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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

MONDAY 15TH JULY 2024

AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors H. D. N. Rone-Clarke (Chairman), S. T. Nock (Vice-Chairman), R. Bailes, S. M. Evans, D. J. A. Forsythe, D. Hopkins, C.A. Hotham, D. J. Nicholl, S. R. Peters, J. D. Stanley and D. G. Stewart

AGENDA

1. **Apologies for Absence and Named Substitutes**
2. **Declarations of Interest and Whipping Arrangements**

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

3. **To confirm the accuracy of the minutes of the Audit, Standards and Governance Committee meeting held on 23rd May 2024** (Pages 5 - 14)
4. **Whistleblowing Policy - Update** (Pages 15 - 26)

5. **Internal Audit Annual Report & Audit Opinion 2023/24** (Pages 27 - 50)
6. **Quarterly Risk Update (Q1 2024-25)** (Pages 51 - 74)
7. **Financial Compliance Report including update on Statements of Accounts** (Pages 75 - 86)
8. **Annual Appointment of Risk Champion (including report about the role)** (Pages 87 - 92)
9. **Audit, Standards and Governance Committee Work Programme** (Pages 93 - 94)

Sue Hanley
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

5th July 2024

If you have any queries on this Agenda please contact
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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

23RD MAY 2024, AT 6.00 P.M.

PRESENT: Councillors H. D. N. Rone-Clarke, R. Bailes, D. Hopkins, S. T. Nock, J. D. Stanley, S. R. Peters, A. Bailes (Substitute), A. M. Dale (Substitute), E. M. S. Gray (Substitute), R. J. Hunter (Substitute) and J. Robinson (Substitute)

Observers:

Councillor Karen May – Leader of the Council and Cabinet Member for Strategic Partnerships and Enabling

Mr. Jackson Murray – Key Audit Partner, Grant Thornton (on Microsoft Teams)

Cllr. Marc Worrall – Parish Councils' Representative

Officers: Mr. P. Carpenter, Mrs. C. Felton, Mr. C. Green, Ms. D. Goodall, and Mrs. J. Gresham.

1/24

ELECTION OF CHAIRMAN

Councillor R. J. Hunter proposed that Councillor D.J. Nicholl be appointed Chairman of the Committee. This was seconded by Councillor J. W. Robinson.

Councillor E. M. S. Gray proposed that Councillor H. Rone-Clarke be appointed Chairman of the Committee and this was seconded by Councillor D. Hopkins.

Following a show of hands it was

RESOLVED that Councillor H. D. N. Rone-Clarke be elected Chairman of the Audit, Standards and Governance Committee for the 2024-25 Municipal year.

2/24

ELECTION OF VICE-CHAIRMAN

Councillor E. M. S. Gray proposed, Councillor A. M. Dale seconded that Councillor S. T. Nock be appointed Vice-Chairman of the Committee. On being put to the vote it was

RESOLVED that Councillor S. T. Nock be elected Vice-Chairman of the Audit, Standards and Governance Committee for the 2024-25 Municipal Year.

3/24 **APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES**

Apologies for absence were received from Councillors D. J. A. Forsythe, S. M. Evans, D. J. Nicholl, C. A. Hotham and D. G. Stewart. Their substitutes were Councillors A. M. Dale, J. W. Robinson, R. J. Hunter, A. Bailes and E. M. S. Gray respectively.

4/24 **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

There were no declarations of interest nor of any whipping arrangements.

5/24 **TO CONFIRM THE ACCURACY OF THE MINUTES OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE MEETING HELD ON 7TH MARCH 2024**

The minutes of the meeting of the Audit, Standards and Governance Committee held on 7th March 2024 were submitted for Members' consideration.

RESOLVED that the minutes of the Audit, Standards and Governance Committee held on 7th March 2024 be approved as a correct record subject to the correction of a typographical error in minute number 67/23, Quarterly Risk Update, in the last sentence of the second paragraph replacing 'dye' with 'due'.

6/24 **STANDARDS REGIME - MONITORING OFFICER'S REPORT**

The Committee considered the Monitoring Officer's report which provided updates on Member Complaints, Constitution Review and Member Training.

In response to a question, the Monitoring Officer explained that she reported periodically to the Committee about any trends in member complaints, but details of specific complaints were confidential unless there was a formal outcome. She confirmed that a Councillor who was the subject of a complaint was told that a complaint had been made against them and the substance of it.

RESOLVED that the Monitoring Officer's report be noted.

7/24 **GENERAL DISPENSATIONS REPORT**

The Committee considered a report seeking of approval of a number of general member dispensations applying to all Members in addition to the individual member dispensations requested up to the point of this meeting (as detailed in the report).

RESOLVED that

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- 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, Standards and Governance Committee grant a dispensation under Section 33 (2) of the Localism Act 2011 to allow Members to address Council and Committees in circumstances where a member of the public may elect to speak;
- 3) subject to the caveat set out in paragraph 4.9 of the report in relation to setting the Council's Budget, the Audit, Standards and Governance 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 District;
- 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 following the next District Council Elections in 2027 unless amended by the Committee prior to that date.

8/24

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

The Committee considered the annual update report on the Regulation of Investigatory Powers Act 2000 (RIPA). The revised Code of Practice for Covert Surveillance and Property Interference, 2018, advised that

elected members should, at least on an annual basis, review the RIPA policy and the authority's use of the Act. This report was published in compliance with that requirement.

It was noted that there were no changes to the policy other than updating it to reflect changes to officers' responsibilities. In response to a query, the Monitoring Officer reported that as part of managing the safety of officers, all officers involved were trained in their responsibilities. The Deputy Chief Executive and Section 151 Officer also reported that the Whistleblowing Policy would be presented to the next meeting of the Committee.

RESOLVED that

- 1) the Council's RIPA Policy (version 8.3) as reviewed and updated be endorsed; and
- 2) the update on RIPA activity described in the report be noted.

9/24

GRANT THORNTON - EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Committee considered a progress report from the External Auditors. It was noted that work to reconcile the old and new IT systems was in its final stages and as reported elsewhere in the agenda the Section 151 Officer now felt able to issue the 2020/21 draft accounts for audit.

Previous meetings of the Committee had discussed the backstop arrangements for dealing with outstanding Local Authority accounts, which the Government had consulted on in the first quarter of the calendar year. The auditor reported that there was no further update on this currently.

During consideration of the report the following points were raised:

- The Chairman thanked the Council's officers and the team at Grant Thornton for the progress made with the reconciliation.
- A councillor asked for details of the VAT payment owed to the Council. The S151 Officer reported that for the 3-4 year period being discussed the Council was owed in the region of £3-4m by HMRC. The Council needed to be up to date by the end of September for a refund in full of the sum outstanding up to the end of 2021.
- The S151 Officer reported that the Council was not obliged to bring draft accounts to the Committee, but further to comments at the previous meeting, it was felt prudent to do so prior to their publication on the Council's website. The Committee would consider the audited accounts later in the year.
- Further to a question about the timetable for production of other years' accounts, the Committee noted that as previously reported there were currently there were over seven hundred outstanding

unaudited local authority accounts across the sector in England. The timescale for approval/audit of the Council's draft accounts for years 2021-22 onward was not yet known.

- Previously the Committee had discussed addressing the outstanding opening balance transfers as a first step and this issue was now largely resolved. At the time of the previous Committee meeting, it was thought likely that the 2021-22 and 2022-23 accounts would probably be 'backstopped' and the new external auditors would begin their audit of the 2023-24 accounts. The announcement of the General Election would likely impact on this timescale.
- In response to a question, the Section 151 officer explained the background to the 'backstop' arrangements and the implications of these on both the Council and the External Auditors' priorities and workloads. A member asked whether this might also impact on the auditors' fees. The Section 151 officer responded that the Council was bound by the Public Sector Audit Appointments (PSAA) fee structure, and discussions were currently being held about the work undertaken for arriving at Value for Money opinions as well as on audits of the accounts.

RESOLVED that the external auditors' progress report be noted.

10/24

INTERNAL AUDIT PLAN 2024/2025

The Committee considered the draft Internal Audit Plan for 2024/25. This was a risk-based plan as required by the Public Sector Internal Audit standards.

The plan was largely based on a review of corporate and departmental risk registers and included review of four fundamental financial systems and proactive counter fraud work by review of the corporate credit card and petty cash systems. The internal audit team would revisit previous audit report recommendations to check on implementation.

230 days had been allocated to carrying out the work set out in the Plan although the time allocated to management had been reduced by 8 days to increase resources applied to audit work. A flexible approach would be taken enabling amendments to the plan to be made if priorities changed. The Head of Internal Audit reported that recent recruitment to two Senior Auditor posts had been successful, and it was hoped that a full complement in the team would be available by the end of the summer, with agency staff being used to fill gaps in the meantime.

During consideration of the report the following points were discussed:

- In response to a question, the Head of Internal Audit confirmed that some health and safety audit work was included in the Plan as part of the statutory inspections review and insurance. A corporate health and safety audit was not currently planned; this would look at processes rather than specific working practices.

Any separate specialist audits carried out in council services would be reported through the Auditor's Annual Report. The Section 151 Officer undertook to check where the corporate Health and Safety Plan was published. Members discussed how those in leadership roles could be satisfied that the Council's policy was being carried out in practice. In the light of the importance of effective health and safety to the organisation, the Committee agreed to add audit of the corporate health and safety plan to the Internal Audit Plan.

- Whether the time allocated to fraud investigation meant that there were concerns about this. The Head of Internal Audit responded that there were no current concerns, but it was prudent to allocate time to this in case potential issues emerged during the year.

RESOLVED that the 2024/25 Internal Audit Plan be agreed with the addition of audit of Corporate Health and Safety.

11/24

FINANCIAL COMPLIANCE REPORT INCLUDING PROGRESS UPDATE ON STATEMENTS OF ACCOUNTS

The Section 151 Officer introduced the report which set out details of delivery against key financial requirements. Details were being sought about the Council's Tax and NDR collection returns for Q4 which was the only return which appeared not to have been met, although the Council had provided returns to Central Government for both elements. In response to a question, it was clarified that the publication deadline in the table in the report was when the Government was due to publish the information.

It was the Section 151 Officer's view that the Council's 2020-21 Accounts could now be published on the Council's website and would be open for public inspection. It was estimated that the draft 2021-22 accounts would be delivered by late June and the draft 2022-23 accounts by late August. These would be published on the website with disclaimers to be clear that they were unaudited and with no audit adjustments. Key issues remaining were the non-payment of VAT and revenue outturn reports.

The new external auditors were waiting for formal outcomes of consultations which took place earlier this year before issuing audit plans. They were working on Value for Money in the meantime.

With reference to the accounts, Councillor S. T. Nock asked why there was no current commentary in the accounts to explain that they were late. He also raised a number of examples where there appeared to be inconsistencies between the figures and the narrative. He stated that the accounts were difficult to understand, for example, the reference to an Independent Auditor was not clear in terms of who it referred to.

The Section 151 Officer responded that conventions for the layout of the accounts had changed over time and some elements which had, in his

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view, helped present them in an accessible way had been removed. The narrative related to the accounts for the period they covered (2020-21) and it was likely that the updated detail would be included in the Governance Statement.

In response to the queries raised, the Section 151 Officer would meet with Councillor S. T. Nock and review the queries he had raised and if appropriate update them prior to publication of the accounts on the Council's website. He would also circulate a summary of the outcome of the meeting to Members of the Committee.

RESOLVED that

- 1) Progress on the 2020/21 Audit process be noted; and
- 2) The Section 151 Officer reviews points raised during the Committee's consideration of the draft statement of accounts 31st March 2021 prior to their publication on the Council's website.

12/24

FINANCIAL SAVINGS MONITORING REPORT

The Committee received a report which set out the final position on the 2023-24 financial savings programme.

The Section 151 Officer highlighted that there were two items at the year-end which were classified as 'amber' in terms of potential risk to achievement: Service Reviews and Capacity Grid Project. There was in addition a risk to the establishment from rising costs, despite a tight control being exercised by senior managers. The Capacity Grid project was being delivered currently but the time lag in recording debts was a risk to delivery.

There was one red item – Finance Vacancies - which would not be delivered despite a recent recruitment drive to the finance positions.

During consideration of the report, Members queried the application of the New Homes Bonus funds and the requirements for application of these. The Leader of the Council addressed the Committee and asked what the financial implications would be if the Redditch Library project did not proceed. The Section 151 Officer undertook to provide a written response.

RESOLVED that the final position on the 2023/24 Departmental Savings Programme be noted, including any potential implications for future years.

13/24

QUARTERLY RISK UPDATE Q4 2023/4

The Committee considered an update report on corporate and departmental risks.

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The Section 151 Officer reported that a corporate risk had been added relating to General and local elections, which had anticipated that the General election would be held later in the year and might impact on the Local Government Settlement. Given that the election had been announced for July, this risk would probably be reviewed at the next meeting. Two risks had moved from amber to green (COR 17 and COR 21) due to mitigating actions. There were four new departmental risks.

At the last meeting of the Committee, Members had asked for details about the Amber rated Housing risks relating to gas safety inspections, asbestos and mould and where the responsibilities lay for such services between the Council and the relevant housing associations. The Section 151 Officer reported that the landlord was responsible for maintaining properties to the relevant legal requirements and in Bromsgrove for social housing this was BDHT. The Council's liability would apply to buildings it owned.

During consideration of the report issues discussed included:

- Members welcomed the improvement in the performance of planning in terms of quality and speed of decision making.
- It was queried whether the risk to procurement should be upgraded to 'red' given the magnitude of the function. The Section 151 Officer responded that there would be more detail in the quarterly monitoring reports, but officers were taking steps to manage procurement risk.
- How cyber security was being addressed – The Section 151 Officer gave broad details of actions being taken. He undertook to raise with the ICT Transformation Manager a query raised by about being able to use the Council's phishing report system when logged on via a non-council device.
- Whether consultants were being used to address the non-adherence with statutory inspections – It was confirmed that specialists were used due to the nature of the work.
- Delivery of levelling up funding and how this was being managed to reduce the risk of non-delivery. The Section 151 Officer responded that an update report would be presented to Overview and Scrutiny. Risks were managed dynamically with the contractors at Windsor Street and Market Hall projects. Members suggested that the detail in the report relating to the Levelling Up and UKSPF projects risk could be made clearer.
- In response to a question the Section 151 Officer reported that currently the projects funded by Levelling Up funds were due to meet the relevant targets for using Government money.
- Whether the Council 'stress tested' health and safety compliance – The Section 151 Officer would report back on an external review of the Council's compliance.
- In response to questions the Section 151 Officer gave details of how the Council was preparing for the requirements of the Environment Bill. However, clarity on the preferred fuel for vehicles in the future was needed before firm plans could be

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made. Arising from this it was suggested that potential service failure should be included as a risk.

