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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

MONDAY 14TH JULY 2025

AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors S. Ammar, R. Bailes, S. R. Colella,
D. J. A. Forsythe, D. Hopkins, B. Kumar, D. J. Nicholl,
S. T. Nock, H. D. N. Warren-Clarke and J. D. Stanley and 1
Vacant Seat

AGENDA

1. **Election of Chairman**
2. **Election of Vice-Chairman**
3. **Apologies for Absence and Named Substitutes**
4. **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.

5. **To confirm the accuracy of the minutes of the Audit, Standards and Governance Committee meeting held on 20th March 2025** (Pages 5 - 16)
6. **Standards Regime - Monitoring Officer's Report** (Pages 17 - 22)
7. **Annual Update Report on Regulation of Investigatory Powers Act 2000 (RIPA)** (Pages 23 - 72)
8. **Localism Act 2011 - Standards Regime - Dispensations** (Pages 73 - 82)
9. **External Audit Onboarding Discussion Update**
10. **Annual Report of Internal Audit for 2024/25** (Pages 83 - 106)
11. **Internal Audit Plan 2025/26** (Pages 107 - 114)
12. **Financial Compliance Report including update on Statements of Accounts** (Pages 115 - 126)
13. **Financial Savings Monitoring Report** (Pages 127 - 136)
14. **Risk Management Report / Quarterly Risk Update** (Pages 137 - 150)
15. **Annual Appointment of Risk Champion**
16. **Audit, Standards and Governance Committee Work Programme** (Pages 151 - 152)

J. Leach
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

4th July 2025

**If you have any queries on this Agenda please contact
Sarah Woodfield**

**Parkside, Market Street, Bromsgrove, B61 8DA
Tel: (01527) 64252 Ext: 1605
Email: s.woodfield@bromsgroveandredditch.gov.uk**

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE AUDIT, STANDARDS AND GOVERNANCE COMMITTEE

THURSDAY 20TH MARCH 2025, AT 6.00 P.M.

PRESENT: Councillors H. D. N. Rone-Clarke (Chairman), S. T. Nock (Vice-Chairman), R. Bailes, D. J. A. Forsythe, D. Hopkins, D. J. Nicholl, J. Robinson (substituting for Councillor S. M. Evans), J. D. Stanley and M. Worrall (Parish Councils' Representative)

Observers: Councillor S. R. Colella, Cabinet Member for Finance

Officers: Mr P. Carpenter, Ms. D Goodall, Ms. N Cummings, Mr. C. Green and Mrs. P. Ross

55/24

APOLOGIES FOR ABSENCE AND NAMED SUBSTITUTES

At this stage in the meeting the Chairman announced a change in the running order of the agenda, as the Head of Internal Audit Shared Service was delayed due to traffic congestion.

Apologies for absence were received on behalf of Councillors C.A. Hotham, S. R. Peters and S. M. Evans, with Councillor J. Robinson in attendance as the substitute Member for Councillor S. M. Evans.

56/24

DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS

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

57/24

MINUTES

The minutes of the meeting of Audit, Standards and Governance Committee held on Thursday 16th January 2025 were submitted for Members' consideration.

RESOLVED that the minutes of the Audit, Standards and Governance Committee meeting held on 16th January 2025 be agreed as a true and correct record.

58/24

STANDARDS REGIME - MONITORING OFFICERS' REPORT

The Principal Solicitor for Governance presented the Standards Regime Monitoring Officer's report.

Since the last report, the Council had received one Member/Member complaint, which had been resolved informally and several complaints from members of the public in relation to a District Councillor which was at the initial assessment stage.

At the last meeting of the Constitution Review Working Group (CRWG) on 29th January 2025, Members had discussed Planning Site Visits, the Planning call-in process; and a number of matters that had also been referred to the CRWG by Group Leaders for consideration.

A further meeting of the CRWG was requested by Members and this was due to take place before the end of the municipal year. Any recommendations from this meeting would be reported to the Annual Council meeting being held on 14th May 2025, for consideration alongside the annual review of the Scheme of Delegations.

The Member Development Steering Group (MDSG) was responsible for co-ordinating Member training, Member induction and Member ICT support.

At the last meeting of the MDSG on 20th January 2025, Members had discussed training requirements for Councillors for the next Municipal Year 2025/2026.

Since Members were now mid-way through a 4 year term, the MDSG had concluded that it was not necessary to have a lengthy list of training sessions made available during the year. However, some mandatory had been requested for 2025/2026, as follows:-

- Code of conduct and standards regime
- Cyber security
- Planning Committee
- Local Government finance

The training sessions that had taken place since the last Monitoring Officer's report were detailed at paragraph 6.10 in the report.

Following consideration of the report, some Members commented that with regard to Member Complaints, that they were struggling to see the value of this information as very little detail was provided. Members questioned if it was possible to have some level of detail or even information on any specific trends emerging over a period of time.

The Principal Solicitor for Governance explained that she had thought about this, following comments made by some Members at the last meeting of the Committee. If it would assist Members, she was happy to produce an annual report showing the number of Member/Member and members of the public / District Councillor and if any trends were highlighted.

The Deputy Chief Executive / Section 151 Officer further explained that it was a statutory requirement for such a report to be presented to this Committee.

Following a brief discussion, Members were in agreement that a separate annual report was not required, however, Members stated that it would be useful to include any information on potential trends to the last meeting of the next municipal year for consideration.

RESOLVED that subject to Members comments, as detailed in the preamble above, that the report be noted.

59/24

FINANCIAL COMPLIANCE REPORT

The Deputy Chief Executive / S151 Officer highlighted to Members it was important that the processes put in place, following the issuing of the Section 24 Statement continued via this quarterly Financial Compliance Report.

With the Council having provided its accounts as per “backstop legislation” up to the 2023/24 financial year, it was proposed and approved at the January Committee meeting that the frequency of Audit Committee meetings reverted to quarterly.

As per the table at 2.7 and the deliverables underneath it, the Council were complying with National requirements. Many of the more local requirements were delivered when the budget was approved on the 19th February – especially in relation to Treasury Indicators.

The key returns that had still not been delivered were the VAT returns. Significant work has been undertaken by the Council’s Tax advisors PS Tax in liaison with HMRC, in order for the Council to return to normal VAT reporting, and the final version working papers were provided to HMRC on the 19th December 2024. Monthly returns were being made from December 2024 onwards.

The Council’s position on these key Closure deliverables were as follows:

- Closure 2020/21
 - Reported as per the 5th December Audit Committee and Disclaimer Opinion received and approved.
- Closure 2021/22
 - Reported as per the 5th December Audit Committee and Disclaimer Opinion received and approved.
- Closure 2022/23
 - Reported as per the 5th December Audit Committee and “Disclaimer Opinion” received and approved following the completion of the public consultation period on the 7th January 2025.
- Closure 2023/24

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- Draft Accounts were made available for public consultation since the 14th January. This closed on the 27th February, one day before the Backstop requirement.
- Accounting Opinion cannot be made until Ernst and Young had been onboarded.

Key Deliverables hit since the last meeting of the Committee, included:

- This Accounting Policies Report goes to every Audit Committee and Cabinet twice a year.
- TechOne was upgraded to version 24B in February 2025.
- The 2025/6 MTFP process had been completed.
- More Budget Consultation was addressed in Tranche 1 of the budget.
- Wider savings monitoring was being undertaken by this Committee quarterly.
- Procurement and contract rules would be updated by the end of the financial year (to reflect changes to legislation happening in February 2025).
- Performance Indicators had been reviewed and updated following the Strategic Priority and business plan sessions. Q3 monitoring saw the first version of these.

Ernst and Young note that the challenging part of the onboarding process, and where they have had difficulties elsewhere, would be the need to obtain returns from all elected Members. The typical time taken to obtain responses from all elected Members elsewhere had ranged from 6-12 months, we had delivered in 4 months.

The Assistant Director Finance and Customer Services further informed Members that a number of questions had been received from HMRC on systems and processes with regards to TechOne. Members were reassured that other Councils and Education Departments used TechOne. TechOne was not an off the shelf package and there were several questions to be asked / checked which Officers were keen to pick up with TechOne. Officers had answered a lot of questions on VAT and HMRC were looking at our competence in terms of our returns.

Members then raised a number of questions on the Council's recent Council Tax Bill discrepancy.

The Deputy Chief Executive / S151 Officer explained that there had been an error with the electronic Council Tax bills sent out this year, in that Worcestershire County Council's Band D council tax increase (including the adult social care component, which was no longer billed separately) had been incorrectly shown as 17.9% and not 4.99%. This was a misprint due to a technical system problem. The Council's Communications Team had put information on the Council's website and via the Councils' social media platforms. Members were reassured that the Deputy Chief Executive / S151 Officer would check with Officers to

see how much information had been cascaded to residents and if further information needed to be sent out.

The Deputy Chief Executive / S151 Officer briefly responded to a question on the recent VAT issues encountered with TechOne, in that there should have been three back offices for Bromsgrove District Council, Redditch Borough Council (RBC) and Rubicon Leisure, which generated a lot of income. It was also explained that the recharges to RBC from November 2022 were incorrect, which had been resolved by TechOne, however, it had taken 14 months to be resolved.

Members commented that the report was a joy to read, as the Council had progressed somewhat considering where the Council had been 18 months ago. Members expressed their sincere thanks to the Officers involved.

RESOLVED that the Audit, Standards and Governance Committee

- 1) note that the 2022/23 Accounts, following delegated approval, had been signed off.
- 2) note the position in relation to the delivery of the 2023/4 Accounts.
- 3) note the ongoing process for inducting the Council's new External Auditors, Ernst and Young; and
- 4) that the progress on other financial indicators, be noted.

It was noted that there were no recommendations to Cabinet with no area of concern within this key compliance report for consideration.

60/24

INTERNAL AUDIT PROGRESS REPORT

The Head of Internal Audit presented the Internal Audit Progress report to Members as follows:

- The purpose of the report was to provide an update of the Internal Audit's progress towards meeting its objectives in the audit plan for 2024/25, as approved by the Audit Standards and Governance Committee on 23rd May 2024.

The position at the time of writing the report was as follows:-

- 3 assignments had been completed.
- 5 draft reports had been issued.
- 8 assignments were in progress and fieldwork was progressing well.
- Remaining work was expected to be completed by the end of March for 5 of these assignments, and by the end of April for the remaining 3 assignments.

Currently 203 productive days had been delivered against the full year plan of 230 days. At this stage it was anticipated that the objective of

hitting 90% of the full year plan by 31st March 2025 would be achieved, this compared favourably to last year, with productivity improving to 80%.

Table 4 in the report detailed the Summary of Internal Audit progress and findings, year to date. Members were reassured that there was no cause for concern.

The Head of Internal Audit requested that Committee Members contacted him directly on areas they would like Internal Audit to look at in 2025/26.

In response to questions from Members, the Head of Internal Audit briefly explained what qualified as a 'productive day.'

As highlighted in the report, the service was implementing a suite of indicators which aimed to demonstrate and enhance performance. Each individual member of staff had an agreed target to deliver 90% of their own work plan by the end of March each year. The team had embraced the new 80% team productivity target; which could be stretched even further to 81% when closing up the number of delivery days and productivity.

Members referred to The Chartered Institute of Public Finance and Accountancy (CIPFA) new Internal Audit Standards in the UK Public Sector as of 1st April 2025. In response the Head of Internal Audit informed Members that a report would be presented to the next meeting of the Committee showing the differences, the main difference was around risk which would be mapped around the Council's risk framework. The report would highlight the full implications of the new Risk Based Internal Audit requirements. Officers needed to set a formal strategy document under the new standards, but currently there was the need to get the audit plans delivered.

Members commented that the productivity increase was no small feat, and that the improvement was really impressive.

RESOLVED that the Internal Audit Progress Report 2024/25 be noted.

61/24

RISK MANAGEMENT REPORT / CORPORATE RISK REGISTER

The Deputy Chief Executive / S151 Officer presented the Quarterly Risk Update Quarter 3, 2024/25.

Members' attention was drawn to page 52 of the main agenda pack, which detailed the ninth cycle of reviewing Corporate and Departmental Risks since the original baselining of Risks in April 2022. Over this period, we had seen:-

- Departmental ownership of risks and reviews at Management Teams on a monthly basis.

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- Active review, mitigation, and reduction of risks – ensuring they became managed as part of business as usual.
- Updating of the 4Risk System – as the Authorities repository of this information.
- That the Officer Risk Group had actively reduced risk numbers through their work and that a common approach to risk was now being embedded within the organisation.
- That the Risk Level had moved to a **Moderate Assurance** level in May 2023.

Corporate Risks were summarised in the table on page 53 of the main agenda pack. There had been two additions in relation to the upcoming Devolution/Local Government Reorganisation and also the embedding of a new Chief Executive and Deputy Chief Executive, both of whom were due to commence on 31st March 2025. In addition to this, there had been a number of changes with Financial Pressures (COR10), Resolution of the Approved Budget Position (COR17), Financial Position Rectification (COR20), Delivery of Levelling Up and Towns Fund Initiatives (COR22) reducing in RAG rating. There were five of these Corporate Risks classed as RED.

