



Audit, Governance & Standards

Committee

Tue 24 Feb
2026
6.30 pm



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

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

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

GUIDANCE ON FACE-TO-FACE MEETINGS

Please note that this is a public meeting. You are able to see the agenda alongside all the public 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.

GUIDANCE FOR ELECTED MEMBERS AND THE PUBLIC ATTENDING MEETINGS IN PERSON

Meeting attendees are encouraged not to attend a Committee if they have any of the following common symptoms of flu/covid on the day of the meeting; a high temperature, a new and continuous cough or a loss of smell and / or taste.

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. In order to register to speak at the meeting concerning the items on the agenda (under the public speaking item), please contact the officer named above by the deadline of midday on Friday 20 February.

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, 24th February, 2026

6.30 pm

Oakenshaw Community
Centre, Castleditch Lane,
Redditch

Agenda

Membership:

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

1. Apologies and Named Substitutes

2. Declarations of Interest

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

3. Public Speaking

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

4. External Audit - Accounts Backstop Report

(Report to follow) The report and associated documents for this item will follow in an additional papers pack at a later date.

5. Risk Management Report (Q3 2025-26) (Pages 5 - 24)

6. Committee Work Programme (Pages 25 - 26)

7. Exclusion of the Public and Press

Should it be necessary, in the opinion of the Chief Executive, during the course of the meeting to consider excluding the public and press from the meeting on the grounds that either exempt and/or confidential information is likely to be divulged, it may be necessary to move the following resolution:

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"That under Section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting for the following matter(s) on the ground(s) that it/they involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs (to be specified) of Part 1 of Schedule 12A of the said Act"

The paragraphs under Part 1 of Schedule 12A to the Act are as follows:

Subject to the "public interest" test, information relating to:

- Para 1 – any individual;
- Para 2 – the identity of any individual;
- Para 3 – financial or business affairs;
- Para 4 – labour relations matters;
- Para 5 – legal professional privilege;
- Para 6 – a notice, order or direction;
- Para 7 – the prevention, investigation or prosecution of crime

which may need to be considered as 'exempt'.

8. Response and Recovery to a Possible Cyber Attack on the Council - Presentation (Exempt) (Pages 27 - 42)

This item contains exempt and confidential information and might need to be considered in exempt (private) session.

9. Minutes (Pages 43 - 58)

The minutes of the meeting of Audit, Governance and Standards Committee held on 20th January 2026 will be considered at this meeting.

Please be advised that should Members wish to discuss the content of the exempt minutes record, the Committee will need to consider moving into exempt (private) session.

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****24th of February 2026****Corporate Risk Update Quarter 3 2025/26**

Relevant Portfolio Holder	Councillor Ian Woodall
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall, Assistant Director of Finance and Customer Services
Report Author	Job Title: Assistant Director Corporate Services and Transformation Contact: Hannah Corredor email: Hannah.corredor@bromsgroveandredditch.gov.uk
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. SUMMARY

This report sets out Council activity to identify, monitor and mitigate risk at a corporate level.

2. RECOMMENDATIONS

The Audit, Governance and Standards Committee is asked to:

1. Consider the strategic risks and mitigations detailed in the Corporate Risk Register.
2. Consider the changes to risk scores, owners/leads and removal/addition of risks.
3. To note the new access capabilities for 4Risk dashboard on Power BI and the improvement process that has been underway and endorse the continuation of this work.

3. KEY ISSUES**Background**

- 3.1 The Corporate Risk Register must continue to ensure that the Council's most significant strategic risks in relation to achievement of corporate priorities and objectives are identified, managed, monitored and reported. The Council have been seeking to improve our risk management activities and have undertaken a review of all Corporate risks and our wider system of governance. This has included:

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- 3.2.1 Review:** All Assistant Directors have reviewed their Corporate Risks with their Service Managers. Worcestershire Internal Audit Shared Service were then asked to review and feedback all 13 Corporate Risks. The next steps for this element will be to undertake an audit of operational risks in core areas of the business. This will commence in March be led by the shared Audit service.
- 3.2.2** In addition, it is also proposed that as part of the Prepare phase for Local Government Reorganisation, the Audit conduct an independent review of our risk management system and governance, and Risk Management Strategy. This review will look at how we can strengthen our risk management framework and ensure sound processes are in place throughout the organisation. A refreshed strategy and action plan can consider how our approach may need to adapt with the appointment of Shadow Authorities in 2027.
- 3.2.3 LGR:** In addition, for LGR a risk register will be developed at a cross-county level for the management of shared risks across all authorities in Worcestershire. This is initially the responsibility of the Finance workstream under the Preparations phase of LGR, attended by our 151 officer and overseen by the Board of Chief Executives. Further updates will be brought when the development of this has commenced.
- 3.2.4 Access:** It is proposed that the Risk Champion and the Chair of Audit & Governance are enabled to access the risk register through Power BI from February to support strategic oversight. After exploring options, we have built a virtual environment on Power BI that provides members with just this, using the same platform and technology that we are increasingly using across performance. Power BI is a Microsoft technology that is frequently used in all Microsoft suite organisations and is likely to continue to be the self-service business intelligence platform of choice long into the future. The virtual environment has been designed to be intuitive; however, training and support can be provided where required.
- 3.2.5 Training:** This upcoming financial year, we will also be refreshing our training offer for staff across the Council to be trained directly on our 4Risk system and in good risk management.

The Definition of a Corporate Risk

- 3.3 The following definition of how risks move from being “departmental” to being “corporate” in nature was recommended by the CRMOG approved by CLT:

*“For a **Risk** to move from being ‘**departmental**’ in nature to being ‘**corporate**’ in nature it **must have significant impact on Councils 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.”*

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****24th of February 2026****Corporate Risks**

3.4 Corporate Risks are summarised in the following table. All risks were reviewed by the Internal Auditor and their feedback has been actioned in the below.