RESOLVED that the present list of Corporate and Departmental risks be noted.

14/24

ANNUAL APPOINTMENT OF RISK CHAMPION

This item was deferred to the next meeting.

15/24

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE WORK PROGRAMME

The Audit, Standards and Governance Committee Work Programme was submitted for Members' consideration.

RESOLVED that the contents of the Committee's work programme, as reported, be noted.

The meeting closed at 7.45 p.m.

Chairman

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BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Governance Committee

15th July 2024

Whistleblowing Report

Relevant Portfolio Holder	Councillor Karen May Leader and Cabinet Member for Strategic Partnerships and Enabling
Portfolio Holder Consulted	No – this is an update paper
Relevant Head of Service	Pete Carpenter
Report Author: Becky Talbot	Job Title: Human Resources and Organisational Development Manager Contact email: Becky.Talbot@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 (extension 3385)
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Key Decision / 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, Standards and Governance and Committee note and comment on:

- 1) The updated Whistleblowing Policy.
- 2) Where this Whistleblowing Policy can be accessed.

2. BACKGROUND

- 2.1 The Chair of the Audit, Standards and Governance Committee requested that Council's Whistleblowing be brought to the Committee for Review. The Chair queried where the present Whistleblowing Policy was located in order for Staff, Members and the Public to access.
- 2.2 Whistleblowing Policies are part of the wider Council Human Resources Policies. Browne Jacobson were commissioned by the Council to review these policies in 2024 and initial drafts have been received by the Council.
- 2.3 Attached at Appendix A is the latest version of the Whistleblowing Policy after internal review. This policy:
 - Sets out what Whistleblowing and a Whistleblower is/are.
 - How this links to equalities legislation.
 - How to raise concerns.
 - Protections for Whistleblowers.
 - Other Whistleblowing Reporting routes.
 - How the overall process works.

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- 2.4 This Policy will be located on the ORB under the “working for us” section (this is a title at the top of the page) and also on the Webpage (still being finalised as the Website has been significantly upgraded over the past month).

3. FINANCIAL IMPLICATIONS

- 3.1 This paper sets out the financial frameworks within which the Council works.

4. LEGAL IMPLICATIONS

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

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 The Strategic purposes are included in the Council’s Corporate Plan and guides the Council’s approach to ensuring we focus on the issues and what are most important for the District, and our communities. Our strategies/policies 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 This is a Governance Policy and impacts every operational service area.

7. RISK MANAGEMENT

- 7.1 The Governance of the Council is a core underlying theme of the Council’s Risk Management Strategy.

8. BACKGROUND PAPERS

Previous Whistleblowing Policies

9. Appendices

Appendix A – Present Whistleblowing Policy

Whistleblowing Policy

1. Introduction

- 1.1 Staff may come across instances whilst they are working, where they have concerns about something that is happening within the Council. This Whistleblowing Policy (the “**Policy**”) has been put in place to enable staff to bring attention to those concerns as soon as possible whilst at the same time ensuring they are protected from any victimisation or harassment.
- 1.2 This Policy applies to all employees of the Council, officers, consultants, self-employed contractors, casual workers, agency workers, volunteers, and interns (collectively referred to as **staff** in this Policy).
- 1.3 The Public Interest Disclosure Act 1998 gives statutory protection to persons who raise concerns in good faith about possible wrongdoing. Additional provisions are inserted into the Employment Rights Act 1996 related to “protected disclosures” and the rights of employees not to suffer detriment through making such disclosures. This protection applies provided that the disclosure is itself classed as a “protected disclosure” and that the individual choosing to ‘blow the whistle’ does so in accordance with the requirements set out.
- 1.4 Staff of the Council are expected to follow the Council’s Code of Official Conduct which sets out the Council’s requirements on personal conduct (this code forms part of the Council’s Staff Handbook, a copy of which is held by all staff) and abide by any Code of Conduct issued by their Professional Institute or body.
- 1.5 Staff are often the first to realise that there may be something seriously wrong within the Council, but may not express their concerns because they feel that speaking out would be disloyal to their colleagues or the Council. Staff may also fear harassment or victimisation and may feel that it would be easier to ignore the concern rather than report what may be just a suspicion of malpractice. However this is not a culture that the Council wishes to encourage. This Policy document makes it clear that anyone wishing to highlight wrongdoings can do so without fear of reprisals.
- 1.6 **Whistleblowing** is the disclosure of information which relates to suspected wrongdoing or dangers at work. The law provides protection for workers who raise legitimate concerns about specified matters or “qualifying disclosures”. A qualifying disclosure is one made in the public interest by a worker who has a reasonable belief that there are wrongdoing or dangers at work. This may include:
 - criminal activity;
e.g. failure to comply with any legal or professional obligation or regulatory requirements;
 - breaches of the Council’s Standing Orders or Financial Regulations;

- miscarriages of justice;
e.g. false reporting or perjury;
- danger to health and safety;
e.g. failure to carry out risk assessments or mishandling of hazardous materials such as asbestos;
- damage to the environment;
e.g. inappropriate disposal or treatment of hazardous waste;
- bribery;
e.g. offering or receiving something of value to influence someone's actions
- financial fraud or mis-management;
e.g. mismanagement of accounts for personal financial gain.
- negligence;
e.g. knowingly leaving a resident to live in a property that is unsafe.
- conduct likely to damage our reputation or financial wellbeing;
e.g. behaviour that would have a negative impact on the Council's reputation.
- unauthorised disclosure of confidential information;
e.g. sharing resident information with another Council resident.
- unethical behaviour; or
e.g. inappropriate receipt of gifts and hospitalities.
- the deliberate concealment of any of the above matters.

- 1.7 A “**whistleblower**” is a person who raises a genuine concern relating to any of the above. If staff have any genuine concerns related to suspected wrongdoing or danger affecting any of the Council's activities (a “**whistleblowing concern**”) they should report it under this Policy.
- 1.8 This Policy should not be used for complaints relating to an employee's own personal circumstances, such as the way they have been treated at work. In those cases, the employee should use the Grievance Procedure or the Dignity at Work Policy.
- 1.9 If a complaint relates to an employee's own personal circumstances but they also have wider concerns regarding one of the areas set out above (for example, a breach of our internal policies), the employee should discuss with a member of the Council's leadership team which route is the most appropriate.

- 1.10 If staff are uncertain whether something is within the scope of this Policy, they should seek advice from a member of the Council's leadership team.
- 1.11 However in order for the staff to be protected by the Public Interest and Disclosure Act, the disclosure needs to fall under one (or more) of the following:
- A criminal offence has been committed, is being committed or is likely to be committed;
 - A person has failed, is failing or is likely to fail to comply with any legal obligation to which he or she is subject;
 - A miscarriage of justice has occurred, is occurring, or is likely to occur;
 - The health and safety of an individual has been, or is being, or is likely to be endangered;
 - The environment has been, is being, or is likely to be damaged; or
 - Information tending to show any matter falling within any one of the preceding paragraphs has been, is being, or is likely to be deliberately concealed.
- 1.12 This Policy has been implemented following discussion with the recognised trade unions. It has been formally adopted by the Council.
- 1.13 This Policy does not form part of any employee's contract of employment or other contract to provide services and the Council may amend it at any time with consultation where appropriate.

2. Equalities Statement

- 2.1 This Policy is intended to operate within the Council's commitment to equalities and diversity including:
- Equal treatment regardless of race, sex, gender, age, disability, sexual orientation, being married or in a civil partnership, pregnancy and maternity, gender reassignment, disability, and/or religion or belief, with reasonable adjustments where necessary in line with the Disability Discrimination Act and the Equality Act 2010;
 - Working to eliminate ***unlawful*** discrimination;
 - ***Promoting equal opportunities;***

- Promoting community cohesion, *including good relations between people from different racial groups*
- Providing reasonable access to interpretation or support on request; and
- Responding to the needs of all, and working to engage all sections of the community.

2.2 This Policy will be assessed as part of a rolling programme of reviews to ensure that it does not have a detrimental or disproportionate effect on any group.

2.3 Any concerns that the Policy is operating in a way that could be construed as discriminatory should be passed to an appropriate Manager and will be dealt with as part of the official Complaints Procedure, in line with the Council's Equality Schemes.

3. Raising a whistleblowing concern

4.1 The Council is determined that the culture and tone of the organisation is one of honesty and opposition to all forms of wrongdoing.

4.2 The Council's staff are central to achieving this aim and staff are positively encouraged to raise any concerns they may have on any issues associated with the Council's activity. They can do this in the knowledge that such concerns will be treated in confidence and will be fully investigated. Concerns should be reported as soon as possible as it is then easier to investigate any allegations made.

4.3 This does not mean that, if staff are already the subject of disciplinary or redundancy procedures, or if staff have raised a separate grievance, that those procedures will be halted as a result of an employee's whistleblowing.

4.4 The Council recognises that the decision to report a concern is a difficult one to make, not least because of the fear of reprisal from those committing the wrongdoing. Therefore, the Council will not tolerate harassment or victimisation and will take action to protect staff when they raise a concern in good faith.

4.5 This Policy encourages staff to put their name to any allegation they make as concerns expressed anonymously are much less powerful. Staff should be aware that proper investigation may be more difficult or impossible if the Council cannot obtain further information from a whistleblower. It is also more difficult to establish whether any allegations are credible. However, anonymous allegations will be considered at the discretion of the Council depending on the seriousness of the issue, the credibility of the concern and the likelihood of confirming the allegation.

4.6 Allegations of abuse of children and vulnerable adults will always be referred to Social Services via a safeguarding lead.

5. Reporting

- 5.1 If staff discover or have any other concerns regarding wrongdoing that may be taking place within the Council, they should raise concerns with their immediate manager or superior. If an allegation is reported to a manager and treated as a confidential report under this code that manager should contact the Monitoring Officer.
- 5.2 Staff are welcome to raise concerns by telephone or through a direct meeting with the person set out in section 5.1. If they wish to set out the background to their concern in writing and provide documents in support, this would be helpful. Alternatively, they may choose to explain the reasons for their concern verbally. A written (contemporaneous) record will be taken when staff express their concern and this note may be used as evidence and a copy of the written record will be provided to the whistleblower. We will also aim to give you an indication of how we propose to deal with the matter.
- 5.3 Although staff are not expected to prove the truth of an allegation, they will need to demonstrate to the person set out in section 5.1 concerned that there are sufficient grounds for their concern. Staff should remember that the earlier they express their concern, the easier it may be for action to be taken. If in doubt, staff should contact one of the persons set out in section 5.1 and talk to them about the situation.

Confidentiality and Support

- 5.5 The Council hope that staff will feel able to voice whistleblowing concerns openly under this Policy. However, if staff do not want their name to be disclosed, the Council will do its best to protect the identity of staff who raise a concern. It must be appreciated that the investigation process may reveal the source of the information and a statement by the whistleblower may be required as part of the evidence (albeit that it may be presented anonymously). If it is necessary for anyone investigating a whistleblower's concern to know the whistleblower's identity, the Council will discuss this with the whistleblower.
- 5.6 The Council recognises that the type and level of support offered will depend upon the person concerned. They are, therefore, encouraged to talk to the person that they raised the concern with, and/or can contact the confidential Employee Assistant Programme (EAP) found on the Orb.

Protection for whistleblowers

- 5.7 Whistleblowers must not suffer any detrimental treatment as a result of raising a concern. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. Victimising whistleblowers or deterring them from raising a concern about fraud, corruption or any other matter will not be tolerated and will be considered as a disciplinary offence. If staff believe that they have suffered any such treatment, or if they are not happy with how their concerns has been handled, they should inform those persons referred to in section 5.1 immediately. If the matter is not remedied staff should raise it formally using the Council's Grievance Procedure.

- 5.10 Staff must not threaten or retaliate against whistleblowers in any way. If staff are involved in such conduct then staff may be subject to disciplinary action. In some cases, the whistleblower could have a right to sue an individual personally for compensation in an employment tribunal.

Untrue allegations

- 5.11 There is a need to ensure that any investigation process is not misused and therefore any abuse such as raising unfounded, false or malicious allegations will be dealt with as a disciplinary matter.

Further Reporting Routes

- 5.12 This Policy is intended to provide staff with an internal route for reporting their concerns within the Council. In most circumstances, you should not find it necessary to alert anyone externally. However if staff feel unable to report concerns internally or in circumstances where it may be appropriate for staff to report concerns to an external body then staff should contact.

“Protect” / National Whistleblowing Helpline for advice.

- The Green House, 244-254 Cambridge Heath Road, London, E2 9DA
- Telephone: 020 3117 2520
- Website: <https://protect-advice.org.uk/>

However, staff must remember that if the matter is taken outside the Council they must have reasonable grounds for suspicion and should not disclose confidential information unless it can be shown to be in the public interest. Therefore, the Council strongly encourages staff to seek advice before reporting a concern to anyone external and the Council encourages staff to report such concerns internally first in line with this Policy.

- 5.13 Senior Management are responsible for following up any allegation of wrongdoing received and will do so through clearly defined procedures.
- 5.14 It will very rarely if ever be appropriate to alert the media so staff are strongly advised not to refer any concerns they may have to the media TV, radio, press, websites or social media.
- 5.15 Adverse publicity may damage the reputation of the Council and by going to the media staff may be in breach of their contract of employment and subject to disciplinary action. Staff may also lose their right to statutory protection against whistleblowing. In addition, it could leave the whistleblower more exposed to publicity and to counter allegations/actions by those accused.
- 5.16 However, disclosures made outside the Council are protected provided they are not made for personal gain and they were not raised internally because there was a

reasonable belief of victimisation or that there would be a cover up, and the matter was exceptionally serious.

- 5.17 Whistleblowing concerns may sometimes relate to the actions of a third party such as a customer, supplier or service provider. In some circumstances the law will protect staff if they raise the matter with the third party directly. However, staff are encouraged to report such concerns internally first, in line with this Policy and should contact the persons set out in section 5.1 for guidance.

6. Detection and Investigation

- 6.1 It is often the alertness of staff and members of the public that first identifies where cases of possible wrongdoing are occurring.