Members' attention was further drawn to the section on 'Devolution and Local Government Reorganisation', as the new risk was significant and would impact on all facets of Council operations. Within this parliament, all Councils within Worcestershire would be disbanded and replaced by Unitary Authorities. Councils within Worcestershire had been invited to give high level "agreed" solutions/options by the 21st March 2025, with detailed solutions by November 2025. The Council would need to deliver business as usual until vesting day and there were significant risks linked to operations, relationships with other Councils within the County, finances and potential loss of staff that needed to be managed.

It was also important that the current Chief Executive and Deputy Chief Executive passed on their knowledge to the new Chief Executive and Deputy Chief Executive.

The table at Appendix A to the report, set out the detail of these departmental Risks and linked them where relevant to Corporate Risks. The table also set out the RAG rating for each of these risks for Quarters 4 2023/24 and Quarters 1-3 2024/25. Those risks that had been mitigated had a "black" colour in the quarter showing it was no longer a Departmental Risk. There were now no Red Risks.

It was important when fighting claims that we maintained the correct records and the new CIVICA Housing system was helping with this.

Our insurers had highlighted 2 major risks for the sector:

- Under-Insurance of Council assets due to incomplete assets. Insurers were now starting to intimate that they would only insure

to a certain level and not the full value, if the data were not fully updated.

- The use of Artificial Intelligence – as it was not clear on what decisions were being made with this data and what the risks implications were because of this.

The Deputy Chief Executive / S151 Officer referred to security in meetings / Teams meetings and the potential use of AI generated avatars.

Following on from the presentation Members discussed cyber security in some detail and the following areas of concern were included in the discussions:-

- The number of Members who had undertaken cyber security KnowBe4 training
- Cyber security training KnowBe4, was this mandatory for all Members
- 'People' in Teams meetings potentially using AI avatars
- How safe were we on Teams meetings
- How Members could protect themselves from a cyber-attack
- The use of ChatGPT, was a good tool to use, but where was information stored
- Exempt sessions during meetings / Teams meetings, meetings being Live Streamed, how secure were exempt sessions. Where were 'people' located whilst participating in exempt sessions during Teams meetings, be aware of your surroundings/environment

Members further requested a simple guide on what to look for in order to protect themselves from a potential cyber-attack.

In response the Deputy Chief Executive / S151 Officer stated that everyone needed to be vigilant. Officers could not mandate Members to attend the cyber security KnowBe4 training. However, liaison with the Council's ICT Transformation Manager with regard to producing a simple guide for Members would be carried out (as referred to in the preamble above); and a useful link on 'AI Unpacked' from the Local Government Association (LGA) would be forwarded to all Committee Members.

The Deputy Chief Executive / S151 Officer reassured Members that he would raise their concerns on exempt sessions with the relevant senior officers.

It was agreed by Members that cyber security KnowBe4 training should be made mandatory for all Members.

Members then focused on Devolution and the restructuring that would be required, with the following questions / concerns being raised:-

- The use of consultancy experts and cost implications
- The tight timescale in which to achieve certain milestones, other authorities that had undergone devolution were given a longer period
- Be clear on what officers were expected to do, separate the functions from the devolution restructuring
- Have a clear forward plan, which sets out our key deliverables and measure delivery against it

However, the Deputy Chief Executive / S151 Officer stated that it was certainly seen as a positive that the new Chief Executive had been through devolution and would certainly bring his knowledge and some ideas.

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

RECOMMENDATION that cyber security KnowBe4 training be made mandatory for all Members.

62/24

FINANCIAL SAVINGS MONITORING REPORT - Q3

The Deputy Chief Executive / S151 Officer presented the Financial Savings Monitoring Report Quarter 3 to Members.

As part of the 2024/25 budget, which was agreed at Council in February 2024, there were several savings options approved through the two-tranche process to deliver the balanced budget for the year. Savings from both tranches of the budget process had been combined in Appendix A to the report with savings items relating to future years being added.

Overall, the Council was currently forecasting a full year revenue underspend of £53k at Quarter 3, which compared to an overspend figure of £344k reported at Quarter 2 – a £397k improvement of the Council's position. The underspend was mainly due to the additional grants received. This position would continue to be reviewed, particularly given the impact of the increasing costs linked to inflation, and further updates would be provided to Councillors throughout 2024/25.

With regard to Corporate Services £365k underspend, there were a number of variances within Corporate Services, as follows:-

- A saving of £678k following the release of a pay award provision offset by an overspend of £33k on external audit fees within Corporate Expenses
- An underspend of £49k on professional fees and charges in Treasury Management and Bank Fees
- An overspend of £269k due to council pension costs.

- An overspend of £20k on recruitment costs for the positions of Chief Executive and Executive Director Finance and Resources
- A £40k reduction of shared service income for Redditch Partnership (LSP)

The Red item (Finance Vacancies) in relation to finance would not be delivered. Additional resources had been bought in, and all accounts up to the 2023/24 financial year were now closed, with the task completed in January 2025. In 2025/26 we would be able to move back to the correct establishment.

The 2024/25 position was shown in Appendix A to the report. The vast majority of savings items linked either to increases in grant, agreed increases in Tax or items that would not be delivered until future financial years.

As stated in previous reports, the largest savings in recent years had been on Pension costs which linked to the 2023 triennial revaluation. These revised figures ran for 3 years and as such were a risk from the 2026/27 year if they changed. Initial advice from actuaries in December was that it was highly likely that these would not change from present levels in the next revaluation.

RESOLVED that the Q3 position on the 2024/25 Departmental Savings Programme, including any potential implications for future years be noted.

63/24

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE ANNUAL REPORT 2024/25

The Chairman introduced the Annual Report 2024/25, and in doing so took the opportunity to thank both Members and Officers for hard work and support.

The Chairman asked Members if they had anything to add or amend in the report. There were no amendments or changes.

Members raised questions with regard to appointing a 'lay' Member onto the Committee. This had been raised a several times recently as recruitment into the role had not been successful.

The Deputy Chief Executive / S151 Officer suggested that this was something that Members should they be minded to, could raise at the next meeting of the Constitution Review Working Group (CRWG), as there was a need for such a person to be paid. Council would need to determine and agree the level of pay to be awarded. Members were in agreement that this should be raised at the next CRWG meeting.

With this being the Deputy Chief Executive / S155 Officer's last meeting, the Chairman took the opportunity to express his sincere thanks for all

the excellent hard work he had undertaken and delivered during some turbulent times.

RESOLVED that the Audit, Standards and Governance Committee Annual Report 2024/25 be agreed.

64/24

RISK CHAMPION UPDATE

The Council's Risk Champion, Councillor R. Bailes presented the report to Members.

Members further discussed Devolution and in doing so raised the following areas of concern:-

- The importance of retaining staff
- How we continued to make the Council an attractive place to work for
- The challenges ahead
- No clarity on the devolution package in what it takes away from our core day to day business and legislative requirements
- Legislation on a Shadow authority being voted in
- The importance of keeping staff informed and engaged
- Restructuring - the capacity of officers and the importance of keeping the day to day business and functions of the Council going up to vesting day, separate from the devolution process
- Member capacity and commitments, especially with additional Cabinet / Council meetings on devolution
- Difficulties in remaining focused and positive

The Deputy Chief Executive / S151 Officer reassured Members that going forward, Risk Management information would now go back to being presented at future meetings of the Cabinet Working Group.

RESOLVED that the Risk Champion update be noted.

65/24

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE WORK PROGRAMME

The Audit, Standards and Governance Committee Work Programme 2024/25 was considered by Members.

The Deputy Chief Executive / S151 Officer informed Members that the Draft Accounts would be presented in June 2025 and audited in July 2025.

As discussed during the Quarterly Risk Update Quarter 3 (Minute No. 61/24) Councillor J. Robinson referred to Members having suggested that a clear Forward Plan which sets out our key deliverables (and measuring delivery against), to make sure we are delivering day to day, be included on the Committee's Work Programme for 2025/26.

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20th March 2025

Members referred to English Devolution White Paper and forthcoming changes, and asked if Officers could scope producing a 2 year calendar of meetings.

RESOLVED that the Audit, Standards and Governance Committee Work Programme for 2024/25, be noted; and that following the comments made in the preamble above that the Audit, Standards and Governance Committee Work Programme for 2025/26, be updated accordingly.

The meeting closed at 7.45 p.m.

Chairman

MONITORING OFFICER'S REPORT

Relevant Portfolio Holder	Councillor K. May
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton
Report Author Claire Felton	Job Title: Assistant Director of Legal, Democratic and Procurement Services Contact email: c.felton@bromsgroveandredditch.gov.uk
Wards Affected	N/A
Ward Councillor(s) consulted	N/A
Relevant Council Priority	Sustainable
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 that:-

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

2. BACKGROUND

- 2.1 This report sets out the position in relation to key standards regime matters which are of relevance to the Audit, Standards and Governance Committee since the last update provided at the meeting of the Committee in March 2025.
- 2.2 It has been proposed that from 2025-26 a report of this nature be presented to the Committee on a quarterly basis to ensure that Members are kept updated with any relevant standards matters.
- 2.3 Any further updates arising after publication of this report, including any relevant standards issues raised by Parish Councils, will be reported verbally by Officers at the meeting.

3. FINANCIAL IMPLICATIONS

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

4. LEGAL IMPLICATIONS

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

5. COUNCIL PRIORITIES - IMPLICATIONS

Local Government Reorganisation Implications

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

Relevant Council Priorities

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

Climate Change Implications

- 5.3 There are no specific climate change implications.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

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

Operational Implications

Member Complaints

- 6.2 Since the last report the complaints against a District Councillor from members of the public were assessed and found to be unsubstantiated. We received 2 member to member complaints, one of which was resolved informally and the other was assessed and found not to be a conduct issue. We received a complaint from a member and a member of the public, which was found not to be a member conduct issue and another complaint from a County Councillor against a District Councillor and a Parish Councillor, which was found not to be a conduct matter.

Constitution Review

- 6.3 The Constitution Review Working Group (CRWG) is responsible for reviewing the content of the Council's constitution. Any proposed changes arising from meetings of the group are reported for the consideration of Council.
- 6.4 A meeting of the CRWG took place on 10th April 2025, at which Members discussed Planning Committee Matters, a referral from the Council Meeting held on 19th February 2025 in respect of Motions on Notice, Council Procedures Rules – Public Participation and Motions on Notice – Requirements in the Council Procedure Rules.
- 6.5 Recommendations arising from this meeting were reported to the full Council meeting which took place on 14th May 2025.
- 6.6 At the request of Members, a further meeting of the CRWG was scheduled to take place in July 2025. Any recommendations arising from this meeting will be reported for Members' consideration at a Council meeting.

Member Development

- 6.7 The Member Development Steering Group (MDSG) is responsible for co-ordinating Member training, induction and ICT support. The group meets throughout the year.

Audit, Standards & Governance Committee

14th July 2025

- 6.8 The latest meeting of the group took place on 20th January 2025. Members agreed to cancel the March Member Development Steering Group meeting and to consider Member training needs at the next scheduled meeting of the Member Development Steering Group. The meeting of the group that was due to take place on 23rd June was subsequently postponed accommodating an additional meeting of the Planning Committee meeting. This meeting will now take place in July.

Member Training

- 6.9 A small number of Member training sessions have been arranged for 2025/26. This reduced number of training sessions has been booked in accordance with arrangements requested by the MDSG. In line with the approach agreed by the MDSG, some of this training will be delivered jointly with Redditch Borough Council, whilst other sessions are bespoke and being delivered to Bromsgrove Members only.
- 6.10 The MDSG has previously requested that the majority of training should be delivered in person. However, Members can opt to attend most training sessions remotely, with the link to the session provided on request.
- 6.11 The training sessions that have taken place since the last Monitoring Officer's report or which are shortly due to take place include:
- Code of Conduct Training – Thursday 8th May 2025
 - BDC Member Planning Training – Monday 2nd June 2025
 - Joint RBC/BDC Member Local Government Finance Training – Wednesday 25th June 2025
 - Member Licensing Refresher Training – Monday 21st July 2025
- 6.12 At a meeting of the Cabinet held on 18th June 2025 Members considered a recommendation made at the Audit, Standards and Governance Committee meeting held on 20th March 2025 concerning cyber security training for Members. Having considered this matter, the Cabinet agreed that cyber security training on the Knowbe4 system used by the Council should be mandatory.

7. RISK MANAGEMENT

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

- Risk of challenge to Council decisions; and
- Risk of complaints about elected Members.

8. APPENDICES and BACKGROUND PAPERS

No appendices.

Chapter 7 of the Localism Act 2011.

