. The outcome of that assessment is shown on the next page.

Appendix A – Rebuilding assurance: responsibilities (continued)

Factors impacting the execution of the 2024/25 audit

Whilst we were not able to complete planned audit procedures in relation to the 2023/24 and 2024/25 audits, where relevant, we have set out our assessment of the Council’s processes in relation to the financial statements and audit.

Area	Status			Explanation
	R	A	G	
Timeliness of the draft financial statements	Effective			The financial statements for 2024/25 were published by the 30 th June 2025 deadline set out in the Accounts and Audit Regulations.
Quality and completeness of the draft financial statements	Ineffective			The draft financial statements contained a number of non-material internal inconsistencies, typographical errors and arithmetic inaccuracies, indicating that the quality review process was not fully effective in identifying and resolving such issues prior to publication.
Delivery of working papers in accordance with agreed client assistance schedule	Ineffective			Working papers were not provided as per the agreed timetable and significant delays were instead noted.
Quality of working papers and supporting evidence	Ineffective			Working papers and supporting evidence were not consistently prepared to an appropriate standard, resulting in additional audit challenge and follow-up procedures.
Timeliness and quality of evidence supporting key accounting estimates	Unrated			As we were not able to complete all planned procedures for 2024/25 audit we cannot comment on the timeliness and quality of evidence supporting key accounting estimates.
Access to finance team and personnel to support the audit in accordance with agreed project plan	Ineffective			Capacity and resource challenges within the finance function affected the Council's readiness for audit and the timely provision of information, leading to delays in audit completion and inefficient deployment of audit resources.
Volume and value of identified misstatements	Unrated for 2024/25			As we were not able to complete all planned procedures for 2024/25 audit we cannot comment on the volume and value of identified misstatements.
Volume of misstatements in disclosure	Unrated for 2024/25			As we were not able to complete all planned procedures for 2024/25 audit we cannot comment on the volume of misstatements in disclosure.

Key:

Red: Ineffective. In our judgement, significant improvements are required in the Council’s arrangements to support the rebuilding of assurance. Action should be taken to respond immediately.

Amber: Requires Improvement. Matters and/or issues had an impact on the delivery of the audit and should be addressed in future years.

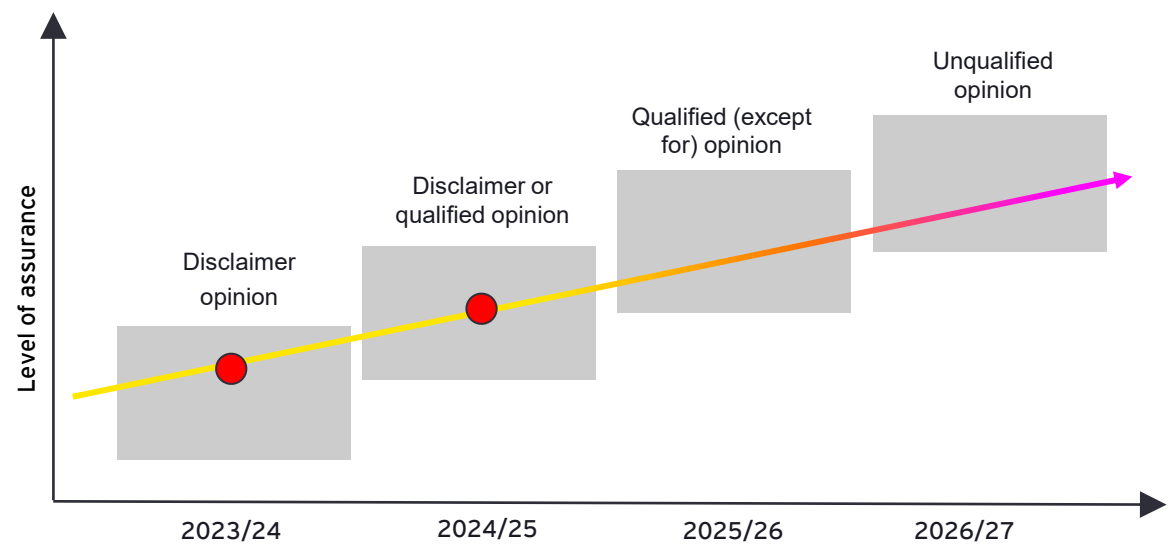
Green: Effective. There were no significant matters that impacted the timing or effectiveness of audit procedures.

Appendix A – Rebuilding assurance (continued)

Progress to full assurance

The chart below sets out the illustrative timescale for the process of rebuilding assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that assessment and what still needs to be done to successfully rebuild assurance.

The guidance recognises that the path to full assurance, and therefore an unqualified opinion, will usually take a number of years to achieve, and depends upon co-ordination and engagement between the Council and audit team. Since 2022/23, we have applied a structured, risk-based prioritisation approach to local government audits to support a return to unqualified audit opinions wherever feasible, while still meeting statutory backstop requirements.



Redditch Borough Council progress

In the audit reports for the years ended 31 March 2024 and 31 March 2025, a disclaimer of opinion was issued due to the application of the backstop. This means the auditor has not been able to form an opinion on the financial statements. In our view, the Council's progress falls behind the expected timescales set out in LARRIG 01 as the Council has not yet commenced any rebuilding of assurance exercise for any significant accounts as compared to its peer organizations.

As a result of the disclaimer opinions issued for the 2023/24 and 2024/25 financial statements, we were unable to obtain assurance over the Council's financial position at that date. Given management's capacity constraints, along with the timeline to complete the audit prior to the backstop date, has informed us that they are not in a position to support planned procedures in relation to the 2025/26 financial statements. Therefore, we will continue to be unable to obtain assurance over opening balances and, consequently, the closing reserves balance.

We will continue to work with the Council to rebuild assurance over time, with a focus on obtaining assurance over transactions and movements from 2026/27 onwards and on closing balances that can be audited independently of opening balances, such as debtors and creditors. It is critical that the Council demonstrates their ability to support the delivery of all planned audit procedures in the 2026/27 audit cycle before audit procedures over the historic balances can be commenced.

Appendix A – Rebuilding assurance – risk assessment update

Background and regulatory context

The previous slide explains the expected timeline to full assurance set out in the National Audit Office's (NAO) Local Authority Reset and Recovery Implementation Guidance (LARRIG 01), together with our assessment of Redditch Borough Council's (the Council's) current position.

As set out earlier in this appendix, no planned procedures could be completed in either 2023/24 or 2024/25. Therefore, the "natural" rebuild process to obtain assurance has yet to commence, which means the Council is significantly behind the LARRIG timeline. It is important that the Council demonstrates their ability to support the delivery of all planned audit procedures in the 2026/27 audit cycle before audit procedures over the historic balances can be commenced.

LARRIG 06, issued by the NAO, requires auditors to perform specific risk assessment procedures over reserves. The guidance recognises that reserves balances may contain the cumulative effect of unaudited transactions over more than one financial year and may therefore represent an area of accumulated audit risk. The purpose of this risk assessment is to identify the likelihood and potential magnitude of risks of material misstatement within reserves balances, together with management's readiness to support the historical rebuild process. This assessment informs audit planning and any potential rebuild of assurance over future audit cycles as well as completion of the capacity and risk assessment return that we are required to make to the Ministry for Housing, Communities and Local Government ('MHCLG').

Scope of our risk assessment procedures

Our risk assessment covered all reserves disclosed in the Council's Movement in Reserves Statement, including both usable and unusable reserves. In performing the assessment, we considered:

- the nature and purpose of individual reserves;
- the scale and significance of movements during periods subject to disclaimer;
- susceptibility to material misstatement, including the risks of fraud and management bias;
- the wider governance and control environment of the Council's financial reporting processes; and
- risks associated with the classification of reserves between usable and unusable categories.

The assessment did not seek to re-establish assurance over historic balances. Its objective was to determine whether, where and when, such assurance could be rebuilt over time.

Appendix A – Rebuilding assurance – risk assessment update (continued)

Summary of risk assessment findings

The risk assessment process identified that the risk of material misstatement is not uniform across reserves. Certain reserves were assessed as presenting a higher risk of material misstatement, reflecting factors including:

- the size of balances and the extent of movements during periods subject to disclaimed opinions;
- the degree of judgement required in determining the appropriate accounting treatment; and
- reliance on complex statutory and capital accounting arrangements.

Other reserves were assessed as lower risk, with characteristics that may support a more targeted and proportionate rebuilding of assurance, without undermining audit quality, subject to the availability of sufficient appropriate audit evidence. This assessment underpins the differentiation in audit response which will be adopted across reserves and is intended to promote a consistent and proportionate approach.

Following the flawed ERP implementation in February 2021, the Council experienced significant challenges in its financial management and reporting processes. These issues contributed to delays in the preparation and publication of the draft statements of accounts for the financial years ended 31 March 2022, 31 March 2023 and 31 March 2024. To maintain its financial reporting responsibilities, the Council introduced a number of manual interventions and compensating controls outside the ERP system. While these workarounds enabled the continuation of key reporting processes, reliance on a hybrid system of automated and manual processes increases the risk of data inconsistencies, processing errors and control weaknesses, and may impact the efficiency and reliability of financial reporting. The high number of years of unaudited accounts, as well as the challenges with the failed ERP implementation has significantly impacted our risk assessment which is detailed below and on subsequent pages.

The following dashboard summarises our assessment of the risk of material misstatement by reserve following the disclaimers of opinion. This is an indicative risk assessment and will need to be revisited in future years once the Council can demonstrate the ability to support the audit process.

Useable Reserve	Risk Assessment	Rationale for Risk Assessment
General Fund Balance	Significant Risk	The General Fund closing balance is material and represents the cumulative impact of revenue and expenditure decisions over a number of financial periods. The closing balances at 31 March 2021, 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025 were not audited due to the disclaimer of opinions, and assurance has therefore not been obtained over the underlying brought-forward balance. As a result, there remains an increased risk that misstatements arising in the disclaimed periods may persist in the opening balance for the current audit year. In addition, the General Fund is sensitive to statutory adjustments and is a key indicator of the Council’s financial resilience, increasing its susceptibility to misstatement and management bias. The nature of the General Fund is impacted by the movements in all other reserves. We therefore deem it necessary to perform rebuild procedures over this reserve.
Earmarked reserve	Higher Inherent Risk	Earmarked reserves comprise amounts set aside for specific purposes with clearly defined approvals and documented movements. The closing balances at 31 March 2021, 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025 were not audited due to the disclaimer of opinions, and assurance has therefore not been obtained over the underlying brought-forward balances.

Appendix A – Rebuilding assurance – risk assessment update (continued)

Useable Reserve	Risk Assessment	Rationale for Risk Assessment
Housing revenue account	Significant Risk	The Housing Revenue Account (HRA) is a statutory, ring-fenced account used to record income and expenditure relating solely to authority's council housing landlord function. The closing balances at 31 March 2021, 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025 were not audited due to the disclaimer of opinions, and assurance has therefore not been obtained over the underlying brought-forward balances.
Capital receipts reserve	Higher Inherent Risk	The Capital Receipts reserve comprises proceeds from the disposal of non-current assets and reflects the application of those receipts in accordance with statutory requirements. The balance is driven by clearly identifiable and discrete transactions, supported by underlying documentation such as sale agreements and capital programme allocations. Whilst the reserve may be material, the consequences of misstatement are limited, as the receipts have already been realised in cash and the reserve primarily reflects the timing of utilisation rather than underlying financial performance. In addition, the use of capital receipts is subject to legislative restrictions, reducing the risk of inappropriate application. There is limited management judgement involved in determining the balance and minimal incentive for management bias, as the reserve does not directly impact the reported revenue position or financial resilience of the Council.
Major repairs reserve	Higher Inherent Risk	The Major Repairs Reserve is used to fund capital expenditure on council housing, such as major repairs, component replacement, or the repayment of borrowing undertaken for HRA capital purposes. The closing balances at 31 March 2021, 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025 were not audited due to the disclaimer of opinions, and assurance has therefore not been obtained over the underlying brought-forward balances. In light of these matters there remains an elevated risk that balances, including Major Repairs reserve, may not be accurately recorded, classified or presented in accordance with the applicable financial reporting framework.
Capital grants unapplied account	Significant Risk	The Capital Grants Unapplied Account represents cumulative capital grant income received but not yet applied to finance capital expenditure, with balances carried forward across financial periods. The closing balances at 31 March 2021, 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025 were not audited due to the disclaimer of opinions, and assurance has therefore not been obtained over the underlying brought-forward balances. As a result, there remains an increased risk that misstatements arising in the disclaimed periods, including incorrect recognition or timing of capital grants may persist within the opening balance for the current audit year.

Appendix A – Rebuilding assurance – risk assessment update (continued)

Unusable Reserve	Risk Assessment	Rationale for Risk Assessment
Revaluation reserve	Significant Risk	The Revaluation reserve is material and arises from periodic valuation, impairment and disposal of property, plant and equipment, which are inherently judgmental. Accordingly, there remains an increased risk that valuation-related misstatements arising in the disclaimed periods have not been fully identified or corrected and may persist within the opening balance of the reserve for the current audit year.
Capital Adjustment Account	Significant Risk	The Capital Adjustment Account is material and highly complex, comprising cumulative capital-related accounting and statutory adjustments arising from asset valuations, depreciation, impairments, disposals and financing transactions over multiple years. The closing balances at 31 March 2021, 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025 were not audited due to the disclaimer of opinions, and assurance has therefore not been obtained over the underlying brought-forward balances. As a result, there remains an increased risk that errors or misstatements arising in the disclaimed periods have not been fully identified or corrected and may persist within the opening balance for the current audit year. Given the direct interaction between the Capital Adjustment Account and the General Fund, this heightens the risk associated with the reserve.
Pension reserve	Higher Inherent Risk	This reserve is used to absorb the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The closing balances at 31 March 2021, 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025 were not audited due to the disclaimer of opinions, and assurance has therefore not been obtained over the underlying brought-forward balances.
Collection Fund Adjustment Account	Higher Inherent Risk	The Collection Fund Adjustment Account reflects timing differences between the comprehensive income and expenditure statements (CIES) recognition and statutory collection fund arrangements. Movements are largely mechanical and formula-driven, with limited management judgement and minimal impact on the overall financial position despite some technical complexity.
Accumulated absences account	Higher Inherent Risk	This reserve is used to absorb the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, eg annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account. The closing balances at 31 March 2021, 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025 were not audited due to the disclaimer of opinions, and assurance has therefore not been obtained over the underlying brought-forward balances.

Appendix A – Rebuilding assurance over reserves – Risk assessment

Implications for the 2025/26 audit

Our risk assessment process indicated that the pre-2025/26 gaps in assurance - particularly those relating to reserves and other cumulative balances - cannot be sufficiently addressed as part of the 2025/26 audit to support future progression towards qualified or unmodified audit opinions, for the following reasons:

- insufficient quality or availability of historic supporting evidence;
- limitations in management capacity to support the natural and historic rebuild during the 2025/26 audit; and
- unresolved control deficiencies or accounting issues from prior years.

Due to audit opinions for 2023/24 and 2024/25 being issued in August 2026, combined with capacity constraints, management has informed us that they are not in a position to support planned procedures in relation to the 2025/26 financial statements. As a result, rebuilding of assurance will commence from 2026/27.

In line with our established prioritisation principles, we will therefore focus our audit resources on rebuilding assurance for those bodies that have demonstrated they are able to adequately support the completion of all 2025/26 planned audit procedures, supporting the sector-wide objective of returning to unmodified audit opinions as quickly and sustainably as possible. It remains critical that management ensure resources are adequate to support delivery of audit and ensure high-quality working papers and robust audit evidence is available, and that the underlying issues identified in prior years are addressed as part of the 2026/27 audit cycle to facilitate the natural rebuild of assurance. This will be essential to avoid any further delay in the eventual process of rebuilding assurance over the Council's historic position, which is critical given the timing of upcoming Local Government Reorganisation.

We will reperform our risk assessment procedures as part of our 2026/27 audit planning.

Fees

The activities undertaken in relation to this risk assessment, the preparation of the submission required by MHCLG, and the drafting of this addendum are outside the scope of the scale fee as set out later in this Audit Planning Report. Accordingly, we will seek a variation to the scale fee to reflect these changes to the scope of our work and will communicate further through our reporting once the costs are agreed.

Appendix B - Independence and Fees

The FRC Ethical Standard 2024 and ISA (UK) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our integrity, objectivity and independence. The Ethical Standard requires that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications

Planning stage	Final stage
▪ The principal threats, if any, to objectivity and independence identified by Ernst & Young (EY) including consideration of all relationships between you, your affiliates and directors and us; ▪ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality review; ▪ The overall assessment of threats and safeguards; ▪ Information about the general policies and process within EY to maintain objectivity and independence ▪ The IESBA Code requires EY to provide an independence assessment of any proposed non-audit service (NAS) to the PIE audit client and will need to obtain and document pre-concurrence from the audit committee/those charged with governance for the provision of all NAS prior to the commencement of the service (i.e., similar to obtaining a "pre-approval" to provide the service).	▪ In order for you to assess the integrity, objectivity and independence of the firm and each covered person, we are required to provide a written disclosure of relationships (including the provision of non-audit services) that may bear on our integrity, objectivity and independence. This is required to have regard to relationships with the entity, its directors and senior management, its affiliates, and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. We are also required to disclose any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▪ Details of non-audit/additional services provided and the fees charged in relation thereto; ▪ Written confirmation that the firm and each covered person is independent and, if applicable, that any non-EY firms used in the group audit or external experts used have confirmed their independence to us; ▪ Details of any non-audit/additional services to a UK PIE audit client where there are differences of professional opinion concerning the engagement between the Ethics Partner and Engagement Partner and where the final conclusion differs from the professional opinion of the Ethics Partner ▪ Details of any inconsistencies between FRC Ethical Standard and your policy for the supply of non-audit services by EY and any apparent breach of that policy; ▪ Details of all breaches of the IESBA Code of Ethics, the FRC Ethical Standard and professional standards, and of any safeguards applied and actions taken by EY to address any threats to independence (for breaches of the FRC Ethical Standard include details of its significance); and ▪ An opportunity to discuss auditor independence issues.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, for example, when accepting an engagement to provide non-audit services.

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period, analysed in appropriate categories, are disclosed.

Appendix B - Independence and Fees (continued)

Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including the principal threats, if any. We have adopted the safeguards noted below to mitigate these threats along with the reasons why they are considered to be effective. However we will only perform non-audit services if the service has been pre-approved in accordance with your policy.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Hayley Clark, your audit engagement partner and the audit engagement team have not been compromised.

Self interest threats

A self interest threat arises when EY has financial or other interests in your company. Examples include where we have an investment in your company; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with you. At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake those permitted non-audit/additional services set out in Section 5.40 of the FRC Ethical Standard 2024 (FRC ES), and we will comply with the policies that you have approved. We have not provided any non-audit/additional service to the Council in prior year or the current. In addition, when the ratio of non-audit fees to audit fees exceeds 1:1, we are required to discuss this with our Ethics Partner, as set out by the FRC ES, and if necessary agree additional safeguards or not accept the non-audit engagement. We will also discuss this with you.

A self interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, in compliance with FRC ES Section 4.

There are no self interest threats at the date of this report.

Self review threats

Self review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements. There are no self review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your company. Management threats may also arise during the provision of a non-audit service in relation to which management is required to make judgements or decisions based on that work.

There are no management threats at the date of this report.

Appendix B - Independence and Fees (continued)

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.
There are no other threats at the date of this report.

EY Transparency Report

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained. Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the period ended 30 June 2025 and can be found here: [EY UK 2025 Transparency Report](#).

Appendix B – Independence and Fees (continued)

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Housing, Communities and Local Government.

This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the requirements of the Code of Audit Practice and supporting guidance published by the National Audit Office, the financial reporting requirements set out in the Code of Practice on Local Authority Accounting published by CIPFA/LASAAC, and the professional standards applicable to auditors' work.

The agreed fee presented is based on the following assumptions:

- officers meeting the agreed timetable of deliverables;
- our financial statement opinion and value for money conclusion being unqualified;
- appropriate quality of documentation is provided by the Council;
- an effective control environment; and
- compliance with PSAA's Statement of Responsibilities of auditors and audited bodies. See <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/>. In particular the Council should have regard to paragraphs 26-28 of the Statement of Responsibilities which clearly sets out what is expected of audited bodies in preparing their financial statements.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

	Current Year	Scale fee	Prior Year
	£m	£m	£m
Total Fee – Code Work	191,941 Note 2	191,941	186,714 Note 1
Determined Scale Fee Variation	-	-	TBC
Total audit	TBC	TBC	TBC
Other non-audit services not covered above	-	-	-
Total other non-audit services	-	-	-
Total fees	TBC	TBC	TBC

All fees exclude VAT

1. The 2023/24 and 2024/25 work has just been completed and a final fee will be determined shortly. A scale fee variation for 2023/24 and 2024/25 will be submitted to the PSAA for determination and shared with Management. We will update the Committee once this has been concluded. For 2025/26 the planned fee represents the base fee, i.e., not including any extended testing.
2. The 2025/26 published scale fee also may be impacted by a range of other factors which will result in additional work, which include but are not limited to:
 - ▶ New and revised accounting standards, for example indexation for the valuation of PPE under CIPFA Bulletin 22 guidance;
 - ▶ Consideration of correspondence from the public and formal objections;
 - ▶ Non-compliance with law and regulation with an impact on the financial statements;
 - ▶ VFM risks of, or actual, significant weaknesses in arrangements and related reporting impacts;
 - ▶ The need to exercise auditor statutory powers;
 - ▶ Prior period adjustments;
 - ▶ Modified financial statement opinions; and
 - ▶ Pension triennial valuation.

Appendix C – Prior year recommendations

As part of our annual audit procedures we will follow up the specific open and in progress recommendations reported within our 2024/25 reporting, including those relating to value for money arrangements. Open recommendations from prior years are outlined below, along with the response from management.

Classification of recommendations		
Grade 1: Key risks and / or significant deficiencies which are either critical to the achievement of strategic objectives or significant risks to material compliance with regulatory requirements. Management needs to address and seek resolution urgently.	Grade 2: Risks or potential weaknesses which impact on objectives and compliance, or impact the operation of a single process, and so require prompt but less urgent immediate action by management.	Grade 3: Less significant issues and / or areas for improvement which consider merit attention but do not require to be prioritised by management.