Risk Title	Risk Owner	Risk Lead	Inherent	Residual
Non-Compliance with Health and Safety Legislation	Guy Revans	Hannah Corredor	20	9
Financial Resilience of the Council and ability to manage financial shocks	Julie Lorraine	Debra Goodall	16	6
Failure to meet requirements of Regulator for Social Housing	Guy Revans	Simon Parry	15	12
Protection from Cyber Attack	John Leach	Mark Hanwell	25	16
Adequate Workforce Planning	Hannah Corredor	Becky Talbot	12	9
Resolution of Section 24 Notice	Debra Goodall	Debra Goodall	6	6
Cost of Living Crisis	Judith Willis	Lisa Devey	12	9
Failure to meet waste requirements of the Environment Act 2021	Guy Revans	Simon Parry	16	16
Local Government Reorganisation (LGR) prevents the Council from delivering business as usual & work associated with LGR is also ineffective	John Leach	Hannah Corredor	20	12
The statutory requirement to have a Section 151 officer might not be met	John Leach	Debra Goodall	16	9
Risk of Terrorist Attack	Judith Willis	Bev Houghton	8	8
Town Deal Programme	Rachel Egan	Neil Batt	12	8
Compliance with the Procurement Act 2023	Claire Felton	Claire Green	9	4

3.5 There have been the following changes since the Q2 report. Committee are also asked to note the changed Lead and Owner names across the risk register due to changes in staffing and roles and responsibilities. As the table below highlights, a number of the existing risks have been revised due to impacts of mitigations in those areas.

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Risk	Reason	Residual risk score
COR0002 Financial Resilience of the Council and ability to manage financial shocks	No material changes. Updated to reflect ongoing governance controls through Audit and Governance Committee.	6 – Low
COR0003 Failure to meet requirements of Regulator for Social Housing	Update sets out the governance arrangements with Regulator of Social Housing which, together with the Housing action plan, result in a reduced residual risk score.	12– Med (decreased from 16)
COR0004 Management of Contracts	<p>Contract management risk was included in the risk register previously in relation to a specific contract; the SLM Leisure Contract. The risk on that contract is now significantly reduced to business as normal due to settlement negotiations nearing conclusion. This risk relating to the one specific contract originally sat with Claire Felton as the previous Head of Property Services. Rachel Egan is now responsible for this area.</p> <p>It should also be noted that the responsibility for contract management more generally sits with every officer across the Councils who utilise contracts in their every -day work.</p>	Closed
COR0006 Protection from Cyber Attack	<p>The content of this risk reflects central government’s view of cyber risks to all local authorities in the UK. Whilst we continue to implement improved cyber defences, these will have limited control over a potential state sponsored attack (as evidenced in some of the attacks against other councils and private sector companies). This does not negate the need for us to apply continued mitigation to all threats where possible using technical methods and training our staff and council Members.</p> <p>Some Members have not completed cyber training. They have been reminded to complete this as a matter of urgency. Additional training and support has been made available.</p> <p>Preparing for a cyber-attack against us with business continuity plans that are fully tested, remains a key</p>	16-High (increased from 12)

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	component to delivering critical services during and after, any attack.	
COR0007 Adequate Workforce Planning	This risk now reflects the embedding of workforce planning into our annual Service Business Planning process. The risk rating remains the same but is under close review as the impact of LGR become clearer.	9 – Med
COR0012 New Customer Facing Interface	<p>This risk has been closed because the Project to deliver a single customer portal no longer exists. This is primarily because the data that it would have rendered to the public is not of efficient quality (the authority now has data specialists looking at this problem). Certain business applications either have their own customer portal or are looking to implement one soon.</p> <p>The priority to deliver LGR, replaced the need to implement a corporate customer portal and the Unitary Authority could replace what was implemented if we had continued.</p>	Closed
COR0013 Failure to meet waste requirements of the Environment Act 2021	<p>Updated to show progress on tender of joint contract between BDC/RBC/WFDC, and expectation that this will not be possible to award due to WFDC making arrangements to withdraw from the process (awaiting Council decision 11/2/26 to confirm).</p> <p>This is linked to Government decision to incorporate the on-going revenue funding for the new service in the Settlement Award, rather than as a dedicated grant as previously expected. As the overall settlement award has not increased on 2025/26 funding levels, this creates a significant financial shortfall linked to the implementation of new services.</p> <p>BDC are now working up mobilisation options to reflect the reduced level of funding available and give options on how to proceed, noting the feedback that the Council has received from WFDC regarding what was to be a joint procurement exercise.</p> <p>The Council has previously written to DEFRA to ensure they are sighted on the matters faced by the local authority. This dialogue is ongoing. It is noted that some other local</p>	16-High

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	<p>authorities have also separately written to DEFRA regarding the circumstances they face regarding implementation.</p> <p>The actions have been updated following any decision by Wyre Forest District Council to not continue with the joint procurement exercise with BDC and RBC. The risk owners and lead have been changed to increase the seniority. The Risk level remains High, noting the statutory implementation date is April 2026.</p>	
COR0014 Local Government Reorganisation (LGR) prevents the Council from delivering business as usual and work associated with LGR is also ineffective	This has been updated to reflect the new phase we have entered, with the Transforming Worcestershire proposal submitted in November 2025 and public consultation launching in February 2026. The new AD Transformation & Corporate Services begun work at the end of 2025. Programme governance for the preparations phase is in place, with monthly meetings of the Chief Executives in place and regular meetings of the key workstreams: HR, IT leads, Monitoring Officers, 151 officers. Residual risk remains the same.	12 – Med New
COR0016 The statutory requirement to have a Section 151 officer might not be met	This is a new risk that has been added since the previous report. Ten mitigations are in place, including appointment of an experienced interim CIPFA qualified Section 151 Officer, live recruitment for a permanent 151, oversight by SLT and enhanced capacity in Finance. The residual risk will remain until a permanent officer is in post.	9 – Med New
COR0021 Town Deal Programme	The risks for the Town Deal (Redditch) and Levelling Up Fund (Bromsgrove) were previously combined as one risk. They have now been separated so that there are separate risks for each Council.	8 - Med

REDDITCH BOROUGH COUNCIL**Audit, Governance and Standards Committee****24th of February 2026****Service (departmental) Risks**

3.6 There are 48 service risks identified on the '4Risk' system; an increase of one since the last period. These are summarised in the following table:

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	1	1	2	4	4
Finance			2	2	1	1	3	3
Environmental Services			5	4	1	1	6	5
Leisure & Cultural Svcs			1	1			1	1
Regen. & Property Svcs			3	4	2	2	5	6
ICT			2	2			2	2
Planning			1			1	1	1
Housing			9	9	7	7	16	16
Community Services			1	1	2	3	3	4
HR					1	1	1	1
Total departmental risks	1	1	28	26	18	21	47	48

4. Legal Implications

4.1 No Legal implications have been identified.

5. Financial Implications

5.1 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.

5.2 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.

6. Strategic Purpose Implications**Relevant Strategic Purpose**

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- 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.