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Councillor K. May, Leader and Cabinet Member Strategic Partnerships Economic Development and Enabling	04/7/25
Lead Director / Head of Service	Claire Felton - Assistant Director of Legal, Democratic and Procurement Services	N/A
Financial Services	N/A	N/A
Legal Services	Nicola Cummings, Principal Solicitor (Governance)	30/6/25

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Audit, Standards and Governance Committee

14 July 2025

Annual Update Report on RIPA

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

1. RECOMMENDATIONS

The Committee is asked to RESOLVE that:-

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

2. BACKGROUND

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

Audit, Standards and Governance Committee

14 July 2025

- the Protection of Freedoms Act 2012 required local authorities to get approval from the Magistrates Court for any proposed surveillance; and
 - the threshold for the level of crime being investigated was raised to include only 'serious crime' (as defined).
- 2.4 Any organisation which has investigatory powers under RIPA is required to have in place a Policy governing all aspects of the regime, including the need for updating and officer training, regardless of whether the powers are exercised. The Council's Policy is regularly updated to comply with any changes in the legislation, guidance and codes of practice which apply to the regime. Changes are notified to the Council by an external RIPA expert, who also provides training and advice on RIPA issues.
- 2.5 Historically the Council's use of RIPA powers was always low. There were a number of reasons for this: A rigid process has to be followed to establish that a proposed surveillance activity is both "necessary" and "proportionate"; a senior officer has to evaluate the proposal against a number of criteria and would then have to be referred to the Magistrates Court to be confirmed. If approved, there would have been major resource implications for any authorised surveillance to have been undertaken.
- 2.6 Since the changes introduced in 2012 as described in 2.3 above, the Council has not exercised its powers under RIPA. The Surveillance Commissioner has noted that in recent years authorities like ours have granted far fewer RIPA authorisations and some have granted none at all.
- 2.7 The regime is overseen by the Investigatory Powers Commissioner's Office ("IPCO"), and includes inspections of organisations by an Inspector appointed by the Commissioner, usually about every three years. Whilst traditionally these inspections took place in person, the IPCO has now moved to a more light touch approach of conducting the inspections remotely.
- 2.8 Following on from the previous inspection in January 2022, in April 2025 the Council was notified that an inspection was due to take place and requested to submit data and records to the inspector appointed by the IPCO. As in 2022, the inspection was carried out remotely consisting of a desk top exercise based on data submitted by officers with conversations with the inspector as required.
- 2.9 The only follow up issue identified was some updating in relation to the Council's RIPA policy. A review of the policy has since been completed by officers and version 8.6 of the RIPA policy listed as a background paper to this report. As set out in recommendation 1.1 Members are being asked to endorse the updated policy.

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- 2.10 The last occasion a RIPA update report was considered by the Committee was on 23rd May 2024. Officers can update Members that there have been no significant changes or developments since then. There have been no new authorisations of use of RIPA powers. Officers continue to keep the policy under review but there have been no legislative or other changes to update in the last 12 months.
- 2.11 In order to have the option of using RIPA powers in the future if required, the Council must keep the policy up to date and ensure officers are aware of how to use it and the processes to follow. Officers must also be careful to ensure that they follow the parts of the policy that cover other forms of surveillance that fall outside of the strict RIPA regime, and the guidance in the policy around use of social media.
- 2.12 The Council is a member of the National Anti-Fraud Network [NAFN], which is hosted by Thameside MBC and which provides data and intelligence services under the RIPA regime to public sector organisations in relation to fraud investigations. Over 90% of local authorities are members of NAFN. Membership enables the Council to avail of its expertise, without having to have our own staff for the purpose.

3. OPERATIONAL ISSUES

- 3.1 Nothing additional to add to the information above.

4. FINANCIAL IMPLICATIONS

- 4.1 None as a direct result of this report.

5. LEGAL IMPLICATIONS

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

Audit, Standards and Governance Committee

14 July 2025

6. OTHER - IMPLICATIONS

Relevant Strategic Purpose

- 6.1 No direct link to the defined strategic purposes; maintaining the ability to use RIPA powers provides the Council with more options to take effective action to protect its citizens from fraud and criminal activity.

Climate Change Implications

- 6.2 None

Equalities and Diversity Implications

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

7. RISK MANAGEMENT

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

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

8. APPENDICES AND BACKGROUND PAPERS

Appendix 1 – RIPA Policy version 8.6

Report to Audit, Standards and Governance Committee - Annual
Update on RIPA – 23rd May 2024



Bromsgrove
District Council
www.bromsgrove.gov.uk



Bromsgrove District Council
And
Redditch Borough Council

Regulation of Investigatory Powers Act 2000
Policy

Version 8.6

Document Control

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

Revision History

Revision Date	Revised By	Version	Description of Revision
Jan 2013	Sarah Sellers		Not recorded.
30/8/2013	Clare Flanagan	August 2013	<ul style="list-style-type: none"> Document history page added. References to 'urgent oral authority' removed. Appendix 5 (about accessing Comms data) removed, now unnecessary.
1/9/2013	Clare Flanagan	August 2013	Update to Appendix 2 to remove all 'grounds for use' except prevention of crime.
28/8/2015	Nicola Brothwell	V4.0	Version numbering introduced. Removal of mention of staff who have left the Council.
19/1/2016	Nicola Brothwell	V5.0	Minor updates to list of Authorising Officers. OSC guidance on use of social media added.

Agenda Item 7

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

Agenda Item 7

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

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Introduction

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

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

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

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

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

Claire Felton

Assistant Director, Legal, Democratic and Procurement Services

Bromsgrove District Council and Redditch Borough Council

Updated: July 2022, reviewed May 2025

What are the origins of RIPA?

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

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

Such interference is in accordance with the law if:

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

These three points are clarified further in the next paragraphs.

When we talk of interference being "in accordance with the law", this means that any such interference is undertaken in accordance with the mechanism set down by the Regulation of Investigatory Powers Act (RIPA for short) and the Home Office Covert Surveillance Codes of Practice. The Codes of Practice deals with the use of Covert Surveillance and the use of persons such as informants and Undercover Officers who gather information in a covert capacity (Covert Human Intelligence Source or CHIS for short – refer to Page 15).

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

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

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

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

- Covert Surveillance and Property Interference
- CHIS

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

When does RIPA apply and who does it apply to?

RIPA applies to Public Authorities such as Local Authorities and permits them to conduct Covert Surveillance activities and use Covert Human Intelligence Sources (CHIS) such as informants and undercover officers (see pages 13 and 15) However, on 1 November 2012 two significant changes came into force that affect how local authorities use RIPA.

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

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

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

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

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

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

The Human Rights Act 1998

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

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

Definition of core functions

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

Private information

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

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

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

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

What happens if RIPA is ignored?

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

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

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

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

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Surveillance outside of RIPA

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

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

What is surveillance?

Surveillance

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

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

Covert surveillance

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

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

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

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

RIPA regulates two types of Covert Surveillance which are

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

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Directed surveillance

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

Surveillance is directed surveillance if the following are all true:

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

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

Immediate response to events

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

Recording of telephone conversations

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

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

Intrusive surveillance:

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

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

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

Local authorities are not permitted to carry out Intrusive Surveillance.

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

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

Commercial premises and vehicles

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

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

Covert Human Intelligence Source (CHIS)

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

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

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

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

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

Conduct and use of a source

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

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

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

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

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

Management of sources

Within the provisions there has to be;

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

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

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

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

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- monitoring the source's security and welfare;

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

Tasking

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

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

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

Management responsibility

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

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

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

Security and welfare

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

Persons who repeatedly provide information

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

Public Volunteers

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

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

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

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

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

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

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

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

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

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

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

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

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

Record management for CHIS

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

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

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Please refer to the section headed “Documentation and Central Record” (page 36) for further information regarding the holding of records relating to CHIS sources/ authorisations by the Information Management Team.

RIPA application and authorisation process

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

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

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

Application, review, renewal and cancellation forms

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

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

The procedure is as follows:-

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

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

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

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

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

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

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

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

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

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

The JP may decide to:

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

Approve the Grant or renewal of an authorisation

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

Refuse to approve the grant or renewal of an authorisation

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

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

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

Refuse to approve the grant or renewal and quash the authorisation

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

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

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

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

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

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

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

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

An application for an authorisation must include an assessment of the risk of any collateral intrusion or interference (see collateral intrusion on page 29). The Authorising Officer will take this into account, particularly when considering the proportionality of the directed surveillance or the use of a CHIS.

Applications

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

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

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

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

Duration of applications

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

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Renewal

12 months

All Authorisations must be cancelled by completing a cancellation form. They must not be left to simply expire (see cancellations page 26).

Reviews

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

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

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

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

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

Renewal

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

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

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

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

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

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

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

Cancellation

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

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

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

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

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Who can grant a RIPA authorisation?

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

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

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

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

Urgent oral authorisations

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

Local sensitivities

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

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

Authorising officers’ responsibility

Authorising officers should not be responsible for authorising investigations or operations in which they are directly involved, although it is recognised that this may sometimes be unavoidable such as where it is necessary to act urgently. Where an Authorising Officer authorises such an investigation or operation the Central Record of authorisations (see page 36) should highlight this and it should be brought to the attention of a Commissioner or Inspector should his next inspection.

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

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

Authorising Officers are responsible for determining when reviews of the activity are to take place (see Reviews on page 25).

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

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

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

Necessity and proportionality

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

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

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

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

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

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

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

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

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

Collateral intrusion

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

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

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

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

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

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

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

Unexpected interference with third parties

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

Confidential information

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

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

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

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

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

Use of CCTV

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

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

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

Use of Social Media

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Obtaining Communications Data

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

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

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

Examples of entity data include:

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

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

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

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

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

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

Joint agency surveillance

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

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

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

Documentation and central record

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

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

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

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

The documents contained in the centrally held register should be retained for at least three years from the ending of the authorisation or for the period stipulated by the Council's document retention policy, whichever is greater. The centrally held register should contain the following information:

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

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

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

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

For CHIS applications

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

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

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

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

Annual report to Investigatory Powers Commissioner's Office

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

Storage and retention of material

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

Data safeguards

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

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

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

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

Evidence

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

Reviews

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

Dissemination of information

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

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

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Copying

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

Storage

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

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

Destruction

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

Confidential or privileged information

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

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

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

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

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

Items subject to legal privilege

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

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

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

Covert surveillance of legal consultations

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

Lawyers' material

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

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

Handling, retention, and deletion of legally privileged material

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

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

Training

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

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

Errors

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

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

Oversight

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

Senior Responsible Officer and RIPA Co-ordinating officer

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

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

Reporting to members

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

Scrutiny and tribunal

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

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

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

Complaints can be addressed to the following address:

Investigatory Powers Tribunal

PO Box 33220

London

SW1 H9ZQ

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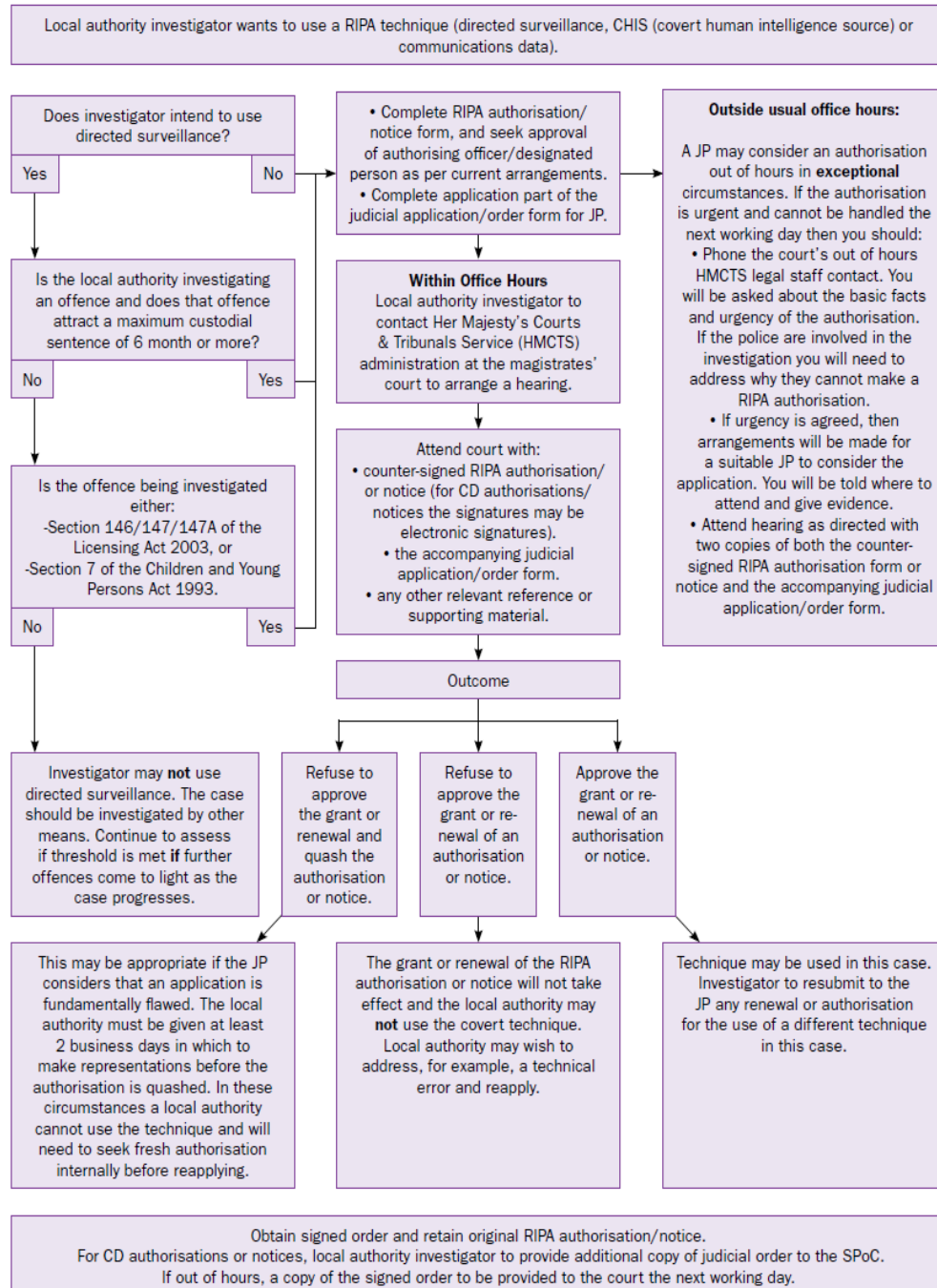
Appendix 1