Internal control weaknesses

No.	Finding and/or risk	Recommendation and grading	Management response / Implementation timeframe
1.	There are currently no procedures established by the Council to monitor the completeness of related parties.	The Council should establish a set procedure to ensure that related party relationships and conflict of interests are identified, complete and reported on a timely basis Grade 2	Management response: The Council will reinforce its existing arrangements for identifying, recording and reporting related-party relationships and conflicts of interest through further communication and training for Members and officers. This includes the requirements of the Members' Code of Conduct and the processes for declaring interests, gifts and hospitality. Responsible officer: Assistant Director of Legal, Democratic and Procurement Services (Monitoring Officer), jointly with the Assistant Director for Corporate Services and Transformation. Implementation date: December 2026
2.	A significant number of the Council's policies are old and there is a risk that they do not reflect current legislative or regulatory requirements. We also noted that the Anti-Fraud policy is hosted on modern.gov rather than on the Council's own website.	The Council should ensure that all policies have been reviewed, and where relevant updated, and are available on the Council's website. The Council should have in place a framework to regularly review policies, with responsible officers clearly identified and expected dates for future reviews identified. Grade 2	Management response: A corporate policy management framework has been developed and an exercise undertaken to collate Council-wide policies. Lead officers, review dates, status and appropriate approval routes have been identified to support the regular review, approval and publication of policies. Responsible officer: Chief Executive Implementation date: September 2026

Appendix C – Prior year recommendations (continued)

Value for money arrangements - Related to significant weaknesses

No.	Value for money reporting criteria	Finding and/or risk	Recommendation and grading	Management response / Implementation timeframe
1.	Governance	In 2023/24 and 2024/25, turnover particularly in the Section 151 Officer role, alongside finance team capacity constraints weakened financial stewardship, reduced effectiveness in governance and decision making. The Workforce Strategy established in May 2023 remained ineffective during 2023/24 and 2024/25, leaving key capacity issues unresolved and hindering delivery of corporate priorities.	The Council should ensure that the actions required to deliver its Workforce Strategy are robustly monitored to achieve delivery and where relevant mitigating actions are identified and agreed for areas of non delivery. The Council also needs to ensure that the finance team has adequate resources to enable the effective discharge of financial management responsibilities. Grade 1	Management response: Remaining Workforce Strategy actions and wider corporate people priorities have been incorporated into the Corporate People Action Plan, overseen through the Council's corporate people governance arrangements. The Finance Team structure has also been reviewed, immediate resource requirements addressed and permanent and project-team arrangements established. Responsible officer: Assistant Director for Corporate Services and Transformation, for the Corporate People Action Plan and Director of Finance and Section 151 Officer, for Finance Team capacity, capability and resilience. Implementation date: January 2027
2.	Governance	Due to deficiencies arising from the flawed ERP system implementation, the Council did not have the required reporting mechanisms in place to prepare and complete monthly VAT returns. Consequently, VAT returns covering the period from 1 April 2021 to 31 October 2024 were not submitted on time.	The Council should ensure that the there is accurate and timely submission of all statutory returns. Grade 1	Management response: Monthly VAT returns have been re-established and are being submitted within the required timescales, supported by enhanced quality assurance, staff training, clearer accountability, specialist tax advice and stronger management oversight. Responsible officer: Director of Finance and Section 151 Officer Implementation date: April 2027

Appendix C – Prior year recommendations (continued)

Value for money arrangements - Related to significant weaknesses (continued)

No.	Value for money reporting criteria	Finding and/or risk	Recommendation and grading	Management response / Implementation timeframe
3.	Governance	The Regulator of Social Housing, reported in July 2025 that the Council had received a C3 Regulatory Judgement as the Regulator found serious failings in how the Council is delivering the outcomes of the consumer standards and they identified that significant improvement was needed, specifically in relation to outcomes against the Safety and Quality Standard.	The Council should ensure that it is robustly monitoring the delivery of the action plan which has been agreed to address the issues raised by the Regulator of Social Housing. Grade 1	Management response: The Council has developed a Housing Improvement Plan and progress against the Housing Improvement Plan is being monitored, scrutinised and reported through the Council’s established governance arrangements. Enhanced customer feedback and scrutiny mechanisms are being developed to strengthen tenant engagement and service oversight, while modern housing management systems are being implemented to improve service delivery and communication. Responsible officer: Executive Director Environment and Communities Implementation date: March 2028

Appendix C – Prior year recommendations (continued)

Value for money arrangements - Others

No.	Value for money reporting criteria	Finding and/or risk	Recommendation and grading	Management response / Implementation timeframe
1.	Governance	DBS checks were not undertaken for employees working under reactive maintenance and voids teams providing services to vulnerable individuals	The Council should review whether DBS checks are required for employees working with or providing services to vulnerable individuals. Grade 1	Management response: A review of the Council's DBS arrangements has been undertaken to identify areas requiring further assessment and improvement. The full project scope, resource requirements and delivery timetable have been considered through the Council's senior leadership governance arrangements, with an agreed implementation plan now being progressed to strengthen compliance, oversight and operational effectiveness. Responsible officer: Assistant Director of Environmental and Housing Property Services Implementation date: March 2028
2.	Governance	During our review of the Council's risk management process, we noted the absence of specified controls for each risk and named officers responsible for each risk. The risk management process also did not define the Council's risk appetite or summarise changes in risk assessments to highlight the direction of travel.	The Risk Management Framework should: identify the relevant key controls for each risk; ensure responsible officers are identified; and highlight the direction of Recommendation travel for each key risk. The Council should also clearly define its risk appetite. Grade 1	Management response: The Council is developing a revised Opportunity Risk Management Strategy and associated reporting arrangements. This will define the Council's risk appetite, strengthen the identification of responsible officers and key controls, improve reporting of risk direction and support consistent management of corporate, project and service risks. Member oversight and a subsequent independent review by Internal Audit are included within the implementation programme. Responsible officer: Director of Finance and Section 151 Officer Implementation date: March 2027

Appendix C – Prior year recommendations (continued)

Value for money arrangements - Others (continued)

No.	Value for money reporting criteria	Finding and/or risk	Recommendation and grading	Management response / Implementation timeframe
3.	Governance	The Council has in recent years reported significant underspends against the approved capital budget. Underspends of £8.3m, £3.2m, £7.7m and £12.6m were reported for the 2021/22, 2022/23, 2023/24 and 2024/25 financial years, respectively, against approved respective budgets of £13.3m, £5.4m, £10.9m and £20.5m.	To set more realistic capital budgets the Council should review the capital programme and assess if it has the capacity and resources to deliver planned projects within originally planned timescales. Grade 2	Management response: The Capital Programme Board and its terms of reference have been refreshed. A detailed review of the Capital Programme, associated funding and financing arrangements is underway to establish a reliable and deliverable programme, strengthen risk assessment and monitoring, and align approved budgets with available capacity and realistic delivery timescales. The outcome will inform a revised Capital Programme and supporting reporting arrangements. Responsible officer: Director of Finance and Section 151 Officer Implementation date: March 2027
4.	Governance	Quarterly risk monitoring reports were not being regularly prepared and presented to the Audit, Governance and Standards Committee.	Risk monitoring reports should be prepared and presented to the Audit, Governance and Standards Recommendation Committee for review and consideration. Grade 2	Management response: Quarterly Reporting to Audit, Governance and Standards Committee is now being done. Responsible officer: Director of Finance (s151 Officer) Implementation date: December 2026

Appendix C – Prior year recommendations (continued)

Value for money arrangements - Other (continued)

No.	Value for money reporting criteria	Finding and/or risk	Recommendation and grading	Management response / Implementation timeframe
5.	Governance	There was scope to ensure that the Monitoring Officer is engaged at an early stage and throughout the investigation process.	The Council should ensure that the Monitoring Officer is appropriately engaged throughout the whistleblowing investigation process. Grade 2	Management response: The Whistleblowing Policy has been reviewed to clarify the role and involvement of the Monitoring Officer throughout the whistleblowing process. Communication has also been undertaken with managers to reinforce the required process, expectations and escalation arrangements. Responsible officer: Assistant Director of Legal, Democratic and Procurement Services (Monitoring Officer) Implementation date: July 2026
6.	Governance	Whistleblowing matters were not routinely reported to the Audit, Governance and Standards Committee, limiting member oversight, transparency and assurance over how such concerns are managed.	- The Audit, Governance and Standards Committee Recommendation should receive regular reports on whistleblowing activities. - Grade 2	Management response: Quarterly whistleblowing updates have been incorporated into the Monitoring Officer's reporting to the Audit, Standards and Governance Committee. Responsible officer: Assistant Director of Legal, Democratic and Procurement Services (Monitoring Officer) Implementation date: July 2026

Appendix D – Regulatory update

Key regulatory changes

There are a number of key regulatory developments underway relating to local authority governance and the audit of the Council’s financial statements. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key measures	Impact on Redditch Borough Council
English Devolution and Community Empowerment Bill	The Bill has completed all scrutiny stages in the House of Commons and is now at Committee stage (Grand Committee) in the House of Lords. The following measures therefore remain proposals until Royal Assent is granted: ▪ Local audit system reforms: The Bill includes provisions to reform elements of the local audit framework in England alongside support measures intended to address the audit backlog. The Bill will also enable changes to the way audit oversight and local audit responsibilities operate. Section 61 of the Bill provides for the establishment of the Local Audit Office (LAO). Legislation will set out that the main objective of the LAO is to secure the effective operation of the system of audit, with a view to meeting the needs of users of audited accounts. The LAO will appoint auditors to non-NHS bodies, determine audit fees and prepare one or more Code of Audit Practice. ▪ Combined authorities and Combined County Authorities: The Bill expands powers and functions of combined authorities and places combined county authorities on a clearer statutory footing. This will allow further transfer of functions from constituent councils. ▪ Devolution of functions to “Strategic Authorities”: The Bill expands the category of Strategic Authorities and allows transfer of responsibilities from central government and councils. ▪ Local Government Reorganisation: The Bill supports changes to council structures to support devolution.	▪ Local audit system reforms may result in changes to audit timescales or responsibilities and there may therefore be transition risks in future years. ▪ The Bill provides that the Council must have an audit committee, and that at least one member of the committee be an independent person. ▪ On 7th September 2026, the Government announced a review of the Local Government Reorganisation (LGR) programme and instructed authorities to pause the implementation of reorganisation. Based on the Council's inclusion within the scope of the review, we understands that the decisions approved in July 2026 relating to the proposed reorganisation have been placed on hold until the Government concludes its assessment and provides further direction.
Renters Right Act	▪ The Renter’s Rights Act became law on 27th October 2025. Under the Act, Councils are going to gain new powers to investigate landlords; act against rogue landlords; and ensure landlord compliance with new standards expected of them. ▪ Local housing authorities will receive £18.2 million in 2025/26 to support preparations for the implementation of the Renters’ Rights Act 2025 and to build enforcement capacity. Funding will be allocated based on the number of private rented sector properties in each local area.	Enforcement guidance for local Councils has now been published. The guidance provides the critical information that enforcement officers will need to know to carry out their work in line with the new legislation. There will be a bespoke programme of training, webinars and resources through ‘Operation Jigsaw’, a cross-local Councils initiative; Changes will start coming into effect from 1st May 2026.

Appendix D – Regulatory update (continued)

Key regulatory changes (continued)		
Name	Summary of key measures	Impact on Redditch Borough Council
Public Office (Accountability) Bill	The Public Office (Accountability) Bill aims to impose a duty on public authorities and public officials to “at all times act with candour, transparency and frankness in their dealings with inquiries and investigations.” Breach of the duty would be a criminal liability. The Bill is expected to apply not only to both core public bodies delivering public services but also private bodies delivering public functions such as those on a government contract. The Bill also proposes: ▪ A new statutory duty on public authorities to promote and take steps to maintain high standards of ethical conduct, as defined by the Seven Principles of Public Life, or “Nolan Principles”; ▪ Reforms that will make it easier to prosecute misconduct in public office; and ▪ An offence of misleading the public.	▪ While the Bill continues to make its way through the House of Commons Committee processes, the Council should ensure that training and support for Councillors is enhanced to take account of greater expectations in relation to local government standards.
Fair Funding Review	▪ On 20 November 2025, the government announced a multi-year Local Government Finance Settlement in a decade, together with the Fair Funding Review . Key measures include: ▪ There will be a single settlement for 2026/27 to 2028/29 ▪ The government plans to use up to date English Indices of Multiple Deprivation, together with up-to-date services cost and demand data to calculate individual council allocations for 2026/27 to 2028/29; and ▪ The Children and Young People’s Services formula will use the latest index of deprivation affecting children. The new indices are expected to lead to greater transparency and a reduced reliance on competitive bidding for funds. The Government also announced it will simplify 33 funding streams, worth almost £47 billion over three years.	Using new indices will result in some Councils seeing increases in their allocations, whilst others see decreases. The government has, however, set out transitional arrangements to help with managing change: ▪ A Recovery Grant funding guarantee to upper tier authorities in receipt of Recovery Grant; ▪ Funding floors and phasing in of new allocations across the multi-year settlement; and ▪ Additional money in the national settlement for children’s social care and a new ring-fenced combined Homelessness, Rough Sleeping and Domestic Abuse grant over three years.

Appendix D – Regulatory update (continued)

National Audit Office reporting

There are a number of key publications from the National Audit Office that have an impact on the Council. The following table provides a high level summary of those that have the potential to have the most significant impact on you:

Name	Summary of key messages	Impact on Redditch Borough Council
Local government finance report 2026 to 2027	The 2026-27 Local Government Finance Report introduces a multi-year settlement covering 2026/27 to 2028/29 and implements the Fair Funding Review 2.0. Updated distribution formulas will reallocate resources between councils, reflecting more recent demographic and deprivation data. The report confirms the continuation of council tax referendum principles and introduces significant changes to Special Educational Needs and Disabilities (SEND) funding, including the extension of the statutory override for DSG deficits to 2027/28 and a government-funded write-off of approximately 90% of historical DSG deficits. These policy changes represent one of the most substantial re-baselining exercises in recent years.	▪ Councils must re-model their Medium-Term Financial Plans (MTFPs) to account for formula redistribution effects and redesigned SEND funding arrangements. The ongoing restrictions on council tax increases will continue to limit local financial flexibility. For many authorities, particularly those with substantial DSG deficits, the reforms will have material implications for reserves management and financial stability.
Exceptional Financial Support for local authorities for 2025-26	Exceptional Financial Support (EFS) remains a mechanism for councils facing acute short-term financial pressures. For 2025-26, thirty authorities received in-principal approval for EFS, allowing them to treat certain revenue costs as capital expenditure through capitalisation directions. The government has removed the additional 1% borrowing premium previously applied and has imposed conditions including enhanced assurance reviews and restrictions on community-asset disposals. The NAO notes that, although EFS can prevent immediate failure, it shifts the burden to future years through increased borrowing.	▪ For the sector, the continuation of EFS signals sustained financial fragility. Authorities using EFS must demonstrate credible, independently-scrutinised recovery and savings plans, along with significant improvements in governance, financial management, and internal controls. ▪ Councils should expect intensive oversight and stringent follow-up from central government when accessing this mechanism.
Local audit reform: Government response to the consultation to overhaul local audit in England	The government response sets out a comprehensive overhaul of the local audit system in England. Central to the reforms is the creation of the Local Audit Office (LAO), which will assume responsibility for appointing auditors, preparing Codes of Audit Practice, enforcing quality standards, and overseeing audit delivery. A phased transition plan will move existing responsibilities from Public Sector Audit Appointments (PSAA) and other bodies to the NAO between 2026 and 2027, with the aim of stabilising the system, addressing audit backlogs, and restoring confidence in the timeliness and quality of local audit.	▪ For councils, the reforms will lead to more prescriptive expectations around audit readiness, governance, documentation quality, and responsiveness. Authorities should anticipate tighter reporting deadlines and increased scrutiny of working papers, internal controls, and VFM arrangements.

Appendix D – Regulatory update (continued)

National Audit Office reporting (continued)

Name	Summary of key messages	Impact on Redditch Borough Council
Local Government Financial Sustainability	The National Audit Office most recently reported on the context of local government finances in February 2024, which included their consideration of service and financial pressures. They concluded that although total local government funding has risen modestly in recent years, it has not kept pace with population growth, rising service demand, or the increasing complexity and cost of supporting people with high needs. Real-terms funding per person fell between 2015-16 and 2023-24, while demand for essential services such as adult social care, children's social care, SEND provision and homelessness continued to escalate. The NAO highlights growing evidence of strain across services, including delays in Education, Health and Care Plans and a sharp rise in families housed in temporary accommodation for longer than legally permitted. Repeated delays to long-promised funding reforms mean councils continue to rely on short-term, stop-gap measures. Exceptional Financial Support has become increasingly common, but while it prevents immediate failure, it also shifts financial risk into future years, reflecting underlying structural weaknesses in the local government finance system	▪ The report signals deepening financial fragility across the sector, with many councils facing heightened risk of issuing Section 114 notices unless systemic pressures are addressed. Rising demand and cost escalation in statutory services are absorbing an ever-greater share of local authority budgets, reducing the capacity to invest in preventative activity and long-term service improvement. The NAO warns that widespread reliance on temporary fixes—including Exceptional Financial Support—creates additional future liabilities and limits councils' ability to plan sustainably. Without coordinated, cross-government reform of funding, accountability and service oversight frameworks, councils will remain locked in reactive financial management, with growing consequences for service quality, citizen outcomes and long-term financial resilience.
Unlocking land for housing	The National Audit Office reported in February 2026 that the government aims to deliver 1.5 million new homes by July 2029. To support this ambition, various land-unlocking programmes have been introduced to address constraints such as inadequate infrastructure, land assembly challenges, and site viability issues. Since 2016, £10.5 billion has been allocated across 768 projects, with £8.4 billion committed and £5.7 billion spent. Although these programmes collectively predict enabling around 713,000 homes, the NAO highlights that only a small proportion—around 33,300 homes—can currently be evidenced as completed, pointing to gaps in monitoring and programme assurance. Additionally, the creation of the National Housing Delivery Fund and a new National Housing Bank from April 2026 signals a shift toward a more consolidated and strategic funding model.	▪ The sector will experience increased expectations to produce detailed and evidence-based infrastructure planning to secure funding from the new mechanisms. Councils will be required to strengthen the robustness of business cases, improve monitoring of actual housing delivery, and anticipate tighter central-government scrutiny of riskier or larger projects. The shift to a single-gateway funding structure will also compel councils to maintain well-developed pipelines to access multi-year support.
Improving local areas through developer funding	The NAO identifies developer contributions—primarily Section 106 agreements and the Community Infrastructure Levy (CIL)—as essential tools for funding local infrastructure and affordable housing. However, the report finds significant variation across councils in both the application and governance of these mechanisms. Negotiated viability assessments often reduce the contributions developers agree to provide, while only around half of planning authorities have formally adopted CIL. Developer contributions account for roughly 44% of affordable housing delivery nationally, yet over 17,000 S106-linked affordable homes with planning consent lacked a housing association buyer at the time of review, indicating a delivery bottleneck. The government is providing additional planning capacity funding and establishing a Section 106 Affordable Homes Clearing Service to support councils in unlocking stalled developments.	▪ For councils, strengthening internal governance and transparency around developer contributions will be increasingly important. Authorities will need improved planning capacity, including specialist viability expertise, to mitigate risks of reduced contributions and ensure developer obligations are properly monitored. With the proposed Infrastructure Levy no longer being taken forward, councils must optimise and professionalise the existing S106 and CIL frameworks.

Appendix E – Required communications with the Audit, Governance and Standards Committee

We have detailed the communications that we must provide to the audit committee.

		Our Reporting to you
Required communications	What is reported?	When and where
Terms of engagement	Confirmation by the audit committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	PSAA's Statement of Responsibilities
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter	Audit planning report - October 2026
Planning and audit approach	Communication of: ▪ The planned scope and timing of the audit ▪ The planned use of internal audit ▪ The significant risks identified When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team	Audit planning report - October 2026
Significant findings from the audit	▪ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▪ Significant difficulties, if any, encountered during the audit ▪ Other significant matters, if any, arising from the audit that were discussed, or subject to correspondence with management ▪ Circumstances that affect the form and content of our auditor's report ▪ Other matters if any, significant to the oversight of the financial reporting process ▪ Findings and issues regarding the opening balance on initial audits	Audit results report - January 2027

Appendix E – Required communications with the Audit, Governance and Standards Committee (continued)

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ▪ Whether the events or conditions constitute a material uncertainty related to going concern ▪ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▪ The appropriateness of related disclosures in the financial statements	Audit results report - January 2027
Misstatements	▪ A request that any uncorrected misstatement be corrected ▪ Material misstatements corrected by management ▪ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▪ The effect of uncorrected misstatements related to prior periods	Audit results report - January 2027
Fraud	▪ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▪ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▪ Unless all of those charged with governance are involved in managing the entity, unless prohibited by law or regulation any identified or suspected fraud involving: ▪ Management; ▪ Employees who have significant roles in internal control; or ▪ Others, when the identified or suspected fraud is other than clearly inconsequential. ▪ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▪ Matters, if any, to communicate regarding management's process for identifying and responding to the risks of fraud in the entity and our assessment of the risks of material misstatement due to fraud ▪ Any other matters related to fraud, relevant to Audit Committee responsibility	Audit results report - January 2027

Appendix E – Required communications with the Audit, Governance and Standards Committee (continued)

		Our Reporting to you
Required communications	What is reported?	When and where
Related parties	Significant matters arising during the audit in connection with the entity's related parties	Audit results report - January 2027
Independence	Communication of the relevant ethical requirements, including those related to independence, that we apply for the audit engagement, including any independence requirements specific to audits of financial statements of the entity. Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, integrity, objectivity and independence Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ▪ The principal threats ▪ Safeguards adopted and their effectiveness ▪ An overall assessment of threats and safeguards ▪ Information about the general policies and process within the firm to maintain objectivity and independence ▪ Breaches of IESBA Code of Ethics, local independence regulations or professional standards (for breaches of the FRC Ethical Standard, include details of the breach and its significance) Communication whenever significant judgements are made about threats to integrity, objectivity and independence and the appropriateness of safeguards put in place. Communication of relevant information to those charged with governance, to enable them to provide concurrence on the non-audit services being provided. For public interest entities and listed companies, communication of minimum requirements as detailed in the FRC Revised Ethical Standard 2024: ▪ Relationships (including the provision of non-audit services) that may bear on EY's integrity, objectivity and independence; this is required to have regard of the relationships between EY, the entity, its directors and senior management, its affiliates and its connected parties and the threats to integrity or objectivity, including those that could compromise independence that these create. ▪ Related safeguards ▪ Fees charged by EY analysed into appropriate categories such as statutory audit fees, tax advisory fees, other non-audit service fees	Audit planning report - October 2026 Audit results report - January 2027

Appendix E – Required communications with the Audit, Governance and Standards Committee (continued)

		Our Reporting to you
Required communications	What is reported?	When and where
	- A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit - Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy - Details of any breaches of the requirements in this Ethical Standard, and of any safeguards applied and actions taken by the firm to address any threats to independence - Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard - The audit committee should also be provided an opportunity to discuss matters affecting auditor independence	
External confirmations	- Management's refusal for us to request confirmations - Inability to obtain relevant and reliable audit evidence from other procedures	Audit results report - January 2027
Consideration of laws and regulations	- Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur - Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of	Audit results report - January 2027
Internal controls	Significant deficiencies in internal controls identified during the audit	Audit results report - January 2027
Group audits	- An overview of the work to be performed at the components and the nature of the group audit team's planned involvement in the work to be performed by component teams - Instances when the group audit team's review of the work of a component team gave rise to a concern about the quality of that team's work, and how the group audit team addressed the concern - Any limitations on the ability to obtain sufficient appropriate audit evidence in support of the group audit opinion, for example, where the group audit team's access to people or information may have been restricted	Audit results report - January 2027

Appendix E – Required communications with the Audit, Governance and Standards Committee (continued)

		Our Reporting to you
Required communications	What is reported?	When and where
	- Fraud or suspected fraud involving group management, component management, employees who have significant roles in the group's system of internal control or others when the fraud has the potential for having a "more than inconsequential" effect - Significant deficiencies identified in the group's system of internal control	
Representations	Written representations we are requesting from management and/or those charged with governance	Audit results report - January 2027
System of quality management	How the system of quality management (SQM) supports the consistent performance of a quality audit	Audit results report - January 2027
Material inconsistencies and misstatements	Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	Audit results report - January 2027
Auditors report	- Key audit matters that we will include in our auditor's report - Any circumstances identified that affect the form and content of our auditor's report	Audit results report - January 2027

Appendix F – Additional audit information

Objective of our audit

In addition to the key areas of audit focus outlined within the plan, we have to perform other procedures as required by auditing, ethical and independence standards and other regulations. We outline the procedures below that we will undertake during the course of our audit.

Other required procedures during the course of the audit

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Council's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtaining sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. Reading other information contained in the financial statements, including the board's statement that the annual report is fair, balanced and understandable, the audit committee reporting appropriately addresses matters communicated by us to the audit committee and reporting whether it is materially inconsistent with our understanding and the financial statements.
- Maintaining auditor independence.

Purpose and evaluation of materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the economic decisions of the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We would be happy to discuss with you your expectations regarding our detection of misstatements in the financial statements.

Materiality determines:

- The locations at which we conduct audit procedures to support the opinion given on the Group financial statements
- The level of work performed on individual account balances and financial statement disclosures

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all of the circumstances that may ultimately influence our judgement about materiality. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

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ED None

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INTERNAL AUDIT PROGRESS REPORT 2026/27

Relevant Portfolio Holder	Cllr Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Head of Service	James Walton, 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. RECOMMENDATIONS

- 1.1 **Members are asked to RESOLVE to confirm that they are assured having considered the report.**
- 1.2 **Members are asked to APPROVE the following proposed amendments to the 2026/27 Internal Audit Plan, as outlined at paragraph 2.4:**
 - **Deferral of the Treasury Management, Main Accounting System, and VAT Accounting Process audits to the 2027/28 financial year.**
 - **Approve the addition of the Financial Transformation consultancy review.**

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 2026/27 as approved by the Audit Governance and Standards Committee on 23rd July 2026.
- 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 2026/27 was approved by the Audit, Governance and Standards Committee on 23rd July 2026. 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. The Director of Finance and Section 151 Officer has identified the need to review people, processes and systems in finance by means of a dedicated Financial Transformation Programme and team. The workstreams include Treasury Management, Finance Systems, and Taxation – all areas which were included in this year's internal audit plan. Conducting these audits at the same time as management are developing and implementing change would not add very much value, as it would highlight matters which are already in the process of being addressed. It would also reduce the internal capacity available to implement the Programme. In the opinion of the Head of Internal Audit, running a consultancy review alongside development and implementation of the Programme would add more value. It would enable the design of control changes to be reviewed, and potential risks to be identified and mitigated, before changes are implemented, rather than after issues arising from new weaknesses in control design have already arisen. It would also help to ensure that issues previously identified and reported are addressed through the transformation Programme. In consultation with the s151 officer and the Senior Leadership Team, it was agreed that the following amendments to the internal audit plan would be proposed:

- Deferral of the Treasury Management, Main Accounting System, and VAT Accounting Process audits to the 2027/28 financial year.
- Approval of the Financial Transformation consultancy review.

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



INTERNAL AUDIT PROGRESS REPORT APPENDIX 1

Date: November 2026



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:

- 2 assignments are fully complete.
- 3 assignments are at the draft report stage.
- 8 assignments are in progress.
- 9 assignments have not yet been started.

- 2.2 The service is fully resourced, and whilst the annual plan was approved later this year, in July, adequate resources are in place to deliver the remainder of the Plan and Annual Internal Audit Opinion for 2026/27. All work has been scheduled and allocated. Progress on individual assignments, including commentary on the results of those which are complete, is set out at pages 8 to 10.

□



2.3 ***Performance Indicators***

The service has implemented a suite of indicators which aim to demonstrate and enhance performance. The results will be included in the annual report for 2026/27:

Table 1 – Performance Indicators

Description	Narrative	Target	Actual as at 09/10/26
Delivery	% of audit days delivered by Year End	90%	
		Pro rata – 47%	47%
Productivity	% of available time spent on productive audit work	85%	86%
Effectiveness	% of agreed recommendations implemented by the target date	75%	87%
Customer Satisfaction	% of Post Audit Questionnaires which have rated the service as “Very Good” or “Good”	80%	92% based on July 2026 survey

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 2026/27.

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

At the time of writing there are 17 outstanding internal audit recommendations, a decrease from 27 as of 31st March 2026, of which 1 medium priority recommendation is overdue. The overdue recommendation relates to reviewing entitlement to Council Tax Single Person Discounts.