- 6.2 Reporting is an essential element of the Whistleblowing Strategy and all allegations of wrongdoing will be forwarded to the Council's Monitoring Officer for investigation. This will ensure that:

- incidents are correctly collated;
- there is consistent treatment;
- evidence is collected properly and as early as possible; and
- experienced Officers are available to investigate the claim.

Once a concern is raised, initial assessment and enquiries will be made to decide whether an investigation is appropriate (this will depend on nature and scale of alleged wrongdoing and the evidence that is available) and, if so, what form it will take. Some concerns may be resolved by agreed action without the need for investigation.

- 6.3 Within ten (10) working days of a concern being raised (if raised with one of the internal contacts), the Officer contacted will write to the whistleblower:

- acknowledging that the concern has been received;
- indicating how the matter is likely to be dealt with;
- supplying the whistleblower with information on staff support mechanisms in place; and
- giving an estimate of how long the investigations will take.

- 6.4 The matters raised may:

- be investigated internally;
- be referred to the Police;

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- be referred to the Council's External Auditor
- form the subject of an independent inquiry;

or any combination of all four of the above avenues.

- 6.7 The amount of contact between the Officers considering the issues and the whistleblower will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the whistleblower and the whistleblower will be informed of the progress of the investigation and its likely timescale. Depending on the circumstances, the whistleblower may be asked to maintain confidentiality and should treat any information about the investigation as confidential.
- 6.8 Whistleblowers may be required to attend additional meetings in order to provide further information. When any meeting is arranged with the whistleblower, if they so wish, they may be accompanied by a trade union or a colleague, such a person must respect any confidentiality that applies including the confidentiality of any disclosure and any subsequent investigation.
- 6.9 The Council will take steps to minimise any difficulties which staff may experience as a result of raising a concern. For instance, if staff are required to give evidence in criminal or disciplinary proceedings, the Council will advise the whistleblower about the procedure.
- 6.10 The Council's Disciplinary Procedures will be used where the outcome of the investigation indicates improper behaviour.
- 6.11 The Council will inform the Police to be made aware of and to independently prosecute offenders where financial impropriety is discovered or a criminal offence has been committed.
- 6.12 Arrangements will be put in place to ensure that if requested and subject to legal constraints a report back to the whistleblower indicating the outcome of the investigation and on any proposed action will be made. However, sometimes the need for confidentiality may prevent information being shared which may include specific details of the investigation, an outcome or any disciplinary action taken as a result.

8. What happens when an employee is the subject of a concern in accordance with the Public Interest Disclosure Act?

- 8.1 The Council believes that everyone has the right to be treated fairly and in accordance with the principles of natural justice, and will therefore apply these principles to staff if they are the subject of someone voicing their concern.
- 8.2 The following steps will be taken by the Council if staff are the subject of such a concern:
- When appropriate staff will be informed both verbally and in writing of the concern, and will be advised to seek the advice of their trade union, solicitor or professional association.

- There will be nominated people available for support who will be responsible for advising staff at regular intervals on how the investigation is proceeding.
- Staff may be suspended from work on full pay during the investigative process but this will not be regarded as a punitive measure. It will be used in circumstances, where for example, public interest is likely to be high or where, it may aid the investigation itself.
- Staff will be advised of the outcome of the investigation and how this may impact their employment with the Council as soon as possible, once the investigation has been concluded.

FOR FURTHER INFORMATION ON THIS POLICY, PLEASE CONTACT YOUR HUMAN RESOURCES ADVISOR.

NOTE: We reserve the right to vary the content of this document where appropriate.

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THE ANNUAL REPORT OF INTERNAL AUDIT FOR 2023/24

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

1. RECOMMENDATION

- 1.1 **The Audit, Standards and Governance Committee notes the Annual Report of Internal Audit.**

2. BACKGROUND

- 2.1 The Accounts and Audit Regulations and the Public Sector Internal Audit Standards (the Standards) require the Head of Internal Audit to provide an annual Internal Audit Opinion and report that can be used by the organisation to inform its Annual Governance Statement. The Standards also specify that the report must contain:

- An internal audit opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment);
- A summary of the audit work from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and

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- A statement on the extent of conformance with the Standards including progress against the improvement plan resulting from any external assessments.

2.2 **Appendix A** to this report provides the Internal Audit Annual Report; this includes the Head of Internal Audit's opinion on the control environment for 2023/24 and the basis for this opinion. The Head of Internal Audit's overall opinion is that **Reasonable Assurance** can be given that there is an adequate and effective governance, risk and control framework in place, designed to meet the organisation's objectives.

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 2018 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 Institute of Internal Auditors Public Sector Internal Audit Standards (as amended) details 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.

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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

This report provides a reasonable level of independent assurance that the Council has an effective framework in place for the management of risk.

8. APPENDICES and BACKGROUND PAPERS

Appendix A - Annual Report of Internal Audit for 2023/24

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Bromsgrove
District Council

www.bromsgrove.gov.uk



ANNUAL REPORT OF INTERNAL AUDIT

2023/24

Date: July 2024





1. BACKGROUND

- 1.1 The Public Sector Internal Audit Standards (the Standards) require the Head of Internal Audit to provide an annual Internal Audit Opinion and report that can be used by the organisation to inform its Annual Governance Statement.
- 1.2 The Standards specify that the annual report must contain:
 - An Internal Audit opinion on the overall adequacy and effectiveness of the Council's governance, risk management and control framework (i.e. the control environment);
 - A summary of the audit work (including organisational knowledge) from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and
 - A statement of the extent of conformance with the Standards including progress against the improvement plan arising from any external assessments.

2. INTERNAL AUDIT OPINION 2023/24

- 2.1 The Head of Internal Audit's overall opinion on the Council's system of internal control is that:

Reasonable assurance can be given that there is an adequate and effective governance, risk and control framework in place, designed to meet the organisation's objectives.

All of the 10 graded assignments completed in 2023/24 resulted in an opinion of either Substantial or Reasonable assurance.

The progress made by management in implementing the actions arising from audits has been good. Follow up work completed by Internal Audit has not highlighted any overdue High or Medium priority actions. Implementation of agreed control improvement actions strengthens the organisation's framework of governance, risk management and control.

The Corporate risk register is regularly reviewed and updated, with trend analysis and good oversight by the Audit, Standards and Governance Committee. A stable governance framework is in place, which is deemed to be effective, and no significant weaknesses have been identified in 2023/24.



- 2.2 A summary of Internal Audit assurance opinions issued in 2023/24 is shown in Table 1 below:

Table 1 – Summary of Internal Audit Opinions in 2023/24

Assurance Area	Substantial	Reasonable	Limited	No
Financial	2	3	0	0
IT	0	1	0	0
Governance & Ethics	0	2	0	0
Strategic & Operational Risks	0	2	0	0
Totals	2	8	0	0

3. REVIEW OF AUDIT COVERAGE

- 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:

Definition of Priority of Recommendations

Priority	Definition
H	Fundamental control weaknesses that present a significant material risk to the function or system objectives and requires immediate attention by Senior Management.
M	Other control weaknesses where there are some controls in place but there are issues with parts of the control that need to be addressed by Management within the area of review.
L	Issues of best practise where some improvement can be made.



3.2 Summary of Internal Audit Work

Table 3 details the assurance levels resulting from all audits completed during the year:

Audit Area	Assurance Opinion
Financial	
Debt Management	Reasonable
Council Tax	Reasonable
Benefits	Substantial
NNDR	Substantial
Treasury Management	Reasonable
IT	
ICT – Cyber Security	Reasonable
Governance & Ethics	
Risk Management	Reasonable
Project Management	Reasonable
Strategic & Operational Risks	
Grants Assurance	Substantial
Follow up reviews	Substantial

Outlined at pages 12 to 19 is a short summary of the findings of each of the audits completed. It should be noted that many of these findings have previously been reported as part of the defined cycle of progress update reports provided to the Committee.

3.3 Critical Friend Review

In addition to the above assurance work, Internal Audit also carried out a critical friend review which focussed on establishing the extent to which key internal controls and procedures are in place ensuring transactions and balances recorded on the General Ledger are robust, that Account Receivable transactions are valid and to provide an indication on the extent to which updating of forecast outturn directly on Tech One by budget managers is progressing. Ensuring adequate controls are in place provides assurance that the general ledger records all financial transactions of the council which is essential as the general ledger supports financial reporting. The scope covered:

- Implementation and adherence to policies and procedures.
- Data from feeder systems - authorisation, completeness, accuracy and validity.
- Amendments by journals - authorisation, completeness, accuracy and validity.
- Suspense accounts are monitored and cleared on a timely basis following authorisation.



- Account reconciliations eg Bank Account.
- Account Receivable controls and procedures are in place to ensure transactions are accurate and valid.
- Effectiveness of budget monitoring arrangements.

The review found the following areas of the system were working well:

- The reconciliation team take steps to investigate unreconciled balances recorded on bank reconciliation statements and where appropriate escalate to management for their consideration.
- There are clear processes in place to ensure that transactions held on feeder systems are downloaded and imported into Tech One.
- Clear procedures are in place to ensure that bank statement entries are downloaded and imported into Tech One on a daily basis.
- Monitoring of progress in reconciling suspense account transactions within account 20060 (Payment & Receipts) is undertaken by the Head of Finance and Customer Services.
- Examples found where cost centre managers updated Tech One with relevant comments following their review of forecast outturn.
- Cost centre managers reviewed open purchase orders to inform their review of forecast outturn.
- Examples found where accountants played an active part in the quarterly forecasting process via meetings held with cost centre managers.

There were areas identified where further improvements are necessary:

- Bank Reconciliation Statements: timely production; internal consistency; reconciling balances; and management review and authorisation.
- Bank statement entries: ensuring they are imported on daily basis and reconciled to the General Ledger
- Completion of Control Account Reconciliations eg Accounts Payable, Accounts Receivable and Payroll
- Monitoring & reporting progress in reconciling suspense accounts for Payments and Grants
- Assigning budgeting and forecasting packs to relevant budget managers
- Updating written procedures

Management were already aware of the above matters, and steps were being taken to address them on a priority basis. An action plan is in place and progress is being monitored. Internal Audit will be conducting a full audit of this area later in 2024/25 which will assign a level of assurance and confirm the progress made.



3.4 Adding Value

Much internal audit work is carried out “behind the scenes” and is demand led but is not always the subject of a formal report. Examples include:

- Governance e.g. assisting with the Annual Governance Statement.
- Risk management.
- Dissemination of information regarding potential fraud cases likely to affect the Council.
- Drawing managers’ attention to specific audit or risk issues.
- Internal audit recommendations: follow up review and advice.
- Day to day audit support and advice for example risk implications arising from proposed changes in controls.
- Networking with audit colleagues in other Councils on professional points of practice.

3.5 Coverage and resourcing

As previously reported, the internal audit plan for 2023/24 was curtailed as a result of a high level of staff turnover during the year. Despite this, the level of coverage has increased compared with the previous year, with 10 assurance opinions issued compared with 6 in 2022/23. The Head of Internal Audit is satisfied that sufficient work has been completed to issue a formal opinion for 2023/24. Subject to recruitment to one remaining vacant Auditor post, the resourcing issues have now been addressed and there will be 15 audits completed in 2024/25.



4. QUALITY ASSURANCE AND COMPLIANCE WITH PROFESSIONAL STANDARDS

- 4.1 The Public Sector Internal Audit Standards (the Standards) were adopted by the Chartered Institute of Public Finance and Accountancy (CIPFA) from April 2013. The Standards are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of Internal Audit across the public sector.
- 4.2 The objectives of the Standards are to:
- Define the nature of internal auditing within the public sector;
 - Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations; and
 - Establish the basis for evaluation of internal audit performance and to drive improvement planning.
- 4.3 The Standards require that an independent External Quality Assessment (EQA) of the service be completed every 5 years. An EQA has just been completed in May 2024, and the results confirm that the service is operating in **General Conformance to the Standards**. This is the highest of the three available assessment grades. The findings of the external assessment are being used to develop a continuous improvement action plan which will be presented with a new Quality Assurance policy at the next Audit, Standards and Governance Committee meeting.
- 4.4 As part of the EQA a client satisfaction survey was issued and based upon a response from 15 senior client officers and members, there was a 92% positive satisfaction score. Further quality control measures embedded in the service include individual audit reviews and regular Client Officer feedback. All staff work to a given methodology and have access to the internal audit reference material and Charter which are updated regularly to reflect the requirements of the standards and the changing environment that Internal Audit operates in. On-going dialogue will be maintained with the s151 Officer and the Client Officer Group which governs the shared service. The Client Officer Group for the Internal Audit Shared Service comprises all the partners' s151 Officers all whom actively encourage and support the on-going development of the service.



5. ORGANISATION INDEPENDENCE

If independence or objectivity is impaired in fact or appearance, the Head of Internal Audit is required to disclose this. The Head of Internal Audit can confirm that the Internal Audit service is independent and objective, and this is currently demonstrated in a number of ways:

- The Head of Internal Audit reports directly to the s151 officer at all partner organisations in the Shared Service and the equivalent Audit Committee. He also has direct unfettered access to the Heads of Paid Service, Monitoring Officers and Chairs of the Audit Committees.
- Any attempts to unduly influence the scope of audit reviews or the contents of reports will be reported by the Head of Internal Audit to the Head of Paid Service and the Chair of the Audit Committee.
- All officers responsible for internal audit work are required to complete an annual Declaration of Interests form, which is in turn reviewed by the Head of Internal Audit. In the case of the Head of Internal Audit, the form is reviewed by the Director of Corporate Resources (s151 officer) at Worcester City Council. Auditors are required to report any interests that might compromise the impartiality of their professional judgements – or give rise to a perception that this impartiality has been compromised. Any conflicts of interest are avoided when allocating assignments.
- The Audit, Standards and Governance Committee approves any significant consultancy activity included in the Internal Audit Plan.