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

Name	Department	Contact Number	Level of Surveillance Authority		
			Juvenile or Vulnerable CHIS and/or Confidential Material from CHIS or Directed Surveillance	CHIS	Directed Surveillance
John Leach	Chief Executive	Ext 1185	Yes	Yes	Yes
Simon Wilkes	Assistant Director of Regulatory Services	01562 738088	No	No	Yes
Bob Watson	Deputy Chief Executive and Director of Resources	Ext 1186	Yes	Yes	Yes

Appendix 2

LOCAL AUTHORITY PROCEDURE: APPLICATION TO A JUSTICE OF THE PEACE SEEKING AN ORDER TO APPROVE THE GRANT OF A RIPA AUTHORISATION OR NOTICE



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AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 2025

14th July

LOCALISM ACT 2011 – STANDARDS REGIME – DISPENSATIONS

Relevant Portfolio Holder	Councillor Karen May, Leader and Portfolio Holder for Strategic Partnerships, Economic Development and Enabling
Portfolio Holder Consulted	
Relevant Head of Service	Claire Felton, Assistant Director of Legal, Democratic and Procurement Services
Report Author Jess Bayley-Hill	Job Title: Jess Bayley-Hill, Principal Democratic Services Officer Contact email: jess.bayley-hill@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 Ext: 3072
Wards Affected	All Wards
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 Committee is asked to RESOLVE that

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

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 2025

14th July

3) subject to the caveat set out in paragraph 4.9 of this report in relation to setting the Council's Budget, the Audit, Standards and 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, Standards and Governance Committee in the 2027/28 municipal year unless amended by the Committee prior to that date.

2. BACKGROUND

To consider the granting of any new Individual Member Dispensations (IMDs) requested by Members up to the point of the meeting, and which will be detailed by the Monitoring Officer at the meeting. To also consider granting General Dispensations and Outside Body Appointment Dispensations.

3. FINANCIAL IMPLICATIONS

3.1 There are no specific financial implications.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 2025

14th July

4. LEGAL IMPLICATIONS

- 4.1 Section 33 of the Localism Act 2011 provides that dispensations can be granted in respect of Disclosable Pecuniary Interests (“DPIs”).
- 4.2 Section 33 (1) requires that a Member must make a written request for a dispensation.
- 4.3 Section 33 (3) provides that a dispensation must specify the period for which it has effect, and that period may not exceed 4 years.

Service / Operational Implications

Background

- 4.4 Under s31 (4) of the Localism Act 2011 a Member who has a DPI in a matter under consideration is not permitted to participate in the discussion or vote on the matter unless they have first obtained a dispensation under s33.
- 4.5 Section 33 (2) includes a number of situations where a dispensation can be considered, but should be granted “only if, after having regard to all relevant circumstances” the Committee considers that one of those situations applies. The consideration of whether to grant a dispensation under s33 was previously delegated to the former Standards Committee.
- 4.6 The statutory grounds under s33 (2) for the granting of a dispensation are where the authority –
 - “(a) considers that without the dispensation the number of persons prohibited by section 31(4) from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business,
 - (b) considers that without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business,

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 2025

14th July

- (c) considers that granting the dispensation is in the interests of persons living in the authority's area,
 - (d) if it is an authority to which Part 1A of the Local Government Act 2000 applies and is operating executive arrangements, considers that without them dispensation each member of the authority's executive would be prohibited by section 31(4) from participating in any particular business to be transacted by the authority's executive, or
 - (e) considers that it is otherwise appropriate to grant a dispensation."
- 4.7 Since the introduction of the current standards regime in 2012, the Audit, Standards and Governance Committee has been responsible for considering the granting of dispensations in circumstances where the Monitoring Officer feels that a dispensation may be warranted.
- 4.8 Dispensations, all of which require the advance approval of the Committee and a subsequent written request from the Member to the Monitoring Officer, currently fall within four categories:
- (i) General Dispensations
 - (ii) Council Tax Arrears
 - (iii) Individual Member Dispensations
 - (iv) Outside Body Appointment Dispensations
- 4.9 It should be noted that under Section 106 of the Local Government Finance Act 1992 there is a caveat that any Member who is 2 months (or more) in arrears with their Council Tax payments cannot participate in any Council meeting concerning the budget. In the event that any Members were affected by the provisions of section 106, the statutory rule that they be barred from taking part in the budget decisions would prevail and any dispensation granted under this report would not apply.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 2025

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- 4.10 The table below sets out the IMDs and Outside Body appointment dispensations that have been requested by Members and approved by the Committee in previous years. Further requests for dispensations may be made after the publication of the agenda for this meeting and will be reported by the Monitoring Officer for Members' consideration. Subject to approval by the Audit, Standards and Governance Committee, these dispensations will apply until the first meeting of the Audit, Standards and Governance Committee meeting held in 2027/28, which would mark the fourth year after which some of the dispensations previously considered and granted were first approved.

Councillor(s)	Relevant DPI	Reason for dispensation
S Baxter	Vice President of the National Association of Local Councils.	To allow participation in debates involving Parish Councils within the district.
S Baxter and B Kumar	President and Chair respectively of the Worcestershire County Association of Local Councils.	To allow participation in debates involving Parish Councils within the district.
B McEldowney	Chair of Bromsgrove and Redditch Area County Association of Local Councils (CALC)	To allow participation in discussions related to Parish Councils within the Bromsgrove District.
A. Dale, J. Elledge, B Kumar, M. Marshall, and D Nicholl	The Artrix Holding Trust (Bromsgrove Arts Development Trust)	To allow participation in debates concerning the Artrix theatre generally but not in relation to funding issues.
S Colella	Employee of South Staffordshire Water	To discuss potable water issues that are related to planning

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		policies and planning matters.
J. Robinson	Employed by National Highways	To allow participation in Planning Committee where National Highways are a consultee or an applicant.
J. Robinson	Spouse employed by Birmingham City Council	To allow participation in Planning Committee where Birmingham City Council are the applicant or a consultee.
S. Robinson	Employed by Birmingham City Council	To allow participation in Planning Committee where Birmingham City Council are the applicant or a consultee.
S. Robinson	Spouse employed by National Highways	To allow participation in Planning Committee where National Highways are a consultee or an applicant.
S. Webb	Bromsgrove and Redditch Citizens Advice Bureau (CAB)	To allow participation in debates concerning the CAB generally but not in relation to funding issues

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 2025

14th July

- 4.11 In relation to IMDs, Officers have contacted all Members to ask whether they wish to seek to add any dispensations.
- 4.12 The following additional IMDs have been requested by Members and are presented in the table below for the consideration of the Audit, Standards and Governance Committee:

Councillor(s)	Relevant DPI	Reason for dispensation
C. Hotham	The Artrix Holding Trust (Bromsgrove Arts Development Trust)	To allow participation in debates concerning the Artrix theatre generally but not in relation to funding issues.
E. Gray	Bromsgrove and Redditch Citizens Advice Bureau (CAB)	To allow participation in debates concerning the CAB generally but not in relation to funding issues
S. Webb	Age UK North Worcestershire	To allow participation in debates concerning Age UK North Worcestershire generally but not in relation to funding issues
S. Robinson	Employed by Birmingham City Council	To allow participation in debates and to vote on matters of the Bromsgrove District Local Plan where Birmingham City Council is an applicant or a consultee.

AUDIT, STANDARDS AND GOVERNANCE COMMITTEE 2025

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- 4.13 Members may submit further requests for new IMDs up to the day of the meeting of the Audit, Standards and Governance Committee. Any additional requests received after the publication of the agenda for the meeting has been published, will be tabled at the meeting for Members' consideration.
- 4.14 The Local Government Association's (LGA) new Model Code of Conduct was considered at the Audit, Standards and Governance Committee meeting held on 12th April 2022. It was recommended by the Committee that the Council adopt this Model Code. The new Model Code of Conduct was subsequently presented at the Council meeting held on 18th May 2022 with Members agreeing to adopt the LGA Model Code of Conduct. As a result of this adoption Members are now required to complete an 'Other Registerable Interests' (ORI) form to declare any ORIs.

5. COUNCIL PRIORITIES - IMPLICATIONS

Relevant Council Priorities

- 5.1 The issues detailed in this report help to ensure that there is an effective and sustainable Council.

Climate Change Implications

- 5.2 None.

6. OTHER IMPLICATIONS

Local Government Reorganisation Implications

- 6.1 In previous years, Members have been asked to consider approving IMD dispensations requested by Members to apply until the end of the term of office. This coincides with the four year maximum period in which dispensations can apply. However, as there is the potential that local District Council elections will not now take place in May 2027 as previously scheduled, in preparation for Local Government Reorganisation, it is suggested that instead the dispensations should

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apply until the first meeting of the Audit, Standards and Governance Committee to be held in the 2027/28 municipal year.

Equalities and Diversity Implications

- 6.2 There are no specific equalities and diversity implications.

Climate Change Implications

- 6.3 There are no specific climate change implications.

7. RISK MANAGEMENT

- 7.1 The granting of general dispensations by the Committee will, subject to receipt of a written request from Members for such a dispensation, clarify, for the avoidance of any doubt, Members' ability to participate in and vote at Council and Committee meetings on certain matters as part of the Council's decision-making process, where such Members have a DPI which would otherwise preclude them from so participating / voting.

8. APPENDICES and BACKGROUND PAPERS

- Section 33 of the Localism Act 2011.
- Section 106 of the Local Government Finance Act 1992.
- Previous reports to the former Standards Committee.
- Previous reports to the Audit, Standards and Governance Committee.

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Karen May	04/07/2025

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THE ANNUAL REPORT OF INTERNAL AUDIT FOR 2024/25

Relevant Portfolio Holder	Councillor S. Colella (at time report prepared)
Portfolio Holder Consulted	Yes
Relevant Head of Service	Bob Watson, 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 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
- A statement on the extent of conformance with the Standards including progress against the improvement plan resulting from any external assessments.

- 2.2 **Appendix 1** to this report provides the Internal Audit Annual Report; this includes the Head of Internal Audit's opinion on the control environment for 2024/25 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.

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 1 ~ Annual Report of Internal Audit for 2024/25

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Bromsgrove
District Council

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APPENDIX 1



ANNUAL REPORT OF INTERNAL AUDIT

2024/25

Date: June 2025

1. BACKGROUND



- 1.1 The 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;
 - 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 external assessments.

2. INTERNAL AUDIT OPINION 2024/25

- 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.

Of the 11 graded assignments completed in 2024/25, 8 (73%) 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.

The Corporate risk register is regularly reviewed and updated, with trend analysis and good oversight by the Audit, Standards and Governance Committee. However, an internal audit review highlighted that the Risk Management Strategy requires updating and there is scope to improve monitoring of the system including mitigating actions.

The governance framework is deemed to be generally effective, although internal audit work highlighted scope to mandate compliance with Procurement rules, and a need to improve controls around the use and administration of General Purchasing Cards. Management action is in progress to address these issues.



- 2.2 A summary of Internal Audit assurance opinions issued in 2024/25 is shown in Table 1 below:

Table 1 – Summary of Internal Audit Opinions in 2024/25

Assurance Area	Substantial	Reasonable	Limited	No
Financial	1	2	1	0
Governance & Ethics	0	1	1	0
Strategic & Operational Risks	1	3	1	0
Totals	2	6	3	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:

Table 3 - Definition of Priority of Recommendations

Risk Level	Definition	Matrix																							
H (7-9)	<p>Immediate control improvement required.</p> <p>Fundamental control weaknesses that present a significant material risk to the function or system objectives and requires immediate attention by Senior Management.</p>	<div><p>RISK ASSESSMENT MATRIX</p><table><tr><td rowspan="3">LIKELIHOOD OF OCCURENCE</td><td>HIGH</td><td>4</td><td>7</td><td>9</td></tr><tr><td>MEDIUM</td><td>2</td><td>5</td><td>8</td></tr><tr><td>LOW</td><td>1</td><td>3</td><td>6</td></tr><tr><td></td><td></td><td>NOTICEABLE</td><td>SIGNIFICANT</td><td>CRITICAL</td></tr><tr><td></td><td></td><td colspan="3">IMPACT</td></tr></table></div>	LIKELIHOOD OF OCCURENCE	HIGH	4	7	9	MEDIUM	2	5	8	LOW	1	3	6			NOTICEABLE	SIGNIFICANT	CRITICAL			IMPACT		
LIKELIHOOD OF OCCURENCE	HIGH			4	7	9																			
	MEDIUM			2	5	8																			
	LOW	1	3	6																					
		NOTICEABLE	SIGNIFICANT	CRITICAL																					
		IMPACT																							
M (4-6)	<p>To be monitored closely and cost-effective controls sought.</p> <p>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.</p>																								
L (1-3)	<p>To be reviewed regularly and seek low-cost control improvements.</p> <p>Issues of best practise where some improvement can be made.</p>																								



3.2 Summary of Internal Audit Work

Table 4 details the assurance levels resulting from all audits completed during the year:

Audit Area	Assurance Opinion
Financial	
Accounts Payable	Limited
Council Tax	Reasonable
Benefits	Substantial
NNDR	Reasonable
Governance & Ethics	
Risk Management	Reasonable
Procurement & Contract Management	Limited
Strategic & Operational Risks	
Business Continuity & Emergency Planning	Reasonable
Cyber Security	Reasonable
Statutory Inspections	Reasonable
Corporate Credit Cards	Limited
Follow up reviews	Substantial

Outlined at pages 11 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 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.
- Completion of certification work for the Bus Operators’ Grant claim.
- 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.