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 2 – 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 3 - Definition of Priority of Recommendations

5. Major	5 Medium	10 Medium	15 Medium	20 High	25 High
4. Serious	4 Low	8 Medium	12 Medium	16 High	20 High
3. Significant	3 Low	6 Low	9 Medium	12 Medium	15 Medium
2. Minor	2 Low	4 Low	6 Low	8 Medium	10 Medium
1. Insignificant	1 Low	2 Low	3 Low	4 Low	5 Medium
Impact	1. Very Likely	2. Unlikely	3. Likely	4. Very Likely	5. Almost Certain
Likelihood					

**Table 4 – Risk Likelihood Definitions**

Rating	Occurrence:	Probability:
Very Unlikely	0% - 5%	Very low / never happened before
Unlikely	5% -10%	Has happened rarely / every 10 years
Likely	10% – 40%	Only likely to happen in 3 or more years
Very Likely	40% – 75%	Likely to happen at some point within the next 1-2 years. Circumstances occasionally encountered (few times a year)

Table 5 – Risk Impact Definitions

	Service Disruption	Reputation	H&S Injury	Environmental and Social Impact	Cost
Insignificant	Brief disruption of an important service area	No interest to local media. Insignificant.	No injury	Localised environmental or social impact	Costing less than £1000; 0-1 % of budget
Minor	Significant effect to non-crucial service area; 1-2 days	Minor adverse publicity in the local media, no damage to reputation	Minor injury of discomfort to individual(s).	Short term effect on the environment, i.e. fumes, noise etc. No lasting detrimental impact	Costing less than £5,000; up to 10% of budget
Significant	Major effect to an important service area for a short period; 2-3 days disruption	Some adverse publicity, legal implications. Significant	Sever injury to an individual(s); severe injury	Short term environmental and social impact requiring remedial action	Costing between £5,000 and £50,000; up to 25% of budget



Serious	Loss of an important service area for a period up to 5 days	Long term local reputational damage; national adverse publicity	Major injury to an individual(s)	Long term environmental or social impact	Costing between £50,000 and £500,000; up to 50% of budget
Major	Major loss of services; unable to function; service disruption 5+ days	Adverse and persistent national media coverage – sever loss of public confidence.	Fatality(s)	Long term detrimental impact on the environment / community.	Costing over £500,000; up to 75% of budget



4. Internal Audit delivery

- 4.1 At the time of report writing 167 productive days had been delivered against the full year plan of 360 days. It is anticipated that the objective of hitting 90% of the full year plan by 31st March 2027 will be achieved.

Table 6 - Summary of Days Delivered for 2026/27

Summary of Audit Areas	Plan Budget	Days Delivered as at 09/10/2026
Core Financial Systems	82	52
Corporate Work	86	26
Other systems audits	166	72
Sub total	334	150
Support Budgets including reading, audit management meetings, corporate meetings, annual plans, reports and Audit Committee Support.	26	17
Total Audit Days	360	167

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 7 – 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>
Corporate Credit / Purchase Cards	Draft Report Issued	October 2026	To Be Confirmed (TBC)	
Main Accounting System / General Ledger	Work in Progress	Not Applicable (N/A)	N/A	It is proposed to stop this audit and defer it to 2027/28. See paragraph 2.4 in the covering report.
Treasury Management & Cashflow	Work in Progress	N/A	N/A	It is proposed to stop this audit and defer it to 2027/28. See paragraph 2.4 in the covering report.
Creditors / Accounts Payable	Draft Report issued	October 2026	TBC	
Procurement	Not Started	March 2027	TBC	This area received an opinion of Limited Assurance in 2025/26 and will be reassessed. Expected to commence in Q4 to allow management's actions to embed.
VAT Process	Not Started	N/A	N/A	It is proposed to defer this audit to 2027/28. See paragraph 2.4 in the covering report.
Risk Registers (advisory)	Final Report Issued	August 2026 (actual)	N/A (advisory)	Advisory work undertaken to assist with a review of risk registers to improve the system of risk management authority wide.

<u>Audit Area</u>	<u>Status</u>	<u>Anticipated Reporting Date</u>	<u>Assurance Rating</u>	<u>Summary of Findings/ Comments</u>
Risk Management	Not Started	March 2027	TBC	Expected to commence in Q4 due to the advisory work undertaken during 2026/27.
Environmental Impact Assessments	Not Started	March 2027	TBC	This area received an opinion of Limited Assurance in 2025/26 and will be reassessed. Expected to commence in Q4 to allow management's actions to embed.
Quarterly Compliance Statements	Not Started	March 2027	TBC	
Statutory Inspections	Work in Progress	December 2026	TBC	
Garage Operations	Work in Progress	December 2026	TBC	
Anti-Fraud, Bribery, & Corruption	Not Started	March 2027	TBC	
Worcestershire Regulatory Services	Not Started	March 2027	TBC	
Corporate Health & Safety	Draft report issued	November 2026	TBC	This area received an opinion of Limited Assurance in 2025/26 and is being reassessed.
Data Protection	Not Started	March 2027	TBC	This area received an opinion of Limited Assurance in 2025/26 and is being reassessed. Expected to commence in Q4 to allow management's actions to embed.

<u>Audit Area</u>	<u>Status</u>	<u>Anticipated Reporting Date</u>	<u>Assurance Rating</u>	<u>Summary of Findings/ Comments</u>
Statement of Internal Control	Not Started	March 2027	TBC	
Local Government Reorganisation (LGR)	Work In Progress	March 2027	N/A	Assurance work as required to support Local Government Reorganisation. Includes oversight of the LGR Data Hub.
Housing Repairs and Stock Control	Work in Progress	December 2026	TBC	
Housing Rents, Income, Service Charge and Voids	Work in Progress	January 2027	TBC	
Bus Operators Grant 2026/27	Work Complete	June 2026 (actual)	N/A	Internal Audit certified the accuracy of submissions made to central government.
Follow up of Recommendations	Work in Progress	March 2027	TBC	At the time of writing there are 17 outstanding internal audit recommendations, a decrease from 27 as of 31 st March 2026, of which 1 Medium risk recommendation is 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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Audit, Governance and Standards Committee

3rd November 2026

Financial Compliance Report

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author: Debra Goodall	Job Title: Assistant Director Finance & Customer Services Contact email: debra.goodall@bromsgroveandredditch.gov.uk
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Council Priorities	All
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) The Committee are assured regarding the overall position relating to financial governance, assurance and compliance
- 2) The Committee are assured that appropriate arrangements are in place to manage and monitor the Council's key financial governance responsibilities, statutory financial reporting and treasury management requirements
- 3) The Committee notes the current position regarding external audit, statutory accounts and governance improvement actions

The Audit, Governance and Standards Committee is asked to **RECOMMEND** to Executive:

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

2. BACKGROUND

Purpose of the report

- 2.1 This report forms part of the Council's wider governance and assurance framework and provides Members with regular oversight of key financial governance, compliance and assurance arrangements.
- 2.2 The report brings together the principal financial governance indicators monitored by the Council and provides assurance over:
 - Statutory financial reporting.
 - External audit activity.
 - Treasury management.
 - Financial governance and internal controls.
 - Financial resilience and improvement activity.
 - Legislative and regulatory compliance.
 - Financial monitoring and reporting arrangements.

Audit, Governance and Standards Committee

3rd November 2026

- 2.3 The purpose of the report is not only to identify exceptions or areas of concern but also to provide Members with assurance regarding the effectiveness of the Council's overall financial governance framework.

Financial Governance Framework

- 2.4 The financial framework for the Council is set out in the Constitution alongside necessary legislative reporting requirements. The Financial Governance Framework is reported to Audit, Governance and Standards Committee annually including:

- **The Budget and Policy Framework Procedure Rules**

The framework for Cabinet decisions, decisions outside the budget or policy framework, urgent decisions outside of the budget or policy framework, virement rules, in-year changes to the 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**

Set out in the Constitution "operational policies" set out how the organisation financially runs its day-to-day business. These were updated in May 2026.

- **Finance Protocols**

Set out requirements and expectations of the Finance Team and Services in terms of financial administration and demarcation of duties.

- 2.5 Together these arrangements establish the framework through which public resources are managed, monitored and safeguarded.
- 2.6 The 2026/27 budget was approved at Council on the 2 March 2026.

Legislative Requirements

- 2.7 Attached as Appendix A are the key legislative deliverables, which were circulated by the Government for the 2026/27 financial year. The Council has delivered against all the deadlines to date except for the Whole of Government Accounts Cycle 1 due in August 2026.
- 2.8 This appendix summarises the key statutory financial returns, reports and regulatory submissions required from the Council. These returns support both local accountability and national reporting requirements and form an important part of the Council's wider governance and assurance framework.
- 2.9 Historically, the Council has been unable to submit WGA returns on time due to the same underlying issues that affected the production of the Statement of Accounts, particularly those linked to ERP implementation, financial systems stabilisation and delays in the accounts closure process. As a consequence, the Council has not submitted completed WGA returns since 2019/20.

Audit, Governance and Standards Committee

3rd November 2026

- 2.10 The Council did not meet the deadline for the initial draft WGA submission during 2026/27 and work is continuing to complete that return. However, the final statutory WGA submission deadline falls at the end of October 2026 and the current assessment is that this deadline will be achieved.
- 2.11 Progress is being monitored through the Financial Resilience Programme.
- 2.12 As formally reported to Audit, Governance and Standards Committee and Executive in June 2026, the Council has been required to submit two Error Correction Notices (ECN) to reclaim VAT and complete a series of actions to improve internal controls and satisfy HMRC. Two ECNs for £9.653m and £10.251m to RBC have been submitted and settled by HMRC.
- 2.13 Appendix B reflects a wider set of deliverables (in addition to Appendix A). This appendix provides a forward-looking financial reporting and governance calendar and is included to support Audit, Governance and Standards Committee in discharging its oversight and assurance responsibilities. The appendix therefore acts as both a compliance tool and an assurance tool, enabling Members to understand when key financial decisions and reports are expected, monitor progress against deadlines and confirm that decisions are progressing through the appropriate governance and approval routes. The calendar is intentionally forward looking and includes both completed and future reporting requirements to support Audit Committee oversight

Financial Resilience Programme

- 2.14 Following the successful completion of the Financial Improvement Plan and the production of the Accounts for 2020/21 – 2024/25, the Council has now developed a Financial Resilience Programme.

Overall assurance Position

- 2.15 The overall position is that substantial progress has been made in strengthening the Council's financial governance environment over recent years.
- 2.16 Significant improvement activity has been undertaken across:
- Statutory accounts production.
 - Financial controls.
 - Governance arrangements.
 - Treasury management.
 - Risk management.
 - Budget monitoring.
 - Financial systems.
 - Workforce resilience.
- 2.17 Whilst risks and areas for ongoing improvement remain, officers are satisfied that an appropriate programme of activity is in place to continue strengthening the financial control environment and support future resilience.

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Update on the Statement of Accounts

- 2.18 During recent years, local government has faced significant challenges in relation to external audit timeliness and the national audit backlog. Backstop legislation has been introduced to ensure a national backlog of outstanding accounts could be managed and the backstop dates for 2026/27 and 2027/28 are 30 November 2027 and 30 November 2028 respectively.

- 2.19 The Council has received Disclaimer Opinions for the 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25. The receipt of these opinions reflects both local challenges experienced during the period and the wider national audit recovery programme.

- 2.20 The Council has made significant progress in recovering its financial reporting arrangements following a period of substantial challenge associated with the implementation of the Council's ERP system, staffing capacity constraints within the finance function, difficulties in accessing historic financial information and working papers, and the wider national local audit backlog.

- 2.21 These local issues impacted the Council's ability to produce Statements of Accounts and supporting audit evidence on a timely basis and contributed to delays in the completion of audits and associated financial reporting processes. The challenges experienced were reflected in the production of the 2020/21 to 2024/25 Statements of Accounts and associated audit outcomes.

- 2.22 The Council has now successfully produced Statements of Accounts for the financial years 2020/21 to 2024/25 and has worked closely with External Audit to support the recovery process. Whilst the Council has received disclaimer opinions for these years, it is important to recognise that the position reflects a combination of local factors, including ERP-related challenges relating to Tech One, finance capacity constraints, limitations in historic audit evidence, together with the national audit backlog and statutory backstop arrangements.

- 2.23 The focus has now moved from historic recovery activity towards ensuring sustainable arrangements for future years.

- 2.24 For the 2025/26 financial year, the statutory backstop date is 31 January 2027. However, the Council is not working to this date. Instead, the Council is targeting completion of the draft Statement of Accounts by 30 November 2026 in order to align more closely with future reporting requirements and provide sufficient time for audit activity.

- 2.25 At the present time the Council expects the 2025/26 accounts to receive a disclaimer opinion. However, this should be viewed within the context of the Council's wider audit recovery programme and the continuing restoration of assurance over a number of years.

- 2.26 The production of the 2025/26 accounts to an accelerated timetable, together with improvements in working papers, reconciliations, balance sheet assurance, system controls and audit evidence, is considered an important step towards rebuilding assurance.

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The Council's objective is to establish a stable platform during 2025/26 which will support a more sustainable accounts closedown and audit process for the 2026/27 financial year.

- 2.27 Whilst further work remains to be completed, the Council considers the 2025/26 accounts process to be a significant milestone in the transition from historic recovery activity towards longer-term improvement and a return to a normal annual reporting cycle.
- 2.28 The Council's external auditor is Ernst & Young, following appointment through the national Public Audit Appointments process.
- 2.29 The Section 151 Officer now holds regular monthly liaison meetings with the Council's external auditors, Ernst & Young, to monitor audit progress, discuss audit findings and review emerging financial governance matters.

Financial Governance and Assurance

Annual Governance Statement

- 2.30 The Annual Governance Statement remains the Council's principal governance assurance document.
- 2.31 The Statement provides assurance regarding the effectiveness of:
 - Governance arrangements.
 - Internal control frameworks.
 - Risk management processes.
 - Financial management arrangements.
 - Performance management.
 - Organisational compliance.
- 2.32 Improvement actions arising from governance reviews are monitored through established governance arrangements and are reported as part of the Annual Governance Statement Action Plan Update.
- 2.33 Several governance and assurance improvement actions continue to be monitored through the Annual Governance Statement Action Plan, including VAT performance reporting arrangements, capital programme governance and ERP recovery planning. Progress against these actions is reported separately through the Annual Governance Statement Action Plan updates.
- 2.34 In addition to the specific actions delivered through the Financial Resilience Programme and the Annual Governance Statement Action Plan, the Council has strengthened its governance and assurance arrangements during the year to provide increased oversight of financial management, audit recovery and control improvement activities.
- 2.35 The Section 151 Officer now holds formal monthly liaison meetings with the Council's external auditors, Ernst & Young, to monitor audit progress, discuss emerging issues and support closure of outstanding audit actions. These arrangements are complemented by quarterly meetings involving the external auditors and the Senior Leadership Team, together with six-monthly governance meetings involving External Audit, Internal Audit and

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the Senior Leadership Team to provide collective oversight of assurance, governance and control matters.

- 2.36 Corporate governance oversight has also been enhanced through the introduction of regular "golden thread" governance meetings between the Section 151 Officer, Monitoring Officer and Chief Executive. These meetings provide a formal mechanism for reviewing governance matters, identifying emerging risks and ensuring alignment between financial management, legal governance and corporate leadership responsibilities.
- 2.37 In addition, members of the Corporate Leadership Team produce regular compliance reports covering their respective service responsibilities. Finance contributes a dedicated compliance report which is reviewed alongside the wider corporate compliance framework to provide assurance that key financial, regulatory and statutory obligations are being met.
- 2.38 Collectively, these arrangements provide a strengthened governance framework which supports effective oversight, accountability and continuous improvement across the Council's financial management, governance and assurance activities.

Internal Control Environment

- 2.39 Internal control improvement activity is monitored through the Finance Resilience Programme and AGS Action Plan.

VAT, Procurement and Regulatory Compliance

- 2.40 Significant work has been undertaken to strengthen VAT compliance and associated controls as reported in the Medium-Term Financial Plan.

Summary

- 2.41 This report sets out the policies (local and national) that underpins the Council finances and the key deliverables. This report is produced on a quarterly basis to ensure Audit, Governance and Standards Committee have visibility of, and are able to bring challenge to, the key financial processes, procedures and risks managed by Redditch Borough Council.

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 linked to statute or the Council's Constitution.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

Audit, Governance and Standards Committee

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- 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.

Operational Implications

- 6.2 Operational implications have been dealt with as part of the 2026/27 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, and part of this Committees remit to scrutinise.
- 7.2 The Impact of the government-imposed backstop position, which has led to disclaimer opinions being provided both to Redditch Borough Council and numerous other Councils remains a significant risk, especially as the Council has received these opinions on five occasions to date. The resilience of future accounts is built on the historic data from these financial years.
- 7.3 Delivery 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 & 2022/23 – Audit Governance and Standards Committee November 2023, Council December 2023.
Section 24 Report to Audit and Council – 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
Constitution – May 2026

9. Appendices

Appendix A – DLUHC Deliverables timetable

Appendix B – Timetable of other deliverables

REDDITCH BOROUGH COUNCIL

Appendix A Audit, Governance and Standards Committee 3 November 2026

Return	Code	Description	Submission Deadline	Completed
Revenue Account Budget	RA	Local authority revenue expenditure and financing for 2026-27 Budget	03-Apr-26	YES
Capital Estimates Return	CER	Capital forecast for 2026-27	27-Mar-26	YES
Non Domestic Rates Outturn- unaudited	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2025-26- provisional data	29-May-26	YES
Non Domestic Rates Outturn- audited	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2025-26- final data	tbc	
Quarterly Borrowing & Lending - Quarter 4	QB4	Local authority borrowing and investments from all local authorities to the end of Q4 2025-26	09-Apr-26	YES
Capital payments & receipts Q4 and provisional outturn	CPR4	Cumulative capital expenditure and receipts for Q1, Q2, Q3, and Q4 2025-26. Expanded collection, used as provisional outturn.	24-Apr-26	YES
Council Tax & NDR Collection - Quarter 4	QRC4	Annual data of levels of council tax and non-domestic rates collected by local authorities in 2025-26; and receipts collected in Q4 and local council tax support claimants at the end of Q4	08-May-26	YES
Capital Outturn Return	COR	Final capital outturn figures for 2025-26	28-Aug-26	YES
Revenue Outturn suite - provisional	RO	Local authority revenue expenditure and financing, 2025-26 Outturn (first release)	24-Jul-26	YES
Revenue Outturn suite - certified	RO	Local authority revenue expenditure and financing, 2025-26 Outturn (second release)	09-Oct-26	
Exit payments	exit	Local authority exit payments, 2025-26	05-Jun-26	YES
Quarterly Borrowing & Lending - Quarter 1	QB1	Local authority borrowing and investments from all local authorities to the end of Q1 2026-27	07-Jul-26	YES
Quarterly Revenue Update - Quarter 1	QRU1	Q1 2026-27 data and forecast end year local authority revenue expenditure update	24-Jul-26	YES
Capital Payments & Receipts - Quarter 1	CPR1	Cumulative capital expenditure and receipts for Q1 2026-27	24-Jul-26	YES
Council Tax & NDR Collection - Quarter 1	QRC1	Quarterly return of how much council tax and non-domestic rates are collected in Q1 2026-27; Number of local council tax support claimants at the end of Q1 2026-27	10-Jul-26	YES
Local Government Pension Funds	SF3	Collect information on income and expenditure on local government pension schemes for 2025-26	11-Sep-26	
Council Tax Base/ Supplementary	CTB	Information about the 2026 council tax base for each billing authority.	09-Oct-26	
Quarterly Borrowing & Lending - Quarter 2	QB2	Local authority borrowing and investments from all local authorities to the end of Q2 2026-27	07-Oct-26	
Quarterly Revenue Update - Quarter 2	QRU2	Quarter 1 & 2 2026-27 data and forecast end year local authority revenue expenditure update	23-Oct-26	
Capital Payments & Receipts - Quarter 2	CPR2	Cumulative capital expenditure and receipts for Q1 and Q2 2026-27	23-Oct-26	
Council Tax & NDR Collection - Quarter 2	QRC2	Quarterly return of how much council tax and non-domestic rates are collected in Q2 2026-27; Number of local council tax support claimants at the end of Q2 2026-27	09-Oct-26	
Capital Payments & Receipts - Quarter 3	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2026-27	22-Jan-27	
Non Domestic Rates Forecast	NNDR1	Billing authority forecasts of the amount of non-domestic rates to be collected in the 2027-28	31-Jan-27	
Quarterly Revenue Update - Quarters 3 & 4	QRU3	Quarter 1 to 3 2026-27 data and forecast end year local authority revenue expenditure update.	22-Jan-27	
Quarterly Borrowing & Lending - Quarter 3	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2026-27	07-Jan-27	
Council Tax & NDR Collection - Quarter 3	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2026-27; Number of local council tax support claimants at the end of Q3 2026-27	15-Jan-27	
Council Tax Requirement/ Parish Council Tax	CTR	Information on council tax levels set by local authorities in 2027-28. Council tax levels for 2027-28 set by parishes	11-Mar-27	
of which: Parish council tax	CTR1 parish	Information on council tax levels set by parish and town councils in 2027-28. This data is collected on the CTR1 form but published later	11-Mar-27	
Revenue Account Budget	RA	Local authority revenue expenditure and financing for 2027-28 Budget	02-Apr-27	
Capital Estimates Return	CER	Capital forecast for 2027-28	26-Mar-27	
Monthly Borrowing & Lending	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	Day 5 of each month	

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3 November 2026****Appendix B – Calendar of Financial Requirements****Budget**

Requirement	Body Approving	Date
2026/27 Budget and MTFP	Council	2 March 2026
2026/27 Council Tax Base	Executive	14 January 2026
2026/27 Council Tax Resolution	Council	2 March 2026
2027/28 Budget and MTFP	Council	Feb / March 2027
2027/28 Council Tax Base	Cabinet	12 January 2027
2027/28 Council Tax Resolution	Council	Feb / March 2027

Policies

Requirement	Body Approving	Date
Treasury and Asset Management Strategies 2026/27	Council	January 2026 / 2 March 2026
Treasury and Asset Management Strategies	Council	Feb / March 2027
Council Tax Support scheme	Executive	14 January 2026

Financial Monitoring

Requirement	Body Approving	Date
Financial Outturn Report 2025/26	Executive	28 July 2026
Quarter 1 Finance Report	Executive	8 September 2026
Quarter 2 Finance Report	Executive	24 November 2026

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3 November 2026**

Quarter 3 Finance Report	Executive	tbc
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Risk Management

Requirement	Body Approving	Date
Quarter 1 Risk report	Audit, Governance and Standards Committee	23 July 2026
Quarter 2 Risk report	Audit, Governance and Standards Committee	3 November 2026
Quarter 3 Risk report	Audit, Governance and Standards Committee	19 January 2027
Quarter 4 Risk report	Audit, Governance and Standards Committee	8 April 2027

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Audit, Governance & Standards Committee 3rd November 2026

Annual Governance Statement 2025/26 Action Plan Update

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Debra Goodall
Report Author: James Walton	Job Title: Director of Finance and Section 151 Officer. Contact email: James.walton@bromsgroveandredditch.gov.uk Contact Tel:
Wards Affected	ALL
Ward Councillor(s) consulted	No
Relevant Council Priority	Aspiration, work and financial independence
Key Decision NO – Information only	
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 to:

- 1.1. Consider and comment on the progress made in delivering the Annual Governance Statement 2025/26 Action Plan, as set out in this report and the updated Action Plan at Appendix 1.
- 1.2. Consider and comment on the actions currently reported as red or amber and the further work being undertaken to address areas of delay.
- 1.3. Agree that further update reports be presented to the Committee to demonstrate continued delivery of the Action Plan.

2. BACKGROUND

- 2.1. The Annual Governance Statement (AGS) for 2025/26 was considered by the Audit, Governance and Standards Committee on 23 July 2026. The AGS identified several significant governance issues and included an Action Plan setting out the activities and milestones through which those issues would be addressed.
- 2.2. The Committee agreed that regular update reports should be presented to demonstrate delivery of the Action Plan. This report provides the first consolidated update and reflects the position recorded by action sponsors as at 30 September 2026.

- 2.3. The Action Plan is intended to provide a high-level and transparent means of monitoring the Council's response to the governance issues identified within the Annual Governance Statement. These include workforce capacity, VAT compliance, risk management, conflicts of interest, policy management, whistleblowing, the capital programme, financial reporting, the Council's ERP system and financial planning.
- 2.4. Each individual milestone is assessed on a monthly basis with the status as at 30 September reported to this meeting. The RAG assessment in this report is applied to each individual AGS milestone and is therefore not directly comparable with overall workstream ratings. A workstream may contain several activities progressing at different rates. It is therefore possible for a specific AGS milestone to be rated red while the wider workstream remains amber, reflecting progress elsewhere within that workstream.

GOVERNANCE APPROACH

- 2.5. Given the scope and depth of issues identified within the Annual Governance Statement and through other routes, a formal project management approach was adopted to provide assurance over delivery mechanisms, available skills and resources.
- 2.6. A programme of eight project workstreams was identified as set out in figure 1 below.

Figure 1: Programme Structure

Six Core Workstreams (8 Programmes in total)



- 2.7. For complete alignment, each workstream was referenced back to the Annual Governance Statement as demonstrated in Figure 2 below.

Figure 2: Workstream alignment to AGS

Six Core Workstreams:

1 Capital Programme Review (AGS Ref 8)

Rebuilds the capital programme from first principles ensuring accurate expenditure and funding match.

2 Treasury Management Review (AGS Ref 8)

Establishes robust cashflow understanding and reviews borrowing and investment strategies to reduce risk.

3 Budget Review (AGS Ref 11)

Aligns financial planning with corporate priorities, ensuring realistic and well-grounded spending forecasts.