6. LIMITATIONS INHERENT TO 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.



7. SUMMARY OF INTERNAL AUDIT FINDINGS

Audit Area	Assurance Rating	Summary of Findings
Treasury Management	Reasonable	<p>The scope of this review covered:</p> <ul style="list-style-type: none">• Treasury Management procedures/strategy and reporting.• Borrowings and investments.• Treasury reconciliations.• Cash flow management. <p>This review did not cover the rationale for investment/borrowing decisions as this would be based on interest rates and risks at the time the borrowing/investment was made.</p> <p>The review found the following areas of the system were working well:</p> <ul style="list-style-type: none">• Interest rates are calculated correctly.• Approvals are sought and given for deals.• Treasury Management strategies are comprehensive and up to date.• Data between working sheets, deals and the TechOne system are reconciled and accurate. <p>It was found that investment limits had been potentially exceeded between Bromsgrove and Redditch Authorities in one case. Management have agreed to revise the treasury management strategy for both Authorities to introduce a higher limit so that this issue does not recur.</p>



Audit Area	Assurance Rating	Summary of Findings
Council Tax	Reasonable	<p>This review has been undertaken to provide assurance that:</p> <ul style="list-style-type: none">• Previous internal audit recommendations have been implemented.• Procedures for capturing and processing Council Tax information, including the setting up of new customer accounts and timely and accurate billing.• The application of discounts and exemptions on properties, and the respective billing amounts – including the 2022 Energy Rebate Scheme were being evidenced, applied, and monitored.• Processing of payments and refunds follows the adopted procedures.• The correct protocol was being used for the reminder process.• User profiling was managed to provide only relevant access to data. <p>This review did not cover:</p> <ul style="list-style-type: none">• Recovery arrangements for non-payment i.e., summons onwards.• Write offs and associated procedures.• Performance monitoring <p>The review found that management and application of Energy Rebate Scheme had worked well. Overall, processing was found to be managed effectively and within a timely fashion.</p> <p>Now that the economy is recovering from the pandemic, the recommendation to incorporate into the service business plan a clear policy as to how the Council will deal with aged debt is being managed by Capacity Grid to chase outstanding debt from previous years, helping to maximise income and take timely action when necessary.</p>



Audit Area	Assurance Rating	Summary of Findings
Debt Management	Reasonable	<p>This risk based review was undertaken to provide assurance that debt recovery action takes place for sundry debts. This review did not cover the setting of fees and charges.</p> <p>The review found the following areas of the system were working well:</p> <ul style="list-style-type: none">• Regular stop lists are sent to Environmental Services in respect of Business Waste, Garden Waste and Cesspools.• Analysis is undertaken of aged Garden Waste debt and presented to Environmental Services for their decision on the recovery action to be taken.• Work is in progress to analyse the aged Business Waste customer debt balances.• Analysis of Bromsgrove Lifeline debt was undertaken that shows balances that are outstanding, recommended for write off and those that require to be cancelled. The information has been presented to Telecare Services Team for their consideration.• Details on Allotment debt balances are sent to Environmental Services. <p>There is scope to broaden and embed aged debt reporting across the organisation and to use it as a performance management tool. Audit testing also highlighted four cases where there was a delay of over 6 months between the final reminder letter being issued and formal recovery action commencing.</p>



Audit Area	Assurance Rating	Summary of Findings
Benefits	Substantial	<p>The scope of this review covered:</p> <ul style="list-style-type: none">• Implementation of previous internal audit recommendations.• A review of new and change of circumstance Housing Benefit & Council Tax Support claims for working age and pension age claimants to ensure that backdated claims have been applied correctly, relevant evidence recorded and that processing days are within reasonable timescales.• Compliance with internal processes and external legislation to allow accurate processing of new claims and changes of circumstance focusing on rent allowances, income/allowance information and disregards. <p>This review did not cover:</p> <ul style="list-style-type: none">• The process of recovery, including the classification of overpayments and its effect on subsidy.• Payments made under the discretionary hardship scheme.• Reconciliations as this will be carried out within the Core Financial Audits. <p>The review found the following areas of the system were working well:</p> <ul style="list-style-type: none">• Processing of the Council Tax Reduction Scheme claims with good meaningful file notes.• The processing of new claims and changes of circumstance focusing on rent allowances, income/allowance information and disregards.• The speed of processing. <p>Testing identified 2 New Claims for Bromsgrove District Council that were not backdated correctly. Management agreed to undertake additional accuracy checks of new claims to make sure they are awarded from the correct date.</p>



Audit Area	Assurance Rating	Summary of Findings
NNDR	Substantial	<p>This review was undertaken to provide assurance on the process of collecting NNDR income via the billing process, and the application and monitoring of reliefs and exemptions on units.</p> <p>The scope included the following areas:</p> <ul style="list-style-type: none">• Procedures for capturing and processing NNDR information, including the setting up of new customer accounts and timely and accurate billing.• Follow up of previous internal audit recommendations.• Assurance that exemptions, reliefs, and discounts are appropriately evidenced, applied, and monitored.• The processing of payments and refunds in line with adopted procedures.• Assurance that the correct protocol is being followed with regards to the reminder process and appropriate suppression is being managed.• Management of user profiling to provide only relevant access to data. <p>This review did not cover.</p> <ul style="list-style-type: none">• Recovery for non-payment i.e., summons onwards.• Legislation relating to Covid-19• Write offs and associated procedures.• Performance monitoring <p>Overall processes for current year NNDR are followed in an accurate and timely manner, correctly administered and all the appropriate procedures are being followed ensuring that income is maximised.</p> <p>There were no formal recommendations required.</p>



Audit Area	Assurance Rating	Summary of Findings
ICT – Cyber Security	Reasonable	<p>This review was undertaken to provide assurance that:</p> <ul style="list-style-type: none">• In the event of a cyber-attack there is a clear back up strategy in place, robust enough to recover files that are saved on cloud-based systems and back up tapes.• Appropriate preventative measures are taking place through robust training and communication to all staff and Council Members on cyber security. <p>As part of the ongoing improvements to monitor user interaction with Cyber awareness the ICT service has purchased a new training system which enables more cyber training to take place such as phishing / spam exercises.</p> <p>The review identified that Bromsgrove District Council is an exemplar in its consideration to proactively monitor its defence to a cyber-attack as the ICT service conducts weekly health checks when it is only required to conduct a penetration health check annually.</p> <p>Bromsgrove District Council has a Cyber Security Board in place. Meetings are minuted and used to have discussions around any areas that require improvements within the Councils cyber security arrangements. As well as this there is a regular Q&A session offered to staff where they can ask questions around any Cyber Security related concerns or learning requirements.</p> <p>The review found the following areas were working well:</p> <ul style="list-style-type: none">• Frequent testing that takes place on the Microsoft Office 365 cloud-based backups, virtual servers' backups, HP Tapes drive back ups and file system backups.• The Council has a valid Public Service Network (PSN) certification.• There is clear communication available to all internal staff about cyber security and training available.• There is a robust control to ensure that all internal staff and third-party users complete cyber security training. There is no access to the system until they have completed it.



Audit Area	Assurance Rating	Summary of Findings
		The review highlighted there is scope to further educate Members of the increasing cyber risk and the need to attend cyber security courses. A more detailed cyber security strategy will also be put in place to further strengthen the council's approach.
Project Management	Reasonable	<p>The objective of this audit was to provide assurance that programme governance is robust with strategies for delivery in adherence with the grant terms and conditions.</p> <p>The scope covered:</p> <ul style="list-style-type: none">• Project framework, project boards.• Evidence that the Councils are seeking and receiving assurance that the programme delivery and risk including budgets are being managed.• There are robust working practises for documentation capture.• The projects are compliant with the terms and conditions of the grant.• Emerging risks are identified, mitigated, or resolved. <p>The review found the following areas were working well:</p> <ul style="list-style-type: none">• There was a strong system of documentation capture, with regular reporting.• Project structures were sound, with identification of responsible officers. <p>The termination of the contract with NWEDR and the transition to a new service & management presents significant risks. It is acknowledged that the Councils are in the process of establishing a new structure and service, which will help manage this.</p>



Audit Area	Assurance Rating	Summary of Findings
Risk Management	Reasonable	<p>This review was undertaken to provide assurance that robust systems of risk management are in place with corporate management overview, with a culture of risk management embedded throughout the authority. The review did not cover the assessment and scoring of individual risks.</p> <p>The review found the following areas of the system were working well:</p> <ul style="list-style-type: none">• Direction, guidance, and leadership from the Section 151 officers to risk champions was consistently praised.• Risk champions acted upon their responsibilities and displayed a desire for successful risk management.• The Audit, Standards and Governance committee is receiving detailed updates from officers.• The embedding of risk management across the council and its services is developing.• There is improved focus within the council towards risk.• There were 119 departmental risks, due to the management of the risk officer board they were reduced to 58 meaningful risks. <p>Further work to embed effective risk management is now needed, and was in progress. This includes establishing clear ownership for risks and actions, and development of an up to date strategy reflecting the Council's changed approach to risk management.</p>
Follow up reviews	Substantial	<p>The progress made by management in implementing the actions arising from audits has been good. Follow up work completed by Internal Audit has not highlighted any overdue High or Medium priority actions. Implementation of agreed control improvement actions strengthens the organisation's framework of governance, risk management and control.</p>

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BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Governance Committee

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Quarterly Risk Update Q1 2024/5

Relevant Portfolio Holder		Councillor Colella
Portfolio Holder Consulted		Yes
Relevant Head of Service		Debra Goodall, Head of Finance and Customer Services
Report Author Peter Carpenter	Job Title: Director of Resources/Deputy Chief Executive Contact Pete Carpenter email: peter.carpenter@bromsgroveandredditch.gov.uk Contact Tel:	
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.

2. RECOMMENDATIONS

The Committee/Cabinet is asked to consider:

- The present list of Corporate and Departmental Risks and request any additional risks to be considered.

3. KEY ISSUES

Background

- 3.1 In 2018/19, an audit of Risk Management provided an assurance level of limited assurance due to weaknesses in the design and inconsistent application of controls. As a result of the audit, a review was commissioned and undertaken by Zurich Municipal to consider the Council's risk management arrangements and to advise of any recommendations. In response to the Zurich review a Risk Management Strategy was produced for both Bromsgrove District Council and Redditch Borough Council.
- 3.2 A follow-up review was carried out by Internal Audit in March 2021 (Final Report June 2021) with the purpose of identifying what progress had been made against the Risk Management Strategies. At that time there was a lack of evidence that the actions within the Risk Management Strategies had been fully completed and embedded within the Councils and therefore no assurance could be given.

- 3.3 This is now the eighth cycle of reviewing Corporate and Departmental Risks since the original baselining of Risks in April 2022. Over this period, we have seen:
- Departmental ownership of risks and reviews at Management Teams on a monthly basis.
 - Active review, mitigation, and reduction of risks – ensuring they become managed as part of business as usual.
 - Updating of the 4Risk System – as the Authorities repository of this information.
 - That the Officer Risk Group have actively reduced risk numbers through their work and that a common approach to risk is now being embedded within the organisation.
 - That the Risk Level has moved to a **Moderate Assurance** level in May 2023.

The Definition of a Corporate Risk

- 3.4 The Council has existing Corporate and Departmental Risks. Members of the Risk Board were not sure of the link on how Risks on system had become Corporate in nature.
- 3.5 The following definition of a of how Risks move from being “departmental” to being “corporate” in nature was recommended by the Risk Group and approved by CMT.

“For a **Risk** to move from being **Departmental** in nature to being **Corporate** in nature that 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 then to Corporate Risks at their quarterly meetings.”

- 3.6 At the June 2022 Officer Risk Board it was agreed that “Green” Departmental Risks should be taken off this list if they have been to two consecutive meetings and mitigating actions have been fully put into place for them. This report takes account of this requirement being six meetings since the original baseline was reported.

Corporate Risks

- 3.7 Corporate Risks are summarised in the following table. There are no additions, but the Impact of Funding Changes to Partners (COR 15) has been removed now there is agreement to WRS Budgets of deletions since the Q4 2023/4 Position. As the table below highlights, a number of the existing risks have been revised due to impacts of mitigations in those areas and the national economic and political position.

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Pos Q2	Pos Q3	Pos Q4	Pos Q1	Corporate Risk Description
COR 9	COR 9	COR 9	COR 9	Non Compliance with Health and Safety Legislation
COR 10	COR 10	COR 10	COR 10	Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence
COR 14	COR 14	COR 14	COR 14	Non adherence with Statutory Inspection Policy
COR 15	COR 15	COR 15		Impact from Changes to Partner Funding Arrangements
COR 16	COR 16	COR 16	COR 16	Management of Contracts
COR 17	COR 17	COR 17	COR 17	Resolution of the Approved Budget Position
COR 18	COR 18	COR 18	COR 18	Protection from Cyber Attack
COR 19	COR 19	COR 19	COR19	Adequate Workforce Planning
COR 20	COR 20	COR 20	COR20	Financial Position Rectification
COR 21	COR 21	COR 21	COR21	BROMSGROVE DC Being placed into special measures due to quality of planning application decisions
COR 22	COR 22	COR 22	COR22	Delivery of Levelling Up, Towns Fund, UK SPF Initiatives
COR 23	COR 23	COR 23	COR23	Cost of Living Crisis
COR 24	COR 24	COR 24	COR24	New Customer Facing Interface
	COR25	COR25	COR 25	Environment Bill
		COR26	COR26	General and Local Election

Note, Appendix A sets out the complete listing of Departmental Risks. These have been linked to Corporate Risks where relevant.

3.8 Mitigating factors for the Corporate Risks are:

Non-Compliance of Health and Safety Data Standard Operating Procedures - SOP (H&S etc) Health and Safety Committee meets regularly H & S training for staff Health checks DSE assessment and reporting software First Aid training in place Safeguarding

Policy and procedures Risk Assessments Updated inspection policy Regular review of policies Continued updates to Health and Safety Committee Data on intranet. The Council's Health & Safety arrangements are in the process of being audited externally and a report will be forthcoming.

There are 4 departmental risks linked to this corporate risk.

Projects being informed by robust data and evidence –

Cabinet and Executive have now approved an updated Project Management Process and extra resource, based on work initially highlighted by the Audit Task Group work in February 2023. Due to this risk level has reduced from Amber to Green. Once the new structure is in steady running it will come off this register as those risks will be dealt with locally as that framework will be in place.

Non Adherence with the statutory inspection policy - Specialist resource in place to support delivery actions.

- Further review of monitoring arrangements
- Further implementation of insurance recommendations
- Contracts reviewed to ensure suppliers undertake roles
- Training plan developed to ensure staff clear of responsibilities
- Development of robust action plan

There are 11 departmental risks linked to this corporate risk. Should this not be delivered the consequences are significant, including threat to life.

Management of contracts - Procurement Strategy was updated by C Young and training provided. Service Protocols, setting out expectations of service user and procurement went live 1st Jan 23 and did NO PO NO PAY and both are being monitored. Reports are going to Cabinet and Executive quarterly setting out new requirements in terms of contracting and transparency for the upcoming year as part of the quarterly Finance and Performance Report. The changes to procurement legislation will now take place in October 2024 and processes will be updated accordingly. This remains a key Corporate Risk due to the magnitude of contracts under management but has now moved to Green due to the mitigations in place.