7. Other Implications**Customer / Equalities and Diversity Implications**

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

Operational Implications

- 7.2 Risks are inherent in almost all the Councils operational activities and therefore significant risks need to be identified, monitored and mitigated.

Governance implications

- 7.3 The Corporate Risk Management Officer Group is chaired by the Council's Senior Information Risk Officer (SIRO) who is the Deputy Chief Executive and Chief Finance Officer. The group is made up of the key heads of service and meet quarterly to review the register. The risk register is reported to both the Senior Leadership Team and the Corporate Leadership Team every three months and/or additionally when a new risk is identified or a risk rating has fundamentally changed.

8. Risk Management

- 8.1 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 also 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.

9. Appendices

Appendix 1 – Corporate Risk Register

Appendix 2 – Risk Matrix

AUTHOR OF REPORT

Name: Hannah Corredor, Assistant Director, Corporate Services & Transformation
E Mail: hannah.corredor@bromsgroveandredditch.gov.uk

Appendix 1 - Standard Risk Register (Simplified) - Redditch

00. Corporate Risks						
Reference	Risk Details	Cause and Effect	Inherent Priority	Controls Control Details	Residual Priority	Actions
1271	<p>Risk Title: Non Compliance with Health and Safety Legislation</p> <p>Risk Owner: Guy Revans</p> <p>Risk Lead: Hannah Corredor</p> <p>Status: Open</p> <p>Risk Appetite:</p> <p>Risk Category: Strategic Legislative</p> <p>Corporate Objective: Well Managed Organisation (Enabler)</p>	<p>Cause: • Consequence of Council action</p> <ul style="list-style-type: none"> • Negligence by Council • Actions beyond Council control <p>Effect: • Reputation affected</p> <ul style="list-style-type: none"> • Legal action against Council • Financial impact 	High (5:4=20)	<p>Reference: 2145</p> <p>Control Title: Standard Operating Procedures - SOP (H&S etc)</p> <p>Health and Safety Committee meets regularly</p> <p>H & S training for staff</p> <p>Health checks</p> <p>DSE assessment and reporting software</p> <p>First Aid training in place</p> <p>Safeguarding Policy and procedures</p> <p>Risk Assessments</p> <p>Updated inspection policy</p> <p>Regular review of policies</p> <p>Continued updates to Health and Safety Committee</p> <p>Data on intranet</p> <p>Owner: Hannah Corredor</p> <hr/> <p>Reference: 2832</p> <p>Control Title: Standard Operating Procedures - SOP (H&S etc)</p> <p>Owner: Becky Talbot</p> <hr/> <p>Reference: 2833</p> <p>Control Title: First Aid training In place</p> <p>Owner: Becky Talbot</p> <hr/> <p>Reference: 2834</p> <p>Control Title: Inspection policy</p> <p>Owner: John Homer</p> <hr/> <p>Reference: 2835</p> <p>Control Title: Safeguarding Policy and procedures</p> <p>Owner: Judith Willis</p> <hr/> <p>Reference: 2836</p> <p>Control Title: Health and Safety Committee meets regularly</p> <p>Owner: Guy Revans</p> <hr/> <p>Reference: 2837</p> <p>Control Title: H & S training for staff</p> <p>Owner: Becky Talbot</p> <hr/> <p>Reference: 2838</p> <p>Control Title: Health checks</p> <p>Owner: Becky Talbot</p>	Medium e (3:3=9)	<p>Reference: 2843</p> <p>Action Title: Complete the agreed action plan arising from the internal audit review by December 2026</p> <p>Action Owner: Becky Talbot</p> <p>Timing: On-Track</p> <p>Current Target: 18 Dec 2026</p>

Standard Risk Register (Simplified) - Redditch

Reference	Risk Details	Cause and Effect	Inherent Priority	Controls Control Details	Residual Priority	Actions
				<p>Reference: 2839 Control Title: DSE assessment and reporting software Owner: Becky Talbot</p> <p>Reference: 2840 Control Title: Risk Assessments Owner: Becky Talbot</p> <p>Reference: 2841 Control Title: Regular review of policies Owner: Becky Talbot</p> <p>Reference: 2842 Control Title: Data on intranet Owner: Becky Talbot</p>		
1272	<p>Risk Title: Financial Resilience of the Council and ability to manage financial shocks Risk Owner: Julie Lorraine Risk Lead: Debra Goodall Status: Open Risk Appetite: Risk Category: Strategic Legislative Corporate Objective: Well Managed Organisation (Enabler)</p>	<p>Cause: Reduction in central government funding/ business rates Inflation and energy price volatility raising cost base Demand growth in housing, homelessness, and welfare support Limited capacity to generate new income streams Effect: Failure to maintain a balanced budget Service reductions or deferral of capital programmes Potential borrowing Depletion of reserves and reduced resilience Adverse audit opinion and reputational damage</p>	High (4:4=16)	<p>Reference: 2565 Control Title: • Robust budget-setting process in place • Developed budget bids for pressures and details of savings proposed using 5 case model • Data used to evidence need in business cases • Performance Dashboard in place • Established "whole-life" or "end to end" approach to assessment of savings proposals • Enhanced forecasting • Income Diversification / revised fees and charges Owner: Debra Goodall</p> <p>Reference: 2844 Control Title: Regular reporting to the Audit committee on the delivery of savings and budget management Owner: Debra Goodall</p>	Low (3:2=6)	<p>Reference: 1400 Action Title: • Implementation of Enterprise Resource System to improve functionality of system and access to budget managers • Improve consistency and timeliness of information to enable decisions to be made in an informed way • Improve cost recovery information - Project management framework agreed in July 23 by both Councils and Boards set up for ICT, Workforce and Public Realm, Housing still to be set up. Action Owner: Debra Goodall Timing: On-Track Current Target: 28 Feb 2027</p>