4 Closedown Process Review (AGS Ref 9)

Reconstructs closedown process, corrects accounting entries, and prepares for external audit assurance.

5 Financial Systems (AGS Ref 10)

Stabilisation of core financial systems, processes and governance to deliver a fit-for-purpose system

6 Workforce Resilience (AGS Ref 1)

Build capacity and resilience throughout the team with improved wellbeing expectations, strong workforce and succession plans.

Other Project Workstreams:

7 VAT Review (AGS Ref 2)

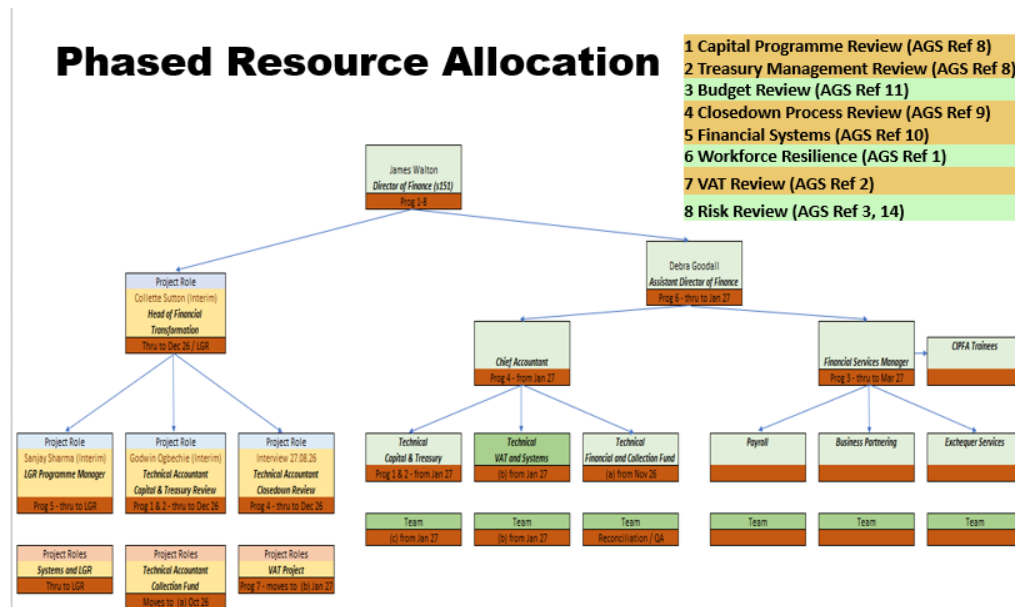
Completes final ECN submissions and work to move to automated VAT returns

8 Risk Review (AGS Ref 3 / 14 (RBC))

Embeds Opportunity Risk Management Process

- 2.8. The scale of the programme necessitated the redevelopment of the finance team in parallel with programme delivery by the team themselves. To accommodate this, the team was restructured to create two distinct teams - a project team and a permanent team. The project team would be resourced by temporary and agency workers and would be managed by an experienced project manager. The permanent team would be restructured to accommodate permanent recruitment to a sustainable team.
- 2.9. The eight workstreams making up the programme were divided between the project team and the permanent team, broadly on the basis that short term work was allocated to the project team with an intention that recruitment to the permanent team would align with, and facilitate, handover of the completed project work from the outgoing project worker to the permanent recruit.
- 2.10. On this basis, and as set out below in Figure 3, the project team would manage the capital, treasury, closedown, systems and VAT Reviews, while the permanent team would focus on the budget review, workforce resilience and risk management.

Figure 3: Overview of Finance Team Structure



- 2.11. This approach has not been completely straightforward due to problems relating to recruitment, turnover, staff sickness, capacity and capability and a changing external environment. Nevertheless, significant and material progress has been made across all eight projects.

PROGRESS AT 30 SEPTEMBER 2026

- 2.12. The Action Plan contains 62 individual milestones spread over 14 identified governance issues. As at 30 September 2026 each has been RAG rated and demonstrate:

18 milestones are complete
21 milestones are green (i.e. on track with initial deadlines)
20 milestones are amber (i.e. with some slippage or other areas of concern)
3 milestones are red (i.e. not on track with initial deadlines)

- 2.13. This means that 39 of the 62 milestones (or 63%) are either complete or currently assessed as green. The remaining milestones comprise actions where further work, management attention or revised delivery arrangements are required.

- 2.14. Progress to date includes:

- the incorporation of the remaining Workforce Strategy actions and wider corporate people priorities into the Corporate People Action Plan

Audit, Governance & Standards Committee 3rd November 2026

- completion of the review of the Finance Team structure, action to address immediate resource pressures and establishment of permanent and project team arrangements
 - completion of Member training relating to the Code of Conduct, declarations of interest, gifts and hospitality
 - development of a policy management framework, collation of Council policies and identification of responsible officers and review dates
 - implementation of quarterly whistleblowing reporting arrangements;
 - refresh of the Capital Programme Board and its terms of reference
 - publication of the draft 2025/26 Statement of Accounts and continuation of regular engagement with the external auditor
 - completion of the ERP health check and appointment of the Head of Financial Transformation
 - commencement of the Spending Review and associated Medium Term Financial Plan work
- 2.15. Several longer-term actions are progressing in accordance with their current delivery dates. These include the development and approval of the Opportunity Risk Management Strategy, the Finance Workforce Plan, testing of the TechnologyOne VAT submission module, external audit planning, the review of accounts closedown arrangements and preparation of the 2027/28 budget and Medium Term Financial Plan.
- 2.16. The Opportunity Risk Management Strategy has been considered by Member Risk Champions and reviewed by external Council advisors. Revised Member Risk Champion role descriptions have also been circulated, and a risk management workshop is arranged for November 2026.
- 2.17. In relation to financial reporting, an Interim Closedown Accountant has been appointed. A comprehensive draft 2026/27 closedown pack and timetable has been prepared, incorporating detailed tasks, dependencies and critical paths. A lessons-learned review of the 2025/26 closedown has also been completed, and arrangements are being developed for half-year accounts and strengthened working-paper and reconciliation processes.
- 2.18. The Spending Review commenced during September 2026 and is expected to inform reports to Executive in November 2026. Member scrutiny has commenced through the Budget Scrutiny Working Group.

RED ACTIONS REQUIRING FURTHER ATTENTION

- 2.19. Three milestones are reported as red at 30 September 2026. These are set out below and will remain subject to specific management oversight.

VAT returns: performance measures and automation

- 2.20. The milestone to create performance indicators to manage VAT error rates, training requirements and the potential for automation was due in September 2026 and had not commenced at the reporting date. Work relating to the TechnologyOne VAT module is progressing, although implementation remains dependent upon amendments to supporting procedures before the module can be fully tested and brought into operation.
- 2.21. The wider VAT workstream has progressed, including routine submission of VAT returns within the required timescales, continued staff training, development of a VAT manual and further work on VAT control account reconciliations and the treatment of adjustments in the general ledger. The specific AGS milestone to establish a defined suite of performance indicators, however, was not completed by September 2026 and is therefore reported as red. In the interim, assurance is being provided through the operation of the monthly VAT return process, ongoing training, specialist tax support and continued review of identified VAT risks.
- 2.22. The development of formal performance measures will now be taken forward as part of the wider VAT improvement work. These measures will need to cover the timeliness and accuracy of returns, identified errors and corrections, completion of reconciliations, training requirements and progress in reducing reliance on manual intervention and external support. The wider workstream remains subject to resource and capacity constraints and dependencies on HMRC and specialist advisers.

Capital programme: reporting and risk assessment

- 2.23. The milestone to regularise capital programme reporting and complete a risk assessment of the programme was due in September 2026 and was not achieved. The review has identified significant underlying issues, including limited resources, incomplete records, weaknesses in the audit trail and key records requiring update. The 2026/27 Capital Programme and associated funding sources have been reconstructed and are being validated with project managers, while work is also progressing to confirm borrowing requirements and review capital reserves and financing arrangements.

- 2.24. The immediate priority is to establish a reliable and reconciled position on the 2026/27 Capital Programme, its funding and its revenue consequences. This information is required to support the 2027/28 Medium Term Financial Plan and to identify any potential funding gap or borrowing requirement. New capital expenditure remains subject to additional control while this work is completed.
- 2.25. The original expectation that the immediate risk assessment would be completed in October 2026 should now be regarded as subject to the completion and validation of the underlying capital and funding information. The wider Capital Programme Review is not expected to be completed by its original programme deadline of 31 December 2026, with 31 March 2027 now identified as the more realistic completion date. The workstream will remain red and subject to specific oversight until a reliable programme and funding position, appropriate reporting arrangements and a rectification plan are in place.

ERP recovery programme: implementation of the resourced plan

- 2.26. The milestone to implement a fully defined and resourced ERP recovery plan in October 2026 was not on track at the reporting date. Although the TechnologyOne health check has been completed and key actions have been extracted and prioritised, these actions have not yet been consolidated into the complete recovery plan envisaged by the AGS milestone, with defined outcomes, outputs, resources, governance, dependencies and delivery dates.
- 2.27. Priority control improvements are nevertheless continuing. The bank reconciliation module has been installed, systems support for accounts closedown has commenced and work is progressing on TechnologyOne recommendations, receipts in progress, systems contracts and planning for the VAT module. The wider financial systems workstream is assessed as amber rather than red because material activity is underway, but the specific AGS milestone remains red because the resourced and governed recovery plan has not yet been implemented.
- 2.28. Progress is affected by the volume and complexity of outstanding systems activity, reliance on limited key personnel and competing priorities across the Finance Resilience Programme. The pause in Local Government Reorganisation has also prompted reconsideration of longer-term options. The immediate governance requirement is therefore to bring the separate priority actions together into a single recovery plan that establishes clear ownership, resources, sequencing, dependencies, risk management arrangements, assurance points and a realistic implementation timetable. Until that plan is agreed and resourced, there remains a risk that individual

improvements will be delivered without providing sufficient assurance over the overall financial systems control environment.

AMBER ACTIONS

- 2.29. Twenty milestones are reported as amber. These include actions that have commenced but are not yet complete, actions affected by dependencies or changing circumstances, and milestones where delivery arrangements or completion dates require further confirmation.
- 2.30. The principal amber areas include:
- the workforce actions associated with LGR Routes. These are on hold following the announcement on 7 September 2026 from Government that the local government reorganisation programme is being paused while it carries out a review.
 - finalisation and publication of the revised Whistleblowing Policy. The draft has been approved by Audit Committee and is now awaiting final confirmation of contact details to be included.
 - incorporation of the capital programme risk assessment into second-quarter monitoring. This due to the additional work required to complete the capital programme review before a risk assessment can be completed.
 - stabilisation of the Finance Team structure and commencement of permanent recruitment. This is due to availability of staff and turnover in the team
 - accounts closedown training, earlier deadlines, quality review and assurance-rebuilding arrangements. This has been paused to facilitate remediation of other higher priority areas such as the capital review.
 - enhanced Audit Committee reporting on accounts closedown audit readiness. This has been paused to facilitate remediation of other higher priority areas such as the capital review.
 - development of the overarching ERP recovery plan. This has been delayed due to the reassessment of options following the Government decision to pause the LGR programme.
 - delivery of ERP outputs. This has been delayed due to the reassessment of options following the Government decision to pause the LGR programme.
 - completion of the financial planning review to support the Medium Term Financial Plan. This is due to availability of staff and turnover in the team.
 - continued delivery of the Housing Improvement Plan, including implementation of customer feedback and scrutiny arrangements and modernisation of housing systems. These actions are progressing but remain dependent upon delivery of the wider improvement programme and associated project milestones.

- implementation of the revised approach to DBS assurance within Housing Property Services. A new framework is being developed and assessed to determine the extent of DBS requirements across relevant roles before implementation can proceed.

2.31. All remaining milestones have later final completion dates and preparatory work is underway. They are flagged as amber due to dependencies elsewhere in the programme and will nevertheless continue to be monitored to ensure that slippage in intermediate activity does not affect the overall delivery of the targeted governance outcomes.

OVERALL ASSESSMENT

2.32. The Action Plan demonstrates positive progress across a broad range of governance and financial management activity. A substantial number of the earlier milestones have been completed and work has commenced across most of the longer-term programmes.

2.33. The updated position also identifies areas where delivery has not progressed as originally intended. The red actions relating to VAT performance measures, the capital programme risk assessment and implementation of the ERP recovery plan require particular attention. These matters will remain visible through the Action Plan and further progress will be reported to the Committee.

2.34. The red ratings do not indicate that no activity is taking place across the relevant areas. They identify specific governance milestones that have not been achieved within the original timescale. In particular, wider activity continues within the VAT, capital and financial systems workstreams, but this does not remove the need to complete the defined performance, control, resourcing and programme-governance arrangements set out in the AGS Action Plan.

2.35. The next update should confirm progress against the revised delivery arrangements for the red actions and provide assurance that the remaining milestones continue to support delivery of the targeted outcomes set out in the Annual Governance Statement.

3. FINANCIAL IMPLICATIONS

3.1. This report is intended to strengthen governance and assurance and there are no financial implications arising as a direct result.

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- 3.2. As individual milestones are developed and implemented, financial implications may be identified. Where this occurs, these will be managed through the Council's existing financial and decision-making procedures.

4. LEGAL IMPLICATIONS

- 4.1. There are no direct legal implications arising from this report.

5. OTHER - IMPLICATIONS

Local Government Reorganisation (LGR)

- 5.1 The pause in the Local Government Reorganisation process has affected some workforce and ERP recovery activity. Relevant actions have been placed on hold or are being reassessed where necessary

Relevant Council Priority

- 5.2. Financial resilience and good governance underpin the council's ability to meet all of its priorities.

Climate Change Implications

- 5.3. No climate change implications, nor governance issues, are identified in this report, the AGS or the AGS action Plan.

Equalities and Diversity Implications

- 5.4. No equalities and diversity implications, nor governance issues, are identified in this report, the AGS or the AGS action Plan.

6. RISK MANAGEMENT

- 6.1. The Annual Governance Statement and associated Action Plan provide assurance over the Council's governance, risk management and internal control arrangements.
- 6.2. Failure to deliver the Action Plan milestones could result in the continuation of the governance weaknesses identified within the Annual Governance Statement. The use of milestone-level status reporting enables areas of delay to be identified, escalated and subject to appropriate management action.

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- 6.3. The updated position will continue to be reviewed alongside the Council's corporate risk management arrangements and the developing Opportunity Risk Management Strategy.

7. APPENDICES and BACKGROUND PAPERS

- 7.1. Appendix 1 – Annual Governance Statement 2025/26 Action Plan: position at 30 September 2026.
- 7.2. Background paper – Annual Governance Statement 2025/26, considered by the Audit, Governance and Standards Committee on 23 July 2026.

Appendix 1

AGS Ref	Governance Issue	Sponsor	Activity	September
1	Workforce Strategy: Corporate People Action Plan	Assistant Director Corporate Services & Transformation	Any remaining actions from the existing Workforce Strategy action plan (Sep 2026)	COMPLETE
1	Workforce Strategy: Corporate People Action Plan	Assistant Director Corporate Services & Transformation	Workforce-related actions arising from the LGR programme / LGR Routes (Sep 2026)	Decision to pause LGR process - actions on hold.
1	Workforce Strategy: Corporate People Action Plan	Assistant Director Corporate Services & Transformation	Other corporate people priorities(Sep 2026)	COMPLETE
1	Workforce Strategy: Corporate People Action Plan	Director of Finance (s151 Officer)	Review of current Finance Team Structure and approach (Jun 2026)	COMPLETE
1	Workforce Strategy: Corporate People Action Plan	Director of Finance (s151 Officer)	Recruitment to cover immediate resource issues (Jul 2026)	COMPLETE
1	Workforce Strategy: Corporate People Action Plan	Director of Finance (s151 Officer)	Review of Permanent / Agency staffing (Sep 2026)	COMPLETE
1	Workforce Strategy: Corporate People Action Plan	Director of Finance (s151 Officer)	Workforce Plan for Finance Team completed (Dec 2026)	Outline presentation produced and team away day organised in November.
1	Workforce Strategy: Corporate People Action Plan	Director of Finance (s151 Officer)	Implementation of sustainable team model (Jan 2027)	Job Descriptions and Person Specifications being updated and roles and responsibilities reviewed across the team.

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2	VAT Returns	Director of Finance (s151 Officer)	Regular reporting to Audit, Governance and Standards Committee and the Audit, Standards and Governance Committee on Penalty Suspension actions (from Nov26)	n/a
2	VAT Returns	Director of Finance (s151 Officer)	Creation of KPIs to manage error rate, training requirements and potential for automation(Sep 2026)	Formal KPI suite not completed. Interim monitoring continues through monthly VAT return submission, control account reconciliation work, staff training and specialist tax support. Performance measures will be developed through the wider VAT improvement work.
2	VAT Returns	Director of Finance (s151 Officer)	Review of TechOne submission modules (Dec 2026)	Module ready for testing.
2	VAT Returns	Director of Finance (s151 Officer)	Implementation of automated VAT returns without manual workarounds (Apr 2027)	n/a
3	Risk Management	Director of Finance (s151 Officer)	Development of Risk Management Dashboard to incorporate refreshed Corporate, Project and Service Risks (Sep2026)	Draft ORMS in place and Risk Management workshop arranged for November 2026
3	Risk Management	Director of Finance (s151 Officer)	Approval of Opportunity Risk Management Strategy (Dec2026)	Draft Strategy developed and reviewed with Member Risk Champions and external advisers. Formal approval is expected in January 2027 when Audit Governance and Standards Committee next meet.
3	Risk Management	Director of Finance (s151 Officer)	Embedded Risk Management process involving Member oversight by Risk Champion and Executive and Cabinet (Dec 2026)	See above
3	Risk Management	Director of Finance (s151 Officer)	Third party review by Internal Audit Services (Mar 2027)	n/a

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4	Third Party Relationships and Conflicts of Interest - Redditch	Assistant Director of Legal, Democratic and Procurement Services (Monitoring Officer) and the Assistant Director for Corporate Services and Transformation	Delivery of training to ensure compliance with the existing processes as listed below (from July 2026): Redditch Members' Code - Gifts and Hospitality Redditch Members - Gifts and Hospitality Declaration Form Redditch Members' Code of Conduct Register of Interest form for Redditch Borough Councillors	COMPLETE
5	Policy review	CEO	Definition approved for Strategies, Policies, Procedures and Guidance (Jul 2026)	COMPLETE
5	Policy review	CEO	Collation of Council wide Policies for review (Jul 2026)	COMPLETE
5	Policy review	CEO	Identification of key requirements – lead officer, review dates, status. (Sep 2026)	COMPLETE
5	Policy review	CEO	Approval internally or by relevant committee or Council (tbc)	COMPLETE
6	Whistleblowing Policy	Assistant Director Legal, Democratic and Procurement Services (Monitoring Officer)	Policy approved by Audit, Governance and Standards Committee and Audit, Governance and Standards Committee (Jul 2026)	The current Policy is being amended and the team are waiting on final details to be able to finalise this before it will be published.
6	Whistleblowing Policy	Assistant Director Legal, Democratic and Procurement Services (Monitoring Officer)	Communication roll out (Jul2026)	Whistleblowing was presented as part of the 4 th Tier Managers meeting in July to cover expectation, process and approach.

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7	Whistleblowing Policy Reporting	Assistant Director Legal, Democratic and Procurement Services (Monitoring Officer)	MO to provide quarterly updates to Audit, Governance and Standards Committee and Audit, Governance and Standards Committee (Jul 2026)	COMPLETE
8	Capital Programme	Director of Finance (s151 Officer)	Revision of Capital Programme Board Terms of Reference and refresh of Group (Jul 2026)	COMPLETE
8	Capital Programme	Director of Finance (s151 Officer)	Regularised reporting and risk assessment of programme (Sep2026)	Milestone not achieved. The review has identified incomplete records, weaknesses in the audit trail and key information requiring update. The 2026/27 Capital Programme and funding sources have been reconstructed and are being validated. Borrowing requirements and capital reserve and financing reviews are in progress. An action plan for rectification is being developed.
8	Capital Programme	Director of Finance (s151 Officer)	Incorporation into Quarterly Reporting from Q2 (Nov 2026)	Incorporation into monitoring is dependent upon completion and validation of the underlying capital programme, funding and financing information. The position will be reported when sufficiently robust to support financial monitoring and decision-making.
8	Capital Programme	Director of Finance (s151 Officer)	Revised Capital Programme(Mar 2027)	The wider Capital Programme Review is expected to complete by 31 March 2027, including review of programme funding and capital financing arrangements.
9	SoA 2025/26	Director of Finance (s151 Officer)	Closedown timetable in place and updated weekly (Jun 2026)	COMPLETE
9	SoA 2025/26	Director of Finance (s151 Officer)	Draft SoA published - fully compliant, true and fair view(Jun 2026)	COMPLETE

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9	SoA 2025/26	Director of Finance (s151 Officer)	Quality assessed complete and auditable working papers and audit evidence produced (Nov2027)	Interim Closedown Accountant appointed. Review commenced.
9	SoA 2025/26	Director of Finance (s151 Officer)	External Audit 2025/26 planning and liaison (Jan 2027)	Meetings with new External Audit Lead commenced. Approach agreed.
9	SoA 2025/26	Director of Finance (s151 Officer)	Final SoA audit opinion and approval (Jan 2027)	External Audit commenced.
9	SoA 2026/27 and future years	Director of Finance (s151 Officer)	Regular 'golden triangle' engagement with external auditors (from July 2026)	COMPLETE
9	SoA 2026/27 and future years	Director of Finance (s151 Officer)	Stabilise finance team structure reviewing capacity and capability planning for SoA delivery (Sep2026)	Link to Workforce Planning, implementation of sustainable team model and appointment of Interim Closedown Accountant. Recruitment to commence October 2026.
9	SoA 2026/27 and future years	Director of Finance (s151 Officer)	Implement alignment and closedown training across finance team (from Sep 2026)	Interim Closedown Accountant appointed. Review commenced.
9	SoA 2026/27 and future years	Director of Finance (s151 Officer)	Closedown programme with earlier internal deadlines agreed (Dec 2026)	Interim Closedown Accountant appointed. Review commenced.
9	SoA 2026/27 and future years	Director of Finance (s151 Officer)	Pre-work, documentation and engagement implemented from 2026/27 SoA - consider mock audit (Dec 2026)	Interim Closedown Accountant appointed. Review commenced.
9	SoA 2026/27 and future years	Director of Finance (s151 Officer)	Introduce formal pre-audit quality review process (Dec2026)	Interim Closedown Accountant appointed. Review commenced.
9	SoA 2026/27 and future years	Director of Finance (s151 Officer)	Strategy to rebuild assurance/phased recovery (Dec 2026): Opening balances and in year movement so High-risk balance so Retrospective reviews	Not yet commenced

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9	SoA 2026/27 and future years	Director of Finance (s151 Officer)	Review internal controls (journals, revenue/capital, inter authority, VAT, reconciliations) and document procedures (Feb2027)	Not yet commenced
9	SoA 2026/27 and future years	Director of Finance (s151 Officer)	Enhanced reporting to Audit, Governance and Standards Committee and Audit, Governance and Standards Committee of audit readiness and associated risks (from Oct2026)	External Audit Report on October / November Audit Committee round
10	ERP Recovery Programme	Director of Finance (s151 Officer)	Complete Health Check review to identify key priorities and critical path (Aug 2026)	COMPLETE
10	ERP Recovery Programme	Director of Finance (s151 Officer)	Develop ERP recovery plan, Outcomes, Outputs, Inputs/Resourcing Governance (Sep 2026)	TechnologyOne health check completed and key actions extracted and prioritised. Priority improvement activity is underway, but the actions have not yet been consolidated into a fully defined and resourced recovery plan. The scope and longer-term options are being reassessed following the pause in LGR.
10	ERP Recovery Programme	Director of Finance (s151 Officer)	Implement resourced plan (Oct2026)	Not commenced as a complete, resourced programme. Implementation of individual priority actions is underway, including installation of the bank reconciliation module and work on TechnologyOne recommendations, receipts in progress and systems contracts. A consolidated recovery plan, governance structure and revised implementation timetable remain to be agreed.
10	ERP Recovery Programme	Director of Finance (s151 Officer)	Delivery Outputs (from Jan2027)	Bank reconciliation module installed, with testing affected by resource constraints. Further priority outputs include TechnologyOne

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				system patching, resolution of receipts in progress, review of system and feeder-system contracts and planning for the VAT module.
11	Financial Planning Process	Director of Finance (s151 Officer)	Quarterly reporting throughout the MTFP process and approved timetable (from Jul2026)	COMPLETE
11	Financial Planning Process	Director of Finance (s151 Officer)	Growth, Inflation, Demand and Funding Review to inform MTFP(Sep 2026)	Spending Review commenced, due to be reported to Cabinet / Executive Committee November 2026.
11	Financial Planning Process	Director of Finance (s151 Officer)	Savings Programme commenced with public consultation (Nov 2026)	Spending Review commenced, due to be reported to Cabinet / Executive Committee November 2026.
11	Financial Planning Process	Director of Finance (s151 Officer)	Public Consultation responses considered (Jan 2027)	n/a
11	Financial Planning Process	Director of Finance (s151 Officer)	Balanced Budget (2027/28) and sustainable MTFP (2027/28 to2030/31) approved by Council (Mar 2027)	n/a
11	Financial Planning Process	Director of Finance (s151 Officer)	Enhanced s25 Report to evidence robust management of the budget process, reserves utilisation and overall sustainability	n/a
11	Financial Planning Process	Director of Finance (s151 Officer)	Scrutiny by Budget Working Group (throughout)	RBC Budget Scrutiny Working Group met 03 September 2026. BDC Budget and Finance working Group met 16 September 2026.
12	Social Housing	Executive Director Environment and Communities	Monitoring, scrutiny and reporting of progress against the Housing Improvement Plan throughout 2026/27	Internal Audit of Housing Improvement Plan
12	Social Housing	Executive Director Environment and Communities	Design and implement a package of formal and informal mechanisms to enhance customer feedback and scrutiny (Jan2027)	n/a

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12	Social Housing	Executive Director Environment and Communities	Implement modern housing IT systems to improve service delivery and communication (Aug 2026)	Robust User Acceptance Training and Testing of TotalMobile
12	Social Housing	Executive Director Environment and Communities	Delivery of fire door replacement programme (Mar 2028)	Additional funding for 26/27 to accelerate programme. Additional Contractor procured to support effective delivery of projects to upgrade fire doors across the Council's Housing Stock
13	DBS Checks	Assistant Director of Environmental and Housing Property Services	Initial scoping work to review current DBS arrangements and identify areas for further assessment (Jul 2026)	New framework being prepared with a view to Housing Property Services roles being tested to assess if a DBS is required for all roles.
13	DBS Checks	Assistant Director of Environmental and Housing Property Services	Report to officer Senior Leadership Team to agree full project scope, including resource requirements and delivery timeline (Aug 2026)	New framework being prepared with a view to Housing Property Services roles being tested to assess if a DBS is required for all roles.
13	DBS Checks	Assistant Director of Environmental and Housing Property Services	Approval and implementation of plan (From Sep 2026)	New framework being prepared with a view to Housing Property Services roles being tested to assess if a DBS is required for all roles.
14	Risk Management	Director of Finance (s151 Officer)	Quarterly Reporting to Audit, Governance and Standards Committee and Audit, Governance and Standards Committee (Jul 2026)	COMPLETE
14	Risk Management	Director of Finance (s151 Officer)	Embedded Risk Management process involving Member oversight by Risk Champion and Executive and Cabinet (Dec 2026)	ORMS reviewed by Council Insurers and Gartner Advisors. Member Risk Champion Role Descriptions updated and circulated.