There are 5 departmental risks linked to this corporate risk.

Resolution of the approved budget position - MTFP process is now 2 stages and this was followed for both the 2023/4 and 2024/5 budgets. The final MTFP contains the S151 Officer's robustness statement which is key to sign off of a sustainable budget. Budget working group in both councils scrutinise proposals before Cabinet and Executive. Certainty of medium term government support means this remains a significant risk for the

authority. However, given that both Councils have balanced budgets for the present 3 year MTFP periods, especially compared to neighbouring Councils and the opinion of our Bankers that we are in a comparatively strong position, we have reduced the risk level to the lowest level. This might change but will be linked to the new Local and General Election Risk.

Protection from cyber attack – weekly penetration test, annual PSN Security Audit, regular internal audits, occasional LGA audit, Cyber Insurance requirements. In addition, we have implementing KnowBe4, a new software tool for both officers and Members. Cyber Insurance has also been extended for a further year but importance and risks in this area have moved this risk to red despite all the mitigations in place. A recent Internal Audit has highlighted possible risk areas across a number of systems which will now require mitigating. More funding has been put in the 2024/5 and ongoing budgets to allow additional resources to help mitigate the risk.

There are 2 departmental risks linked to this corporate risk.

Adequate workforce planning - Workforce plan was launched in the summer and services now know their high risk areas and the wider scheme is there to help mitigate risk through loss of staff. The challenges remain on delivering to these high risk areas. Three departmental risks are linked to Workforce Planning. There is now a specific workstream, linked to Projects risk, on the implementation of this initiative. This needs to be integrated into or wider management processes before the Risk level can change.

There are 2 departmental risks linked to this corporate risk.

Financial position rectification - Audit Committee reports set out progress on the financial recovery process back to Cabinet/Executive, Audit & Council. Risk was up-rated to Red due to lack of clarity from the Government over Audit deadlines. An updated S24 Statement was issued in October 2023 and the Councils both hold significant risk in that they will run out of time for the 20/21, 21/22 and 2022/23 Audit processes. However, given that the 2020/21 Accounts have been submitted and there is a clear path to the delivery of the 21/22, 22/23 and 23/4 Accounts this Risk has been reduced to an Amber Risk. Quarterly Operational reporting is taking place and Council is delivering to the Key Recommendations of the 2020/21 and 2021/22 & 2022/23 Draft External Audit Reports. The issues in relation to debt management have been partially resolved as services are now starting to get debt reports again but will remain until the suspense accounts are fully cleared. It should be noted that now the opening balances are signed off and the 2020/21 Accounts have been submitted for Audit, the Council is in a similar position of the majority of other Councils in England – for which over 600 Audits up to 2022/3 remain outstanding.

Bromsgrove Planning Issues - Decisions which could influence statistics are discussed at management level. Principal officers aware of risk. Statistics are monitored quarterly. External advice re good practice and member training provided. This issue is still not

resolved and additional work is being undertaken to establish present quality thresholds, however a decision is understood to be imminent. Although it is now unlikely that the Council will breach these thresholds their impact would be significant. This Risk is continuously monitored and is still relevant to be corporate in nature.

Delivery of Levelling Up, and UKSPF Projects – There is a monthly project Board overseeing all projects. Formal governance structures for levelling Up projects. The biggest issue in all these workstreams remains delivery before the funding deadlines and present cash flow show 1 projects out of the 3 not being able to deliver within present Grant Funding timescales. Bromsgrove have now received an extension for its Levelling Up funding until September 2025. All these schemes are presently in design and just about to move into delivery – there is the significant risks that costs might rise considerably which could lead to significant cost engineering/redesign and eat into limited time for delivery.

Cost of Living Crisis - Housing Register Access to Housing Benefit and Universal Credit Council budget. We have also noted an increase in insurance claims due to fires which are linked to this. Our Partnership Boards guide people to alternate providers of support. We understand this impacts different stakeholder Groups in different ways and need ways of evaluating the impact on them and the Council's services.

New Customer facing interface - Presently delivered by a number of systems that are not linked together and require manual intervention for internal reporting. This has increased in risk to Red due to the volume of work required in relation to the ensuring the Council's data is up to date and can be used directly by our customers in self- service interfaces. A work stream is due to report back in Q2 of 24/5 that sets out data deficiencies and rectification routes. However, full resolution will be a medium term project.

The Environment Bill - New Statutory Requirements for delivery of a dedicated Food Waste Service, and changes to materials requiring collection by both Domestic & Commercial Waste Services. 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". Mitigation is partnership working with Worcestershire Waste Board and Members Task group to review requirements and future service delivery direction. Jointly funded partnership role by all Worcestershire LA's to support this work, alongside support from WRAP (Environmental NGO specialising in the Waste Industry). This is still Red due to potential significant funding gaps and non-receipt of final comprehensive legislation.

General and Local Elections - The General Election has the implications of significant policy and funding changes for the Local Government sector. To mitigate risks the Councils have election protocols, induction processes and run a 2 stage MTFP process, however the magnitude of change might well lead to a period of uncertainty. Given that the election has taken place in July, and not November or January which was originally thought, this

risk has been reduced as there will now be time for the Local Government Settlement to be delivered fully and the possibility for it to be multi year.

We have raised in the past two other potential corporate risk. One is Terrorism Protection, where government guidance is just about to come out. The other is the financial position at Birmingham which we are already seeing the impact in terms of fly tipping on the Councils stakeholders and services.

Departmental Risks

- 3.9 The Council procured the 4Risk system to manage its risks. Risks are subdivided into Corporate Risks and then Departmental Risks. Each risk has an individual record applied to it to ensure all the pertinent information is captured.

The original Risk Baseline in April 2022 was (as shown in Appendix B):

- 105 Departmental Risks – 15 Red, 35 Amber, 55 Green.
This reduced through the first set of reviews in June 2022 to:
- 82 Departmental Risks – 2 Red, 29 Amber, 51 Green.
The next set of reviews in December reduced this number further to
- 55 Departmental Risks – 2 Red, 21 Amber, 32 Green.
The third Set of reviews in March 23 reduced this number to
- 51 Departmental Risks – 1 Red, 25 Amber, 25 Green.
The fourth set of reviews in June 23 reduced the number to
- 43 Departmental Risks - 1 Red, 26 Amber, 16 Green
The fifth set of returns in September 23 the number remained at 43
- 43 Departmental Risks - 1 Red, 26 Amber, 16 Green
- The sixth set of returns in December 23 the number reduced to 39
- 39 Departmental Risks - 1 Red, 25 Amber, 13 Green
- The seventh set of returns in March 24 the number increased to 43

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3.10 Position as at the 31st March 2024

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	2	5	3	11
Finance	0	2	1	1
Environmental Services	0	6	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	0	2
Planning Services	0	1	0	1
Housing	0	6	3	8
Community Services	0	2	2	3
HR	0	0	1	1
Total	2	28	13	43

The Red Risk are now 2. One continues to be REV7 - Revenues - Performance Indicator data is not robust. The other is Revenue Data Compliance.

3.11 Position at the 30th June 2024 is 40 departmental risks.

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	5	4	10
Finance	0	2	1	3
Environmental Services	0	5	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	0	2
Planning Services	0	1	0	1
Housing	0	5	3	8
Community Services	0	1	2	3
HR	0	0	1	1
Total	1	25	14	40

3.12 The table at Appendix A sets out the detail of these departmental Risks and links them where relevant to Corporate Risks. The table sets out the RAG rating for each of these risks for the Quarters 2-4 2023/24. Those risks that have been mitigated have a “black” colour in the quarter that stopped becoming a Departmental Risk.

The Red Risk REV7 - Revenues - Performance Indicator data has now been partially mitigated and becomes an Amber Risk. The risk Revenues Data Compliance (REV 18) remains a Red Risk.

WRS risks, as per their Board Pack for June 2024 are attached at Appendix C.

3.13 This is a decrease of risks since the last report.

3.14 This report sets out the position a year following the initial baselining of council risks. This is the eighth review, following the implementation of the Action Plan due to the “No Assurance” internal Audit reports. The key point a year in is to ensure that risk management is embedded within the organisations:

- Officer Risk Board continues to take place quarterly to embed processes and validate Risks on the register.
- Each department has nominated a representative to a Risk Board. These report back to management teams who ensure Departmental Risk Registers are updated at least quarterly and discussed at management teams monthly.
- The Audit Committees of both Councils reviewed Risk Registers on a quarterly basis. These reports have also been presented to Cabinet although this has stopped after June 2023 as this should be a function of the Audit Committees.
- CMT are updated on risk management issues in their monthly “assurance” meeting, which is a week after the Risk Board meets on a quarterly basis.
- The Corporate Risk Register is now discussed as an early item on the agenda at meetings of the Audit, Standards and Governance Committee, as per the Audit Task Group’s recommendation.
- The Risk Level has moved from a Limited Assurance in March 2022 to a Moderate Assurance in May 2023.

In terms of departmental lists:

3.15 Community risks, even though many are green, are still all relevant as departmental and cannot be moved to the lower level of “business as usual” as these link to fixed term contracts. The most significant risk is now the Safeguarding Risk which affects all service areas. There is a new Red Risk linked to data quality in Revenues services, but as already highlighted the performance data risk has now moved from RED to AMBER. There have recently been two issues that are linked to safeguarding. Because of this end to end processes are being reviewed.

3.16 The majority of Housing risks are compliance led.

3.17 There is a new risk in finance linked to staff non-compliance of procurement processes. This will be mitigated by additional training. It should be noted, that to provide more financial support to managers (FIN1) courses are being devised to improve budget manager skills and their understanding of how best to effectively use TechOne.

- 3.18 The Building Control risk will become more focused towards the end of the financial year as if Building Control staff are not accredited, we cannot use them. This will also possibly limit the number of staff available in the agency market. Existing staff are presently undertaking accreditation exams in order to mitigate the issue.
- 3.19 Given the significant cyber risks faced by Council's, as noted in the Corporate Risks section, it is important Members and Officers engage to mitigate this risk. Using KnowBe4 functionality is assisting and the associated penetration tests is assisting in mitigating this risk for both Members and Staff. As noted earlier, the Council have successfully renewed their cyber insurance policy.
- 3.20 With Property, the biggest risk we face in the future is the new works in the Town Hall. We are reviewing all our assets as there is a significant impact on EPC (Energy) ratings and what will be allowable after 2026. This could have significant cost impacts for the Council. Given a New Assistant Director of Regeneration and Property begins in August there will be a full review of all risk and issues linked to these areas and this will feed through to the Q2 Risk Report.

Insurance

- 3.21 We have successfully renewed our Cyber insurance. It seems that the markets have settled down following the issues we had in renewing in 2022 and the premium has only increased marginally.
- 3.22 The Council are in their final year of the present insurance contracts. The Council is now running a year after other Worcestershire Councils who are renewing in this financial year. As such, the Council is just renewing/extending its contracts for a single year. An issue remains Property information. Insurers are now requesting significantly more detail and it will take 12 months to get data to the required standard. This issue does highlight a deficiency in property data capture – which links to the Corporate Customer Risk linked to data.
- 3.23 The increases in fires seen in recent reports have reduced as have Damp/Mould claims and it should be noted that we have the lowest claims levels across Worcestershire for Parks and Open spaces – which is traditionally where the high public liability claims are. In addition to this we are defending these claims well due to the quality of data held in this area.
- 3.24 In assessing renewal data we have seen a large reduction in trips/slips, although this could be due to more of the population working from home and potholes is not the issue in Bromsgrove that it is in other areas.

The Risk Management Framework

- 3.24 Risk Management Training. Given the active management of risks by service departments, we have seen numbers of departmental risks reduced by over 50% although Corporate Risks have increased by 20%. There is the requirement for Corporate Risk training (Members and Officers) and existing processes need further embedded in the organisations to increase assurance. This will be organised following the General Election.

4. Legal Implications

- 4.1 No Legal implications have been identified.

5. Financial Implications

- 5.1 The Council spend 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

- 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 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.

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8. RISK MANAGEMENT

8.1 This report is about Risk Management.

9. APPENDENCES

Appendix A – Present Departmental Risks

Appendix B – Previous Risk Management Reports

Appendix B – WRS Risk Report

AUTHOR OF REPORT

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Appendix A - Present Departmental Risks

Council	Q2	Q3	Q4	Q1	Risk Description	Corp Risk
Both	BEN 1	BEN 1	BEN 1	BEN 1	Fail to effectively resource the service to meet demand	COR 9
Both	BEN 3	BEN 3	BEN 3	BEN 3	Impact of Welfare Reform Act	
Both	BEN 6	BEN 6	BEN 6	BEN 6	Impact of ELF scheme	
Both	BEN 7	BEN 7	BEN 7	BEN 7	Benefits subsidy	
Both	BEN 9				Failure to meet Audit requirements	
Both	CUS 3	CUS 3			Failure to deal with complaints to customers satisfaction	
Both	CUS 7	CUS 7	CUS 7	CUS 7	RBC/BDC Fail to ensure the adequate security arrangements for Customer Service Centres	COR 9
Both	REV 4	REV 4	REV 4	REV 4	Failure to effectively manage change	
Both	REV 7	REV 7	REV 7	REV 7	Performance Information data is not robust	
Both	REV 11	REV 11	REV 11	REV 11	Reduced collection rates	
Both	REV 12				Failure to meet Audit requirements	
Both	REV 16	REV 16			Maintenance and Recovery of Collection Performance Post Covid	
Both	REV 17	REV 17	REV 17	REV 17	Failure of corporate Fraud and Compliance team	

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Both			Rev18	REV 18	Data Compliance	COR24
Both	FIN 1	FIN 1	FIN 1	FIN 1	Fail to provide adequate support to managers to manage their budgets	COR10
Both	FIN 4		FIN4	FIN 4	Fail to effectively manage high value procurements resulting in breach of EU procurement rules.	COR16
Both			FIN7	FIN 7	Purchasing Non Compliance	COR16
Both	ENV 7	ENV 7	ENV 7	ENV 7	Fail to adequately maintain and manage car parking and On Street enforcement	
Both	ENV 9	ENV 9	ENV 9	ENV 9	Avoidable damage to fleet arising from staff behaviour and none compliance	
Both	ENV 10	ENV 10	ENV 10	ENV 10	Fail to ensure adequate Health & Safety across the service	COR 9
Both	ENV 11	ENV 11	ENV 11		Fail to engage with the WCC regarding land associated with highway maintenance	
Both	ENV 20	ENV 20	ENV 20	ENV 20	Workforce planning	COR19
Both	ENV 22	ENV22	ENV 22	ENV 22	PDMS - New Environmental database	
Both			ENV 26	ENV 26	Environmental Enforcement	
Both	L&C 2	L&C 2	L&C 2	L&C 2	Fail to ensure the health & safety of the Public / Staff and visitors using services (meeting regulatory requirements)	COR 9
Both	LED 9	LED 9	LED 9	LED 9	Failure to ensure that Council Owned buildings, Property Assets and Facilities remain fit	