Standard Risk Register (Simplified) - Redditch

Reference	Risk Details	Cause and Effect	Inherent Priority	Controls Control Details	Residual Priority	Actions
1273	<p>Risk Title: REDDITCH Failure to meet requirements of Regulator for Social Housing Risk Owner: Guy Revans Risk Lead: Simon Parry Status: Open Risk Appetite: Risk Category: Strategic Legislative Corporate Objective: Safe</p>	<p>Cause:</p> <ul style="list-style-type: none"> • Lack of robust monitoring systems • Lack of capacity / resources • Changes in legislation not addressed <p>Effect:</p> <ul style="list-style-type: none"> • Impact on residents • Reputation harmed • Financial Penalties 	Medium e (5:3=15)	<p>Reference: 2211 Control Title: Improvement Plan developed and approved by Executive on 2/9/25 Owner: Guy Revans</p>	Medium e (4:3=12)	<p>Reference: 1348 Action Title: Along with the Improvement Plan an internal Governance Process was established within the report to Executive on 2/9/25.</p> <p>This includes</p> <p>Housing Delivery Group - Officer led Monthly meeting to monitor progress Housing Improvement Board - Chaired by PH for Housing to monitor progress on a monthly basis Strategic Housing Oversight Group - Chaired by PH for Housing and attended by Chief Executive and Deputy Leader</p> <p>Individual Tasks are allocated a lead and target date for completion</p> <p>Supplementary to the internal Governance Process the RSH holds a monthly meeting with RBC officer within their Provider Improvement Programme, to challenge and monitor progress of actions identified within the Improvement Plan. Action Owner: Guy Revans Timing: On-Track Current Target: 31 Mar 2027</p>
1282	<p>Risk Title: Protection from Cyber Attack Risk Owner: John Leach Risk Lead: Mark Hanwell Status: Open Risk Appetite: Risk Category: Operational Technological Corporate Objective: Well Managed Organisation (Enabler)</p>	<p>Cause: Councils are under increasing danger of cyber attack which effects service delivery and associated recovery plans. Although the Council has comprehensive cyber protection volume of attacks from third parties mean risk is at its highest despite mitigation factors.</p> <p>It is imperative that the council has plans in place to minimize such an attack Effect:</p> <ul style="list-style-type: none"> - Inability to deliver operational tasks - Non collection of income - Non payment to suppliers, staff and customers - Reputational damage 	High (5:5=25)	<p>Reference: 2822 Control Title: Cyber Security Board Owner: John Leach</p> <hr/> <p>Reference: 2823 Control Title: Cyber Incident Response Plan Owner: Guy Revans</p> <hr/> <p>Reference: 2824 Control Title: ICT Team Owner: Mark Hanwell</p> <hr/> <p>Reference: 2825 Control Title: Training Owner: Hannah Corredor</p>	High (4:4=16)	<p>Reference: 1529 Action Title: -Although Council has comprehensive cyber protection volume of attacks from 3rd parties mean risk is at its highest despite mitigation factors. - New software continuously evaluated for protection/risk. Action Owner: Mark Hanwell Timing: On-Track Current Target: 31 Dec 2026</p>

Standard Risk Register (Simplified) - Redditch

Reference	Risk Details	Cause and Effect	Inherent Priority	Controls Control Details	Residual Priority	Actions
1283	<p>Risk Title: Adequate Workforce Planning Risk Owner: Hannah Corredor Risk Lead: Becky Talbot Status: Open Risk Appetite: Risk Category: Operational Professional/ Managerial Corporate Objective: Well Managed Organisation (Enabler)</p>	<p>Cause: - Lack of adequately trained staff to deliver core functions - Over reliance on agency staff - Over reliance on assistance from other councils or bodies Effect: - The council have an available workforce to discharge their services to the public - Increased costs due to premiums placed on staff - Incorrect decisions being made due to staff not understanding services - Lack of succession planning leading to issues in future.</p>	Medium e (4:3=12)	<p>Reference: 2167 Control Title: Workforce planning is now built into the Service Business Planning process. Owner: Hannah Corredor</p>	Medium e (3:3=9)	<p>Reference: 1623 Action Title: There is a Workforce Strategy Action Plan in place, monitoring to continue inline with this action plan. Action Owner: Becky Talbot Timing: On-Track Current Target: 17 Jan 2027</p>
1284	<p>Risk Title: Resolution of Section 24 Notice Risk Owner: Debra Goodall Risk Lead: Debra Goodall Status: Open Risk Appetite: Risk Category: Operational Financial Corporate Objective: Well Managed Organisation (Enabler)</p>	<p>Cause: The Council currently has disclaimed opinions on its accounts and is working to recover assurance over the next few years. Effect: - Incorrect decision making - Commitment of expenditure that is not available - Government censure due to non completion of their requirements - Member stakeholder and Government confidence</p>	Low (3:2=6)	<p>Reference: 2456 Control Title: External Audit reports Financial recovery process Reporting to Cabinet/Executive, Audit & Council. Owner: Debra Goodall</p>	Low (3:2=6)	

Standard Risk Register (Simplified) - Redditch

Reference	Risk Details	Cause and Effect	Inherent Priority	Controls Control Details	Residual Priority	Actions
1288	<p>Risk Title: Cost of Living Crisis Risk Owner: Judith Willis Risk Lead: Lisa Devey Status: Open Risk Appetite: Risk Category: Operational Financial Corporate Objective: Well Managed Organisation (Enabler)</p>	<p>Cause: - Inadequate funding to live. - Lack of access to services. Effect: - Eviction. - Use of food banks - Requirement for more council and third party support.</p>	Medium e (4:3=12)	<p>Reference: 2009 Control Title: Housing Solutions Advisory Service available to all residents Owner: Debra Goodall</p> <hr/> <p>Reference: 2766 Control Title: Financial Inclusion team in place to ensure residents maximise potential benefits available Owner: No User</p> <hr/> <p>Reference: 2767 Control Title: Grant agreement in place with Citizens Advice to support all residents with wide range of financial and legal assistance Owner: Judith Willis</p> <hr/> <p>Reference: 2768 Control Title: Establishment of a multi agency cost of living group meeting bi-monthly to maximise partnership approach for residents Owner: Judith Willis</p> <hr/> <p>Reference: 2769 Control Title: Bromsgrove Cost of living initiative with the VCS Owner: Judith Willis</p>	Medium e (3:3=9)	<p>Reference: 2770 Action Title: To continue to monitor the impact of the cost of living initiative in Bromsgrove Action Owner: Judith Willis Timing: On-Track Current Target: 31 Dec 2026</p> <hr/> <p>Reference: 2771 Action Title: Bi-monthly meetings of the cost of living partnership group Action Owner: Judith Willis Timing: On-Track Current Target: 31 Dec 2026</p>