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REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3rd November 2026****Corporate Risk Update Quarter 2 2026/27**

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Debra Goodall
Report Author: James Walton	Job Title: Director of Finance and Section 151 Officer. Contact email: James.walton@bromsgroveandredditch.gov.uk Contact Tel: 07990 840078
Wards Affected	All
Ward Councillor(s) consulted	N/A
Relevant Strategic Purpose(s)	Aspiration, work and financial independence
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 to:

- 1.1 Consider, with appropriate comment, the strategic risks and mitigations detailed in the Corporate Risk Register.
- 1.2 Consider, with appropriate comment, the changes to risk scores, owners, leads and the removal or addition of risks over the period.

2. BACKGROUND

- 2.1 Opportunity Risk Management is the Council's approach to making informed decisions that both manage uncertainty and maximise positive outcomes for our communities, services and organisation.
- 2.2 The Corporate Risk Register collates, and helps officers manage, monitor and report on, the Council's most significant strategic risks in relation to achievement of corporate priorities. The Council is seeking to improve risk management activities and will continue to review all corporate risks and the wider systems of internal governance.
- 2.3 An officer-led Strategic Risk Management Group is in place and initial meetings with the Member Risk Champion are being diarised. Regular consideration of corporate risks at an Executive level will be instigated on a more formal basis over the coming months. The Strategic Risk Management Group provides strategic, cross-organisational oversight of the Corporate Risk Register, providing support and appropriate

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challenge to risk owners. The aim is to improve awareness of interdependencies between corporate and service-level risks, and to ensure that strategic risks effectively inform reporting to SLT, Cabinet, and the Audit, Governance and Standards Committee.

- 2.4 An audit of the Council's improved risk management arrangements is expected in January 2027.

Corporate Risks

- 2.5 Corporate Risks represent those issues that are likely to require consideration on a cross-organisational basis. The following definition of how risks move from being “departmental” to being “corporate” in nature has been adopted:

“For a Risk to move from being ‘departmental’ in nature to being ‘corporate’ in nature it must have significant impact on Council’s finances, be cross-departmental in nature, and/or result in serious reputational damage. The Officer Risk Board will vet departmental risks using this definition to move them to Corporate Risks at their quarterly meetings.”

- 2.6 Corporate Risks identified in the risk register are summarised below in table 1.

3. Table 1: Corporate Risk Register

Corporate Risk Ref	Risk	Owner	Risk Lead	Inherent	Residual	Last Updated (Type/Date)
COR001	Non-Compliance with Health and Safety Legislation	Guy Revans	Hannah Corredor	20	9	None
COR002	Financial Resilience of the Council and ability to manage financial shocks	James Walton	Debra Goodall	16	6	None
COR003	Failure to meet requirements of Regulator for Social Housing	Guy Revans	Simon Parry	15	12	None
COR006	Protection from Cyber Attack	John Leach	Mark Hanwell	25	16	None
COR007	Adequate Workforce Planning	Hannah Corredor	Becky Talbot	12	9	None
COR008	Resolution of Section 24 Notice	James Walton	Debra Goodall	6	6	None
COR011	Cost of Living Crisis	Judith Willis	Lisa Devey	9	9	None

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COR013	Failure to meet waste requirements of the Environment Act 2021	Simon Parry	Matthew Austin	16	9	None
COR014	Local Government Reorganisation (LGR) prevents the Council from delivering business as usual and work associated with LGR is also ineffective	John Leach	Hannah Corredor	12	12	Scores changed 21/9/26
COR019	Risk of Terrorist Attack	Judith Willis	Bev Houghton	8	8	None
COR021	Town Deal Programme	Rachel Egan	Neil Batt	12	8	None
COR022	Compliance with the Procurement Act 2023	Claire Felton	Claire Green	9	4	None
COR024	Non-implementation of the Renters Rights Act 2025 (New)	Judith Willis	Matthew Bough	6	4	To be removed from the risk Register
COR027	Remedial Fire Safety Actions	James Walton	Debra Goodall	9	9	None
COR028	LGR ICT changes increase the risk of successful Cyber Attacks	Mark Hanwell	Mark Hanwell	16	12	To be removed from the Risk Register

- 3.1 A new opportunity Risk Strategy (ORMS) has now been developed and in the final stages, in conjunction with Risk Champions and will be considered at future Audit, Governance and Standards Committee meeting. The Risk Champions and Insurance Risk Management Contacts are currently reviewing, and we are awaiting their imminent feedback with the aim to finalise the strategy the end of the calendar year. The aim of the strategy is to improve consistency in Risk categorisation, reporting and review arrangements.
- 3.2 To help inform this review at an early stage, a narrative of each risk and current understanding of the risk score has been completed and summarised in table 2 below.

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- 3.3 A request by Audit, Governance and Standards Committee for a specific review of remedial fire actions in response to corporate risk COR027 was subject to a separate review at the previous meeting.

Table 2: Corporate Risk Narrative and Detailed Scoring

Table 2: Corporate Risk Narrative and Detailed Scoring

Corporate Risk Ref	Risk	Narrative												
COR001	Non-Compliance with Health and Safety Legislation	The risk relates to health and safety which is overseen through a formally established Health and Safety Committee, where key areas of concern are discussed. Risk assessments are now in place, and the area is being managed. As health and safety span the whole council, it remains a significant area of risk and requires regular review. At the point when the risk was last assessed, not all risk assessments were readily available for review, and the current scoring will continue to be updated. SCORING <table><tr><th></th><th>Impact</th><th>Likelihood</th><th>Priority</th></tr><tr><td>Inherent</td><td>5</td><td>4</td><td>20</td></tr><tr><td>Residual</td><td>3</td><td>3</td><td>9</td></tr></table> The inherent risk score reflects the position if no controls were in place. A high inherent risk for health and safety is appropriate due to the nature of the subject area. The residual risk score reflects the risk after controls have been applied. Various controls are in place across several areas, reducing the risk to a residual score of 9. It was further observed that, given the nature of some council services, there will always be an inherent level of health and safety risk, and it unlikely that the residual risk could be reduced significantly below its current level. No change in the risk position. Actions from the previous Health and Safety audit continue to be implemented. Follow-up audit work will review progress.		Impact	Likelihood	Priority	Inherent	5	4	20	Residual	3	3	9
	Impact	Likelihood	Priority											
Inherent	5	4	20											
Residual	3	3	9											
COR002	Financial Resilience of the Council and ability to manage financial shocks	This risk relates to the ability of the Council to set a legal and sustainable budget over the life of the medium-term financial plan (3 years). To manage this risk, the s151 Officer must ensure the budget is robust and the reserves are adequate.												

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		SCORING <table><tr><td></td><td>Impact</td><td>Likelihood</td><td>Priority</td></tr><tr><td>Inherent</td><td>4</td><td>4</td><td>16</td></tr><tr><td>Residual</td><td>3</td><td>2</td><td>6</td></tr></table> The impact and likelihood score for the inherent risk reflect underlying fragility in the current planning process, linked to turnover within the senior management and within the finance team. A revised s25 statement (the s151 Officers assessment of the Robustness of Estimates and Adequacy of Reserves) will be completed in February 2027 ahead of the 2027/28 budget and, alongside the budget, will be the culmination of the work completed to manage this risk. Work is underway on the capital review, spending review, General Fund balance review and wider financial risk assessment. A further update will be provided separately.		Impact	Likelihood	Priority	Inherent	4	4	16	Residual	3	2	6
	Impact	Likelihood	Priority											
Inherent	4	4	16											
Residual	3	2	6											
COR003	Failure to meet requirements of Regulator for Social Housing	Risk COR0003 relates to Redditch Borough Council’s compliance with the Regulator of Social Housing’s Consumer Standards and the improvement requirements arising from the Regulatory Inspection Report issued in July 2025. The risk reflects the potential impact of not fully meeting the required standards, including adverse outcomes for tenants, reputational damage to the Council and possible regulatory or financial consequences. The underlying causes include the need to strengthen monitoring arrangements, ensure sufficient capacity and resources, and respond effectively to changes in legislation and regulatory expectations. SCORING <table><tr><td></td><td>Impact</td><td>Likelihood</td><td>Priority</td></tr><tr><td>Inherent</td><td>5</td><td>3</td><td>15</td></tr><tr><td>Residual</td><td>4</td><td>3</td><td>12</td></tr></table> The residual risk is currently scored as Impact 4 and Likelihood 3. This reflects the seriousness of the potential consequences should compliance not be achieved, while recognising that improvement activity is already underway. The likelihood score may reduce over time as the Housing Improvement Plan is delivered, evidence of progress is		Impact	Likelihood	Priority	Inherent	5	3	15	Residual	4	3	12
	Impact	Likelihood	Priority											
Inherent	5	3	15											
Residual	4	3	12											

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		strengthened, and the Council is able to demonstrate sustained compliance with the Consumer Standards. Key controls include the Housing Improvement Plan, approved by Executive in September 2025 and refreshed in June 2026, monthly engagement with the Regulator of Social Housing, and strengthened governance arrangements to oversee delivery, monitor progress, manage risks and provide senior officer challenge. Progress is reported quarterly to Executive, supporting transparency and member oversight. The annual tenant perception survey required by the Regulator has also shown year-on-year improvements in performance and satisfaction over the last three years, providing further evidence of progress and ongoing assurance. Monthly meetings with the regulator and quarterly reporting to Members continue. Internal Audit review activity is underway. The risk score remains unchanged.												
COR006	Protection from Cyber Attack	Work has been underway for some time to identify and implement automated cyber security monitoring tools, specifically a Security Information and Event Management (SIEM) solution. This has been approved by SLT and CLT and approximately 85% implemented. The Event Management (SIEM) solution will analyse the large volume of security logs generated each day, which would be impractical to review manually. This work is expected to help reduce the residual risk over time, although implementation and embedding of the controls will take time and the risk will not reduce immediately. SCORING  <table><tr><td></td><td>Impact</td><td>Likelihood</td><td>Priority</td></tr><tr><td>Inherent</td><td>5</td><td>5</td><td>25</td></tr><tr><td>Residual</td><td>4</td><td>4</td><td>16</td></tr></table> The risk remains high because cyber-attacks are occurring continually and represent an ongoing threat. This will be a factor through LGR also. This Risk now extends to include risk relating to the cyber security implications of Local Government Reorganisation (LGR). ICT managers and technical specialists had recently met with a supplier that specialises in the integration of organisations and networks. During those discussions, it was highlighted that the process		Impact	Likelihood	Priority	Inherent	5	5	25	Residual	4	4	16
	Impact	Likelihood	Priority											
Inherent	5	5	25											
Residual	4	4	16											

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		of bringing multiple council networks together presents cyber security challenges. Cyber attackers are likely to be aware of the published timetable for LGR and may seek to exploit any weaknesses in cyber defences during the transition. It is noted that integrating multiple networks could result in a reduced degree of control compared to the current position, and that managing cyber security across several organisations is complex. Although many attacks may have little or no impact because existing controls prevent them from succeeding, there remains a risk that a successful attack could have a significant impact. Cyber security is a risk that is unlikely ever to be eliminated entirely. Large organisations with substantial investment in cyber security, continue to experience successful attacks and while additional controls are being implemented to improve the current position, this is expected to remain a high-risk area. There is a real risk associated with the integration of multiple council networks because an issue affecting one authority's network could potentially impact others once systems are connected. This risk is receiving active management throughout the LGR process and although similar transitions have been completed successfully elsewhere and the risks are manageable, the complexity of network integration means the threat remains significant. COR006 has now been updated to include COR0028 as LGR cyber related considerations are related to existing cyber risk and the two risks combined into COR006 The risk score remains unchanged.
COR007	Adequate Workforce Planning	Workforce planning remains a Corporate Risk due to its fundamental importance in ensuring the Council can deliver its statutory functions and services effectively. The availability of a suitably skilled and appropriately resourced workforce underpins service continuity, operational resilience, and the quality of decision-making across the organisation. As this risk impacts multiple service areas and is directly linked to several departmental risks, it continues to be appropriately managed at a corporate level.

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SCORING 			
	Impact	Likelihood	Priority
Inherent	4	3	12
Residual	3	3	9

The risk is primarily associated with the need to ensure sufficient capacity, capability, and resilience within the workforce to meet current and future service demands. Where workforce planning is not effectively managed, there is a potential impact on service delivery, increased financial pressures through reliance on temporary staffing, and risks associated with loss of organisational knowledge and insufficient succession planning.

It is important to note, however, that current workforce indicators do not suggest a systemic issue in relation to recruitment or retention. Staff turnover remains low and stable at 8.2% for 2025/26, which is significantly below the national local government average of 13.4%. This demonstrates strong organisational retention and stability, particularly following a period of increased labour market movement after the COVID-19 pandemic. Similarly, recruitment activity has been positive, with 166 vacancies advertised over the past 12 months, of which 153 roles were successfully filled, representing a 92% success rate. A total of 4,081 applications were received, indicating strong market interest in roles. This level of success suggests that roles are appropriately designed, and that the organisation remains attractive to candidates.

Several key controls and mitigating actions are in place to manage this risk and provide assurance. Establishment control arrangements are now embedded within management processes, with regular review of workforce data including vacancies and agency usage. Managers have clear and consistent access to establishment information monthly, enabling informed workforce decisions and improved oversight. Workforce planning has also been embedded within the Service Business Planning process, ensuring that staffing requirements are considered as part of wider service delivery planning and financial management.

In addition, organisational development processes further support workforce sustainability. A strengthened, mandatory appraisal framework has been introduced, including defined appraisal windows and a clear focus on individual training

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		and development requirements. This ensures that workforce capability is actively managed, supports succession planning, and enables the organisation to build internal capacity over time. Collectively, these controls demonstrate that workforce planning is being actively managed and embedded within core organisational processes. Whilst the risk remains on the Corporate Risk Register due to its strategic importance and cross-cutting nature, the current evidence indicates a stable workforce position, effective recruitment outcomes, and improving maturity in workforce planning arrangements. Ongoing monitoring through corporate governance frameworks will ensure that the effectiveness of these controls continues to be reviewed and strengthened over time. The planning performance risk remains unchanged. It should be noted however that it is a point-in-time assessment and that the live risk register contains the latest position.												
COR008	Resolution of Section 24 Notice	This risk relates to the statutory recommendation presented to Council from external audit relating to the 2020/21 end of year accounts, carried forwards through to 2022/23 and impacting on later years. SCORING <table><tr><th></th><th>Impact</th><th>Likelihood</th><th>Priority</th></tr><tr><td>Inherent</td><td>3</td><td>2</td><td>6</td></tr><tr><td>Residual</td><td>3</td><td>2</td><td>6</td></tr></table> This risk is now substantially managed through the current closedown procedures, the disclaimed opinion provided for the 2023/24 and 2024/25 statement of accounts and the production of the 2025/26 Draft Statement of Accounts, published by the statutory deadline of 30 June 2026. The risk remains unchanged and, on the register, as External Audit confirmation is required before the risk can be removed from the corporate register.		Impact	Likelihood	Priority	Inherent	3	2	6	Residual	3	2	6
	Impact	Likelihood	Priority											
Inherent	3	2	6											
Residual	3	2	6											
COR011	Cost of Living Crisis	Risk COR011 relates to the impact on the Council and residents from the cost-of-living crisis which has been inherent since the end of the Covid pandemic. It continues to affect the nation with more recent impacts following wars across the world. The residual risk scores a 3 for impact with likelihood at 3 and this reflects the ongoing demand and												

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		use of support services that residents continue to call up, including food banks, the new Crisis Resilience Fund and take up of advisory services such as Citizens Advice. SCORING <table><tr><td></td><td>Impact</td><td>Likelihood</td><td>Priority</td></tr><tr><td>Inherent</td><td>4</td><td>3</td><td>12</td></tr><tr><td>Residual</td><td>3</td><td>3</td><td>9</td></tr></table> The score is mitigated by the availability of Council services including the Financial Inclusion Team and Housing Sustainability Team alongside partner services such as DWP and the voluntary sector. The work is co-ordinated via the COL Partnership Group. The risk remains unchanged.		Impact	Likelihood	Priority	Inherent	4	3	12	Residual	3	3	9
	Impact	Likelihood	Priority											
Inherent	4	3	12											
Residual	3	3	9											
COR013	Failure to meet waste requirements of the Environment Act 2021	Risk COR0013 relates to the Council’s ability to meet our statutory duties for waste and recycling requirements arising from the Environment Act 2021 and the Government’s Simpler Recycling reforms. Whilst the Council's dry recycling service is compliant with our responsibilities, neither Council is currently compliant with the requirement to operate weekly household food waste collections from April 2026 as a result of delays in government funding, and the decision to not supply promised on-going revenue funding to support this as a new burden. SCORING <table><tr><td></td><td>Impact</td><td>Likelihood</td><td>Priority</td></tr><tr><td>Inherent</td><td>4</td><td>4</td><td>16</td></tr><tr><td>Residual</td><td>3</td><td>3</td><td>9</td></tr></table> The residual risk is currently scored as Impact 3 and Likelihood 3. This reflects the ongoing reputational and financial consequences of the Council's current position and potential risk of judicial review for non-compliance with a statutory service. The score is mitigated by the scale of non-compliance with this statutory duty nationally, and mobilisation activity to implement a partial service within the 2026/27 financial year across both Council areas. Potential escalation is likely to be discussed because of uncertainty about funding and implementation arrangements.		Impact	Likelihood	Priority	Inherent	4	4	16	Residual	3	3	9
	Impact	Likelihood	Priority											
Inherent	4	4	16											
Residual	3	3	9											

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		Financial issues may affect recruitment and procurement activity required to achieve compliance. The current score can remain unchanged if short-term financial barriers are resolved.												
COR014	Local Government Reorganisation (LGR) prevents the Council from delivering business as usual and work associated with LGR is also ineffective	This is a significant organisational risk due to capacity presenting a considerable challenge, particularly in certain services (such as ICT), with escalation routes to senior management. Officers are working on solutions to address these resource pressures. The risk forms part of the wider context for much of the Council's current work and that its implications extend to staff resources and the organisation's ability to deliver services during the transition process.. SCORING <table><tr><td></td><td>Impact</td><td>Likelihood</td><td>Priority</td></tr><tr><td>Inherent</td><td>4</td><td>3</td><td>12</td></tr><tr><td>Residual</td><td>4</td><td>3</td><td>12</td></tr></table> The Council has assessed there to be a risk associated with LGR in terms of delivery, transition and the impact on staff resources. The Annual Governance Statement identified that LGR represents a significant risk but is being well managed and coordinated and is not considered to represent a governance issue at the present time. The updated risk score will be reviewed during the pause period and in connection with the establishment of the Shadow Authority following elections. A future split may be required between risks relating to creation of the new authority and legacy authority close-down.		Impact	Likelihood	Priority	Inherent	4	3	12	Residual	4	3	12
	Impact	Likelihood	Priority											
Inherent	4	3	12											
Residual	4	3	12											
COR019	Risk of Terrorist Attack	Risk COR019 relates to the impact on the Council and communities from the risk of a terrorist attack. SCORING <table><tr><td></td><td>Impact</td><td>Likelihood</td><td>Priority</td></tr><tr><td>Inherent</td><td>4</td><td>2</td><td>8</td></tr><tr><td>Residual</td><td>4</td><td>2</td><td>8</td></tr></table> The residual risk scores a 4, with likelihood at 2, this reflects the seriousness that an attack would have to the community whilst reflecting that local areas are not considered to be		Impact	Likelihood	Priority	Inherent	4	2	8	Residual	4	2	8
	Impact	Likelihood	Priority											
Inherent	4	2	8											
Residual	4	2	8											

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		high target. This assessment is based on annual and ongoing national and local intelligence and data shared by the police. The score is mitigated by the development and implementation of the Action Counters Terrorism Plan, attendance at NPSA Public Authority Information Briefings and the roll out of Prevent training. This risk remains unchanged.												
COR021	Town Deal Programme	This risk relates to delivery of the Town Deal Programme that consists of: • Town Centre Public Realm Works • Innovation Centre – construction of innovation centre on the old police station site in the town centre (construction only) The Town Centre public realm works that are affordable within the budget envelope are now complete. Two further schemes are currently out of scope due to funding availability as agreed with MHCLG and members. The Innovation Centre construction contract is due to be signed this month with construction then commencing. SCORING <table><tr><th></th><th>Impact</th><th>Likelihood</th><th>Priority</th></tr><tr><td>Inherent</td><td>4</td><td>3</td><td>12</td></tr><tr><td>Residual</td><td>4</td><td>2</td><td>8</td></tr></table> The inherent impact risk is rated as 4 because failure to deliver the programme could result in funds being clawed back by government and high reputational risk both in terms of the public and government perspective. The inherent likelihood risk is 3 because without the necessary measures in place, failure to deliver is likely. This is mitigated through dedicated project management resource and governance and oversight through the Town Deal Board, Capital Programme Board, Updates to every Executive briefing and ad hoc reports to the Senior Leadership Team as required. The residual impact remains at 4 because the impact of non-delivery remains the same. The residual likelihood is 2 as at this stage of the programme as it is unlikely that the programme will not be delivered. No significant change was reported, and previous budget concerns had been resolved.		Impact	Likelihood	Priority	Inherent	4	3	12	Residual	4	2	8
	Impact	Likelihood	Priority											
Inherent	4	3	12											
Residual	4	2	8											

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COR022	Compliance with the Procurement Act 2023	This risk is being managed through a programme of officer training and ongoing implementation activity. Three sets of training sessions have been delivered to officers, with further sessions scheduled in the coming weeks and additional training planned for the autumn. Training for Members is also planned. In addition, a decision has been taken regarding a "no contract, no order" deadline, and extensive communications have been issued advising that from 30 September any order submitted without an associated contract will not be able to be raised. Work is progressing as planned and compliance activity is being embedded as part of ongoing day-to-day business. SCORING <table><tr><td></td><td>Impact</td><td>Likelihood</td><td>Priority</td></tr><tr><td>Inherent</td><td>3</td><td>3</td><td>9</td></tr><tr><td>Residual</td><td>2</td><td>2</td><td>4</td></tr></table> The scoring of the risk reflects that it is an area of compliance that requires continual attention and will not disappear entirely. The risk will remain because the legislation must be complied with on an ongoing basis, but the controls being implemented, including training, communication and contractual controls, are intended to mitigate the risk and keep it at a manageable level. Environmental Services highlighted possible operational implications despite legislative compliance. Operational risks should be captured in service risk registers and reviewed corporately if common themes emerge.		Impact	Likelihood	Priority	Inherent	3	3	9	Residual	2	2	4
	Impact	Likelihood	Priority											
Inherent	3	3	9											
Residual	2	2	4											
COR024	Non-implementation of the Renters Rights Act 2025 (New)	This has been implemented, all paperwork has been updated, staff have been trained, the necessary committee processes had been completed, delegations had been amended and the Housing Enforcement Policy had been updated. Officers have not experienced a significant increase in workload following implementation of the Act. The main increase in activity occurred before the abolition of Section 21 notices. Rather than receiving specific complaints about non-compliance with the Act, officers are identifying instances where landlords have not implemented requirements correctly through enquiries and complaints received from residents.												