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					for purpose now and for the future.	
Both	LED 10	LED 10	LED 10	LED 10	Fail to optimise the income from Commercial properties	
Both	LED 11	LED 11	LED 11	LED 11	Fail to effectively manage property assets	
Both	LED 12	LED 12	LED 12	LED 12	Fail to effectively manage the disposal of assets as part of asset disposal programme	
Both	LED 13	LED 13	LED 13	LED 13	Bromsgrove Leisure Contract	COR16
Both	ICT 4				Breach of Data Protection – disclosure of data / staff not aware of guidelines	COR18
Both	ICT 7	ICT 7	ICT 7	ICT 7	Failure to identify, maintain and test adequate disaster recovery arrangements	COR18
Both	ICT 15	ICT 15	ICT 15	ICT 15	Members and Data protection Training	
Both	PLA 11	PLA 11	PLA 11	PLA 11	Loss of effective Building Control service due to changes in legislation / Hackett / Grenfell	COR19
Both	HOU 7	HOU 7	HOU 7	HOU 7	Fail to manage impact of increasing homelessness cases and Recruitment challenges	COR19
Both	HOU 10	HOU 10	HOU 10	HOU 10	Fail to effectively manage capital projects (also the right contracts are put in place, internal and external)	
Both	HOU 14	HOU 14	HOU 14	HOU 14	Failure to complete annual gas Safety Inspections	COR14
Both	HOU 19	HOU 19	HOU 19	HOU 19	Failure to comply with Charter for Social Housing and the Regulator	COR14

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Both	HOU 21	HOU 21	HOU 21	HOU 21	Non-compliance with Asbestos Regulations	COR14
Both	HOU 22	HOU 22	HOU 22	HOU 22	Non-compliance with Regulatory Reform (Fire Safety) Order 2005 - Blocks of flats and communal entrances	COR14
Both	HOU 27	HOU 27	HOU 27	HOU 27	Failure to comply with IEE regulations	COR14
Both	HOU 28	HOU 28	HOU 28	HOU 28	Damp and Mould In Council Housing	COR14
Both	COM 3	COM 3	COM 3	COM 3	Safeguarding - Inadequate child and adult protection systems/process.	COR14
Both	COM 17	COM 17	COM 17	COM 17	Starting Well Partnership – underperformance of contract	COR16
Both	COM 18	COM 18	COM 18	COM 18	Social Prescribing – underperformance of contract	COR16
Both	HR 2	HR 2	HR 2	HR 2	Fail to monitor and respond to changes in employment legislation	COR14

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Appendix B - Previous Quarters Risk Reports

The baseline risks April 2022 are included in the following table – this is prior to any Risk Board meetings.

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	12	20	13	45
Finance	0	0	4	4
Environmental Services	0	2	11	13
Leisure & Cultural Services	0	3	3	6
Legal, Equalities and Democratic Services	0	0	7	7
ICT	2	4	5	11
Planning Services	0	1	1	2
Housing	0	4	5	9
Community Services	1	1	5	7
HR	0	0	1	1
Total	15	35	55	105

After the Risk Board on the 22nd June, the following changes have been made which saw the number of risks reduce as follows to 82 risks

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	0	6	12	18
Finance	0	2	2	4
Environmental Services	0	2	11	13
Leisure & Cultural Services	0	3	3	6
Legal, Equalities, Democratic Services & Property	0	3	9	12
ICT	2	6	2	10
Planning Services	0	2	1	3
Housing	0	3	4	7
Community Services	0	2	6	8
HR	0	0	1	1
Total	2	29	51	82

The two departmental red risks are:

- ICT 7 - Failure to identify, maintain and test adequate disaster recovery arrangements
- ICT 11 - System functionality to manage records

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After the Risk Board on in December 22, the following changes have been made which saw the number of risks reduce as follows to 55 Risks:

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	5	10	16
Finance	0	2	2	4
Environmental Services	0	5	3	8
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	1	1	5	7
ICT	0	2	2	4
Planning Services	0	1	0	1
Housing	0	3	4	7
Community Services	0	1	5	6
HR	0	0	1	1
Total	2	21	32	55

Red Risks – 2 in total

- REV7 - Revenues - Performance Indicator data is not robust.
- LED13 - Legal – Bromsgrove Leisure Contracts.

The previous two ICT Risks have been mitigated.

After the Risk Board on in March 23, the following changes have been made which saw the number of risks reduce as follows to 51 Risks:

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	6	9	16
Finance	0	2	0	2
Environmental Services	0	5	3	8
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	1	3
Planning Services	0	1	0	1
Housing	0	4	4	8
Community Services	0	1	5	6
HR	0	0	1	1
Total	1	25	25	51

Red Risks – 1 in total

REV7 - Revenues - Performance Indicator data is not robust

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Position as at the 22nd June 2023

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	6	6	13
Finance	0	2	0	2
Environmental Services	0	5	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	1	3
Planning Services	0	1	0	1
Housing	0	6	2	8
Community Services	0	0	3	4
HR	0	0	1	1
Total	1	26	16	43

Red Risks – 1 in total

REV7 - Revenues - Performance Indicator data is not robust

Position as at the 30th September 2023

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	6	6	13
Finance	0	2	0	2
Environmental Services	0	5	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	1	3
Planning Services	0	1	0	1
Housing	0	6	2	8
Community Services	0	0	3	4
HR	0	0	1	1
Total	1	26	16	43

Red Risks – 1 in total

REV7 - Revenues - Performance Indicator data is not robust

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Position as at the 31st December 2023

Service Area	Red	Amber	Green	Total
Customer Access and Financial Support	1	6	4	11
Finance	0	1	0	1
Environmental Services	0	5	1	6
Leisure & Cultural Services	0	1	0	1
Legal, Equalities, Democratic Services & Property	0	3	2	5
ICT	0	2	0	2
Planning Services	0	1	0	1
Housing	0	6	2	8
Community Services	0	0	3	3
HR	0	0	1	1
Total	1	25	13	39

Red Risks – 1 in total

REV7 - Revenues - Performance Indicator data is not robust

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Appendix C - Worcester Regulatory Services Risks

Risk Description	Consequences	When is this likely to happen	Current Position			Control measures
			Likelihood	Impact	Matrix RAG Status	
Loss of Data through IT failures	Disruption to Service Provision. Inability to produce records and data.	On-going	Low	High	Green	Wyre Forest ICT has effective processes and business continuity plans in place. WFDC upgraded relevant systems including Windows. The service moved to Office 365 during 2021/22, which provides better access to a range of provisions including Microsoft Teams and Power BI.
Issues with the WRS database system	Impact on work planning. Self-help may not enable savings required	On-going	Low	High	Amber	Current contract due to be re-negotiated in February 2023. Work has commenced on negotiating new contract. The cost of moving systems is prohibitive currently and, whilst the system has its faults, it provides the necessary functionality and will allow the enablement of data transfer from electronic forms.
Effective and efficient Business Continuity arrangements in place	Disruption to service if e.g., Major Power failures or other reasons that access to Wyre Forest House is not possible.	On-going	Very Low	Medium	Amber	The pandemic has shown that we were well prepared for the need to maximise working from home and now all staff, including some previously regarded as office based can do this. Touchdown stations remain available in partner council locations. WRS Managers do need to redraft contingency plans in the event of a prolonged IT failure or cyber-attack that will allow services to be maintained.
Maintain our capacity to achieve service delivery	Disruption to service e.g., Major staff sickness (e.g., flu pandemic) or Unable to recruit or retain suitably qualified staff.	On-going	Low	Medium	Amber	The pandemic response has shown that the service was well-placed to respond to what was required.. Consultants are available to provide short term cover and, whilst this worked well in peacetime to cover peak demand periods, the pandemic has revealed the limits to this type of capacity. These pressures will only be resolved in the longer term by local and central government investing in additional capacity

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						<p>and additional training to bring more people into the regulatory professions.</p> <p>Having taken on contracts with additional authorities the demand has increased, and neighbouring authorities have lost the ability to assist with some technical specialisms. This is the double-edged sword of effectively operating as a centre of excellence.</p> <p>Whilst we have good resource of our own, in event of an issue, there are limits to who we can ask for help. Regional and sub-regional groups are in place so can provide shared resources for local authorities if required.</p> <p>Effective training and development processes are in place to ensure recruitment and retention of staff.</p> <p>There is increased training budget pressure, reduced technical knowledge in neighbouring authorities and increased importance in maintaining heightened skills for contractual obligations and commercial edge.</p> <p>Regular inventory and maintenance of equipment is undertaken. In the future, budget for replace may be an issue but would be a relatively small amount for partners to share.</p>
Pest contractors cease operations.	Disruption to service. Negative media coverage. Increased public health risks	On-going	Low	High	Green	The Pest control framework contract has multiple pest control suppliers so the loss of one allows work to be moved to the others. This should limit or eliminate risk, although the unlikely loss of multiple companies might create capacity issues.
Effective and efficient contract arrangement for dog control	Disruption to service if no kennels available. Negative media coverage. Increased public health risks	On-going	Low	High	Amber	The Out of Hours and Kennelling contracts were re-tendered to enhance the existing arrangements and provide resilience however there are increases in numbers of stray dogs, dog disease and contracts are restricted by geographical location. Retendering for additional kennels remains difficult and consideration may be given to creating our own capacity.

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Hosting support does not deliver necessary financial and HR support to ensure efficient management	Efficiency of management reduced; staffing issues remain unaddressed, and performance suffers	On-going	Low	High	Amber	Issues with the new BDC finance system have mainly been resolved, however some workarounds remain in place due to some unforeseen issues.
One or more partners continue to be under great financial pressure and may consider alternatives to the partnership to deliver their service	Creates reputational issues for remaining partners and increases the need to manage overheads. Difficulties in delivering highly varied levels of service	On-going	Medium	High	Amber	New legal agreement limits variations in contribution before partners must move to contractual relationship but this is quite high before it kicks in (20%.) Leanness of organisation minimises overheads and focuses resource at the front line. Growth strategy should generate income to support partners in the future but there are limits to this without additional capacity being added to the system. Invest to save capacity has been committed by partners to see if this achieves the necessary outcomes but even this is now fully occupied.
Robust arrangements in place in relation to obtaining legal advice and monitoring legislative changes.	Loss of cases is costly and damages reputation.	On-going	Low	Medium	Green	Continued close working with BDC legal team and other partners who don't use BDC for advocacy. Technical and legal training days for staff. Difficulty in keeping informed of Case Law developments. Membership and attendance of Officer Technical Groups outside the County does assist.
Service provision complies with Government requirements, New performance regimes are introduced that the service is not staffed to address	Intervention by Government bodies Other national bodies seek to introduce similar frameworks to the FSA Code to get what they regard as suitable minimum levels of service. We understand that Government is asking its central competent bodies to ensure that regulatory regimes are fit for purpose and do not pose a risk to UK exports post BREXIT as the UK no longer has the cover of the EU taking on this role. This may make new codes or performance	On-going	Low	High	Amber	Limited detail of what is required for statutory minima can make decision making difficult around what is required in law as a minimum. The LGA is clearly aware of impact of budget reductions on regulation and has made it clear Government cannot expect what it had previously. Fewer interventions/ audits by government. The Service has developed systems that follow the principles of the requirements of bodies like FSA so can show some level of compliance, but service isn't operating to the letter of the current Code. This has been noted by the Agency and they are now seeking to drive all authorities back into line with the Code, with the threat of ministerial direction if required. The

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	frameworks in areas outside of food law more likely. NB: Food Standards Agency is addressed below.					major changes envisaged for the Code have been delayed until 2027. And whilst this change is likely to move closer to the WRS model of operation, it is unlikely to wholly embrace the intelligence-led approach. See below for specific risk. Environmental reporting for Local Air Quality Management, Pollution Prevention and Control and Private Water Supply Inspection reports to Defra and DWI have received positive responses with no issues of concern raised by these bodies.
Compliance with Food Code of Practice	Adverse comments following audits. FSA, can seek ministerial direction to make LAs comply with its Code of Practice	On-going	High	High	Amber/Red	This is a subset of the section above line as FSA is the only body currently with a statutory code that LAs must have significant regard to, plus it has the power to apply for Ministerial Orders to force LAs to comply with the letter of the Code. Until recently the Agency appears to have been happy to allow LAs to experiment as long as they abide by the spirit of the code and resource the function at a reasonable level. It has now changed tack and is seeking to push local authorities to operate much more closely to the letter of the code in an effort to create additional resource. A paper went to the FSA Board at the end of 2023, expressing concern about resourcing levels in both Env Health and Trading Standards resulting in a public call for local and central government to work together to remedy this. The partners are looking to make a significant investment in resources to address most of the Agency's concerns, but it will not allow full compliance with the Code. Having said this, there is limited risk in the variations that will remain in place and full compliance with the code would require a full redesign of operations within Community EH and further financial investment.

Failure to deliver external contract work at the level expected by the business or local authority with whom we have the contract	Damage to reputation, loss of future income streams, financial impact of paying damages	On-going	Low	High	Green	Ensure contract negotiations are clear on performance criteria and these are clearly recorded in the final documentation. Monthly reviews against performance criteria. Select staff to ensure competence of those undertaking work outside Worcestershire. Maintain strong links with the customer's monitoring staff. Intervene early with corrective action
Failure to successfully transition the Planning and Environment Enforcement functions to WRS	Damage to reputation, or enforcement cases	April to September 2024	Medium	Medium	Amber	Appropriate contract negotiations will set out the service level agreement (update to the Statement of Partner Requirements) and early recruitment will assist with reducing the risk of a successful transfer of service areas.

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Accounting Policies Report

Relevant Portfolio Holder	Councillor Steve Colella Finance and Enabling Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author	Job Title: Interim Head of Finance & Customer Services Contact email: Debra.Goodall@bromsgroveandredditch.gov.uk
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Key Decision / 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, Standards and Governance and Committee **RECOMMEND** that:

- 1) Progress on the 2020/21 Audit process be noted.
- 2) Any areas of concern within this key compliance report are raised with Cabinet.