Standard Risk Register (Simplified) - Redditch

Reference	Risk Details	Cause and Effect	Inherent Priority	Controls Control Details	Residual Priority	Actions
1292	<p>Risk Title: Failure to meet waste requirements of the Environment Act 2021 Risk Owner: Guy Revans Risk Lead: Simon Parry Status: Open Risk Appetite: Risk Category: Operational Environmental Corporate Objective: Clean and Green</p>	<p>Cause: New Statutory Requirements for delivery of a dedicated Food Waste Service, and changes to materials requiring collection by both Domestic & Commercial Waste Services. Effect: Financial impact on Councils to deliver new services. Primarily increased revenue costs on staff and vehicle operation and maintenance. Offset by Capital funding from Central Government to support assets related to "new burdens". Funding via Extended Producer Responsibilities has been confirmed for 25/6 & 26/7</p>	High (4:4=16)	<p>Reference: 2828 Control Title: Project Board Established Owner: Simon Parry</p>	High (4:4=16)	<p>Reference: 1370 Action Title: Report to Councils to provide update and seek approval for procurement of the new food waste service and to work in partnership with Wyre Forest DC. This action is to be updated following any decision by Wyre Forest District Council to not continue with the joint procurement exercise with BDC and RBC. Action Owner: Matthew Austin Timing: On-Track Current Target: 28 Feb 2026</p> <p>Reference: 2829 Action Title: In-House Mobilisation Plan Action Owner: Matthew Austin Timing: On-Track Current Target: 01 Apr 2026</p> <p>Reference: 1368 Action Title: Funding awards from DEFRA being reviewed and challenged where necessary on Capital & Revenue. Also review of EPR payments. Action Owner: Matthew Austin Timing: On-Track Current Target: 30 Nov 2026</p>

Standard Risk Register (Simplified) - Redditch

Reference	Risk Details	Cause and Effect	Inherent Priority	Controls Control Details	Residual Priority	Actions
1296	<p>Risk Title: Local Government Reorganisation (LGR) prevents the Council from delivering business as usual and work associated with LGR is also ineffective</p> <p>Risk Owner: John Leach</p> <p>Risk Lead: Hannah Corredor</p> <p>Status: Open</p> <p>Risk Appetite:</p> <p>Risk Category: Strategic Political</p> <p>Corporate Objective: Well Managed Organisation (Enabler)</p>	<p>Cause: On the 16th December 2024 the Government announced that second tier local government areas will be changed into unitary authorities. Significant work has taken place with two proposals being submitted to Government by the deadline of 28th November 2025.</p> <p>Vesting day for new unitaries is proposed for April 2028</p> <p>Effect: All Councils within Worcestershire will cease to exist. New Unitary authorities will need to be set up including shadow arrangements. Significant work will need to be undertaken to deliver whichever proposal the Government agrees for Worcestershire. An announcement is anticipated before the summer 2026 recess of Parliament.</p>	High (4:5=20)	<p>Reference: 2793 Control Title: LGR Board Owner: John Leach</p> <hr/> <p>Reference: 2794 Control Title: An Assistant Director for Corporate Services and Transformation has been appointed with responsibilities relating to LGR transition. Owner: Hannah Corredor</p> <hr/> <p>Reference: 2795 Control Title: Action Plan Owner: John Leach</p> <hr/> <p>Reference: 2796 Control Title: Programme Management Board (PMB) Owner: John Leach</p> <hr/> <p>Reference: 2797 Control Title: Service Business Plans Owner: Hannah Corredor</p> <hr/> <p>Reference: 2798 Control Title: Quarterly Assurance Returns Owner: John Leach</p> <hr/> <p>Reference: 2799 Control Title: Decision Reports Owner: John Leach</p> <hr/> <p>Reference: 2800 Control Title: Updates on LGR Owner: John Leach</p>	Medium e (4:3=12)	

Standard Risk Register (Simplified) - Redditch

Reference	Risk Details	Cause and Effect	Inherent Priority	Controls Control Details	Residual Priority	Actions
2757	<p>Risk Title: The statutory requirement to have a Section 151 officer might not be met</p> <p>Risk Owner: John Leach</p> <p>Risk Lead: Debra Goodall</p> <p>Status: Open</p> <p>Risk Appetite: Red</p> <p>Risk Category: Strategic Legislative</p> <p>Corporate Objective: Well Managed Organisation (Enabler)</p>	<p>Cause: The Permanent Section 151 Officer left BDC at the end of October 2025. The Deputy Section 151 Officer took on Section 151 Officer responsibilities and another qualified officer back filled the deputy's position. A recruitment exercise for a permanent Section 151 Officer is being progressed.</p> <p>Effect: The impact of not having a Section 151 Officer would mean that the Council would not meet its statutory financial responsibilities as required.</p>	High (4:4=16)	<p>Reference: 2801 Control Title: Interim Section 151 Officer Owner: John Leach</p> <hr/> <p>Reference: 2802 Control Title: Deputy S151 Officer Owner: John Leach</p> <hr/> <p>Reference: 2803 Control Title: Additional Resource within the Finance Team Owner: Debra Goodall</p> <hr/> <p>Reference: 2804 Control Title: Technology One Project Team Owner: John Leach</p> <hr/> <p>Reference: 2805 Control Title: Report Monitoring Owner: John Leach</p> <hr/> <p>Reference: 2806 Control Title: Assurance Owner: Debra Goodall</p> <hr/> <p>Reference: 2807 Control Title: Recruitment for a Permanent S151 Officer Owner: John Leach</p> <hr/> <p>Reference: 2808 Control Title: Support to Members Owner: Debra Goodall</p>	Medium e (3:3=9)	