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		The matter is now considered business as usual and the risk will be removed from the corporate risk register.												
COR027	Remedial Fire Safety Actions	The control action to review capital financing arrangements has progressed significantly during 2026/27. Additional HRA capital funding has now been approved, creating the capacity required to accelerate delivery of the outstanding fire safety remedial works, primarily the replacement and upgrading of fire doors across the Council's housing stock. A detailed delivery programme has been established, and additional specialist contractors have been appointed to increase delivery capacity and bring forward works that were previously programmed for future years. These measures are expected to reduce the backlog of outstanding actions and enable completion of the fire door replacement programme across all Council housing stock by the end of 2027/28. To support longer-term investment planning, the Council is also commissioning an independent review of the 30-year HRA Business Plan. This review will assess the overall sustainability of the HRA, explore opportunities to increase borrowing capacity and identify options to support future investment in both existing homes and new housing provision. This work will help make sure the Council can continue to meet future safety, compliance and investment needs in a financially sustainable way. SCORING <table><tr><td></td><td>Impact</td><td>Likelihood</td><td>Priority</td></tr><tr><td>Inherent</td><td>3</td><td>3</td><td>9</td></tr><tr><td>Residual</td><td>3</td><td>3</td><td>9</td></tr></table> The risk is assessed as in consideration of the potential impact on resident safety. Existing fire doors remain in place and provide protection, but do not meet current standards and require upgrading. Ongoing fire risk assessments and the planned replacement programme help reduce the likelihood of the risk occurring. A request by Audit, Governance and Standards Committee for a specific review of remedial fire actions in response to Corporate Risk COR027 was subject to a separate report, which was considered at the previous meeting of the Committee in July 2026. Risk remains unchanged		Impact	Likelihood	Priority	Inherent	3	3	9	Residual	3	3	9
	Impact	Likelihood	Priority											
Inherent	3	3	9											
Residual	3	3	9											

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COR028	LGR ICT changes increase the risk of successful Cyber Attacks	This Risk has now been combined into the COR006 risk for all Cyber Risks. This consideration was made as the risk for cyber needs to be consider combined with LGR and all on going Cyber risks. This risk will now be removed from the risk register.
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- 3.4 As part of the quarterly review of Corporate Risks, updates from previous reporting (most recently Quarter 4 2025/26) are collated and included in table 3 below.

Table 3: Corporate Risk Changes Q4 2025/26 to Q1 2026/27

Risk	Change and reason	Residual Risk Score	Last Updated
LGR ICT changes increase the risk of successful Cyber Attacks	This is a new risk relating to the cyber security implications of Local Government Reorganisation (LGR). The changes required to the ICT Infrastructure of all the councils to bring them together for LGR, can increase the risk of a security measure no longer working or being valid at a time when changes introduce risk.	12 – Medium	New risk added 25/06/26

- 3.5 In addition to Corporate Risks, the council's '4Risk' system also holds details of service risks. These risks are held at a departmental level and reviewed regularly. Where necessary, service risks can be escalated to corporate risks when meeting the agreed criteria. There are currently 48 service risks identified on the system with no increase in total number since the last period. These are summarised in table 4 below.

Table 4: Service Risks

Service Area	Last period	Red following mitigation	Last period	Amber following mitigation	Last period	Green following mitigation	Total number of risks last period	Total number of risks
Customer Services			1	1			1	1
Benefits			1	1	3	3	4	4
Revenues	1	1	2	2	1	1	4	4
Finance			1	1	2	2	3	3
Environmental Services			4	4	3	3	7	7
Leisure & Culture Services			1	1	0		1	1

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Regen. & Property Services			4	4	2	2	6	6
ICT			1	1	0	1	1	2
Housing			9	9	7	7	16	16
Community Services			0	1	3	3	3	3
HR					1	1	1	1
Total departmental risks	1	1	24	24	23	23	48	48

- 3.6 There is currently one service risk that appears in the high category. This risk is in the Revenues service and a narrative of the risk and current understanding of the risk score has been completed and summarised in table 5 below.

Table 5: Service Risk Narrative and Detailed Scoring

Table 3: Service Risk Narrative and Detailed Scoring														
Service Risk Ref	Risk	Narrative												
REV007	Data Compliance and security of data	In March 2025 two incidents of disclosure of personal data were logged, including one disclosure where a customer was logged under safeguarding as a MARAC (Multi-Agency Risk Assessment Conference) case. Information Management requested that Data Compliance and Security was logged as a risk within the service risk register. SCORING <table><tr><td></td><td>Impact</td><td>Likelihood</td><td>Priority</td></tr><tr><td>Inherent</td><td>4</td><td>4</td><td>16</td></tr><tr><td>Residual</td><td>4</td><td>4</td><td>16</td></tr></table>		Impact	Likelihood	Priority	Inherent	4	4	16	Residual	4	4	16
			Impact	Likelihood	Priority									
Inherent	4	4	16											
Residual	4	4	16											
		Actions to control the risk of disclosure include: • Provide updates to team members on processes for adding address information to core person records. • Update the process for inclusion of MARAC indicators on account • Cleanse vulnerability and MARAC code data. • Develop process for removal of MARAC codes when status changes. • Use of indicators to identify MARAC and Vulnerability cases. Actions are being developed and completed to mitigate this risk in future.												

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3rd November 2026****4 FINANCIAL IMPLICATIONS**

- 4.1 Effective risk identification, and management of those risks, is integral to the delivery of effective and efficient services to residents and businesses. Risk impacts can be both financial and reputational. Future risk reporting will increasingly align to a financial risk framework covering revenue, capital, cash flow and wider corporate dependencies.
- 4.2 The Council spends significant sums insuring itself and must also hold reserves to mitigate the costs of risks should they happen. A comprehensive Risk Management approach ensures risk and its consequences, including financial ones, are minimised.
- 4.3 A review of the Council's General Fund Balance, aligned to a revision of the Council's corporate risks, is expected to be completed for inclusion in the Council's Medium Term Financial Plan.

5 LEGAL IMPLICATIONS

- 5.1 No Legal implications have been identified.

6 OTHER – IMPLICATIONS**Local Government Reorganisation & Relevant Council Priority**

- 6.1 A comprehensive Risk Management approach ensures risk and its consequences is minimised for the Council.

Climate Change Implications

- 6.2 The green thread runs through the Council plan This includes risks linked to activities and actions that link to our climate

Equalities and Diversity Implications

- 6.3 If risks are not mitigated it can lead to events that could have Customer/Equalities and Diversity implications for the Council.

Corporate Telephony

- 6.4 The existing telephony platform is approaching the end of support. Further work is required to confirm the implications and determine whether the matter should sit within cyber, contractual or business continuity risks

Audit, Governance and Standards Committee 3rd November 2026**7 RISK MANAGEMENT**

The Corporate Risk Register includes high level risks. Each risk is rated between 1 and 5 as to how likely it is to occur and between 1 and 5 as to the potential financial and/or reputational impact. The product of these two numbers gives the initial rating. Mitigation is then put in place to help reduce the risk rating. The Risk Scoring Matrix is attached at Appendix 1.

8 APPENDICES**8.1 Appendix 1 – Risk Scoring Matrix.**

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee 3rd November 2026****Appendix 1****Risk Scoring Matrix**

5. Major	5 Medium e	10 Medium e	15 Medium e	20 High	25 High
4. Serious	4 Low	8 Medium e	12 Medium e	16 High	20 High
3. Significant	3 Low	6 Low	9 Medium e	12 Medium e	15 Medium e
2. Minor	2 Low	4 Low	6 Low	8 Medium e	10 Medium e
1. Insignificant	1 Low	2 Low	3 Low	4 Low	5 Medium e
Impact					
Likelihood	1. Very Unlikely	2. Unlikely	3. Likely	4. Very Likely	5. Almost Certain

IMPACT VALUES (INDICATIVE)

	Service Disruption.	Reputation	H&S - Injury	Environmental and Social Impact	Cost
INSIGNIFICANT	Brief disruption of important service area	No interest to local media. Insignificant	No injury	Localised environmental or social impact. Insignificant	Costing less than £1000. 0 - 1 (% of Budget)
MINOR	Significant effect to non-crucial service area; 1 - 2 (Days)	Minor adverse publicity in the local media, no damage to reputation.	Minor injury or discomfort to individual(s).	Short term effect on the environment i.e. noise, fumes etc. no lasting detrimental impact. Minor	Costing less than £5,000 Up to 10% of Budget. 1 - 10 (% of Budget)
SIGNIFICANT	Major effect to an important service area for a short period - Service Disruption 2-3 Days	Some adverse publicity, legal implications. Significant	Severe injury to an individual (s); Severe injury Short term environmental or social impact requiring remedial action. Significant		Costing between £5,000 and £50,000 Up to 25% of Budget. 10 - 25 (% of Budget)
SERIOUS	Loss of an important service area for a period up to 5 days; 3 - 5 (Days)	Long term local reputation damage - National adverse publicity	Major injury to an individual (s)	Long term environmental or social impact. Serious	Costing between £50,000 and £500,000 Up to 50% of Budget. 25 - 50 (% of Budget)

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MAJOR	Major loss of services, Unable to function - Service Disruption 5+ Days 5 - 365 (Days).	Adverse and persistent national media coverage - Severe loss of public confidence. Major	Fatality(s)	Long term detrimental impact on the environment/o r community. Major	Costing over £500,000 Up to 75% of Budget. 50 - 75 (% of Budget)
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LIKELIHOOD VALUES

	Occurrence %:	Probability:
VERY UNLIKELY	0 - 5 (%)	Very low probability / never before.
UNLIKELY	Less than 5-10% chance of occurrence	Has happened rarely/Every 10 years.
LIKELY	10% - 40% chance of occurrence	Only likely to happen 3 or more years.
VERY LIKELY	40% - 75% chance of occurrence	Likely to happen at some point within the next 1-2 years Circumstances occasionally encountered (few times a year).
ALMOST CERTAIN	More than 75% chance of occurrence	Regular occurrence Circumstances frequently encountered –daily/weekly/monthly.

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Audit, Governance and Standards Committee Procedure Rules

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Debra Goodall
Report Author: James Walton	Job Title: Director of Finance and Section 151 Officer. Contact email: james.walton@bromsgroveandredditch.gov.uk Contact Tel: 07990 840078
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Council Priority	Sustainability
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:

- 1.1. to consider the proposed revisions to the Audit, Governance and Standards Committee Procedure Rules (Part 11 of the Constitution) as set out in Appendix 1 and endorse the proposed amendments;
- 1.2. to consider the proposed Independent Person Role Description and Person Specification attached at Appendix 2 and determine whether it provides an appropriate framework for the recruitment, appointment, induction and development of Independent Person(s) to support the work of the Audit, Governance and Standards Committee;
- 1.3. to consider the areas where the revised Terms of Reference remain partially aligned, rather than fully aligned, with the CIPFA Audit Committee Position Statement 2022 and determine whether the Committee wishes to recommend further amendments to Full Council to achieve full alignment with best practice as set out in paragraphs 2.18 to 2.23. Any recommended amendments should be specified at the meeting.
- 1.4. to delegate authority to the Monitoring Officer to make any minor drafting, typographical, formatting or consequential amendments necessary prior to the revised Procedure Rules being presented to Council for approval; and

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The Audit, Governance and Standards Committee is asked to RECOMMEND:

- 1.5. the approval of the revised Audit, Governance and Standards Committee Procedure Rules (Part 11 of the Constitution).

2. BACKGROUND

Committee Procedure Rules

- 2.1 The Audit, Governance and Standards Committee Procedure Rules form Part 11 of the Council's Constitution. Any amendments to the Procedure Rules therefore require approval by Full Council before they can take effect.
- 2.2 The existing Procedure Rules have been reviewed and updated to reflect developments in good governance practice, changes in the expectations placed upon local authority audit committees, and the principles set out within the Chartered Institute of Public Finance and Accountancy (CIPFA) Audit Committee Position Statement and supporting guidance. The review has also considered developments in governance, risk management, internal audit, external audit, assurance, financial management and annual governance reporting since the current provisions were originally adopted.
- 2.3 The revised Procedure Rules retain the Council's existing constitutional requirement for the Committee to undertake both audit and standards functions. Whilst national guidance generally envisages a dedicated audit committee, the revised Procedure Rules have been drafted to ensure that the Committee's standards responsibilities continue to be discharged whilst strengthening and modernising the Committee's audit, governance, risk management and assurance responsibilities.
- 2.4 The revised Procedure Rules are attached at Appendix 1, marked up to show amendments from the current version.
- 2.5. The principal amendments include:
 - 2.5.1 A revised statement of purpose and role for the Committee, clarifying its independent assurance function.
 - 2.5.2 Expanded responsibilities relating to governance, risk management, internal control, financial management, value for money, whistleblowing, counter-fraud and assurance.

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- 2.5.3 Strengthened arrangements relating to the Annual Governance Statement and financial reporting.
 - 2.5.4 Updated provisions for Internal Audit, including oversight of independence, professional standards, quality assurance and implementation of recommendations.
 - 2.5.5 Updated provisions relating to External Audit, including audit quality, independence, effectiveness and audit planning.
 - 2.5.6 New provisions regarding training, knowledge, effectiveness, access to information and annual self-assessment.
 - 2.5.7 Enhanced accountability arrangements including annual reporting to Council.
 - 2.5.8 Updates to reflect current arrangements for the appointment and oversight of External Audit.
 - 2.5.9 Clarification of the Committee's relationship with management, Executive functions and Overview and Scrutiny.
- 2.6 Collectively, these amendments are intended to provide greater clarity regarding the Committee's role and to strengthen the Council's governance framework by aligning the constitutional provisions more closely with contemporary best practice.
- 2.7 An additional amendment has been included to clarify the Committee's role in relation to treasury management scrutiny. CIPFA guidance notes that where an authority nominates its audit committee to undertake the treasury management scrutiny role, this should be clearly reflected within the terms of reference. The proposed amendment formalises the Committee's role in reviewing treasury management strategy, performance, risk and compliance arrangements and strengthens alignment with the CIPFA Treasury Management Code of Practice and associated professional guidance. Treasury management is recognised as a specialist area and, accordingly, provision has also been made within the revised Terms of Reference for ongoing member training and development to support effective scrutiny and challenge.

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- 2.8 Members will note that whilst the terms of reference have historically included attendance from Parish Council representatives, reflecting the Committee's role in supporting and maintaining standards in public life, the wording has been amended so that Parish Council representation is expressed as "may" rather than "will". This amendment reflects the fact that attendance by Parish representatives is optional rather than mandatory and therefore better reflects the arrangements operated in practice.
- 2.9 Subject to the Committee's consideration, the revised Procedure Rules (alongside updated Part 5 Terms of Reference aligned to this) will be referred to Full Council for approval as a constitutional amendment.

Independent Person Role

- 2.10 In addition to the revisions to the Committee Procedure Rules, a revised Independent Person Role Description and Person Specification has been prepared and is attached at Appendix 2.
- 2.11 The role profile has been developed having regard to the CIPFA Audit Committee Position Statement 2022, supporting CIPFA guidance and the proposed Audit, Governance and Standards Committee Terms of Reference. It has been designed to provide a clear explanation of the role, responsibilities, expectations and commitment required of an Independent Person and to support future recruitment exercises.
- 2.12 The document has been structured in two parts. The first provides an accessible overview of the role, enabling prospective candidates to understand the purpose of the position, the commitment involved and the type of experience and attributes sought. The second provides a detailed job description and person specification aligned to the revised Terms of Reference.
- 2.13 The introduction of a modernised role description will support the Council's commitment to good governance and strengthen arrangements for the recruitment, induction, development and ongoing contribution of Independent Persons, bringing the role into line with contemporary audit committee best practice.

Areas of Partial Alignment with the CIPFA Audit Committee Position Statement

- 2.14 The CIPFA Position Statement sets out the purpose, model, core functions and membership of the audit committee and represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt.

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- 2.15 The proposed amendments to the Procedure Rules significantly strengthen the Committee's responsibilities and are almost fully compliant with the CIPFA Position Statement. There remain, however, two areas where the Council's proposed arrangements differ from CIPFA's recommended model.

Non-Alignment - Independent Persons

- 2.16 The revised Terms of Reference provide for the appointment of at least one non-voting independent co-opted member to support the Committee's audit, governance, risk and assurance responsibilities. The CIPFA Position Statement recommends that, where there is no legislative requirement otherwise, local authority audit committees **should include at least two co-opted independent persons** in order to provide additional technical expertise and independent challenge.
- 2.17 The proposed Terms of Reference therefore represent a strengthening of the Council's existing arrangements but do not fully adopt CIPFA's preferred model. Should the Committee wish to move to full alignment with the Position Statement, consideration could be given to increasing the minimum number of independent co-opted persons from one to two.

Non-Alignment - Committee Size

- 2.18 The revised Terms of Reference retain the current non-specified number of elected Members. The CIPFA Position Statement does not prescribe a specific number of Members but recommends that audit committees should be of an appropriate size to operate as a group of experienced and trained Members and notes that large committees should be avoided.
- 2.19 CIPFA's supporting guidance suggests that a smaller committee can be beneficial as per the following quote:
- “Among local authorities, there is a range of practice, including some committees that exceed ten members. In the sector, it can be harder to achieve the depth of knowledge and experience that is desirable with a small number, but equally it can be difficult to provide training and development for a large group. CIPFA’s recommendation is that a **committee size of no more than eight members should be established**. This allows sufficient breadth of experience but is small enough to allow the training and development of a dedicated group.”*
- 2.20 The Council's Audit, Governance and Standards Committee undertakes both audit and standards functions and includes provision for Parish Council representation in relation to standards matters.

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- 2.21 Members may wish to consider whether the current membership arrangements continue to provide the most effective balance between audit, governance and standards responsibilities, or whether a reduced membership would better reflect CIPFA's recommended model.
- 2.22 Subject to the Committee's consideration of the two matters outlined above, officers consider that the revised Terms of Reference achieve substantial alignment with the CIPFA Audit Committee Position Statement 2022 and represent a significant strengthening of the Council's governance framework.
- 2.23 The Committee is therefore invited to determine whether it is satisfied that the proposed Terms of Reference strike an appropriate balance between local circumstances and CIPFA best practice or it wishes to recommend further amendments relating to independent membership and/or committee size in order to move to full alignment with the CIPFA Position Statement.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications arising from the proposed amendments.
- 3.2 The revised Procedure Rules principally clarify and strengthen existing governance, assurance and accountability arrangements. Any officer support, training or administrative requirements will be met from existing resources.
- 3.3 The financial implications of introducing one or more independent persons to the committee (which would not be remunerated) would be limited to the payment of expenses and travel costs.

4 LEGAL IMPLICATIONS

- 4.1. There are no direct legal implications arising from the proposed amendments.
- 4.2. The proposed changes relate to the Council's constitutional arrangements and are intended to strengthen governance, audit and assurance oversight. Any amendments to the Constitution will be subject to approval by Full Council in accordance with the Council's constitutional requirements.
- 4.3 The Local Audit and Accountability Act 2014, as amended by the English Devolution and Community Empowerment Act 2026, now requires that at least one member of an audit committee is an Independent Person.

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The proposals in this report in respect of Independent Persons would enable the Council to address this statutory requirement.

5 OTHER - IMPLICATIONS

Local Government Reorganisation (LGR)

- 5.1 There are no direct implications arising from Local Government Reorganisation.
- 5.2 Strong governance, assurance, risk management and audit arrangements will, however, assist the Council in maintaining effective oversight throughout any future transition arrangements.

Relevant Council Priority

- 5.3 Financial resilience and good governance underpin the council's ability to meet all of its priorities. The revised Procedure Rules strengthen the Committee's role in providing assurance regarding governance, financial management, risk management, audit arrangements and internal control.

Climate Change Implications

- 5.4 There are no direct climate change implications arising from the proposed amendments.

Equalities and Diversity Implications

- 5.5 No adverse equalities or diversity implications have been identified.
- 5.6 The amendments relate to governance and constitutional arrangements and do not alter access to services or decision-making rights.

Community Impact Implications

- 5.7 There are no community safety or health and wellbeing implications.

6 RISK MANAGEMENT

- 6.1 The Audit, Governance and Standards Committee plays a key role within the Council's overall risk management framework. The revised Procedure Rules strengthen the Committee's oversight of:
- Corporate governance arrangements;
 - Risk management arrangements;
 - Internal control effectiveness;
 - Financial management;

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- Counter-fraud and whistleblowing arrangements;
- Internal and external audit;
- Annual Governance Statement processes; and
- Management responses to significant audit findings and recommendations.

6.2 The amendments therefore support the management of several corporate risks relating to governance, financial control, assurance, compliance, organisational resilience and delivery of statutory responsibilities.

7. APPENDICES and BACKGROUND PAPERS

7.1 Appendix 1 – Audit, Governance and Standards Committee Procedure Rules – November 2026 (changes highlighted in track changes).

7.2 Appendix 2 – Independent Person Role Description.

PART 11**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE
PROCEDURE RULES****1. Role of the Audit, Governance and Standards Committee**

1.1 The Council has established an Audit, Governance and Standards Committee. This fulfils the Council's statutory requirement to have an Audit Committee.

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1.2 The Audit, Governance and Standards Committee is independent of the Council's Executive and Scrutiny functions and provides an independent and high-level focus on the adequacy and effectiveness of the Council's governance, risk management, internal control and assurance arrangements. Through its oversight of internal and external audit and its review of financial and governance reporting, the Committee supports effective internal challenge, public accountability and continuous improvement.

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1.3 The Committee is an advisory and assurance committee. Responsibility for the management of the Council, including the operation of governance, risk management and internal control arrangements, remains with the Executive and senior management. The Committee shall provide independent assurance, constructive challenge and recommendations but shall not assume management responsibility or direct the professional work of Internal or External Audit.

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1.4 The Audit, Governance and Standards Committee shall work in partnership with the Council's Monitoring Officer, Deputy Monitoring Officer, Leaders of the Political Groups and the Portfolio Holder with responsibility for corporate governance to support the promotion and maintenance of high standards of conduct by Councillors and co-opted members of Council bodies.

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1.5 In discharging its combined Audit, Governance and Standards responsibilities, the Committee shall maintain a clear distinction between its assurance role and its statutory and constitutional responsibilities for Member standards. The inclusion of standards responsibilities shall not dilute the Committee's independent focus on governance, risk, control, audit and assurance.

2. Terms of Reference

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2.1 The Terms of Reference of the Audit, Governance and Standards Committee are as follows:

Audit and Governance

- a. To provide independent assurance and constructive challenge to the Council on the adequacy and effectiveness of its governance, risk management, internal control and assurance arrangements, including the following:

Governance

- To review the Council's corporate governance arrangements against the principles of good governance, including the Council's Code of Corporate Governance and ethical governance framework.
- To consider whether governance arrangements support the achievement of the Council's objectives and sustainable outcomes.
- To consider reports on significant governance weaknesses and monitor the implementation of agreed improvement actions.
- To review the governance and assurance arrangements for significant partnerships, shared services, collaborations, arm's-length bodies and Council-owned companies.

Risk

- To monitor the effective development and operation of the Council's risk management framework and strategy.

- To consider assurances on the effectiveness and maturity of risk management arrangements.
- To monitor progress in addressing significant risk-related issues reported to the Committee, while avoiding duplication of the responsibilities of the Executive and Overview and Scrutiny.

Internal Control

- To consider reports on the effectiveness of the Council's internal control arrangements and monitor the implementation of agreed actions arising from identified weaknesses.
- To seek assurance that significant control weaknesses are addressed promptly by responsible officers.

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To review and monitor the annual audit plans of both the internal and external auditors;¶
To receive and comment upon the external auditors' reports;¶
To monitor the adequacy and effectiveness of the Council's system of internal control by ensuring that an adequate and effective system of internal financial controls is maintained, that financial procedures are regularly reviewed;¶
To consider, monitor and review the Council's overall corporate governance arrangements;¶

To enhance the profile, status and authority of the internal audit function which will demonstrate its independence;¶

To focus audit resources by agreeing, and periodically reviewing, audit plans and monitoring delivery of the audit service;¶

To receive and consider such internal audit reports that the Chair and/or Deputy Chief Executive considers necessary;¶

Deleted: <#>To consider, monitor and review the effectiveness of the Council's risk strategies, policies and management arrangements and seek assurances that action is being taken to address identified risk related issues;¶

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Deleted: Finance and Value for Money

To consider and approve the Council's Annual Statements of Accounts;¶

To consider any report from the Internal Audit Manager in pursuance of Financial Regulations;¶

k. To ensure good stewardship of the Council's resources and assist the Council to achieve value for money in the provision of its services;¶

l. To keep under review, and make recommendations on, proposed amendments to Financial Regulations;¶

m. To consider and make recommendations if appropriate on, the Annual Governance Statement;¶

n. To review the annual strategy, treasury management policy and procedures and make recommendations to Council.¶

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PART 11Financial Management

- To consider reports and assurances on the effectiveness of the Council's financial management arrangements, including its compliance with CIPFA's Financial Management Code.
- To consider significant financial risks and control issues where these affect the adequacy of the Council's governance, risk management or internal control arrangements.

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Treasury Management

- To undertake the Council's treasury management challenge function in accordance with the CIPFA Treasury Management Code of Practice and any related professional guidance.
- To review and challenge the Treasury Management Strategy Statement, Annual Investment Strategy and Treasury Management Practices prior to their consideration by Council.
- To receive and consider regular reports on treasury management activity, treasury management performance, prudential indicators and treasury management risk.
- To seek assurance that treasury management arrangements are prudent, sustainable and consistent with the Council's approved risk appetite and financial management framework.
- To review any significant treasury management risks, breaches, non-compliance or emerging issues and monitor the implementation of corrective actions where required.
- To support the development of treasury management knowledge and skills amongst Committee members sufficient to enable effective challenge and scrutiny of treasury management activities.
- To ensure that Members undertaking treasury management challenge receive appropriate training and development to enable effective reviews, challenge and understanding of treasury management strategies, risks, performance and governance arrangements.