2. BACKGROUND

2.1 From a Governance point of view, the financial framework under which the Council works is set out in the Constitution. In addition to this there are legislative reporting requirements which set out what needs to be done and by when. The Accounting Policies report which was tabled at the Audit, Standards and Governance Committee on the 1st June set out the Financial Governance Framework, and associated references to key documentation, that the Council, it's Member and Officers work to. These are (in summary):

- **The Budget and Policy Framework Procedure Rules.** These set out: 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 policy framework and, Call-in of decisions outside the budget or policy framework. These rules set out how decisions can be made, by whom and how they can be challenged.
- **Financial Procedure Rules** which are set out in Part 15 of the Constitution. These "operational policies" run to 36 pages and set out how the organisation financially runs it's "day to day" business.
- **Finance Protocols** which set out requirements and expectations of the Finance Team and Services in terms of financial administration and demarcation of duties.

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- 2.2 One of the legislative reporting requirements the Council has not achieved is the delivery of the 2020/21 Statement of Accounts. As such, the Council was issued with a Section 24 Statement. Redditch Borough Council (RBC) were also issued with a Section 24 Statement for the same non delivery of the 2020/21 accounts which is understandable given that officers support both Councils via a shared service.
- 2.3 Draft 2020/21 accounts have been presented to Audit Committee for comment in May and are open for Public Inspection. 2021/22 to 2023/4 are being worked on in sequence with 21/22 and 22/23 being in draft by August.
- 2.4 The 2024/5 budget was approved at Council on the 21st February 2024.

Legislative Requirements

- 2.5 The previous section sets out how the Council works, however equally important are the Central Government Legislative Requirements to which we deliver to and are compared to other Councils across the Council. This section lists those key deliverables.
- 2.6 The following are key legislative deliverables, which were circulated by the Government in December 2023 for the period December 2023, through the 2024/5 financial year. Delivery against these requirements will be set out in the final column of the table.
- 2.7 In wider sets of deliverables (outside the 2024/5 DLUHC Listing) we have the following returns that have been delivered:

Form	Code	Description	Proposed Dispatch	Deadline	Proposed Publication	Position
Capital Payments & Receipts - Q3	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2023-24	15-Dec-23	19-Jan-24	15-Feb-24	Delivered 26/1/24
Non-Domestic Rates Forecast	NNDR1	Billing authority forecasts of the amount of non-domestic rates to be collected in the 2024-25	15-Dec-23	31-Jan-24	21-Feb-24	Delivered 9/2/24 (Civica issue)
Council Tax & NDR Collection - Q3	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2023-24	15-Dec-23	12-Jan-24	14-Feb-24	Delivered 15/2/24 (Civica issue)
Quarterly Borrowing & Lending - Q3	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2023-24	15-Dec-23	08-Jan-24	15-Feb-24	Delivered 17/1/24
Quarterly Revenue Update - Quarters 3 & 4	QRU3	Quarter 1 to 3 2023-24 data and forecast end year local authority	15-Dec-23	26-Jan-24	07-Mar-24	Delivered 19/2/24

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		revenue expenditure update.				
Council Tax Requirement/ Parish Council Tax	CTR1/2/3/4	Information on council tax levels set by local authorities in 2024-25 and Council tax levels for 2024-25 set by parishes.	02/02/2024 (tbc)	11-Mar-24	21-Mar-24	Delivered 26/2/24
of which: Parish council tax	-	-	-	11-Mar-24	08-May-24	Delivered 26/2/24
Revenue Account Budget	RA	Local authority revenue expenditure and financing for 2024-25 Budget	16-Feb-24	05-Apr-24	20-Jun-24	Draft completed. 8/4/24
Capital Estimates Return	CER	Capital forecast for 2024-25	23-Feb-24	22-Mar-24	13-Jun-24	Delivered 22/3/24
Non-Domestic Rates Outturn-unaudited	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2023-24- provisional data	28-Mar-24	30-Apr-24	10-Jul-24	Draft delivered to Pool 14/4
Non-Domestic Rates Outturn-audited	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2023-24- final data	n/a	30-Sep-24	15-Nov-24	
Quarterly Borrowing & Lending - Q4	QB4	Local authority borrowing and investments from all local authorities to the end of Q4 2023-24	22-Mar-24	05-Apr-24	13-Jun-24	Delivered 5/4/24
Capital payments & receipts Q4 and provisional outturn	CPR4	Cumulative capital expenditure and receipts for Q1, Q2, Q3, and Q4 2023-24. Expanded collection, used as provisional outturn.	22-Mar-24	19-Apr-24	13-Jun-24	Delivered 29/4/24
Council Tax & NDR Collection - Q4	QRC4	Annual data of levels of council tax and non-domestic rates collected by local authorities in 2023-24 and Q4 2023-24	12-Apr-24	03-May-24	19-Jun-24	Needed
Capital Outturn Return	COR	Final capital outturn figures for 2023-24	26-Apr-24	26-Jul-24	10-Oct-24	Expected to be completed by 5/7/24
Revenue Outturn suite - provisional	RO	Local authority revenue expenditure and financing for 2023-24 Outturn (provisional)	26-Apr-24	28-Jun-24	29-Aug-24	Expected to be completed by 5/7/24
Revenue Outturn suite - certified	RO	Local authority revenue expenditure and	n/a	11-Oct-24	12-Dec-24	

Agenda Item 7

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		financing for 2023-24 Outturn (final)				
Exit payments	-	Local authority exit payments 2023-24	03-May-24	07-Jun-24	18-Jul-24	Delivered 05/06/2024
Quarterly Borrowing & Lending - Q1	QB1	Local authority borrowing and investments from all local authorities to the end of Q1 2024-25	24-Jun-24	05-Jul-24	08-Aug-24	Expected to be completed by deadline
Quarterly Revenue Update - Q1	QRU1	Q1 2024-25 data and forecast end year local authority revenue expenditure update	28-Jun-24	02-Aug-24	12-Sep-24	
Capital Payments & Receipts - Q1	CPR1	Cumulative capital expenditure and receipts for Q1 2024-25	21-Jun-24	19-Jul-24	08-Aug-24	Expected to be completed by deadline
Council Tax & NDR Collection - Q1	QRC1	Quarterly return of how much council tax and non-domestic rates are collected in Q1 2024-25	21-Jun-24	12-Jul-24	14-Aug-24	Expected to be completed by deadline
Local Government Pension Funds	SF3	Collect information on income and expenditure on local government pension schemes for 2023-24	05-Jul-24	13-Sep-24	23-Oct-24	
Council Tax Base/ Supplementary	CTB	Information about the 2024 council tax base for each billing authority.	20-Sep-24	11-Oct-24	06-Nov-24	
Quarterly Borrowing & Lending - Q2	QB2	Local authority borrowing and investments from all local authorities to the end of Q2 2024-25	23-Sep-24	04-Oct-24	14-Nov-24	
Quarterly Revenue Update - Q2	QRU2	Quarter 1 & 2 2024-25 data and forecast end year local authority revenue expenditure update	20-Sep-24	25-Oct-24	05-Dec-24	
Capital Payments & Receipts - Q2	CPR2	Cumulative capital expenditure and receipts for Q1 and Q2 2024-25	20-Sep-24	20-Oct-24	14-Nov-24	
Council Tax & NDR Collection - Q2	QRC2	Quarterly return of how much council tax and non-domestic rates are collected in Q2 2024-25	20-Sep-24	04-Oct-24	20-Nov-24	
Capital Payments & Receipts - Q3	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2024-25	13-Dec-24	17-Jan-25	13-Feb-25	
Non-Domestic Rates Forecast	NNDR1	Billing authority forecasts of the amount of non-domestic rates to	13-Dec-24	31-Jan-25	19-Feb-25	

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		be collected in the 2025-26				
Quarterly Revenue Update - Quarters 3 & 4	QRU3	Quarter 1 to 3 2024-25 data and forecast end year local authority revenue expenditure update.	13-Dec-24	24-Jan-25	06-Mar-25	
Quarterly Borrowing & Lending - Q3	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2024-25	13-Dec-24	06-Jan-25	13-Feb-25	
Council Tax & NDR Collection - Q3	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2024-25	13-Dec-24	10-Jan-25	12-Feb-25	
Council Tax Requirement/ Parish Council Tax	CTR1/2/3/4	Information on council tax levels set by local authorities in 2025-26. Council tax levels for 2025-26 set by parishes	Early Feb 2025	12-Mar-25	20-Mar-25	
of which: Parish council tax	-	-	Early Feb 2025	12-Mar-25	07-May-25	
Revenue Account Budget	RA	Local authority revenue expenditure and financing for 2025-26 Budget	14-Feb-25	04-Apr-25	19-Jun-25	
Capital Estimates Return	CER	Capital forecast for 2025-26	21-Feb-25	21-Mar-25	12-Jun-25	
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	5 working days before 1st working day of the month	Day 5 of each month	for quarter months only, see QB1, QB2, QB3, QB4 dates	Expected to be completed by deadline
Local Government Finance Statistics	LGFS33	Annual compilation of finance data collected from local authorities covering out-turn data for 2022-23	N/A	N/A	Spring 2024	

Budget

- Delivered by 11th March in preceding financial year – **2024/5 Budget and MTFP delivered 21st Feb 2024**
- Council Tax Base – Yearly – **2024/25 delivered in 17th January 2024**
- Council Tax Resolution – **Yearly 2024/5 delivered in 21st February 2024**
- Council Tax Billing – Yearly (2 weeks before 1st DD is due to be taken) – **Bills distributed in March 2024**

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- **Policies**
 - Treasury and Asset Management Strategies
 - 24/25 Strategy Approved **delivered 21st Feb 2024**
 - 23/24 Half Yearly Report **delivered November 23.**
 - 22/23 Draft Outturn Report **delivered September 23**
 - 24/5 Council Tax Support Scheme **approved on 24th January 2024.**
 - Minimum Revenue Provision – yearly – **Approved as part of the 2024/5 MTFP.**
 - Financial Monitoring – **delivered quarterly to Cabinet – Q1 in October, Q2 in November 2023. Q3 In March 2024.**
 - Risk Management – **Delivered quarterly to this Committee (Q4 delivered today)**
 - Savings Report – **Delivered quarterly to this Committee (Q4 delivered today)**
 - Financial Controls (still in development)
 - Clearance of suspense accounts – See the chart at the end of this Report for progress.
 - Bank Reconciliation - **linked to above point although a separate stream assessing/clearing 2023/4 and prior year items.**
 - Over £500 spending.
 - **Updated to February 2024.**

The following deliverables, prior to December 2023 are still to be delivered:

- **Closure**
 - Draft Accounts for 2021/22 and 2022/23.
 - 2020/21 Audit **see the later section.**
- Government Returns
 - VAT – Monthly
 - **Still to be delivered for 20/21 – dependent on closure of accounts, discussions ongoing with HMRC.**
 - Revenue Outturn Reports – July
 - **Still to be delivered for 20/21 and 21/22 – dependent on closure of accounts**
 - Whole of Government Accounts Returns – August
 - **Still to be delivered for 20/21, 21/22 and 22/23 – dependent on closure of accounts**

2.8 The key returns that have still not been delivered are the Revenue and Capital Outturn forms for 2020/21 and 2021/22 and the VAT returns. These will now be completed over the summer as draft accounts are compiled.

Update on the Statement of Accounts

2.9 The key Closure deliverables for each financial year are set out below:

- **Closure 2020/21**
 - Agreement of Treatment of Take on Balances – The final position on the Opening Balances is a difference between the Opening Balances on TechOne is only £3k, which is significantly below the Council’s trivial materiality level. **The**

2020/21 Accounts were presented to Audit Committee in May for comment and have now been opened for public scrutiny.

- **Closure 2021/22**
 - Draft 21/22 Accounts are now being prepared and a draft (without any 2020/21 Audit Adjustments) is expected in early July. Once ready with will be published on the Council's Website with the appropriate disclaimers. This will include the final outturn position.
 - Audit and Sign-Off of the Accounts following Audit of 2020/21 Accounts dependent on the Governments proposed Statutory Closure deadlines.
- **Closure 2022/23**
 - Draft 22/23 Accounts (without any 2020/21 or 2021/22 Audit Adjustments) is expected in August. Once ready with will be published on the Council's Website with the appropriate disclaimers. This will include the final outturn position
 - Audit and Sign-Off of the Accounts following Audit of 2020/21 Accounts dependent on the Governments proposed Statutory Closure deadlines.
- **2023/4 Accounts**
 - "Nuts and bolts" closure being completed for the end of May 2024.
 - Accounts must be completed and Audited under the present updated rules by the 31st March 2025.
 - Draft Outturn Position will be reported to Cabinet on the 24th July.
- **Closure Process being undertaken (high level view)**
 - The Council are closing 3 years in parallel and concurrently.
 - DG has updated the 21/2 and future years formats so easier to manipulate and complete.
 - IAS19 Pension Reports have been received and will be addressed on a concurrent basis.
 - Initial PPE valuations have been received and updates to these are being made following discussions with the valuers. All three years are being provided at the same time and will be combined into a single document.
 - NNDR/Council Tax (Collection Fund) – Journals awaiting actioning.
 - Reconciliations – significant team of 5 now working on these over all the open financial years.
 - Bank Reconciliation – Banks have been reconciled although the correcting journals have not been actioned.
 - VAT working plan required in order to move from central assessment in Q2 2024/5.
- **Value for Money Opinions for 2021/22 and 2022/23**
 - External Auditors delivered their joint Value for Money Opinions in November 2023:
 - S24 Recommendation still in place and extended for 2021/2 and 2022/3 Accounts.
 - 5 of the 6 2020/21 Key Recommendations either delivered or now linked to Improvement Recommendations.
 - 9 of 13 2020/21 Improvement Recommendations either fully or partially delivered.
 - One new Key Recommendation – linked to Workforce Strategy.

- Ten updated Improvement Recommendations.

2.10 As reported in the July and September Reports, DLUHC have stated that they are moving to rectify these backlogs by changing how audits are performed over the medium term. DLUHC are concerned that the most time should be spent on auditing more recent accounts, so scopes of audits will be reduced (still to be confirmed) however Auditors will still be expected to serve S114 and other Statutory Recommendations. The governments' view is that Audits will be given statutory deadlines for completion as follows:

- All accounts up to 2022/23 to be completed by the 30th September 2024.
- Year ended 31 March 2024: 31 May 2025.
- Year ended 31 March 2025: 31 March 2026.
- Year ended 31 March 2026: 31 January 2027.
- Year ended 31 March 2027: 30 November 2027.
- Year ended 31 March 2028: 30 November 2028.