3.4 Service Performance in 2024/25

Description	Narrative	Target	Actual
Delivery	% of audit days delivered by Year End	90%	93% (compared with 58% last year)
Productivity	% of available time spent on productive audit work	80%	81% (66% last year)
Effectiveness	% of agreed recommendations implemented by the agreed date	75%	100%
Customer Satisfaction	% of Post Audit Questionnaires which have rated the service as "Very Good" or "Good"	80%	100% (post audit questionnaires) 92% (result of client survey issued during External Quality Assessment)

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 were 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, which applied until 31st March 2025, were 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 required that an independent External Quality Assessment (EQA) of the service be completed every 5 years. An EQA was completed in the 2024/25 financial year, and the results confirmed 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 were used to develop a continuous improvement action plan which



was presented with a new Quality Assurance policy at the Audit Standards and Governance Committee meeting in September 2024.

- 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 is 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.
- 4.5 As noted at Paragraph 4.3 above, a new Quality Assurance policy was approved in September 2024. In accordance with the standards, the Head of Internal Audit is required to include a statement on compliance with the policy within this annual report. The Head of Internal Audit can confirm that the service operated in compliance with the policy from the date of its approval to the end of the financial year.

4.6 **Continuous Improvement in 2024/25**

In addition to implementation of the Quality Assurance policy, the following continuous improvements have been implemented by the Service during 2024/25:

- Introduction of a formal set of Key Performance Indicators for the service, with the results reported to the Audit Standards & Governance Committee.
- Completion of an auditor skills review.
- Development of the new internal audit 'universe', aligned with risk registers and corporate objectives. This meets the requirements of the new Standards outlined below and will enable a more strategic approach to audit planning.
- Documented evaluation of fraud risks as a standard requirement for all audits.
- Aligning the grading of internal audit recommendations with those impact definitions used within the Council's risk management process.
- Team training in environmental sustainability audit, and appointment of a service champion for this area.



4.7 New Global Internal Audit Standards and 2025/26 Improvement Plan

There are new Global Internal Audit Standards which apply for the 2025/26 financial year onwards. The new Standards cover five key areas (domains):

- The purpose of internal auditing
- Ethics and Professionalism
- Governing the Internal Audit function
- Managing the Internal Audit function
- Performing Internal Audit services

4.8 The Head of Internal Audit has reviewed the new Standards with the team and the following actions are planned to ensure compliance with the additional requirements:

Improvement Action	Planned Implementation Date
Ensure all members of the team are reminded of the requirements of the Code of Ethics. This covers integrity, objectivity, confidentiality, due care, professional conduct, conflicts of interest, use of information, and professional development.	September 2025
Ensure that additional professional development over and above mandatory corporate training is recorded on individual learning plans.	September 2025
Update the Internal Audit Charter to incorporate a mandate. The mandate will define why internal audit exists within the organisation. It will also specify the authority, role and responsibilities.	October 2025. The document will be submitted to the Audit Standards & Governance Committee for approval.
Develop a formal Internal Audit Strategy setting out its vision, strategic objectives and supporting initiatives.	November 2025. The document will be submitted to the Audit Standards & Governance Committee for approval.
As part of audit planning, consider how data analytics and Artificial Intelligence may be used to create more efficient and effective workflows.	November 2025. This will be considered alongside development of the Internal Audit Strategy.
Review communications to ensure the Service adopts the use of conclusions rather than opinions.	August 2025



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 Finance & 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 & 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 Standards & Governance 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 Standards & Governance 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
Accounts Payable	Limited	<p>The scope of this review covered:</p> <ul style="list-style-type: none">• Review of policies and procedures from the initial ordering to payment authorisation.• System controls including segregation of duties and system access rights.• Accuracy of invoices/credit notes received, matching to orders, VAT (number and calculation), addressee etc., and payment in line with the prompt payment code.• New suppliers and amendment of supplier details. <p>From a test of 90 invoices, we found 9 invoices where the VAT number had not clearly been displayed. Further research found that all 9 suppliers were VAT registered. The Council is unable to reclaim VAT if the supplier provides its registration number, so there is a risk of financial loss. Management has agreed to address this issue.</p> <p>Unfortunately, we were unable to complete this audit in full because some of the information requested was not provided due to capacity issues. It is acknowledged that officers have been working hard alongside the Assistant Director – Finance & Customer Services to produce four sets of statutory accounts over the course of the last year, including completion of all the monthly reconciliations. We were unable to provide assurance in the following areas:</p> <ul style="list-style-type: none">• Registration of new suppliers, and processing of amendments to supplier details.• Authorisation of BACS payment runs• Arrangements for monitoring late payment of invoices• Testing to identify and assess any potential duplicate payments. <p>Whilst the audit did not identify any major gaps in control, owing to the audit not being fully completed we were only able to provide Limited assurance.</p>



Audit Area	Assurance Rating	Summary of Findings
Council Tax	Reasonable	<p>The scope of this review covered the following:</p> <ul style="list-style-type: none">• Review of policies and procedures.• Assurance that accurate records are in place.• Accuracy and completeness of annual billing for 2024/25.• Review of single persons discounts to ensure they are supported by signed declarations from the council taxpayer.• Review of refunds to ensure they are supported by documentary evidence and the refund has been correctly applied.• Debt Management, including the timeliness of debt raising and recovery action.• Review of arrears to ensure they are being pursued in accordance with Council policy.• Assurance that write offs are performed in accordance with the financial regulations.• Review of the void dwelling inspection programme.• Review of the quality assurance processes and performance information reporting. <p>A generally sound system of internal control was found to be in place, which was supported by the results of our sample testing. In particular:</p> <ul style="list-style-type: none">• The annual update of Council tax bands had been correctly applied by the Council. Furthermore, sample testing found that all bills had been raised for the correct amount in accordance with the property banding.• The reconciliation of the number of bills and amounts was successfully performed prior to the commencement of the 2024/25 financial year.• All write offs were authorised in accordance with the financial regulations.• Monthly performance reporting is well embedded. <p>The audit also highlighted some areas for improvement in control as follows:</p> <ul style="list-style-type: none">• Authorisation of refunds.• Follow up of accounts in arrears was not consistent.• A formal review of households in receipt of Single Person Discount had not been completed for 8 years.



Audit Area	Assurance Rating	Summary of Findings
Benefits	Substantial	<p>The scope of this review covered the following:</p> <ul style="list-style-type: none">• Review of the annual uprating exercise for the 2024/25 benefit rates.• Assessment of new claims ensuring that they are paid at the correct rate.• Review of the processing of a change in a claimant's circumstances.• Local Housing Allowance (LHA) rates set within the Benefits system are in accordance with Central Government limits.• Review of the classification and recovery of overpayments.• Review of write offs to ensure that they have been authorised in accordance with policy.• Assurance that BACS runs are correct and have been appropriately authorised.• Review of the quality assurance programme in place. <p>The audit confirmed that a strong control environment was in place. In particular:</p> <ul style="list-style-type: none">• Central procedures are reviewed and updated on an annual basis, stored on a central drive and are accessible by all employees.• The annual update of benefit rates had been correctly applied by the Council, which was confirmed through agreement of a sample of national rates to the system.• A review of a sample of 50 new benefit claims found that all cases possessed the required evidence to accurately perform an assessment of benefit entitlement.• A review of a sample of 50 benefit claims subject to a change in circumstances found that all changes were supported by documentary evidence.• All write offs were authorised in accordance with the financial regulations.• All overpayments tested were correctly classified.• The procedures in place for chasing benefit arrears were robust and sample testing found that all arrears tested had been pursued in accordance with the policy.• The quality assurance programme ensures that there is coverage of all assessors work and feedback is provided to ensure continuous improvement. <p>The audit did not identify any significant control weakness and, accordingly, Substantial assurance was provided.</p>



Audit Area	Assurance Rating	Summary of Findings
NNDR	Reasonable	<p>The scope of this review covered the following:</p> <ul style="list-style-type: none">• Review of valuation records to ensure they were correctly updated.• Assurance that billing complies with legislation and that checks were performed prior to the billing run.• Assurance that liability and reliefs are determined in accordance with legislation.• Review of refunds to ensure they are supported by documentary evidence, that interest on the refund was correctly calculated, and that the refund was correctly applied.• Debt Management, including the timeliness of debt raising, supporting documentation held, and actions taken to recover the debts.• Review of the empty premises inspection programme.• Review of the quality assurance processes and performance information reporting. <p>The audit confirmed that a generally sound system of internal control was in place, supported by the results of our sample testing. In particular:</p> <ul style="list-style-type: none">• The annual update of NNDR indices had been correctly applied by the Council. Furthermore, sample testing found that all bills had been raised for the correct amount in advance of the commencement of the financial year.• All refunds were agreed to documentary evidence and had been authorised in accordance with the financial regulations.• The reconciliation of the number of bills and amounts was successfully performed prior to the commencement of the 2024/25 financial year.• All write offs were authorised in accordance with the financial regulations.• We confirmed through sample testing that all cases tested of interest on refunds were calculated correctly.• Monthly performance reporting is well embedded. <p>The audit also highlighted some areas for improvement in control as follows:</p> <ul style="list-style-type: none">• Follow up of accounts in arrears was not consistent.• There was no quality assurance programme in place at the time of the audit.



Audit Area	Assurance Rating	Summary of Findings
Risk Management	Reasonable	<p>The scope of this review covered:</p> <ul style="list-style-type: none">• Use and management of the 4Risk system• Operating effectiveness of policies and procedures that support risk management• Monitoring and reporting of risks, and communicating risk information <p>The review found the following areas of the system were working well:</p> <ul style="list-style-type: none">• The Audit, Standards and Governance Committee receives regular updates from officers.• There are links between corporate risks and departmental risks.• Views of Committee and Leadership Team receiving risk reports are passes to relevant risk owners and risk champions. <p>The review also identified some areas for further development including:</p> <ul style="list-style-type: none">• Administration and monitoring of the 4Risk system. Some staff known to have ceased employment at the Council retained risk/action ownership. Risk and action ownership had not been assigned to some of the risks. Entries for risk control and action required were missing from numerous risks. Risk review and action implementation are not consistently carried out, meaning that action to mitigate risks might not be completed.• The risk management strategy has not been updated in the recent past and does not entirely reflect the current approach to risk management within the Council.
Procurement & Contract Management	Limited	<p>The full report arising from this review was considered by members in November 2024. The audit found that there had been some improvements in this area, for example, the contracts register was found to be transparent and up to date and procurement was supporting services to achieve full compliance with the rules. However, no compliance deadline had been set, and the rules are not considered by internal audit to be optional. There were also issues with record retention meaning compliance with procurement rules couldn't be evidenced in some cases. None of the issues raised relate to the work of the procurement team or weaknesses in the design of the Council's policy and procedure framework in this area. Internal Audit will perform a follow up review in 2025/26 which will include compliance with new regulations.</p>



Audit Area	Assurance Rating	Summary of Findings
Business Continuity & Emergency Planning	Reasonable	<p>The scope of this review covered the following:</p> <ul style="list-style-type: none">• Assurance that the Emergency Response Plan is updated annually.• Assurance that adequate Business continuity arrangements are in place.• A review of the collaborative agreement with Worcester County Council for the provision of Civil Protection Arrangements across Worcestershire.• A review of the membership of the West Mercia Local Resilience Forum, which ensures appropriate risk assessment and plans and frameworks are in place to respond to emergencies and provide coordination in multi-agency response and recovery.• A review Strategic lead arrangements at Senior Leadership Team level.• Review of Strategic Emergency Operational Management Team arrangements.• Assurance that appropriate training is provided to staff and members.• Assurance that an annual exercise carried out and post incident/exercise debrief conducted to identify lessons learnt and make improvements to our response. <p>The audit confirmed that a generally sound system of internal control is in place, which was supported by the results of our sample testing. In particular:</p> <ul style="list-style-type: none">• The Emergency plan was refreshed and updated in January 2025 and contains all the expected information that would be required. It is accessible by all stakeholders, including members of the public.• Incident Response training has been provided to Duty Incident Response Officers during the year.• There were 2 training exercises performed during the year. Members were also provided with training in September 2024. <p>The audit also highlighted that four contact names in the Environmental Services Business Continuity Plan were no longer employed by the Council. In addition the Business Continuity Plan had not been reviewed and updated since July 2022 for four of the five service areas reviewed.</p>