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Value for Money

- To consider the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources and review assurances and assessments on the effectiveness of those arrangements.
- To consider value-for-money issues identified by Internal Audit, External Audit or other assurance providers and monitor the implementation of appropriate management action.
- The Committee shall not undertake routine performance or budget monitoring that properly falls within the responsibilities of the Executive or Overview and Scrutiny.

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PART 11Counter-Fraud

- To review the assessment of fraud, bribery and corruption risks and the potential harm to the Council arising from those risks.
- To monitor the adequacy and effectiveness of the Council's counter-fraud, bribery and corruption strategies, arrangements, actions and resources.
- To consider significant fraud and corruption issues where these indicate wider governance or control weaknesses.

Whistleblowing

- To review assurances on the adequacy and effectiveness of the Council's whistleblowing arrangements as part of its oversight of ethical governance and the Annual Governance Statement.

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Assurance Framework

- To consider the Council's framework of assurance and determine whether it adequately addresses the Council's significant risks, priorities and governance responsibilities.
- To identify areas where the Committee requires additional assurance and consider whether there are significant gaps, duplication or weaknesses in the Council's assurance arrangements.

Annual Governance Statement

- To review the Annual Governance Statement at an appropriate stage before final approval and consider whether it properly reflects the Council's governance and risk environment and the assurances available, including the annual opinion of the Head of Internal Audit.
- To consider whether the annual evaluation supporting the Annual Governance Statement provides a fair, evidence-based conclusion on whether the Council's governance arrangements are fit for purpose and support achievement of its objectives.
- To consider whether significant governance issues and associated improvement actions have been identified appropriately and to monitor progress in delivering those actions.
- To satisfy itself that the Annual Governance Statement is consistent with other relevant information available to the Committee and is understandable to a non-specialist reader.

Regulation of Investigatory Powers Act (RIPA)

- To be responsible for undertaking an annual review of the Council's RIPA Policy.

Financial Reporting

- To monitor the Council's arrangements and preparations for

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financial reporting to obtain assurance that statutory requirements and applicable professional standards can be met.

- To review the annual statement of accounts and consider whether appropriate accounting policies have been followed and whether matters arising from the financial statements or the audit should be brought to the attention of the Council.
- To consider the External Auditor's report to those charged with governance and any other significant matters arising from the audit of the accounts.

Standards

- To promote and maintain high standards of conduct by Councillors and any co-opted members of Council bodies;
- To assist the Councillors and co-opted members to observe the Members' Code of Conduct;
- To advise the Council on the adoption or revision of the Members' Code of Conduct;
- To monitor the operation of the Members' Code of Conduct;
- To advise, train or arrange to train Councillors and co-opted members on matters relating to the Members' Code of Conduct;
- To grant dispensations to Councillors and co-opted members from requirements relating to interests set out in the Members' Code of Conduct;
- To deal with any report from the Monitoring Officer following an investigation into a complaint concerning the Members' Code of Conduct;
- To consider and determine allegations that a Councillor or co-opted Councillor may have failed to follow the Code of Conduct and where a breach of the Code is established making recommendations as to any sanctions to the appropriate person or body;
- The exercise of above in relation to the Parish Councils in the Council's area and the members of those parish Councils; and
- To monitor and review the operation of the Member Officer Relations Protocol.

2.2 Within those Terms of Reference, the Audit, Governance and Standards Committee will:

Internal Audit

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b. review Internal Audit's progress against the audit plan and consider Internal Audit performance measures;¶
c. receive and consider a summary of work undertaken by Internal Audit since the last meeting, plus current status;¶
d. receive and consider executive summaries of financial process / procedures;¶
e. receive and consider executive summaries of Value For Money reports;¶
f. receive and consider executive summaries of contract audit reports;¶
g. receive and consider executive summaries of any special investigations undertaken by Internal Audit;¶
h. receive and consider a chronological summary of Internal Audit reports awaiting departmental response and address any evident problems;¶
i. monitor the proportion of key recommendations actioned since the previous meeting; and¶
j. consider all external audit reports including the Annual Audit Letter.¶
k. receive and consider a quarterly report from the Monitoring Officer detailing any Code of Conduct issues, Member training updates and any dispensations sought.¶

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- b. approve the Internal Audit Charter and periodically review its continued appropriateness
- c. approve the risk-based Internal Audit Plan, including Internal Audit's resource requirements, its proposed use of other sources of assurance and any work required to place reliance on those sources
- d. approve significant interim changes to the Internal Audit Plan or its resource requirements
- e. consider whether Internal Audit has sufficient organisational independence, authority, access, skills and resources to fulfil its responsibilities effectively
- f. make appropriate enquiries of management and the Head of Internal Audit to determine whether there are inappropriate limitations on Internal Audit's scope, access or resources
- g. consider any actual or potential impairment to the independence or objectivity of the Head of Internal Audit and periodically review the adequacy of any safeguards
- h. consider reports from the Head of Internal Audit on Internal Audit's performance, key findings, significant issues, delivery of the approved plan and action taken in response to Internal Audit work
- i. consider reports on Internal Audit's quality assurance and improvement programme and its conformance with applicable professional internal audit standards
- j. consider the Head of Internal Audit's annual report and opinion on the overall adequacy and effectiveness of the Council's governance, risk management and internal control framework
- k. receive reports where the Head of Internal Audit considers that management has accepted a level of risk that may be unacceptable to the Council, or where there are significant concerns about progress in implementing agreed actions
- l. contribute to Internal Audit's quality assurance and improvement arrangements, including the periodic external quality assessment
- m. review proposals concerning the appointment of external providers of Internal Audit services and make recommendations as appropriate
- n. provide the Head of Internal Audit with free and unfettered access to the Chair of the Committee and the opportunity to meet privately with the Committee
- o. consider summaries of specific Internal Audit reports where requested by the Committee or where the Head of Internal Audit considers that the findings are of sufficient significance to require the Committee's attention
- p. monitor management's implementation of significant and agreed Internal and External Audit recommendations, including overdue actions

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and cases where progress or the management response is considered inadequate

- g. require responsible senior officers to attend the Committee where necessary to explain significant control weaknesses, risk acceptance or delays in implementing agreed actions

External Audit

- r. consider the External Auditor's audit plan, risk assessment, proposed scope, areas of focus and any significant changes to the audit timetable or approach

- s. consider the External Auditor's annual report, audit findings report, report to those charged with governance or other such reports as may be required or deemed appropriate by the external auditors

- t. consider and comment on the scope, depth, timeliness and quality of External Audit work

- u. consider the External Auditor's annual assessment of its independence, including any significant threats to independence and the safeguards applied

- v. consider relevant reports from Public Sector Audit Appointments Ltd, the audit regulator or other relevant bodies concerning the quality or performance of the appointed auditor

- w. consider the effectiveness of working relationships between External Audit, Internal Audit, management and other assurance providers

- x. monitor action taken in response to significant External Audit findings and recommendations

- y. provide the External Auditor with free and unfettered access to the Chair of the Committee and the opportunity to meet privately with the Committee

Standards

- a. receive and consider a quarterly report from the Monitoring Officer detailing any Code of Conduct issues which have arisen since the last quarterly report, an update on Member training and any requests for dispensations.

- b. deal with any report from the Monitoring Officer following an investigation into a complaint concerning the Members' Code of Conduct.

- c. through the operation of a Hearings Sub-Committee, consider and determine allegations that a Councillor or co-opted member may have failed to follow the Code of Conduct and where a breach of the Code is established impose sanctions as delegated by Full Council

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or make recommendations as to any sanctions to the appropriate person or body.

d. the exercise of a – c above in relation to the Parish Councils in the Council's area and the members of those Parish Councils.

3. Composition

3.1 The Audit, Governance and Standards Committee will comprise such number of Councillors as determined at the Council's Annual Meeting. All Councillors except members of the Executive Committee may be members of the Audit, Governance and Standards Committee.

3.2 The Portfolio Holder with responsibility for finance shall be expected to attend each meeting of the Audit, Governance and Standards Committee. He/she may participate in the meeting but may not vote.

4. Co-optees

4.1 The Committee shall include at least one non-voting co-opted independent person appointed by Council to support the Committee's audit, governance, risk and assurance responsibilities.

4.2 The Council shall adopt an appropriate definition of independence and a role description setting out the term of appointment, expected commitment, required skills, restrictions, conflicts of interest and standards of conduct applicable to the role.

4.3 Appointments shall have regard to the overall balance of knowledge and experience across the Committee, which may include financial reporting, internal audit, risk management, governance, legal matters, information technology and cyber security.

4.4 The Audit, Standards and Governance Committee may include among its membership 2 Parish Representatives, who may not also be District Councillors.

5. Chair

5.1 In appointing the Chairman and Vice-Chairman, regard shall be had to the

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need for the Committee to operate objectively, independently and on a non-political basis and to the knowledge, skills and meeting-management experience necessary for the roles.

5.2 At its first meeting following the Annual Council Meeting the Audit, Governance and Standards Committee will:

a. appoint one of its members as Chairman; and

b. appoint one of its members as Vice-Chairman.

6. Meetings of the Audit, Governance and Standards Committee

6.1 The Committee shall conduct its business in public unless an item meets the statutory and constitutional requirements for the exclusion of the public. The agenda shall identify clearly those matters proposed to be considered in private and the legal basis for doing so.

6.2 There shall be at least 4 ordinary meetings of the Audit, Governance and Standards Committee in each year.

6.3 Extraordinary meetings may be called from time to time as and when appropriate.

6.4 A meeting of the Audit, Governance and Standards Committee may be called by the Chairman of the Committee, by any 4 members of the Audit, Governance and Standards Committee or by the Chief Executive or Monitoring Officer if he/she considers it necessary or appropriate.

6.5 Substitutes should not ordinarily be appointed to the Committee because of the specialist knowledge, training and continuity required. Where a Member of the Audit, Governance and Standards Committee is unable to attend a meeting of the Committee a substitute may attend in his or her place but the substitute should have received appropriate audit committee induction and training before participating. Members of Executive are not permitted to serve as substitutes at meetings of the Committee.

7. Quorum

The quorum for a meeting of the Audit, Governance and Standards Committee shall be 4 members (to include at least one member of the Majority Group).

8. Attendance of Officers at meetings

8.1 The Section 151 Officer or his/her deputy shall be expected to attend

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If the Chair / Vice-Chair are not so appointed, they shall be appointed at the first meeting of the Audit, Governance and Standards Committee.¶
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The Chair and Vice-Chair shall not be members of the controlling political group.¶

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6.2 Extraordinary meetings may be called from time to time as and when appropriate. ¶
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6.3 A meeting of the Audit, Governance and Standards Committee may be called by the Chair of the Audit, Governance and Standards Committee, by any 3 members of the Audit, Governance and Standards Committee or by the Chief Executive if s/he considers it necessary or appropriate.¶

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each meeting of the Audit, Governance and Standards Committee.

8.2 The Monitoring Officer or his/her deputy shall be expected to attend each meeting of the Audit, Governance and Standards Committee at which the Monitoring Officer's report is considered.

8.3 The Head of Internal Audit or his/her deputy shall be expected to attend each meeting of the Audit, Governance and Standards Committee.

8.4 The Chief Executive shall be expected to attend the Audit, Governance and Standards Committee regularly.

8.5 Other senior officers shall attend when requested by the Committee to provide assurance or respond to significant matters relating to governance, risk management, internal control, financial management or implementation of agreed actions.

8.6 The External Auditor shall be entitled and expected to attend meetings at which relevant External Audit plans, reports or matters are considered.

9. Participation in Meetings

9.1 No member of the Audit, Governance and Standards Committee may be involved in the consideration of a decision in which he/she has been directly involved. If any member of the Audit, Governance and Standards Committee finds that a decision in which he/she has been directly involved is to be considered, he/she shall declare the fact to the Committee and take no part in the discussion and voting in the part of the meeting which relates to that decision.

9.2 Members shall approach the Committee's audit and assurance business objectively and on a non-political basis, focusing on evidence, material risks, assurance and improvement rather than Executive decision-making or party-political matters.

10. Work Programme

10.1 The Audit, Governance and Standards Committee will be responsible for setting its own work programme and in doing so shall take account of:

a. the views of members of the Audit, Governance and Standards Committee who are not members of the largest political group on the Council;

b. suggestions of matters for consideration made by the Executive ;

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¶ 8.2 The Audit Services Manager shall be expected to attend each meeting of the Audit, Governance and Standards Committee.¶

¶ 8.3 The Monitoring Officer shall be expected to attend each meeting of the Audit, Governance and Standards Committee when Standards issues are included on the agenda.¶

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c. suggestions of matters for consideration made by the Council;

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d. the Council's governance, risk, control and assurance priorities;

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e. the timing of the Annual Governance Statement, financial statements and Internal and External Audit plans and reports;

f. the views of the Head of Internal Audit, External Auditor, Section 151 Officer and Monitoring Officer;

g. significant findings, recommendations and actions arising from audit other assurance work;

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h. the need to avoid duplication with the responsibilities of the Executive and Overview and Scrutiny; and

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i. the Committee's annual self-assessment, training needs and improvement plan.

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and 10.2 The Committee shall ensure that its work programme gives adequate attention to all of its core audit, governance, risk, control and assurance responsibilities, alongside its constitutionally assigned standards functions.

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¶ the views of members of the Audit, Governance and Standards Committee who are not members of the largest political group on the Council;¶ suggestions of matters for consideration made by the Executive Committee; and¶ suggestions of matters for consideration made by the Council. ¶

10.3 The Committee shall have the right to engage constructively with and, where appropriate, request or exchange relevant information with Overview and Scrutiny, the Executive, service committees, corporate risk-management groups and other strategic or assurance bodies, while maintaining the distinct responsibilities and independence of each function.

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11. Procedure at Audit, Governance and Standards Committee meetings

The Audit, Governance and Standards Committee shall at each meeting consider the following business:

- a. consideration of the accuracy of the minutes of the previous meeting;
- b. declarations of interest;
- c. responses of the Executive Committee to reports of the Audit, Governance and Standards Committee; and
- d. matters set out on the agenda for the meeting in accordance with paragraph 12 below.

12. Agenda items

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12.1 Any member of the Audit, Governance and Standards Committee shall be entitled to give notice to the Section 151 Officer that s/he wishes an item relevant to the functions of the Audit, Governance and Standards Committee to be included on the agenda for the next available meeting of the Committee. On receipt of such a request the Section 151 Officer will ensure that it is included on the next available agenda.

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12.2 Where a matter is referred to the Audit, Governance and Standards Committee by the Council (including a matter referred by the Monitoring Officer under Council Procedure Rule 11.10), it shall be considered at either the first or second ordinary meeting of the Audit, Governance and Standards Committee following the referral.

12.3 The Audit, Governance and Standards Committee shall also respond, as soon as its work programme permits, to requests from the Council or the Executive Committee to review particular areas of Council activity. The Audit, Governance and Standards Committee shall report its findings and any recommendations back to Council or Executive Committee (as appropriate).

13. Investigations and Enquiries

The Audit, Governance and Standards Committee may:

- a. commission or request reports, reviews or other appropriate assurance necessary to discharge its terms of reference, subject to available resources and without assuming management responsibility or directing the professional work of Internal or External Audit,
- b. conduct site visits, conduct public surveys, hold public meetings, commission research and do all other things that it reasonably considers necessary to inform the Audit, Governance and Standards Committee in its deliberations;
- c. invite witnesses to attend to address the Audit, Governance and Standards Committee on any matter under consideration; and / or
- d. pay to any advisers, assessors and witnesses a reasonable fee and expenses for doing so, provided that any such budget set by the Council each year for such purposes is not exceeded.

Deleted: hold enquiries and investigate the available options for the future direction of Internal Audit and may appoint advisers and assessors to assist them in this process;

14. Members and Officers giving account

14.1 The Audit, Governance and Standards Committee may review internal control mechanisms and systems that exist in any Council Department. As well as reviewing documentation, in fulfilling its Terms of Reference, it may require any member of the Executive Committee, the Chief Executive

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and/or any senior Officer to attend before it to explain in relation to matters within their remit:

- a. the adequacy of governance, risk management or internal control arrangements within their area of responsibility;
- b. the management of a significant risk or control weakness; and/or
- c. progress in implementing agreed audit, governance or assurance actions

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Deleted: any particular decision or series of decisions;¶
the extent to which the actions taken implement Council policy;
and /or¶
his/her performance,¶

Deleted: and it is the duty of those persons to attend if so required.

- 14.2 If any Councillor or Officer is required to attend meetings of the Audit, Governance and Standards Committee under this provision, the Councillor or Officer will be given reasonable notice in writing of the meeting at which s/he is required to attend. The notice will state the nature of the item on which s/he is required to attend to give account and whether any papers are required to be produced for the Audit, Governance and Standards Committee. Where the account to be given to the Audit, Governance and Standards Committee will require the production of a report, then the Councillor or Officer concerned will be given sufficient notice to allow for preparation of that documentation.
- 14.3 If the Councillor or Officer is unable to attend on the required date, the Audit, Governance and Standards Committee shall in consultation with the Councillor or Officer arrange an alternative date for attendance.

15. Attendance by others

- 15.1 The Audit, Governance and Standards Committee may invite people other than those people referred to in paragraph 14 above to address it, discuss issues of local concern and/or answer questions. It may for example wish to hear from residents, stakeholders and Members and Officers in other parts of the public sector and shall invite such people to attend. Any such person invited will be given reasonable notice and the notice will state the nature of the item on which he/she is invited to attend and whether any papers are requested.
- 15.2 If the Audit, Governance and Standards Committee is to consider a motion referred to it by the Council meeting, the proposer and seconder of the motion shall (if they are not members of the Audit, Governance and Standards Committee) have the right to attend the relevant meeting and to explain the reasons for their motion, although they may not propose, second or vote on recommendations by the Audit, Governance and Standards Committee which arise from that motion.

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- 15.3 If the Audit, Governance and Standards Committee invites a person to address a meeting or to give evidence, the following principles will be observed:
- a. the investigation will be conducted fairly and all members of the Audit, Governance and Standards Committee will be given the opportunity to ask questions of attendees, and to contribute and speak;
 - b. those assisting the Audit, Governance and Standards Committee by giving evidence will be treated with respect and courtesy; and
 - c. the investigation will be conducted so as to maximise the efficiency of the investigation or analysis.

16. Reports from the Audit, Governance and Standards Committee

16.1 The Committee shall report its findings, conclusions and recommendations to the body with responsibility for acting upon them, which may include the Executive, relevant senior officers or full Council.

16.2 The Committee shall report directly to full Council on matters concerning the overall adequacy and effectiveness of the Council's governance, risk management, internal control, financial reporting and audit arrangements and on any significant issue that, in the Committee's opinion, requires the attention of all Members.

16.3 The Committee shall be entitled to escalate a significant concern directly to full Council without requiring the prior agreement of the Executive or an officer.

16.4 The Chair shall present an annual report to full Council setting out how the Committee has fulfilled its terms of reference, the assurances received, significant matters considered or escalated, its assessment of its effectiveness, and any planned improvements.

16.5 The annual report shall be publicly available and include a conclusion on the Committee's alignment with the CIPFA Position Statement, identifying and explaining any significant local departures.

16.6 If the Audit, Governance and Standards Committee cannot agree on one single final report to the Council or Executive Committee as appropriate, then no more than one minority report may be prepared and submitted for consideration by the Council or Executive Committee with the majority report.

16.7 The Council or the Executive Committee shall consider the report of the Audit, Governance and Standards Committee within two months of it being submitted.

17. Consideration of Audit, Governance and Standards Committee Reports by the Executive Committee

Deleted: Once it has formed recommendations on proposals for development, the Audit, Governance and Standards Committee will make its findings public and will report to the Executive Committee.¶

¶
16.2 The Audit, Governance and Standards Committee may report directly to full Council where the Section 151 Officer and/or Audit Services Manager advises the Audit, Governance and Standards Committee that it is appropriate to do so. ¶

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The agenda for Executive Committee meetings shall (when appropriate) include an item at which minutes and/or reports of the Audit, Governance and Standards Committee will be considered. The minutes and/or reports of the Audit, Governance and Standards Committee referred to the Executive Committee shall be included at this point in the agenda (unless they have been considered in the context of the Executive Committee's deliberations on a substantive item on the agenda).

18. The party whip

The party whip must not be applied at Audit, Governance and Standards Committee meetings.

19. Finance

The Audit, Governance and Standards Committee may exercise overall responsibility for any finances made available to it.

20. Public speaking

20.1 Members of the public, and other interested parties, shall be entitled to participate in Audit, Governance and Standards Committee meetings.

20.2 A person wishing to address the Audit, Governance and Standards Committee must give notice to the Democratic Services Team of his or her intention to do so by 12 noon two working days before the day of the Audit, Governance, and Standards Committee meeting in question.

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20.3 Members of the public who register to speak at meetings of the Audit, Governance and Standards Committee will each be allowed to speak for no more than three minutes.

Members of the public who register to address a meeting of the Audit, Governance and Standards Committee under the rules set out in this section can do so using one of the three options below:-

- By attending in person and addressing the committee verbally;
- By joining the meeting virtually by video link and addressing the committee verbally; or
- By providing a written statement in advance of the meeting to be read out by an officer (such statement to be provided no later than the cut off point for registration to speak as set out in paragraph 20.2).

20.4 At any meetings not more than 15 minutes in total shall be devoted by the Audit, Governance and Standards Committee to Public Speaking,

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provided that the Chair may at his or her discretion extend the time if the chair and a majority of those present agree.

20.5 The Committee Chair shall have the discretion:

- (i) In exceptional circumstances, to allow late additions to the list of public speakers.
- (ii) To decide not to allow speeches, which merely repeat representations made in earlier speeches and which are inaccurate.
- (iii) Depending on circumstances, to vary the periods of time referred to in paragraphs 20.3 and 20.4 where s/he deems it appropriate.

20.5 Direct or open questioning and discussion / debate between Public speakers and either Members or Officers will not be allowed during Public Speaking. Any such matters raised may be answered by Members / Officers only after the close of Public Speaking, or will be addressed during the subsequent debate. At no time will direct discussion between Members or Officers with a Public Speaker be permitted.

After the close of Public Speaking, no other inputs will be permitted from the 'public gallery', other than at the discretion of the Chair, and subject to relevant Officer advice, if exceptional circumstances warrant this.

21. Training, Knowledge and Effectiveness.

21.1. All members and co-opted members of the Committee shall receive appropriate induction and ongoing training to support the effective discharge of their responsibilities.

21.2. The Committee shall periodically assess the collective knowledge, skills and training needs of its members and agree an appropriate programme of development and support.

21.3. The assessment shall have regard to the knowledge and skills required across governance, risk management, internal control, financial management and reporting, value for money, counter-fraud and corruption, assurance, Internal Audit, External Audit and ethical governance.

21.4. The Committee shall undertake an annual self-assessment of its effectiveness and impact, using the CIPFA guidance or an equivalent recognised framework, and agree an improvement plan where necessary.

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21.5. The outcome of the assessment and progress against agreed improvements shall be reported through the Committee's annual report to full Council.

22. Access to Information and Professional Advice

22.1 The Committee and its co-opted members shall have timely access to the information, explanations and professional advice reasonably required to fulfil the Committee's terms of reference, subject to statutory restrictions and the Council's information governance arrangements. Access to Information is provided in accordance with the Access to Information rules at Part 7 of the constitution. Where information cannot be provided, the reasons shall be explained to the Committee.

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Appendix 2

INDEPENDENT PERSON - AUDIT, GOVERNANCE AND STANDARDS COMMITTEE

PART 1 - ABOUT THE ROLE

This is a public service role for somebody who is interested in good governance, accountability, stewardship of public funds and helping to ensure the Council is well run. The role provides independent challenge, scrutiny and perspective alongside elected Members. The Committee is advisory in nature and provides assurance to Council on the effectiveness of governance, risk management, internal control, financial reporting and audit arrangements.

An independent Person does **not** need to be a local government expert or a qualified accountant. What matters most is the ability to analyse information, ask constructive questions, remain objective and contribute to effective decision-making and oversight. Professional or senior-level experience in areas such as finance, audit, risk management, governance, legal services, regulation, compliance, business management, information technology, cyber security or major programme delivery would be particularly valuable.

An Independent Person will help the Committee to:

- Review the effectiveness of governance, risk management and internal control arrangements.
- Consider the adequacy of financial management, financial reporting and treasury management arrangements.
- Review the work of Internal Audit and External Audit.
- Consider the Annual Governance Statement and Statement of Accounts.
- Monitor progress against significant audit recommendations.
- Consider fraud, corruption, whistleblowing and ethical governance arrangements.
- Provide independent challenge and assurance on issues that may affect the Council's ability to deliver its objectives effectively and responsibly.

Reports are circulated in advance of meetings and will need to be read and considered before the meeting to enable participation in discussions and to ask questions where appropriate.

As a minimum, the role requires:

- Attendance four or more Committee meetings each year.
- Preparation time before meetings.
- Attendance at induction sessions and periodic training events.
- A willingness to maintain and develop knowledge of governance, audit, risk and financial management matters.

This role may suit someone who:

- Has operated at a senior level within a public, private, voluntary or regulated organisation.
- Enjoys reviewing information and providing independent challenge.
- Has an interest in governance, risk, finance, accountability or public service.
- Is able to remain objective and politically neutral.
- Wishes to contribute skills and experience to support the effective governance of the Council.

PART 2 - DETAILED JOB DESCRIPTION**Job Title**

Independent Person - Audit, Governance and Standards Committee

Status

Non-voting Co-opted Independent Person

Purpose of the Role

To support the Audit, Governance and Standards Committee in providing independent assurance and constructive challenge regarding the adequacy and effectiveness of the Council's governance, risk management, internal control and assurance arrangements. The role contributes independent expertise, external perspective and objective challenge in accordance with recognised good practice, including the CIPFA Audit Committee Position Statement.