Standard Risk Register (Simplified) - Redditch

Reference	Risk Details	Cause and Effect	Inherent Priority	Controls Control Details	Residual Priority	Actions
2774	<p>Risk Title: Risk of Terrorist Attack Risk Owner: Judith Willis Risk Lead: Bev Houghton Status: Open Risk Appetite: Risk Category: Strategic Legislative Corporate Objective: Safe</p>	<p>Cause: Findings from recent terrorist attacks have highlighted the need for strategic engagement with local authorities, and greater focus on the risk to open spaces Effect: An incident within our local authority area</p>	Medium e (4:2=8)	<p>Reference: 2775 Control Title: Implementation of the Action Counters Terrorism (ACT) Action Plan approved by SLT on 1/12/26. Owner: Judith Willis</p> <hr/> <p>Reference: 2776 Control Title: Senior representative attendance at NPSA Public Authority Information Briefings Owner: Judith Willis</p> <hr/> <p>Reference: 2777 Control Title: Roll out Prevent training Owner: Judith Willis</p>	Medium e (4:2=8)	<p>Reference: 2780 Action Title: Half yearly monitoring of the ACT Action Plan Action Owner: Judith Willis Timing: On-Track Current Target: 31 Dec 2026</p> <hr/> <p>Reference: 2781 Action Title: Annual report to CLT on national and local intelligence Action Owner: Judith Willis Timing: On-Track Current Target: 31 Dec 2026</p> <hr/> <p>Reference: 2783 Action Title: Prevent training to all Staff and Councillors Action Owner: Judith Willis Timing: On-Track Current Target: 31 Dec 2026</p>
2788	<p>Risk Title: REDDITCH: Town Deal Programme Risk Owner: Rachel Egan Risk Lead: Neil Batt Status: Open Risk Appetite: Risk Category: Strategic Economic Corporate Objective: Enterprising Community</p>	<p>Cause: Poor cost control, poor project management, external factors affect cost of materials or availability of contractors/workforce. Effect: Financial implications for the Council, loss of funding if not spent by March 2028.</p>	Medium e (4:3=12)	<p>Reference: 2789 Control Title: Governance Owner: Neil Batt</p>	Medium e (4:2=8)	
2791	<p>Risk Title: Compliance with the Procurement Act 2023 Risk Owner: Claire Felton Risk Lead: Claire Green Status: Open Risk Appetite: Risk Category: Operational Legal Corporate Objective: Well Managed Organisation (Enabler)</p>	<p>Cause: • Legislative changes introduced by the Procurement Act 2023 • Increased emphasis on transparency, competition, and contract performance reporting. Effect: • Non compliance may result in legal challenge, reputational damage, and financial penalties.</p>	Medium e (3:3=9)		Low (2:2=4)	

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RISK 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)
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	Fatality(s)	Long term detrimental impact on the environment/or community. Major	Costing over £500,000 Up to 75% of Budget. 50 - 75 (% of Budget)

		confidence. Major			
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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.

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

Remaining meetings in 2025-26:**24th February 2026**

Items:

- External Auditor's Accounts Backstop Report
- Presentation: Ramifications of a cyber security attack and Council's emergency procedures in case of a cyber attack (Note: the presentation will cover exempt information and may need to be considered in an exempt session)
- Risk Management Report (Q3 2025/26) – Moved from 20.01.26

Please note this is a reserve date for this meetings to the postponement of items that were due for consideration on 16th February.

9th April 2026

Standing items:

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

Additional Items:

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**Audit, Governance & Standards
2026**24th February**Presentation - Council's response and recovery in the event of a cyber attack**

Relevant Portfolio Holder	Councillor Jane Spilsbury
Portfolio Holder Consulted	Yes
Relevant Assistant Director	Hannah Corredor, Assistant Director Corporate Services and Transformation
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Council Priority	An effective and sustainable Council
Non-Key Decision	
This report contains exempt information as defined in Paragraph(s) 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended – in appendix A – the presentation	

1. RECOMMENDATIONS

The Committee is asked to RESOLVE that the presentation provided to the Committee be noted.

2. BACKGROUND

- 2.1 Following a request by the Audit, Governance & Standards Committee, a presentation on the council's approach to cyber risk and procedures in response to a cyber attack will be provided to the Committee.

3. KEY ISSUES

- 3.1 The exempt (private) presentation is attached at Appendix A and covers Council's preparedness and business continuity arrangements to a cyber attack.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no specific financial implications detailed in this report and presentation.

5. LEGAL IMPLICATIONS

- 5.1 There are no specific legal implications arising as the presentation is for information.

**Audit, Governance & Standards
2026**24th February

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

6.1 There are no direct LGR implications arising from this presentation.

Relevant Council Priority

6.2 An effective and sustainable council – IT systems underpin Council's operations and the maintenance of security in the cyber area is essential.

Climate Change Implications

6.3 There are no specific climate change implications arising as part of this report and presentation.

Customer / Equalities and Diversity Implications

6.4 There are no specific equalities and diversity implications arising from this report/presentation.

7. RISK MANAGEMENT

7.1 This presentation covers the Council's emergency response to and recovery from a cyber attack.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Presentation: Overview of a cyber attack response and recovery on Redditch BC (exempt)

AUTHOR OF REPORT

Name: Mark Hanwell, ICT Transformation Manager
Email: m.hanwell@bromsgroveandredditch.gov.uk

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Audit, Governance & Standards Committee

Tuesday, 20th January,
2026

MINUTES

Present:

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

Also Present:

Councillor Ian Woodall – Portfolio Holder for Finance

Officers:

Debra Goodall, Chris Green, Nicola Cummings, Mark Hanwell (on Microsoft Teams), and Julie Lorraine (on Microsoft Teams)

Democratic Services Officers:

Mat Sliwinski

32. APOLOGIES AND NAMED SUBSTITUTES

There were no apologies for absence.

33. DECLARATIONS OF INTEREST

There were no declarations of interest.

34. MINUTES

The minutes of the meeting of Audit, Governance and Standards Committee held on 23rd October 2025 were submitted for Members' consideration.

RESOLVED that

the minutes of the Audit, Governance and Standards Committee meeting held on 23rd October 2025 be approved as a true and correct record and signed by the Chair.

Chair

Audit, Governance & Standards Committee

Tuesday, 20th January, 2026

35. PUBLIC SPEAKING

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

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

The Chairman of Feckenham Parish Council provided an update on the Parish Council's standards matters and in doing so reported that Feckenham Parish Council now had a full representation of councillors with no vacancies. All Parish Councillors had recently undertaken a course on data protection / GDPR. In addition, the Parish Council had recently updated its documentation relating to conduct matters.

The Parish Council Chairman added that there continued to be concerns in Feckenham in relation to matters as reported at previous meetings of Audit, Governance and Standards Committee. It was remarked that more information was needed by the Parish Council in relation to the Borough's Local Plan as well as Local Government Reorganisation (LGR) that were not available at this point.

In response to the questions by the Chairman of Feckenham Parish Council, it was explained that, in Worcestershire, two LGR proposals had been submitted to the Government. One proposal, submitted on behalf of five district councils in Worcestershire (Bromsgrove District, Malvern Hills District, Redditch Borough, Worcester City District, and Wychavon District Councils) was for the creation of two unitary authorities in Worcestershire, the North and South Worcestershire LGR proposal. The other proposal, submitted on behalf of Worcestershire County Council and Wyre Forest District Council, advocated the creation of a single unitary authority for Worcestershire.

It was explained that the Government was expected to make a decision on the proposals around summer 2026 and that the new unitary arrangement would set to commence on 1 April 2028 according to the Government's timetable.