The Council replied to consultations from DLUHC and the NAO in early March.

2.11 The NAO issued guidance on the 19th June for Auditors. This Supplementary Guidance Note (SGN) set out that:

- Auditors will be aware that on 22 May, the Prime Minister called a general election for 4 July. As a result, Parliament was dissolved on 30 May. This means that the proposals consulted upon by the NAO and DLUHC respectively for changes to the Code of Audit Practice and the introduction of statutory publication deadlines for audited accounts ('backstop' dates) cannot proceed until a new Parliament is formed and the new government has had the opportunity to consider whether it wishes to proceed with the proposals.
- Until then, auditors should continue to follow the current Code of Audit Practice. Where auditors are planning to complete audits, they should continue to make every effort to do so and as soon as possible.
- As information on the new government's policy for local audit in England becomes available the C&AG will keep the need for further guidance under review. He will also consider the timetable for a new Code of Audit Practice which will have to be in place by March 2025 as the current Code reaches the end of its five-year life.
- Until the new government has a policy position on the future of local audit in England it is not possible to provide any further clarity to auditors on next steps above and beyond what is set out in this SGN.

2.12 Bishop Fleming, our Auditors for 23/4 onwards, are still waiting for the formal outcomes of the various consultations (NAO, DLUHC and CIPFA) which took place earlier this year and therefore don't know exactly what this will mean for any audits which are likely to have disclaimed audits up to and including 2022/23. Their view is that it is better for them to pause issuing any audit plans for now. When they have the outcomes, they will be in a better position to set out what work they as auditors need to do on disclaimed audits. (They had hoped by this stage (July) they would have this information but clearly this has not been the case as per the guidance note in 2.11 above.)

- 2.13 The Council is now on the latest version of TechOne although because Redditch and Bromsgrove are still the only Council's on Cash Receipting, when the weekly updates come in they have to do additional checks to ensure the functionality is working as expected. The Council will now update to the latest version of TechOne every summer.

Update On 2024/25 Budget

- 2.14 The Council's 2024/25 Budget was approved on the 21st February 2024 at Council. Budgets will be loaded onto TechOne in March.
- 2.15 Quarter One 2023/4 financial and performance monitoring went to Cabinet in October and the Quarter Two Monitoring went to Cabinet on the 22nd November. The financial monitoring for Quarter 2 was delivered for the first time directly from the TechOne system with budget managers data input onto it and not into spreadsheets. Quarter Three Monitoring was presented to Cabinet in March.
- 2.16 To increase capacity, a number of the finance posts presently covered by Agency have been advertised internally and externally. Interviews for these posts took place on the 25th and 26th of January and 6 offers have been accepted.

Compliance Items

- 2.17 In their meeting in January 2024, Members requested further training to ensure they were informed in their decision making in this committee. The first of these training sessions has been set up in advance of the May Audit, Standards and Governance Meeting at 5pm on Thursday 23rd May.
- 2.18 There are a number of areas where compliance will be measured going forwards. Compliance to process and timetable is a key underlying theme of the Draft External Audit Report 2020/21 and the Combined 2021/22 & 2022/23. These items are being measured to improve how we work and change behaviours. This will lead to an improved financial health/knowledge across both Councils. Not all these measures can be put in place instantly but there should be the full suite by the middle of the summer (Debt indicators depend on the clearing of suspense and the updating of the bank reconciliations).

Training:

- Closure Training took place in March with 83 attending.
- Mandatory Budget Manager Training (including the use of TechOne) took place in September 2023 – upskilling budget managers with the tools to input their forecasts directly onto TechOne.
- Mandatory Financial Awareness Training for managers took place in August and September.
- Payments Purchase Order Training takes place monthly.

New tranches of training are being organised

Treasury Management

- The Half Yearly Treasury Management Report was presented to Cabinet on the 22nd November.

Audit VFM Report Requirements

- More Budget Consultation.
- Wider savings monitoring will be undertaken by this Committee quarterly.
- Capital and its deliverability will be reviewed as part of the Budget Tranche 2.
- Benchmarking is now incorporated into the budget process (using LG Futures data).
- The Internal Audit Service will be externally assessed in early 2024.
- The Council will seek an independent Audit Committee member and ensure the Committee remains apolitical in nature.
- The whistleblowing policy will be updated before the end of the financial year.
- Procurement and contract rules will be updated by the end of the financial year (to reflect changes to legislation happening in April 2024).
- Performance Indicators will be reviewed and updated following Strategic Priority setting sessions.

The Council is still to run sessions to assess its “risk appetite”.

Errors:

- Non delivery of GPC Card Data (monthly basis) – still to be started.
- Miscoding on TechOne per month – by Service Area - will begin once the cash receipting suspense has been cleared.

Procurement:

- The new ‘No Compliance No Order’ process has been live since April 2023.
- The number of contracts in place is growing regularly and we are confident that this process is having a positive effect. We hope that eventually we get to the place where the number of orders coming to procurement for approval as contracts are not in place are minimal.
- Council in February approved an increase of the Key Decision Level from £50k to £200k. The Q1, Q2 and Q3 Finance and Performance Monitoring Reports now set out:
 - All contracts requiring renewal over the next year that are over the present £200k threshold and these are placed on the forward plan.
 - All contracts requiring renewal over the next year that are between £50k and £200k for reference.
 - All contracts that are being procured by Redditch over this period that relate to Bromsgrove Services.

2.19 Work is ongoing on the clearance of the Cash Receipting suspense accounts. As reported to this committee, the Council are working to have clear the backlog linked to the timetable set out in section 2.9 above. Present progress is set out in the table below. This progress

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will be updated verbally at the Committee meeting. Note, significant numbers of large items on values over £1,000 are treasury transactions which are undertaken manually.

Row Labels	Number of Items under £1000	Value	Number of Items over £1,000	Value	Reconciled Items	Reconciled value	Total Items to Resolve	Total Value to Resolve
20/21 items	5,346	-150,197.64	102	-244,999.61	24,954	11,693,050.58	30,402	11,297,853.33
21/22 Items	27,207	214,783.54	261	4,723,679.65	6,814	-46,132,548.83	34,282	-41,194,085.64
22/23 Items	6,520	-82,541.29	550	140,124,905.14	18,693	-43,885,713.17	25,763	96,156,650.68
23/24 Items	10,501	86,782.18	594	-55,864,203.73	6,032	78,325,213.32	17,127	22,547,791.77
Grand Total	49,574	68,826.79	1,507	88,739,381.45	56,493	1.90	107,574	88,808,210.14

Summary

2.20 This report sets out the policies (local and national) that underpins the Council finances and the key deliverables. The 20/21 Accounts have now been submitted for Audit and the report sets out the Plan for the delivery of other years accounts. This report is now updated for data as at the end of April and is delivered to each Audit, Standards and Governance Committee at Bromsgrove to updates it on progress against targets and also alert them to any issues and risks.

3. FINANCIAL IMPLICATIONS

3.1 This paper sets out the financial frameworks within which the Council works.

4. LEGAL IMPLICATIONS

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

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

5.1 The Strategic purposes are included in the Council's Corporate Plan and guides the Council's approach to budget making ensuring we focus on the issues and what are most important for the District 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.

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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 2023/24 MTFP and 2024/25 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.

8. BACKGROUND PAPERS

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

Section 24 Report to Audit and Council – November/December 2022.

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

Finance Recovery Report – July 2023, October 2023 – Cabinet

Programme Management Office Requirements – June 2023 – Cabinet

Approvals to Spend Report - July 2023 – Cabinet

9. Appendices

None

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Member Risk Champion

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

1. **RECOMMENDATIONS**

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

- 1) That the updated terms of reference for the position of Member Risk Champion be approved; and
- 2) To appoint a Member Risk Champion for the 2024/25 municipal year.

2. **BACKGROUND**

- 2.1 This report details proposed changes to the position of Member Risk Champion for Bromsgrove District Council.
- 2.2 Members are invited to consider whether to approve these proposed changes to the role.

3. **OPERATIONAL ISSUES**

- 3.1 There has been a Member Risk Champion at Bromsgrove District Council for a number of years.
- 3.2 The Member Risk Champion takes a lead for elected Members in terms of monitoring risks that might impact on Council services and

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identifying whether appropriate mitigating action is in place to address these risks.

- 3.3 The Member Risk Champion can also provide assurance to fellow Members that risks are managed appropriately by the Council and can investigate particular risks identified by other Councillors where requested to do so.
- 3.4 To date, the Member Risk Champion has always been a member of the Audit, Standards and Governance Committee and has provided verbal updates to the Committee on the findings arising from their investigations. The Member Risk Champion is usually appointed at the first meeting of the Committee held in the municipal year.
- 3.5 However, at the first meeting of the Audit, Standards and Governance Committee in the 2024/25 municipal year, held on 23rd May 2024, no member of the Committee was nominated to this position.
- 3.6 The requirement for the Member Risk Champion to be a member of the Audit, Standards and Governance Committee is reflected in the current terms of reference for the role. However, this is not a legal requirement and nor does this form part of the Audit, Standards and Governance Procedure Rules in the Council's constitution. Therefore, there is scope to amend the terms of reference to enable a Councillor who is not a Member of the Committee to take on this role.
- 3.7 In the 2023/24 municipal year, Councillor B. McEldowney was the Member Risk Champion for the authority. However, following Councillor McEldowney's appointment to the Cabinet in May 2024, he is no longer eligible to take on this role in its current form as Members of Cabinet are not permitted to be members of the Audit, Standards and Governance Committee.
- 3.8 It is suggested that Members could amend the terms of reference for the position of Member Risk Champion to enable a Councillor who is not a member of the Audit, Standards and Governance Committee to be appointed to this role. Suggested amendments to the terms of reference for this position are highlighted in track changes at Appendix 1 to the report.
- 3.9 Should Members agree to amend the terms of reference for the position of Risk Champion to allow Councillors who are not members of the Audit, Standards and Governance Committee to take on this role, the Committee would still need to ensure that the role was being

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undertaken with due diligence. Therefore, the Committee might want to request that the Member in this position should provide written updates for Members' consideration at meetings of the Committee.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from the proposals detailed in this report.

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

6.1 The work of the Member Risk Champion helps to ensure that Bromsgrove District Council remains an effective and sustainable Council.

Climate Change Implications

6.2 There are no specific climate change implications arising in this report.

Equalities and Diversity Implications

6.3 There are no specific equalities and diversity implications arising in this report.

7. RISK MANAGEMENT

7.1 The role of Member Risk Champion is important in terms of providing Councillors with assurance in respect of risk management, including the actions being taken by the Council to mitigate any risks that could impact on the authority.

7.2 There is a risk that, if the terms of reference for the position of Member Risk Champion are not updated to enable Councillors who are not Members of the Audit, Standards and Governance Committee to take on the role, there may be no volunteers this municipal year to fulfil this very important position. This could undermine Members' confidence in risk management arrangements at the Council.

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8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Proposed updated terms of reference for the role of Member Risk Champion.

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor Karen May.	July 2024
Financial Services	Pete Carpenter, Deputy Chief Executive and Section 151 Officer	July 2024

Appendix 1 Member Risk Champion – Roles and Responsibilities

The overall purpose of the role of the Member Risk Champion is to promote, encourage, challenge and drive improvement of the Council's Risk Management processes. The Champion will work closely with Member colleagues and officers in meeting the risk management responsibilities.

The Risk Champion at the Council is expected to ~~be a Member of the Audit, Standards and Governance Committee. They should be prepared to~~ provide regular updates at every meeting of the Committee in respect of their work as Risk Champion. This could take the form of written or verbal updates to the Committee.

The main responsibilities of the Member Risk Champion are:

- to promote the Council's Risk Management Strategy and acting as a recognised point of contact for risk related questions.
- to help ensure the Council's risk management systems are operating effectively and to report to the Audit, Standards and Governance Committee as to the robustness or otherwise of those systems.
- to encourage Member colleagues to raise the profile of risk at both formal and informal council meetings thereby embedding the risk management throughout the Council.
- to raise and maintain an awareness of all matters connected with risk management.
- to take a lead role in the development of all members in relation to risk management.

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AUDIT, STANDARDS & GOVERNANCE COMMITTEE – WORK PROGRAMME 2024/25

As per resolution made by the Committee on 7th March 2024 (Minute No. 69/23 refers), it was agreed that the number of scheduled meetings for 2024-25 be reduced to five meetings instead of the current six. The Committee is therefore asked to consider whether to have one meeting in Autumn instead of two as per current schedule printed below.

15th July 2024

Standing items:

- Financial Compliance Report including update on Statements of Accounts
- Risk Management Report / Quarterly Risk Update
- Committee Work Programme

Other items:

- Internal Audit Annual Report & Audit Opinion 2023/24
- Whistleblowing Policy Update
- Risk Champion – Report about the role

19th September 2024 (Date TBC)

Standing items:

- Standards Regime – Monitoring Officer's Report
- Risk Management Report / Corporate Risk Register
- Grant Thornton – External Audit Progress Update
- Internal Audit Progress Report
- Financial Compliance Report including update on Statements of Accounts
- Financial Savings Monitoring Report
- Risk Champion Update
- Committee Work Programme

Other items:

- Annual Review from the Local Government Ombudsman

7th November 2024 (Date TBC)

Standing items:

- Risk Management Report / Quarterly Risk Update
- Grant Thornton – External Audit Progress Update
- Internal Audit Progress Report
- Financial Compliance Report including update on Statements of Accounts
- Risk Champion Update
- Committee Work Programme

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS & GOVERNANCE COMMITTEE – WORK PROGRAMME 2024/25

Other items:

-

16th January 2025

Standing items:

- Standards Regime – Monitoring Officer's Report
- External Audit (Grant Thornton) – Progress Update
- Internal Audit Progress Report
- Financial Compliance Report including update on Statements of Accounts
- Risk Champion Update
- Committee Work Programme
- Financial Savings Monitoring Report

Other items:

- Capital Strategy 2025-26 including Treasury Management Strategy

20th March 2025

- Standards Regime – Monitoring Officer's Report
- Risk Management Report / Corporate Risk Register
- External Audit (Grant Thornton) – Progress Update
- Internal Audit Progress Report
- Financial Compliance Report including update on Statements of Accounts
- Risk Champion Update
- Committee Work Programme

Other items:

- Audit, Standards and Governance Committee Annual Report 2024/25