Key Responsibilities**Governance and Assurance**

- Support the Committee in reviewing the Council's governance arrangements and Code of Corporate Governance.
- Consider whether governance arrangements support the achievement of the Council's objectives and sustainable outcomes.
- Review the effectiveness of the Council's framework of assurance and identify any significant gaps or weaknesses.

Risk Management

- Review the effectiveness and maturity of risk management arrangements.
- Consider significant strategic and operational risks facing the Council.
- Monitor progress in addressing significant risk-related issues and assurance recommendations.

Internal Control

- Review reports regarding the effectiveness of the Council's internal control environment.
- Consider whether significant control weaknesses are identified and appropriately addressed.
- Monitor progress against agreed management actions.

Financial Management and Treasury Management

- Review assurances regarding financial management arrangements and compliance with the CIPFA Financial Management Code.
- Consider significant financial risks affecting the Council.
- Undertake scrutiny of treasury management strategy, performance, prudential indicators and treasury management risks.
- Review the effectiveness of treasury governance arrangements.

Internal Audit

- Review and challenge the Internal Audit Plan and annual Internal Audit opinion.
- Monitor the effectiveness, independence and professional standards of the Internal Audit function.
- Review findings from significant Internal Audit assignments.

- Monitor implementation of Internal Audit recommendations.

External Audit

- Review the External Auditor's plans, reports and findings.
- Support auditor independence, effectiveness and audit quality.
- Monitor management responses to External Audit recommendations.
- Consider matters relating to the appointment and performance of External Audit.

Corporate Governance and Ethics

- Consider assurances relating to ethical governance, whistleblowing, fraud and corruption arrangements.
- Support the Committee's consideration of governance and ethical issues which may affect the Annual Governance Statement.
- Promote the Nolan Principles and wider standards of integrity and accountability in public life.

Accountability and Transparency

- Contribute to the Committee's self-assessment and effectiveness reviews.
- Support the preparation of the Committee's annual report.
- Help ensure the Committee maintains effective relationships with officers, auditors and assurance providers.

PERSON SPECIFICATION

Essential Experience

Applicants should demonstrate experience gained through employment, professional practice, public service, voluntary service or governance roles which provides evidence of the ability to:

- Analyse complex information.
- Consider risk and assurance issues objectively.
- Challenge constructively and professionally.
- Exercise sound judgement.
- Operate effectively within a governance framework.

Desirable Experience

One or more of the following:

- Financial management or accountancy.
- Internal or external audit.
- Risk management.
- Corporate governance.
- Treasury management.
- Compliance or regulation.
- Legal services.
- Information governance or cyber security.
- Senior management or board-level experience.
- Public sector governance experience.

Relevant specialist disciplines

CIPFA identifies the following areas as particularly valuable for Independent Members:

- Financial reporting and accountancy.
 - Internal auditing.
 - Risk management.
 - Governance and legal expertise.
 - IT systems and cyber security.
 - Senior organisational leadership experience.
-

Essential Knowledge

An understanding of, or willingness to develop knowledge of:

- Good governance principles.
 - Risk management.
 - Internal control.
 - Financial management.
 - Value for money.
 - Counter-fraud and corruption.
 - Assurance frameworks.
 - Internal Audit.
 - External Audit.
 - Annual Governance Statements.
 - Treasury management.
 - Local authority governance arrangements.
-

Essential Skills and Behaviours

Applicants must be able to demonstrate:

Objectivity and Independence

- Ability to evaluate evidence fairly and impartially.
- Ability to remain independent of political influence.
- Willingness to provide challenge where necessary.

Analysis and Judgement

- Ability to understand and interpret complex reports.
- Ability to identify significant risks and issues.
- Ability to reach balanced conclusions.

Communication

- Ability to ask constructive and effective questions.
- Ability to contribute positively to meetings.
- Ability to communicate clearly and professionally.

Ethical Standards

- Integrity and honesty.
- Respect for confidentiality where required.
- Commitment to public service values and good governance.

Strategic Thinking

- Ability to focus on material issues.
- Ability to distinguish strategic matters from operational detail.

- Ability to support organisational improvement and effective governance.
-

Eligibility Criteria

To maintain independence, applicants must not be:

- A serving member of any local authority.
 - A current co-opted member of the Council.
 - A Council officer.
 - A member of a political party.
 - A close relative or close friend of a Member or officer of the Council.
 - Otherwise disqualified from serving on a local authority body.
-

Time Commitment

- Attendance at approximately four to six meetings each year.
 - Reading of papers and preparation before meetings.
 - Attendance at induction and periodic training events.
 - Participation in occasional briefings and development sessions where required.
-

Support and Development

The Council will provide:

- Formal induction.
- Ongoing training and development.
- Briefings on governance, risk, audit, treasury and financial matters.
- Access to officers and professional advice as required.
- Administrative support for the Committee.
- This public office does not command a salary, however reimbursement of travelling and subsistence expenses will be paid.

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REDDITCH BOROUGH COUNCIL**Audit, Governance & Standards Committee 3rd November 2026****Audit, Governance and Standards Committee Self Assessment**

Relevant Portfolio Holder	Councillor Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Debra Goodall
Report Author: James Walton	Job Title: Director of Finance and Section 151 Officer. Contact email: James.walton@bromsgroveandredditch.gov.uk Contact Tel: 07990 840078
Wards Affected	ALL
Ward Councillor(s) consulted	No
Relevant Council Priority	Aspiration, work and financial independence
Key Decision: NO – Information only	
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:**

- 1.1. Agree that all members and co-opted members of the Audit, Governance and Standards Committee undertake the knowledge and skills self-assessment attached at Appendix 1, in accordance with the timetable set out in this report
- 1.2. Note that the collective results will be used to identify the Committee's priority development needs and inform a proposed training and development plan, to be reported to the next meeting of the Committee in January 2027.

2. BACKGROUND

- 2.1 The Chartered Institute of Public Finance and Accountancy's guidance, Audit Committees: Practical Guidance for Local Authorities and Police, recommends that audit committee members possess an appropriate collective balance of knowledge and skills. The guidance identifies core knowledge across governance, risk management, internal control, financial management and reporting, value for money, counter-fraud, assurance, internal audit, external audit and, where applicable, treasury management. It also identifies the practical skills needed to provide effective, objective and constructive challenge
- 2.1 CIPFA recommends that an analysis of members' training needs is undertaken to identify priority areas for training and support. It recognises that some areas within an audit committee's remit are

REDDITCH BOROUGH COUNCIL**Audit, Governance & Standards Committee 3rd November 2026**

technical and complex and will require regular attention to maintain the Committee's effectiveness.

- 2.2 The Committee's proposed Procedure Rules similarly require the Committee periodically to assess the collective knowledge, skills and training needs of its members and to agree an appropriate programme of development and support.
- 2.3 The self-assessment at Appendix 1 has therefore been aligned with the CIPFA knowledge and skills framework while also reflecting the Committee's local responsibilities and the principal issues affecting the Council from an audit perspective.

Completion of the Assessment

- 2.4 All members and co-opted members of the Committee will be asked to complete the assessment individually. It is not a test and there are no right or wrong answers. The purpose is to establish the Committee's collective strengths and identify areas in which further training, briefing or other support would be beneficial.
- 2.5 For each area, members should assess their current level of confidence based on their ability to:
- understand the reports and information presented to the Committee
 - participate effectively in the Committee's discussions
 - ask relevant and constructive questions
 - challenge officers and auditors appropriately
 - contribute to the Committee's conclusions and recommendations
- 2.6 Members should select the response that most accurately reflects their present level of confidence and indicate whether training or further support is required. Where members identify additional topics or particular development needs, these should be recorded in the free-text section provided.

Timetable

Stage	Date
Self-assessment presented to the Committee	Audit, Governance and Standards Committee 3 November 2026
Link to self-assessments sent out to Members	4 November 2026

REDDITCH BOROUGH COUNCIL**Audit, Governance & Standards Committee 3rd November 2026**

Completed self-assessments returned by Members, providing four weeks for completion	4 December 2026
Responses collated and collective knowledge and training needs assessed	December 2026
Priority training needs and proposed training and development plan reported to the Committee	Audit, Governance and Standards Committee 19 January 2027
Training and development programme implemented	During 2027, in accordance with the agreed plan

Use of the Results

- 2.7 The completed assessments will be collated to provide an overall view of the Committee's collective knowledge, confidence and development needs. The assessment will help identify:
- areas in which members already demonstrate a strong collective level of knowledge and confidence
 - subjects where further briefing or refresher training would be beneficial
 - technical or specialist matters requiring more detailed development
 - differences in the support required by new and more experienced Committee members
 - priorities for the Committee's future training and development programme
- 2.8 The results will inform a proportionate training plan, which may include formal training sessions, shorter briefings linked to the Committee's work programme, written guidance, officer or auditor updates, and access to relevant external development opportunities.
- 2.9 A summary of the collective results and the proposed training and development plan will be presented to the Committee in January 2027. Individual responses will not be reported.

Importance of the Assessment

- 2.10 The Committee has a broad and increasingly technical remit. Members must be able to understand the assurances presented, recognise significant gaps or weaknesses, focus on matters of risk and materiality, and provide constructive and evidence-based challenge.
- 2.11 A structured assessment will help ensure that training is targeted at identified needs rather than provided on an ad hoc basis. It will also

REDDITCH BOROUGH COUNCIL**Audit, Governance & Standards Committee 3rd November 2026**

support the Committee in demonstrating that it has the collective knowledge and skills required to discharge its responsibilities effectively and to contribute to continuous improvement in the Council's governance, risk management, internal control and assurance arrangements.

3 FINANCIAL IMPLICATIONS

- 3.1 There are no direct financial implications arising from the completion and analysis of this self-assessment.
- 3.2 If the assessment identifies a need for specialist or externally provided training, a budget requirement may arise. Any such requirement will be identified through the proposed training and development plan and considered through the Council's normal financial approval arrangements.

4 LEGAL IMPLICATIONS

- 4.1 There are no direct legal implications arising from the self-assessment

5 OTHER IMPLICATIONS**Local Government Reorganisation (LGR)**

- 5.1 There are no direct implications arising from Local Government Reorganisation.

Relevant Council Priority

- 5.2 At a time of continuing financial pressures, increasing regulatory expectations and significant organisational change across local government, it is important that the Committee maintains the knowledge and skills necessary to discharge its responsibilities effectively. A well-informed and confident Audit, Governance and Standards Committee strengthens assurance over governance, risk, financial resilience, audit and internal control arrangements, helping to ensure the Council is well placed to deliver its priorities, respond to emerging challenges and demonstrate accountability to residents, members and other stakeholders

Climate Change Implications

- 5.3 There are no direct climate change implications arising from the proposed amendments.

REDDITCH BOROUGH COUNCIL**Audit, Governance & Standards Committee 3rd November 2026****Equalities and Diversity Implications**

- 5.4 No adverse equalities or diversity implications have been identified.

6 RISK MANAGEMENT

- 6.1 The Audit, Governance and Standards Committee plays a key role within the Council's overall risk management framework. The proposed self-assessment and training approach will strengthen the Committee's oversight of:
- Corporate governance arrangements;
 - Risk management arrangements;
 - Internal control effectiveness;
 - Financial management;
 - Counter-fraud and whistleblowing arrangements;
 - Internal and external audit;
 - Annual Governance Statement processes; and
 - Management responses to significant audit findings and recommendations.

7 APPENDICES and BACKGROUND PAPERS

- 7.1 Appendix 1 – Audit Committee Knowledge and Skills Self Assessment.

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Appendix 1

Audit Committee Knowledge and Skills Self-Assessment

Purpose of this Assessment

This assessment is intended to help identify the collective knowledge, skills and development needs of the Audit Committee. It is not a test and there are no right or wrong answers.

Members are asked to assess their current level of confidence in relation to each topic based on their ability to understand reports, participate in discussions, challenge officers and auditors appropriately, and contribute to the work of the Committee.

The results will be used to identify priority training and development opportunities for the Committee and to support the production of an annual member training programme.

1. Governance**Why this is important**

The Audit Committee plays a key role in promoting good governance, accountability and transparency across the Council. Members should understand how governance arrangements operate, how decisions are made and reviewed, and how the Committee contributes to ensuring the Council is well governed.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
1.1	Local Government Governance Framework Understanding the principles of good governance and how they are applied within local government organisations.				
1.2	Role of the Audit Committee Understanding the purpose, responsibilities and authority of the Audit Committee and how it supports effective governance.				
1.3	Audit Committee Terms of Reference Understanding the				

	Committee's delegated responsibilities, powers and reporting arrangements.				
1.4	Audit Committee Function Understanding the different roles of Overview and Scrutiny and Audit Committee.				
1.5	Annual Governance Statement Understanding the purpose of the AGS, how it is developed and how it reflects governance challenges and improvements.				
1.6	Constitution and Decision-Making Understanding how decisions are made within the Council and the respective roles of Council, Executive, Committees and officers.				
1.7	Ethical Governance Understanding arrangements that promote ethical behaviour, integrity, whistleblowing, accountability and adherence to the Seven Principles of Public Life.				
1.8	Local Code of Governance Understanding how the Council's Local Code of Governance applies the principles of good governance and how assurance is obtained.				

1.9	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?	
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2. Internal Audit

Why this is important

Internal Audit provides independent assurance regarding the effectiveness of governance, risk management and internal controls. Audit Committee members must be able to understand audit findings, monitor management actions and assess whether sufficient assurance is being provided.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
2.1	Purpose of Internal Audit Understanding how Internal Audit supports governance and organisational improvement.				
2.2	Audit Planning Understanding how audit work is selected and prioritised based on risk.				
2.3	Assurance Opinions Understanding audit assurance ratings and what they indicate about control effectiveness.				
2.4	Audit Recommendations Understanding the purpose and significance of audit recommendations and management responses.				
2.5	Follow-up Processes Understanding how the implementation of recommendations is monitored and reported.				

2.6	Global Internal Audit Standards Understanding the standards which govern the Internal Audit function and ensure quality and independence.				
2.7	Role of the Head of Internal Audit Understanding the responsibilities, independence and professional obligations of the role.				
2.8	Internal Audit Charter Understanding the Internal Audit Charter, how Internal Audit maintains independence and objectivity, and the Audit Committee's role in overseeing these arrangements.				
2.9	Quality Assurance Understanding how Internal Audit quality is assessed, including external quality assessments and ongoing compliance with professional standards.				
2.10	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

3. External Audit

Why this is important

External Audit provides independent assurance over the Council's financial statements and undertake procedures to satisfy themselves local authorities have made proper arrangements for securing economy, efficiency and effectiveness in their use of resource. Members should be able to understand audit findings and challenge areas of concern appropriately.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
3.1	Statutory Audit Process Understanding the purpose, scope and timetable of the annual external audit process.				
3.2	Audit Opinions Understanding the different audit opinions and their significance.				
3.3	Reporting to Audit Committee. Understanding ISA 260 reports issued by external auditors to those charged with governance.				
3.4	Value for Money Arrangements Understanding how auditors assess and report on economy, efficiency and effectiveness.				
3.5	Auditor Statutory Powers Understanding the powers of the auditor to consider questions or objections to the accounts, issue a public interest report, or make statutory recommendations				
3.6	Auditor Responsibilities Understanding the responsibilities and limitations of the external auditor's role.				
3.7	Audit Backlogs Understanding backstop arrangements and the impact of delayed audits, and				

	outstanding audit opinions.				
3.8	Independence Understanding auditor independence requirements, threats to independence, audit quality arrangements and the Audit Committee's role in safeguarding them.				
3.9	Planning Understanding the external audit strategy, key risks identified by auditors and how audit effort is focused on those risks.				
3.10	Appointment Understanding how external auditors are appointed and the role of the Audit Committee in supporting effective audit arrangements.				
3.11	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

4. Finance

Why this is important

Financial resilience is one of the most significant risks facing local government. Audit Committee members should be able to understand the Council's financial position, identify emerging concerns and obtain assurance regarding the adequacy of financial management arrangements.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
4.1	Statement of Accounts Understanding the				

	purpose, structure and key components of the Council's annual accounts.				
4.2	Financial Assurance Reporting Understanding financial assurance reports and identifying significant governance, financial resilience or control risks.				
4.3	Reserves Understanding the purpose of reserves, their adequacy and their role in supporting financial resilience.				
4.4	Financial Governance Understanding the governance arrangements supporting financial management and financial resilience.				
4.5	Financial Improvement Programmes Understanding how the Committee obtains assurance over the governance and delivery of significant financial improvement activity.				
4.6	Medium Term Financial Strategy Understanding financial planning and key assumptions affecting the Council's future financial position.				
4.7	Financial Resilience Understanding indicators of financial				

	sustainability and early warning signs of financial stress.				
4.8	Financial Management Code Understanding the purpose of CIPFA's Financial Management Code and how compliance supports governance, resilience and assurance.				
4.9	Role of the Chief Financial Officer Understanding the statutory responsibilities of the Section 151 Officer and how the Audit Committee obtains assurance regarding compliance with those duties.				
4.10	Best Value Understanding governance arrangements supporting economy, efficiency and effectiveness and interpreting value-for-money conclusions from auditors and other assurance providers.				
4.11	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

5. Risk Management

Why this is important

The Audit Committee is responsible for overseeing the effectiveness of the Council's risk management framework. Members should understand how risks are identified, assessed, managed and reported.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
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5.1	Strategic Risk Management Understanding risks that may affect achievement of the Council's strategic objectives.				
5.2	Operational Risk Management Understanding risks affecting service delivery and day-to-day operations.				
5.3	Risk Appetite Understanding the level of risk the Council is prepared to accept in pursuit of its objectives.				
5.4	Risk Scoring Methodology Understanding how risks are assessed, scored and prioritised.				
5.5	Risk Reporting Understanding how key risks are reported and escalated.				
5.6	Assurance Mapping Understanding how different sources of assurance combine to provide confidence over risk management and control arrangements.				
5.7	Risk Governance Understanding the respective roles of members, officers and the Audit Committee in overseeing risk management arrangements.				
5.8	Risk Maturity				

	Understanding how the maturity and effectiveness of risk management arrangements can be assessed and improved.				
5.9	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

6. Counter Fraud and Ethics

Why this is important

The Committee has an important role in overseeing arrangements to prevent fraud, corruption and unethical behaviour and to ensure appropriate action is taken where concerns arise.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
6.1	Fraud Risk Understanding common fraud risks facing local authorities and how these are mitigated.				
6.2	Bribery and Corruption Understanding key corruption risks and associated controls.				
6.3	Whistleblowing Understanding arrangements that allow concerns to be raised safely and independently.				
6.4	Ethical Framework Understanding how ethical governance arrangements and organisational culture				

	support good governance.				
6.5	Seven Principles of Public Life Understanding the Nolan Principles and their application to public service.				
6.6	Counter Fraud Strategy Understanding the Council's Counter Fraud and Corruption Strategy and how the effectiveness of arrangements is assessed.				
6.7	Public Interest Disclosure Understanding whistleblowing legislation and the protections available to individuals raising concerns.				
6.8	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

7. Treasury Management

Why this is important

Treasury Management involves significant financial resources and can expose the Council to financial risk. As the committee charged with overseeing treasury management arrangements, Audit Committee members should understand how borrowing, investments and treasury risks are managed.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
7.1	Treasury Strategy Understanding the				

	Council's Treasury Management Strategy and objectives.				
7.2	Investments Understanding how surplus funds are invested and monitored.				
7.3	Borrowing Understanding the Council's borrowing arrangements and associated risks.				
7.4	Prudential Code Understanding the framework governing local authority borrowing and capital financing.				
7.5	Treasury Risk Understanding risks arising from interest rates, liquidity and market conditions.				
7.6	Treasury Monitoring Reports Understanding performance and compliance reports presented to members.				
7.7	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

8. Emerging Risks

Why this is important

Local government is experiencing significant change driven by financial pressures, organisational reform, technological developments and increasing public expectations. Audit

Committee members should understand emerging risks that may affect governance, financial resilience and service delivery and be able to seek assurance that these risks are being managed appropriately.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
8.1	Cyber Security Understanding cyber threats, vulnerabilities and governance arrangements.				
8.2	Local Government Reorganisation Understanding governance, financial, workforce and service delivery risks, and how the Audit Committee can obtain assurance over transition arrangements.				
8.3	Exceptional Financial Support Understanding the indicators of financial resilience and the governance arrangements that provide long-term financial sustainability and recovery planning.				
8.4	Artificial Intelligence Understanding the use of artificial intelligence, automation and emerging digital technologies.				
8.5	Information Governance Understanding how information assets are managed and protected.				
8.6	Data Protection Understanding				

	responsibilities arising from data protection legislation.				
8.7	Business Continuity Understanding arrangements that support service resilience during disruption.				
8.8	Programme and Project Assurance Understanding how significant programmes and projects are governed, monitored and assured, and how Audit Committee members can obtain assurance that risks, costs, benefits and delivery objectives are being effectively managed.				
8.9	Procurement and Contract Management Understanding the governance arrangements relating to procurement, contract management, supplier performance, regulatory compliance and value for money throughout the contract lifecycle.				
8.10	Partnership and Shared-Service Understanding the risks, responsibilities and accountability arrangements associated with partnerships, shared services, joint ventures and collaborative working arrangements.				

8.11	Commercial Activity and Council-Owned Companies Understanding governance, risk and assurance arrangements relating to council-owned companies, trading companies, investments and commercial ventures.				
8.12	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

9. Audit Committee Skills

Why this is important

Effective Audit Committee members require more than technical knowledge. They must be able to analyse information, challenge constructively and hold officers and auditors to account in a professional and evidence-based manner.

Ref	Knowledge Area / Skill	Confident	Comfortable	Not Confident	Training Required?
9.1	Reading Audit Reports Ability to understand audit findings, conclusions and recommendations.				
9.2	Challenging Officers Constructively Ability to ask probing questions while maintaining positive relationships.				
9.3	Questioning Techniques				

	Ability to explore issues effectively and obtain meaningful assurance.				
9.4	Analysing Risk Information Ability to identify key risks and assess whether management responses are appropriate.				
9.5	Identifying Weak Assurance Ability to recognise gaps in assurance or areas requiring further scrutiny.				
9.6	Holding Officers to Account Ability to seek progress updates and challenge delays in implementation.				
9.7	Distinguishing Strategic from Operational Issues Ability to focus on governance and strategic matters rather than operational detail.				
9.8	Recognising Red Flags Ability to identify indicators that may require further investigation or escalation.				

9.9	Strategic Thinking and Materiality Ability to focus on matters of strategic significance and material importance rather than operational detail.				
9.10	Objectivity and Evidence-Based Judgement Ability to evaluate information impartially and reach conclusions based on evidence rather than assumptions or personal views.				
9.11	Communicating Complex Issues Clearly Ability to explain governance, risk and assurance matters clearly and in plain English.				
9.12	Any other areas within this subject that you feel would help you perform your role as an Audit Committee member more effectively?				

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REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE –
WORK PROGRAMME 2026-27**

3rd November 2026 (Tuesday)**Standards:**

- Monitoring Officer's Report
- Feckenham Parish Council Representative's report - Standards Regime (verbal update)
- Annual Update Report on Regulation of Investigatory Powers Act 2000 (RIPA)

Governance

- Financial Compliance Report
- Audit, Governance and Standards Committee Procedure Rules
- Audit, Governance and Standards Committee Self-Assessment
- Annual Governance Statement 2025-26 Action Plan Update Report

Accounts/External Audit

- External Audit Progress Report and Sector Update

Internal Audit:

- Internal Audit Progress Report

Risk Management/Risks

- Risk Management Report / Corporate Risk Register (Q2 2026/27)
- Risk Champion Update (Verbal)

Assurance

- Annual Review Statistics of Local Government and Social Care Ombudsman

Other items:

- Committee Work Programme

19th January 2027 (Tuesday)**Standards:**

- Monitoring Officer's Report
- Feckenham Parish Council Representative's report - Standards Regime

Governance

- Code of Governance
- Financial Compliance Report
- Audit, Governance & Standards Committee Annual Work Programme and Future Training Requirements

Accounts/External Audit

- Review of Accounting Policies
- External Audit Progress Report and Sector Update
- External Audit – Audited (Final) Statement of Accounts 2025-26
[PROVISIONAL DATE TBC]
- External Audit – Audit Findings Report (SoA 2025-26) [PROVISIONAL DATE TBC]

REDDITCH BOROUGH COUNCIL**AUDIT, GOVERNANCE AND STANDARDS COMMITTEE –
WORK PROGRAMME 2026-27**

- External Auditor's Annual Report (Value for Money 2025-26)
[PROVISIONAL DATE TBC]
- External Audit – Audit Plan 2026/27 [PROVISIONAL DATE TBC]
- Annual Governance Statement 2025/26 [PROVISIONAL DATE TBC]

Internal Audit

- Internal Audit Progress Report

Risk Management/Risks

- Risk Management Report / Corporate Risk Register (Q3 2026/27)
- Risk Champion Update (Verbal)
- Council's Cyber Security Report

Assurance

- Capital Strategy 2027/28 including Treasury Management Strategy

Other

- Committee Work Programme

8th April 2027 (Thursday)**Standards:**

- Monitoring Officer's Report
- Feckenham Parish Council Representative's report - Standards Regime

Governance

- Financial Compliance Report

Accounts/External Audit

- External Audit Progress Report and Sector Update

Internal Audit:

- Internal Audit Progress Report

Risk Management/Risks

- Risk Management Report / Corporate Risk Register (TBC)
- Risk Champion Update

Other

- Committee Work Programme