Audit Area	Assurance Rating	Summary of Findings
Cyber Security	Reasonable	<p>This was a follow up of the audit completed in 2023/24. It was noted that since the previous audit Council Members and staff are receiving Cyber Security training and communication. Members and all staff have access to the Knowbe4 software training package, this system has a reporting facility. A Cyber Attack Response Plan is in place. A new Systems and Data Group has been established to help manage the procurement and implementation of all new systems; this will include the contract management for backups. A responsible Officer to manage this function is still to be appointed. 21 of the 31 Councillors have completed the Knowbe4 training, and it has recently been agreed that participation in Cyber Security training by Councillors will be mandatory.</p>
Statutory Inspections	Reasonable	<p>The scope of this review covered:</p> <ul style="list-style-type: none">• Assurance that inspections and risk assessments are being conducted within statutory time frames and that, where remedial action is required, this is being promptly carried out.• An evaluation of emergency plans and assurance that drills are being conducted.• Assessment of the process for reporting and investigating incidents.• Review the completeness and clarity of health and safety policies. <p>The audit confirmed that a generally sound system of risk management and control was in place. The review found the following areas were working well:</p> <ul style="list-style-type: none">• The majority of inspections are being carried out within statutory timescales.• Health and Safety Policy documents, not including Fire Safety discussed separately below, appear suitable for purpose and are readily available to staff.• Inspection deadlines are monitored using partially automated techniques to reduce risk of omissions. <p>However, fire safety controls were found to be operating inconsistently with sporadic evidence of fire alarm and evacuation drill testing. Key contact details were missing from logbooks, and the Fire Safety Policy had not been reviewed since September 2020.</p>



Audit Area	Assurance Rating	Summary of Findings
Corporate Credit Cards	Limited	<p>The scope of this review covered:</p> <ul style="list-style-type: none">• Governance: Policy and procedures around the use of General Purchasing Cards• Distribution of cards, employee awareness of responsibilities• A review of purchases using the GPC's including Amazon purchases to ensure the process has been followed and that the purchase could not have been made through the purchasing system.• Assurance that purchases made with General Purchasing Cards are reasonable.• Review/monitoring of card usage.• Return of cards.• Analysis of expenditure to ensure that procurement rules are not breached• Assurance that expenses have been correctly recorded within the finance system. <p>The review found the following areas of the system were working well:</p> <ul style="list-style-type: none">• There is a policy in place regarding who can have a GPC card and the approval process including the transactional and monthly spending limits.• The authorities hold an up-to-date definitive list of card holders.• Purchases of more than £500 have been recorded correctly and can be viewed on the respective websites.• The sample of purchases reviewed by Internal Audit were reasonable. <p>The review highlighted that the current process is open for fraud and misuse especially as there are no authorisation controls in place. There is a lack of overall accountability for the process. The review also found lack of evidence supporting the reason for the chosen supplier, and no monitoring to see if any of this expenditure could have been purchased through an existing framework. The review identified that in 50% of transactions reviewed no receipts were available for inspection.</p> <p>Currently purchases and card limits are at the discretion of the service, so the service manager can request the limit on the card be increased in order to purchase an item. The</p>



Audit Area	Assurance Rating	Summary of Findings
		<p>review showed varying spending limits ranging from £500-£9,000. The current process does not require the budget holder to approve the expenditure; therefore, the council may wish to consider if further controls should be implemented.</p> <p>Management action is in progress to address these issues, including a review to reduce the number of cardholders.</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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THE 2025/26 INTERNAL AUDIT PLAN

Relevant Portfolio Holder	Councillor S Colella (at time report prepared)
Portfolio Holder Consulted	Yes
Relevant Head of Service	Bob Watson, 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 approves the 2025/26 Internal Audit Plan subject to any agreed amendments.**

2. BACKGROUND

- 2.1 The aims and objectives of the Worcestershire Internal Audit Shared Service are to:
- examine, evaluate and report on the adequacy and effectiveness of internal control, governance and risk management across the council and recommend arrangements to address weaknesses as appropriate;
 - examine, evaluate and report on arrangements to ensure compliance with legislation and the council's objectives, policies and procedures;
 - examine, evaluate and report on procedures to check that the council's assets and interests are adequately protected and effectively managed;
 - undertake independent investigations into allegations of fraud and irregularity in accordance with council policies and procedures and relevant legislation; and

- advise upon the control and risk implications of new systems or other organisation changes, e.g. transformation.

2.2 Formulation of the Annual Plan

WASS operates an Internal Audit Charter which sets out the standards to which it operates for this Council. The Internal Audit Plan for 2025/26, which is included at Appendix 1, is a risk-based plan which considers the adequacy of the Council's risk management, governance, performance management, other assurance processes as well as organisational objectives and priorities. It has been based upon the risk priorities per the Corporate and Service risk registers, as reported to the Audit, Standards and Governance Committee. Large spend budget areas have also been considered, along with direct association to the Council Plan. The Internal Audit Plan for 2025/26 has been formed in discussion with the s151 Officer, considered by the Senior Leadership Team, and is brought before Committee in draft form. All services and areas of potential audit have been considered and discussed; this was achieved by developing a new 'long list' of potential audit areas. The intention is to have a high level of coverage over the next 3 years. The annual plan has been formulated with the aim of supporting the Council to meet its strategic objectives. It is brought before the Audit, Standards and Governance Committee in draft format as the involvement of the Committee is considered an important facet of good corporate governance, contributing to the internal control assurance given in the Council's Annual Governance Statement.

Internal Audit recognises that there are other review functions which may provide other sources of assurance, both internally and externally, (e.g. ICT Public Service Network, Cyber Essentials, External Audit assurance testing) over aspects of the Council's operations. Where possible internal audit will seek to place reliance on such work thus increasing the coverage without adding additional costs.

To try to reduce duplication of effort internal audit understands the importance of working with the External Auditors. The audit plan is available to the external auditors for information.

Bringing a plan of work before the Audit, Standards and Governance Committee allows Members to have a positive input and make suggestions as to where they feel audit resources may be required under direction of the s151 Officer and within the finite resource available. Due to the continuing changing environment that exists in Local Government the plan must be seen as a framework for internal audit work for the forthcoming year. There is a need for improved flexibility in the plan due to a constantly changing risk profile. To ensure flexibility there is the possibility

that the plan will be updated during the year to address such challenges and any emerging risks. A regular review will take place to ensure the audit plan remains risk focussed, and any required changes can be considered. This is in line with the requirements of the Internal Audit Standards. Any changes will be submitted to the Audit, Standards and Governance Committee for consideration and approval, in line with its role as Gatekeeper.

2.3 Resource Allocation

The Internal Audit Plan has been based upon a resource allocation of 250 chargeable days, an allocation which has been agreed with the Council's s151 Officer. A summary of the days as well as the detailed plan provision has been included at Appendix 1. Although all areas have been considered an assessment has been made whether to include in the plan based on the overall risk and governance profile. The Head of Internal Audit Shared Service is confident that, with this resource allocation, he can provide management, external audit and those charged with governance with the assurances and coverage that they require over the system of internal control, annual governance statement and statement of accounts.

The Internal Audit Plan for 2025/26 is set out at Appendix 1.

2.4 Monitoring and reporting

Operational progress against the Internal Audit Plan for 2025/26 will be closely monitored by the Head of Internal Audit and will be reported to the Shared Service's Client Officer Group (which comprises the s151 officers from partner organisations), and, to the Audit, Standards and Governance Committee on a quarterly basis.

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 Internal Audit Standards 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.

Climate Change Implications

- 5.2 The actions proposed do not have a direct impact on climate change implications.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no implications arising out of this report.

Operational Implications

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

7. RISK MANAGEMENT

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

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

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 ~ Internal Audit Plan 2025/26

INTERNAL AUDIT PLAN 2025-26 - BROMSGROVE DISTRICT COUNCIL- APPENDIX 1

Corporate/ Cross Cutting Areas

<u>Audit Title</u>	<u>Strategic Priorities/ Links</u>	<u>Risk Register Links</u>	<u>Audit Theme/s</u>	<u>Coverage</u>	<u>Indicative Budget (Days)</u>	<u>Comments</u>	<u>Indicative Reporting Date</u>
Completion & Finalisation of Prior Year Audits	Underpins all priorities	All	All	As per the agreed audit briefs	22	This work has already been completed.	July 2025
Follow up of recommendations	Underpins all priorities	Links to all recorded risks	Governance. Corporate Risks.	Provision of assurance that actions agreed as a result of previous audits have been implemented.	12	Work is carried out throughout the year.	March 2026
Corporate Health & Safety	Relevant to all Visions and Priorities.	COR-9 Non Compliance with Health and Safety Legislation	Governance. Corporate Risks	Assurance that appropriate policies and procedures are in place and operated effectively, and that appropriate staff training, monitoring and remedial action is taken where necessary.	15		November 2025
Anti-Fraud Bribery & Corruption	Relevant to all Visions and Priorities.	None identified	Governance. Corporate Risks	Assurance that the Strategy and response framework is operating effectively. To include arrangements for assessing fraud, bribery & corruption risks.	10		September 2025
Agency Staff	Relevant to all Visions and Priorities.	COR-19 Adequate Workforce Planning	Governance. Corporate Risks Service Risks	Assurance that use of Agency Staff is for appropriate reasons, authorised in advance, and not used to circumvent procedures such as restrictions on filling vacant positions. Assurance that use is not for extended periods of time. Review of accountancy treatment of consultants and agency staff.	12	To be completed as one audit.	November 2025
Consultancy Expenditure	Relevant to all Visions and Priorities.	COR-20 Financial Position Rectification FIN-7 Purchasing Non-Compliance	Governance. Corporate Risks	Assurance that expenditure on consultants is appropriately controlled, that there are clear terms of reference, that intended outcomes are delivered and Value for Money is secured.			
Contract Management	Relevant to all Visions and Priorities.	COR-16 Management of Contracts	Governance. Corporate Risks	Contract manager training, compliance with Contract Standing Orders, financial, project and risk management. Review of arrangements to monitor supplier resilience. Could include Starting Well and/ or Social Prescribing contracts.	8	Best practice advisory review. Including follow up of 2024/25 audit	January 2026
Data Protection/ GDPR/ Law Enforcement Directive	Relevant to all Visions and Priorities.	COR-18 Protection from Cyber Attack	Governance. Corporate Risks. Service Risks	Assurance that the Council operates in compliance with the Data Protection principles when storing and sharing data.	12		

Local Government Transparency Code	Relevant to all Visions and Priorities.	None identified	Governance.	Assurance that the Council is, as a minimum, operating in compliance with the mandatory elements of the Code	8	Desktop review.	September 2025
Procurement	Relevant to all Visions and Priorities.	None identified	Governance. Corporate Risks. Service Risks	Design and operation of controls designed to ensure that the Council complies with statutory and policy requirements, and to ensure that value for money is demonstrated throughout procurement activities.	12	Follow up of 2024/25 review plus review of compliance with new regulations. Work to be completed towards the end of the financial year.	April 2026
Environmental Impact Assessments	Relevant to all Visions and Priorities.	None identified	Governance. Corporate Risks	Assurance that assessments are properly carried out and that the results are appropriately considered when the Council makes its decisions. Assurance that assessments are reviewed where required.	10		October 2025
Statements of Internal Control	Relevant to all Visions and Priorities.	Links to all recorded risks	Governance. Corporate Risks	Co-ordination of the completion of annual assurance statements.	4		April 2026
Use of Grant Monies	Relevant to all Visions and Priorities.	None identified	Governance. Corporate Risks	Assurance that grant monies received are delivering the expected outcomes and that funds are used for the intended purposes.	8	Certification work as and when required.	March 2026

Service Areas – Environmental & Community

<u>Audit Title</u>	<u>Strategic Priorities Links</u>	<u>Corporate Risk Register Links</u>	<u>Audit Theme/s</u>	<u>Coverage</u>	<u>Indicative Budget (Days)</u>	<u>Comments</u>	<u>Indicative Reporting Date</u>
Trade Waste	Environment & Infrastructure	None identified	Service Risks	Accuracy and completeness of billing, value for money of the service, financial sustainability of the service, collection and recovery of outstanding income.	12		December 2025
Safeguarding	Relevant to all Visions and Priorities.	COM-3 Safeguarding - inadequate child and adult protection systems/process	Corporate Risks. Service Risks	Assurance that safeguarding policies and procedures are adequate and enabling the provision of safeguarding services.	10		January 2026

Service Risks – Finance and Coporate Resources

<u>Audit Title</u>	<u>Strategic Priorities Links</u>	<u>Corporate Risk Register Links</u>	<u>Audit Theme/s</u>	<u>Coverage</u>	<u>Indicative Budget (Days)</u>	<u>Comments</u>	<u>Indicative Reporting Date</u>
Creditors/ Accounts Payable	Economic Development	None identified	Corporate Risks	Accuracy and timeliness of payments, system accuracy, recovery of duplicate payments, accuracy of accounting records.	15	Limited assurance in 2024/25. Full follow up audit.	March 2026
Treasury Management	Economic Development	None identified	Governance. Corporate Risks	Authorisation of transactions, compliance with Treasury Management Practices, assurance that there is an appropriate strategy in place, system access controls, accuracy and completeness of accounting records.	12	There are high transaction values in this area.	January 2026
Insurance	Relevant to all Visions and Priorities.	None identified	Corporate Risks	Assurance that administration of the insurance function is efficient and effective and represents value for money.	12	Previously agreed for inclusion in 2025/26. Tender just been completed.	November 2025
Payroll	Relevant to all Visions and Priorities.	None identified	Corporate Risks	Payroll processing including deductions, administration of starters and leavers, system access controls, accuracy and completeness of accounting records.	15	High expenditure system	March 2026

Audit Plan Management & Support

26	Includes audit plan management, corporate meetings, audit plan development and monitoring, reporting to and attendance at Audit & Governance Committee.
15	Contingency/ advisory time.