RESOLVED that

Audit, Governance & Standards Committee

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the Feckenham Parish Council's Representative update be noted.

37. MONITORING OFFICER'S REPORT - STANDARDS REGIME

The Deputy Monitoring Officer presented the Monitoring Officer's report and in doing so reported that since the last report to the Committee there had been one complaint submitted from a member of the public, which did not pass the initial assessment stage. In addition, several complaints had been received from County Councillors and a member of the public, which were expected to be resolved informally.

The complaint which was reported at the last Committee meeting (23 October 2025), submitted by a member of the public against three Members, was still at the initial stage awaiting further information from the complainant. The complaint received after this meeting's agenda publication, relating to the Council meeting on 13 January 2026, was currently being assessed.

It was noted that the next meeting of Member Support Steering Group was due to take place on 12 February 2026 and the last meeting of Constitutional Review Working Group (CRWG) took place on 6 January 2026, relating to the taxi licensing scheme of delegations and the recommendation to permanently delegate authority to officers to determine hackney carriage and private hire vehicle renewal applications that fell outside of the Council's age criteria policy. The recommendations from the CRWG would be reported to full Council.

RESOLVED that

the Monitoring Officer's report be noted.

38. ERNST & YOUNG - EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE

Assistant Director Finance and Customer Services introduced this item, explaining that the External Auditors could not attend this meeting but requested that a verbal update be provided to the Committee on their behalf.

It was noted that External Auditors were undertaking the work to audit the Council's 2023/24 Statement of Accounts in addition to work for the Council to meet the backstop deadline of 27 February

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2026 for publishing the audited Accounts for the 2024/25 financial year. Meetings continued to take place between Council officers and the External Auditor in relation to outstanding queries, including with regard to whistleblowing cases and how these cases were being actioned by the Council. It was expected that the Council would receive a 'disclaimer' opinion for the 2023/24 and 2024/25 Accounts.

It was reported that the 2023/24 Value for Money audit had been completed, with two main issues identified by the External Auditor relating to the outstanding VAT returns for the period prior to December 2024 and the write-off value for the Town Hall Hub project as a result of change to the project to no longer move the library to the Town Hall. In response to a question, it was stated that the write-off value was estimated to amount to between £450,000 and £600,000.

RESOLVED that

the update be noted.

39. INTERNAL AUDIT PROGRESS REPORT

The Internal Audit Progress Report was presented by the Head of Worcestershire Internal Audit Shared Service (WIASS). It was reported that the service was fully resourced and as of end of December 2025 186 productive days of internal audit work for the Council had been delivered against the full year plan of 308. It was anticipated that the objective of delivering 90 per cent of the full year plan would be achieved by year end (31 March 2026).

As of end of December 2025, four audit assignments had been fully completed, one assignment was at the draft report stage, seven assignments were in progress, two assignments were at the planning stage, and one assignment had been put on hold until February due to a request from management – this related to a data protection audit which was now due to be completed by mid-February.

Of the four fully completed audit assignments, three had been finalised since the last meeting of the Audit, Governance and Standards Committee. These were Payroll, General Ledger, and Corporate Health and Safety. Payroll had received 'substantial assurance' following audit with only minor issues identified.

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The General Ledger was given 'limited assurance', although it was recognised that considerable progress had been achieved since the last internal audit review. However, at the time of the audit control suspense account reconciliations had not yet been completed 2024/25 and completion of bank reconciliations was behind schedule for both authorities. It was noted that this was mainly due to the legacy issues following implementation of the new finance system after February 2021 and focus on bringing statutory accounts up to date. Internal Audit was due to revisit this area in 2026/27.

The audit of Corporate Health and Safety resulted in 'limited assurance' being provided. This audit was requested by the Council's senior management and resulted in a number of major issues being identified including 59 per cent of new starters since September 2023 not having received Health and Safety Induction training and no standardised means of ensuring role specific health and safety training was being provided. Furthermore, a significant number of service areas did not provide health and safety risk assessments when requested by the auditor.

There were 29 outstanding internal audit recommendations for the Council to action as of the time of report writing. 1 overdue medium priority action related to periodic entitlement review for households in receipt of Council Tax Single Person Discount as last such review took place eight years ago. There was 1 overdue high priority action in relation to assurance that cyber security awareness training had been completed by all elected Members. It was stated that five Members were yet to start this training, and one Member had an outstanding module to complete.

The Committee expressed concern that the cyber security training had not yet been completed by all Members. It was requested that the deadline be set for the remaining Members to complete this training and that political Group Leaders be notified of the Members of their Groups who had not completed the training. In addition, it was asked that the Internal Auditor contact these Members directly with a reminder to complete the training. It was further suggested that assistance could be provided before upcoming committee meetings for the outstanding Members to complete the training, if this could be facilitated. The Committee requested that an update on cyber security training completion be provided at the next meeting.

Audit, Governance & Standards Committee

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The Head of Worcestershire Internal Audit Shared Service highlighted that the preparation of the Internal Audit Plan for 2026/27 had begun. Members were encouraged to contact the Head of Internal Audit until the end of March to provide their feedback and input into the 2026/27 Internal Audit Plan.

RESOLVED that

the Internal Audit Progress Report be noted.

40. CAPITAL STRATEGY 2026/27 INCLUDING TREASURY MANAGEMENT STRATEGY

The Assistant Director Finance and Customer Services introduced the report which set out the Capital, Treasury Management and Investment Strategies. The Council was required to produce these strategies following changes in the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Ministry for Housing, Communities and Local Government guidance. Further, the CIPFA Code of Practice for Treasury Management in Public services (the CIPFA TM Code) and the Prudential Code required local authorities to set the Treasury Management Strategy Statement (TMSS) and Prudential Indicators each financial year, and these were included within the strategies submitted before Members.

It was explained that the Capital Strategy provided an overarching framework of how the Council planned, financed, and managed capital expenditure to deliver services and maintain financial sustainability. The planned capital expenditure for 2026/27 was £15.5 million of which £3.3 million was for General Fund projects, £11.5 million Housing Revenue Account, and £0.7 million for Towns Fund schemes. Funding sources to cover this capital expenditure were borrowing (£12 million), Council resources (£2.8 million), and external grants (£0.7 million).

As of 31 March 2026, the Capital Financing Requirement (CFR) was forecast at £159.8 million, reducing to £158.2 million by March 2027. This included £10.5 million General Fund and Regeneration and £147.7 million for Housing Revenue Account.

The Treasury Management Strategy detailed how the Council managed its cash flows, borrowing and investments, and the associated risks. The current long-term borrowing by the Council was at £103.9 million related to the Housing Revenue Account (HRA). £6.2 million was invested by the Council with an average

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return rate of 4.2 per cent. The Council's investment priorities were security and liquidity over yield with environmental, social and governance principles embedded.

The Investment Strategy covered investments made by the Council. It was noted that the Council only invested for service and regeneration purposes and did not invest for profit. It was highlighted that there were no commercial investments planned by the Council for 2026/27.

The Minimum Revenue Provision (MRP) statement showed, where the Authority finances capital expenditure by debt, the amount charged to the revenue budget for the repayment of debt. It was noted that the purpose of the policy was to ensure borrowing for capital projects was repaid over the life of the asset. It was stated that the Council typically used the annuity method for depreciation, which apportioned depreciation in regular and equal amounts over the life of the asset.

Recommendations to Council as set out in the report were approved by the Committee.

RECOMMENDED to Council that

- 1) The Capital Strategy (Appendix A) as an appropriate overarching strategy for the Council be approved.**
- 2) The Treasury Management Strategy for 2026/27 (Appendix B) and the associated MRP policy (Appendix C) be approved.**
- 3) The Investment Strategy (Appendix D) be approved.**

41. REVIEW OF ACCOUNTING POLICIES

The Accounting Policies report was considered by the Committee, which was asked to review the accounting policies applied in the production of the Council's 2025/26 financial statements. The policies were designed to ensure that the accounts presented a true and fair view of the Council's financial position as at 31 March 2026. Significant policies within the appendix of the report covered revenue and expenditure recognition, accruals (threshold £5,000), treatment of non-current assets, employee benefits, financial instruments, government grants and reserves.

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RESOLVED that

the accounting policies as set out in the appendix to the report are approved.

42. FINANCIAL COMPLIANCE REPORT

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

In reference to key legislative reporting requirements to central Government, it was noted that the Council continued to provide the majority of key legislative deliverables within timeframes. The key outstanding returns remained the VAT returns and Whole of Government Accounts (WOGA).

As reported at previous meetings, although from December 2024 the Council returned to monthly VAT returns, work had continued to provide assurance to HMRC regarding VAT return that had been submitted in December 2024, which covered the previous three years. Additional resources had been added to strengthen the finance team in relation to VAT including a VAT Accountant and mandatory VAT training for all finance staff.

The WOGA had not been produced by the Council for a number of years and required a substantial mapping exercise in order to be undertaken. It was unlikely that the Council would be able to achieve this before the Cycle 2 deadline of 3 October 2026. However, the Council was working to achieve a submission for the 2026/27 financial year.

In relation to the Council's Statements of Accounts, Members were reminded that the Council's External Auditor, Ernst & Young, had started its audit work on the 2023/24 Accounts and it was expected this set of accounts would be disclaimed. The 2024/25 Accounts had been completed by the Government's deadline of 30 June 2025 and the public consultation period for inspection of draft accounts finished on 11 August 2025. These Accounts were expected to be audited close to the Government backstop date of 27 February 2026.

The key recent deliverables achieved since the last meeting were set out which included upgrading the Council's finance system, TechOne to the latest version and setting up a project team to

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reinstall the cash receipting functionality within the system. A question was raised by a Member whether this was the most appropriate option given the issues experienced by the Council with the TechOne cash receipting module following implementation of the TechOne system.

The Assistant Director Finance and Customer Services responded that the Council had three options to consider which were: to fix its current system which was tried and did not work successfully, to purchase a new and different system altogether which would involve a substantial cost, or to reinstall the functionality that is already available as part of the TechOne package. It was highlighted that more local authorities in the UK were now using the TechOne cash receipting module than when the Council first tried to implement it, including Worcestershire County Council now using this platform. In addition, Officers were in discussion with TechOne around specific resource requirements and exact mechanism which would be in place to operate the cash receipting module.

A further question was raised by a Member with regard to the effect of Local Government Reorganisation (LGR) on the situation around the local government audit backlog and how that would be taken into account by the Government. It was noted in response that from a financial perspective any unitary authority would be a completely new organisation. An officer group was being set up across the six district councils and the county council in Worcestershire to assess how the assets and contracts of each authority would be transferred to the new unitary authority, whether a one-unitary model or a north-south model is adopted in Worcestershire. It was highlighted that if the Government approved a north-south unitarisation model in Worcestershire, there would be complexities around splitting current Worcestershire County Council assets.

Members discussed the impact of LGR on Redditch Borough Council. The Portfolio Holder for Finance commented that the Council was in a reasonably strong financial position and possessed clarity on its asset base. It was highlighted that it was important to invest in the Borough's assets before the unitarisation to ensure strong position for Redditch in the new unitary authority structure.

RESOLVED that

Audit, Governance & Standards Committee

Tuesday, 20th January, 2026

- 1) The Committee note the position in relation to the delivery of the 2024/25 Accounts and the auditing of the 2023/24 Accounts.
- 2) The Committee note the position in regard to other financial indicators set out in this report.
- 3) Note the position on the Financial Stability Plan following the successful delivery of the Financial Improvement Plan.

43. RISK CHAMPION UPDATE

There was no Risk Champion update provided at this meeting.

44. COMMITTEE WORK PROGRAMME

It was noted that the Audit, Governance and Standards Committee meeting scheduled for 16 February 2026 was for consideration of three items: the External Auditor's 2024/25 Accounts backstop report, the Risk Management Report for Q2 2025/26, and the presentation on the Council's procedures and processes in the event of a cyber attack, which contained exempt information and would need to be considered, subject to Committee's approval, in exempt (private) session.

RESOLVED that

the Audit, Governance and Standards Committee Work Programme be noted.

45. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that

Under S.100 (A) (4) of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matters on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12 (A) of the said Act, as amended:

Minute Item 46 – Cyber Security Report.

Audit, Governance & Standards Committee

Tuesday, 20th January, 2026

46. CYBER SECURITY REPORT

An update was provided on the current position with regards to cyber security within the Council. The position statement discussed outlined the Council's ongoing cyber security initiatives, current threats and achievements, and future planned improvements.

RESOLVED that

the update on Cyber Security described in this report be noted.

(During consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed that included information relating to the financial or business affairs of any particular person (including the authority holding that information)).

The Meeting commenced at 6.30 pm
and closed at 7.47 pm

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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