TOTAL AUDIT PLAN DAYS	250
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BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Performance Committee 14th July 2025

Accounting Policies Report

Relevant Portfolio Holder	Councillor Sue Baxter Finance Portfolio Holder
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Author	Job Title: Assistant Director Finance & Customer Services Contact email: Debra Goodall@bromsgroveandredditch.gov.uk Contact Tel:
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Audit, Standards and Governance Committee RESOLVE that:

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

To RECOMMEND to Cabinet

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

2. BACKGROUND

- 2.1** From a Governance point of view, the financial framework under which the Council works is set out in the Constitution. In addition to this there are legislative reporting requirements which set out what needs to be done and by when. The Accounting Policies report which was tabled at the Audit, Standards and Governance Committee on the 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):

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Performance Committee 14th July 2025

- **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 its “day to day” business. A full review of these is being undertaken as part of the Financial Stability Plan, discussed in further detail in a separate section of this report.
- **Finance Protocols** which set out requirements and expectations of the Finance Team and Services in terms of financial administration and demarcation of duties.

- 2.2 One of the legislative reporting requirements the Council had not achieved is the delivery of the 2020/21, 2021/22 and 2022/23 Statement of Accounts which resulted in the issuing of a Section 24 Statement for the Council. Redditch Borough Council (RBC) were also issued with a Section 24 Statement for the same non delivery of these accounts which is understandable given that officers support both Councils via a shared service.
- 2.4 Following the issuing of the original Section 24 Statements, and a review of why this happened which was undertaken by a Tack Group of this Committee, the decision was taken to increase the frequency of Audit Committee meetings to six times a year until the Council rectified the situation. This was revised back to 4 meetings a year at the Audit, Standards and Governance Committee in January 2025.
- 2.5 The 2025/6 budget was approved at Council on the 19th February 2025.

Legislative Requirements

- 2.6 Attached as Appendix A are the key legislative deliverables, which were circulated by the Government for the 2025/26 financial year. The Council has delivered against all of the deadlines to date.
- 2.7 Appendix B reflects a wider set of deliverables (outside the 2025/26 MHCLG Listing). These have now been fully delivered.
- 2.8 The key returns that have still not been delivered are the VAT returns. Significant work has been undertaken by the Council’s Tax advisors PS Tax in liaison with HMRC in order for the Council to return to normal VAT reporting and final version working papers have been provided to HMRC on the 19th December 2024. Monthly returns are now being submitted from December 2024 onwards. HMRC are still reviewing the submissions.

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Performance Committee 14th July 2025

Financial Stability Plan

- 2.9 Following the successful completion of the Financial Improvement Plan and the delivery of the Accounts for 2020/21 – 2023/24, the Council will now look to develop of Financial Stability Plan. This will cover a number of areas including; the Tech One system; financial rules; training plans; procurement processes. A separate report will be taken to a future meeting of this Committee.

Update on the Statement of Accounts

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

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

- 2.12 The Council, as set out at the meeting on the 5th December has received “Disclaimer Opinions” for the 2020/21, 2021/22, and 2022/23. The Council will not have an opinion from its new External Auditors until the onboarding process is complete. An update on this is onboarding is given in a later Section of this report.
- 2.13 The council’s position on these key Closure deliverables are as follows:
- Closure 2020/21- Reported as per the 5th December Audit Committee and Disclaimer Opinion received and approved.
 - Closure 2021/22 - Reported as per the 10th December Audit Committee and Disclaimer Opinion received and approved.
 - Closure 2022/23 - Reported as per the 5th December Audit Committee and “Disclaimer Opinion” received and approved following the completion of the public consultation period on the 7th January 2025.
 - Closure 2023/24 - Draft Accounts have been available for public consultation since the 14th January. Ernst & Young, the External Auditors, have now finished their onboarding checks and have started to begin their audit. However, they are

BROMSGROVE DISTRICT COUNCIL

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expecting to issue a 'disclaimer opinion' for these accounts. The Government are publishing a list of all Councils who did not comply with publishing their accounts in accordance with this date. Although Bromsgrove and Redditch Councils will be included on this list, it will be noted that this was due to them not having External Auditors at the time.

- Closure 2024/25– completed by 30th June deadline as required for public inspection period.

- 2.14 As per the requirement of the Draft External Auditors Report 2021/22 and 2022/23 on the 27th November 2023, the External Auditors made a further written recommendation of the Authority under section 24 of the Local Audit and Accountability Act 2014 in relation to its financial systems and governance arrangements. They recommended that the authority should produce “true and fair” draft accounts for 2020/21, 2021/22 and 2022/23 signed off by the S151 Officer and supported by high quality working papers. This has now been complied with although given the instigation by the Government of the backstop date and the requirement of “disclaimer opinion” audits across the Country it is not clear how the new Auditors will frame their 2023/4 External Audit Report in respect of this matter.
- 2.15 As has been reported previously the combined 2021/21 & 2022/23 Draft External Audit Report set out that:
- The S24 Recommendation still in place and extended for 2021/22 and 2022/23 Accounts.
 - All of the 6 2020/21 Key Recommendations either delivered or now linked to Improvement Recommendations.
 - 9 of 13 2020/21 Improvement Recommendations either fully or partially delivered.
 - There was one new Key Recommendation – linked to Workforce Strategy.
 - There were ten updated Improvement Recommendations. The Council has met 7 of these.
- 2.16 In terms of those Draft External Audit Reports the following progress has been made against recommendations (Key and Improvement):
- The Accounting Policies Report goes to every Audit Committee.
 - The key closure deliverables for each financial year are clearly set out. The owners of these deliverables are the S151 and Deputy S151 Officers.
 - Progress on key financial and compliance indicators are reported monthly to CMT and to both Audit Committees bi-monthly by the S151/Deputy 151 Officers. There is a requirement to report all finance deliverables as per the Recommendations of the Audit Task Group.
 - Delivery of Financial training detailed in this document will move staff to right level of skills.
 - TechOne has been upgraded to version 24B in March 2025.
 - Quarterly combined financial and performance monitoring started in the 2022/23 financial year and has continued in 2024/25.
 - The 2024/25 and 2025/26 MTFP process has been completed in both Councils.
 - Risk workshops are still to be run to assess Risk Appetite of Executive and Audit Committees.

BROMSGROVE DISTRICT COUNCIL

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- A Treasury Management strategy, half yearly report, and outturn report are now part of the work programme. 2024/5 Half Yearly Reports have been delivered and an Outturn Report will go to July Cabinet.
- To address staffing issues, additional posts have been recruited to as the team looks to start to move any from its reliance on external agency/consultants.

In terms of more specific items:

- More Budget Consultation is being addressed in Tranche 1 of the budget through a targeted consultation process which finished on the 2nd January 2025.
- Wider savings monitoring is being undertaken by this Committee quarterly.
- Capital and its deliverability has been reviewed as part of the 2025/6 Budget Tranche 2. A further assessment of Capital deliverability will be undertaken over the summer.
- Benchmarking is now incorporated into the budget process (using LG Futures data).
- The Internal Audit Service has been externally assessed in early 2024 and passed that assessment.
- The Council is seeking an independent Audit Committee member and ensures the Committee remains apolitical in nature.
- Procurement and contract rules have been updated (to reflect changes to legislation in February 2025).
- Performance Indicators are being reviewed and updated following the Strategic Priority setting sessions and the delivery of simplified Business Plans during the summer of 2024. The first updated performance indicators were part of the Q3 monitoring.

- 2.17 It was confirmed by the PSAA that Ernst and Young would become the Councils External Auditors on the 24th October. The onboarding process has now completed and Ernst and Young have begun their checks on the 2023/24 Statement of Accounts. They have confirmed that they expect these to be fully disclaimed.
- 2.18 Ernst and Young note that the challenging part of the onboarding process, and where they have had difficulties elsewhere, will be the need to obtain returns from all elected members. All Member disclaimer notifications have now been received and the next stage of Onboarding is under way.
- 2.19 In terms of the 2024/5 Closure position, the draft accounts were ready for Public Consultation at the end of June 2025 as per existing Government legislation. The Public Consultation end date is Thursday 7 August 2025. Auditing of these accounts will depend on Ernst and Young and the planning process but is expected to be close to the Government backstop date of 27 February 2026.

Update On 2025/26 Budget

- 2.20 The Council's 2025/26 Budget was approved on the 19th February 2025 at Council. Budgets will be loaded onto TechOne in July.
- 2.21 Quarter One 2024/5 Financial and Performance monitoring went to Cabinet in September 2024. Quarter 2 2024/5 Financial and Performance monitoring went to Cabinet in December 2024, Q3 in March 2025 and Outturn will go in July 2025.

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Compliance Items

- 2.22 In their meeting in January 2024, Members requested further training to ensure they were informed in their decision making in this committee. Two sessions have been held in May and July 2024 and a further session will be held on the Accounts in July 2025.
- 2.23 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. This will be reviewed again as part of the Financial Stability Plan.
- Mandatory Financial Awareness Training for managers took place in August and September.
- Payments Purchase Order Training takes place monthly.
- Mandatory Purchase Order Retraining is now taking place annually.

New tranches of training are being organised

Treasury Management

- The 2023/4 Outturn Report was approved by Cabinet in September (Council in October).
- The 2025/6 Strategies were approved by Council on the 19th February 2025.
- The Q1,Q2 and Q3 2024/5 positions have been reported in the Finance and Performance Reports. The Outturn report will be reported to Council in September.
- The 2024/25 Outturn Report will be presented to Council in September 2025.

Errors:

- Non delivery of GPC Card Data (monthly basis) – – now being completed on a monthly basis
- Miscoding on TechOne per month – by Service Area - will begin once the cash receipting suspense has been cleared.

Procurement:

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- 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 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.

2.24 The issues with cash receipting work is ongoing but the closure of 2020/21 through to 2023/4 has reallocated over £125m of income wrongly allocated to suspense accounts.

Summary

2.25 This report sets out the policies (local and national) that underpins the Council finances and the key deliverables. The 2020/21 to 2023/24 draft Accounts have now been submitted for Public Inspection and Audit and the report sets out the Plan for the delivery of other years accounts. This report is now up to date as at the end of February 2025 and 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. The Closure of accounts process and the associated audit process confirms the overall financial position of the Council

4. LEGAL IMPLICATIONS

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

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

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

Climate Change Implications

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

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

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

Operational Implications

- 6.2 Operational implications have been dealt with as part of the 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 and part of this Committee's remit to scrutinise. The closure of the four years accounts up to 2023/24 and submission of an audit opinion up to 2022/23 is key to ensuring there is external validation to the Council's overall financial position.
- 7.2 The Impact of the government imposed "backstop position", which has led to "disclaimer opinions here and also at numerous other Councils is still to be understood and remains a significant risk, especially as the Council now has three of these Opinions.
- 7.3 Deliver of financial data to government is important in their allocation of resources process. It is key that the Council deliver this information to timetable and the required standards.

8. BACKGROUND PAPERS

Interim Auditors Annual Report on Bromsgrove District Council 2021/22 & 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, May, July, September and December 2024, January 2025 – Audit, Standards and Governance Committee

Finance Recovery Report – July 2023, October 2023, September 2024 – Cabinet

Programme Management Office Requirements – June 2023 – Cabinet

Approvals to Spend Report - July 2023 – Cabinet

9. Appendices

Appendix A – Calendar of Financial Requirements – Sept 24 – March 25

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Appendix A Audit, Standards and Performance Committee 14th July 2025

Return	Council	Return Type	Code	Description	Period End	Submission Deadline	Completed?
Revenue Account Budget	BDC/RBC	GVT	RA	Local authority revenue expenditure and financing for 2025-26 Budget	2025-26	04-Apr-25	Complete
Quarterly Borrowing & Lending - Quarter 4	BDC/RBC	GVT	QB4	Local authority borrowing and investments from all local authorities to the end of Q4 2024-25	Q4 2024-25	07-Apr-25	Complete
Capital payments & receipts Q4 and provisional outturn	BDC/RBC	GVT	CFR4	Cumulative capital expenditure and receipts for Q1, Q2, Q3, and Q4 2024-25. Expanded collection, used as provisional outturn.	Y/E 2024-25	25-Apr-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Apr-2025	08-May-25	Complete
Council Tax & NDR Collection - Quarter 4	BDC/RBC	GVT	QRC4	Annual data of levels of council tax and non-domestic rates collected by local authorities in 2024-25; and receipts collected in Q4 and local council tax support claimants at the end of Q4	Q4 2024-25	09-May-25	Complete
Non Domestic Rates Outturn- unaudited	BDC/RBC	GVT	NNDR3	Collects information from all billing authority on the amount of non-domestic rates collected in 2024-25- provisional data	Prov'n Outturn 2024-25	31-May-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-May-25	06-Jun-25	Complete
Exit payments	BDC/RBC	GVT	exit	Local authority exit payments, 2024-25	Y/E 2024-25	06-Jun-25	Complete
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	30-Jun-25	07-Jul-25	Complete
Quarterly Borrowing & Lending - Quarter 1	BDC/RBC	GVT	QB1	Local authority borrowing and investments from all local authorities to the end of Q1 2025-26	Q1 2025-26	07-Jul-25	Complete
Council Tax & NDR Collection - Quarter 1	BDC/RBC	GVT	QRC1	Quarterly return of how much council tax and non-domestic rates are collected in Q1 2025-26; Number of local council tax support claimants at the end of Q1 2025-26	Q1 2025-26	11-Jul-25	
Revenue Outturn suite - provisional	BDC/RBC	GVT	RO	Local authority revenue expenditure and financing, 2024-25 Outturn (first release)	Prov'n Outturn 2024-25	25-Jul-25	
Capital Payments & Receipts - Quarter 1	BDC/RBC	GVT	CFR1	Cumulative capital expenditure and receipts for Q1 2025-26	Q1 2025-26	25-Jul-25	
Quarterly Revenue Update - Quarter 1	BDC/RBC	GVT	QRU1	Q1 2025-26 data and forecast end year local authority revenue expenditure update	Q1 2025-26	01-Aug-25	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Jul-25	07-Aug-25	
Capital Outturn Return	BDC/RBC	GVT	COR	Final capital outturn figures for 2024-25	Outturn 2024-25	22-Aug-25	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Aug-25	05-Sep-25	
Local Government Pension Funds	BDC/RBC	GVT	SF3	Collect information on income and expenditure on local government pension schemes for 2024-25	Outturn 2024-25	12-Sep-25	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	30-Sep-25	07-Oct-25	
Quarterly Borrowing & Lending - Quarter 2	BDC/RBC	GVT	QB2	Local authority borrowing and investments from all local authorities to the end of Q2 2025-26	Q2 2025-26	07-Oct-25	
Revenue Outturn suite - certified	BDC/RBC	GVT	RO	Local authority revenue expenditure and financing, 2024-25 Outturn (second release)	Certified Outturn 2024-25	10-Oct-25	9
Council Tax Base/ Supplementary	BDC/RBC	GVT	CTB	Information about the 2025 council tax base for each billing authority.	2025	10-Oct-25	
Council Tax & NDR Collection - Quarter 2	BDC/RBC	GVT	QRC2	Quarterly return of how much council tax and non-domestic rates are collected in Q2 2025-26; Number of local council tax support claimants at the end of Q2 2025-26	Q2 2025-26	10-Oct-25	

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Appendix A Audit, Standards and Performance Committee 14th July 2025

Return	Council	Return Type	Code	Description	Period End	Submission Deadline	Completed?
Quarterly Revenue Update - Quarter 2	BDC/RBC	GVT	QRU2	Quarter 1 & 2 2025-26 data and forecast end year local authority revenue expenditure update	Q2 2025-26	17-Oct-25	
Capital Payments & Receipts - Quarter 2	BDC/RBC	GVT	CPR2	Cumulative capital expenditure and receipts for Q1 and Q2 2025-26	Q2 2025-26	24-Oct-25	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Oct-25	07-Nov-25	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	30-Nov-25	05-Dec-25	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Dec-25	08-Jan-26	
Quarterly Borrowing & Lending - Quarter 3	BDC/RBC	GVT	QB3	Local authority borrowing and investments from all local authorities to the end of Q3 2025-26	Q3 2025-26	08-Jan-26	
Council Tax & NDR Collection - Quarter 3	BDC/RBC	GVT	QRC3	Quarterly return of how much council tax and non-domestic rates are collected in Q3 2025-26; Number of local council tax support claimants at the end of Q3 2025-26	Q3 2025-26	16-Jan-26	
Capital Payments & Receipts - Quarter 3	BDC/RBC	GVT	CPR3	Cumulative capital expenditure and receipts for Q1, Q2 and Q3 2025-26	Q3 2025-26	23-Jan-26	
Quarterly Revenue Update - Quarters 3 & 4	BDC/RBC	GVT	QRU3	Quarter 1 to 3 2025-26 data and forecast end year local authority revenue expenditure update.	Q3 2025-26	23-Jan-26	
Non Domestic Rates Forecast	BDC/RBC	GVT	NNDR1	Billing authority forecasts of the amount of non-domestic rates to be collected in the 2026-27	2026-27 Forecast	31-Jan-26	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Jan-26	06-Feb-26	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	28-Feb-26	06-Mar-26	
Council Tax Requirement/ Parish Council Tax	BDC/RBC	GVT	CTR1/2/3/4	Information on council tax levels set by local authorities in 2026-27. Council tax levels for 2026-27 set by parishes	2026-27 Forecast	11-Mar-26	
of which: Parish council tax	BDC/RBC	GVT	-	Information on council tax levels set by parish and town councils in 2026-27. This data is collected on the CTR1 form but published later		11-Mar-26	
Capital Estimates Return	BDC/RBC	GVT	CER	Capital forecast for 2026-27	2026-27 Forecast	27-Mar-26	
Revenue Account Budget	BDC/RBC	GVT	RA	Local authority revenue expenditure and financing for 2026-27 Budget	2026-27 Forecast	03-Apr-26	
Monthly Borrowing & Lending	BDC/RBC	GVT	MB	Monthly sample used to provide an estimate of the level of net borrowing by local authorities to go into the ONS/HMT monthly publication Public Sector Finance Statistics	31-Mar-26	07-Apr-26	

BROMSGROVE DISTRICT COUNCIL

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Appendix B – Calendar of Financial Requirements

Budget

- **2025/6 Budget and MTFP delivered 19th Feb 2025.**
- Council Tax Base – Yearly – **2025/26 delivered on 7th January 2025**
- Council Tax Resolution – **Yearly 2025/26 delivered on 19th February 2025**
- Council Tax Billing – Yearly (2 weeks before 1st DD is due to be taken) – **Bills distributed in March 2025**
- **Policies**
 - Treasury and Asset Management Strategies
 - 23/24 Draft Outturn Report **delivered September 24.** 24/25 Outturn delivered **July 25**
 - 25/26 Strategy – **delivered as part of the MTFP on the 19th Feb 2025.**
 - 25/6 Council Tax Support Scheme **approved on 19th January 2025.**
 - Minimum Revenue Provision – yearly – **delivered as part of the MTFP on the 19th Feb 2025.**
- Financial Monitoring – **2024/5 Q1 Finance and Performance Report delivered to Cabinet Sept 24. Q2 on 10th Dec 24, Q3 on 26th March 2025, Outturn in July 2025.**
- Risk Management – **Q1 2024/5 delivered July 2024, Q2 in Dec 24, Q3 in March 25, Outturn in July 2025.**
 - Savings Report – **23/4 Outturn Report delivered in May 2024, Q1 24/5 in Sept 24, Q2 in Dec 24,.Q3 in March 25, Q4 in July 25 onwards.**
- Whole of Government Accounts Returns
 - **Still to be delivered for future years – no longer required for previous years**
- Over £500 spending.
 - **Updated to May 2025.**

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

- Government Returns
 - VAT – Monthly
 - **discussions ongoing with HMRC since mid-summer 2024 with final versions provided to get transactions up to date on the 19th December 2024. Monthly returns are now being submitted from December 2024**

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Financial Savings Monitoring Report – Q4 2024/5

Relevant Portfolio Holder		Councillor Baxter – Portfolio Holder for Finance and Governance
Portfolio Holder Consulted		Yes
Relevant Head of Service		Debra Goodall
Report Author	Job Title: Assistant Director of Finance & Customer Services Contact email: debra.goodall@bromsgroveandredditch.gov.uk Contact Tel:	
Wards Affected		All
Ward Councillor(s) consulted		No
Relevant Strategic Purpose(s)		All
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 RECOMMEND that:

- 1) The Outturn position on the 2024/25 Departmental Savings Programme be noted, including any potential implications for future years.**

2. BACKGROUND

- 2.1 As part of the 2024/25 budget, which was agreed at Council in February 2024, there were a number of savings options approved through the two-tranche process to deliver the balanced budget for the year. Savings from both tranches of the budget process have been combined in **Appendix A**. To these, those 2023/4 savings items relating to future years have been added.
- 2.2 Additionally, an Improvement Recommendation in the Interim Auditors Annual Report on Bromsgrove District Council 2021/22 and 2022/23 was that “savings delivery is monitored independently of basic budget monitoring at a Corporate level”. As such savings monitoring will be part of the Audit, Governance and Standards Committee on a quarterly basis. This was delivered in the 2023/24 financial year and this is the first report of the 2024/25 year. Going forward from 2025/26, this will be included in the Finance and Performance Monitoring Report.
- 2.3 The Quarter 2 2024/25 Finance and Performance Monitoring report was reviewed by Cabinet in December 2024 and savings linked to the 2024/5 Medium Term Financial Plan by this Committee in December.
- 2.4 The Quarter 2 position was a £344k overspend position. The opening £12.5m full year revenue budget was approved in February 2024.

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- 2.5 The Outturn position for the Council is a revenue underspend of £129k. This compares to an underspend figure of £53k reported at Quarter 3 – a £76k improvement of the Council's position. The underspend is mainly due to the additional grants received together with increased investment interest receivable and lower interest payments on the Corporate Financing budget, offset by additional fleet costs and costs within finance due to clearing the backlog of work associated with the Statement of Accounts.

Service Description	2024-25 Approved Budget	2024-25 Actual Spend	2024-25 Budget Variance
Business Transformation and Organisational Development	1,792,618	1,694,730	-97,888
Community and Housing GF Services	1,159,987	1,457,961	297,975
Corporate Services	994,465	1,112,245	117,780
Environmental Services	3,798,721	5,633,565	1,834,844
Financial and Customer Services	1,441,300	2,078,764	637,464
Legal, Democratic and Property Services	1,563,913	1,577,192	13,280
Planning, Regeneration and Leisure Services	1,365,472	1,611,134	245,661
Regulatory Client	397,337	608,765	211,428
Grand Total	12,513,813	15,774,356	3,260,543
Service Description	2024-25 Approved Budget	2024-25 Actual Spend	2024-25 Budget Variance
Corporate Financing	-12,513,813	-15,903,309	-3,389,496
Grand Total	-12,513,813	-15,903,309	-3,389,496
TOTALS	0	-128,953	-128,953

- 2.6 This includes variations as follows:

Business Transformation & Organisational Development – outturn position £98k underspend

Within Business Transformation & Organisational Development the underspend of £98k is due to:

- Head of Business Transformation underspent by £41k due to reduced Salaries.
- Equalities showed an underspend of £37k due to reduced Salaries.
- Human Resources underspent by £20k due to Salaries & Training savings of £70k offset by additional Shared Service charges of £50k.

Community and Housing General Fund Services - outturn position £298k overspend

Within the Community and Housing General Fund Services the overspend of £298k is due to a number of factors:

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- Community Safety overspent by £311k due to additional costs of £93k on Salaries and £218k on additional Shared Services.
- Housing & Enabling overspent by £160k due to additional Salary costs of £43k, Property charges of £56k and Shared Service recharges amounting to £61k.
- Lifeline underspent by £173k due to reduced Shared Service costs.

Corporate Services – outturn position £118k overspend

Within Corporate Services, there is an overspend of £118k due to:

- Communications & Printing overspent by £50k additional Salaries offset by Shared Service Arrangements. £13k is for unachieved Efficiency Savings.
- Corporate showed an overspend of £80k due to additional Audit Fees
- PA & Directorate Support overspent by £25k due to additional Shared Service costs

Environmental Services – outturn position £1.835m overspend

Within Environmental Services, the overspend of £1.835m is due to:

- Bereavement Services overspent by £80k due to lower income of £64k, additional spend on Grounds Maintenance of £10k and Insurance costs of £6k.
- Car Parks/Civil Enforcement showed an overspend of £164k due to loss of income in the amount of £174k offset by Utilities savings of £10k.
- Core Environmental overspent by £103k due to loss of SLA income in the amount of £25k, Fleet Maintenance of £13k, additional fees from Wyre Forest for Watercourse Management in the amount of £50k and a loss of Shared Service income of £15k.
- Depot overspent by £80k due to Buildings Maintenance of £62k, Equipment Maintenance of £15k and Agency Costs of £30k offset by Insurance savings of £23k and additional Income of £4k.
- Place Teams overspent by £257k due to £106k on Fleet Costs, Insurance costs of £32k and Agency Costs of £205k offset by additional Shared Service income of £86k.
- Waste Operations overspent by £1.231m of which £1.193m is due to an aging fleet (Fleet Fuel of £80k, Fleet Maintenance of £631k and Fleet Hire of £482k). While generating additional income of £749k, there were overspends on Salaries & Agency Costs of £723k, increased Water costs of £26k and additional Insurance costs of £38k.

Financial & Customer Services - outturn position £637k overspend

Within Financial & Customer Services, the overspend of £637k is due to:

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- Audit Services overspent by £10k due to additional Internal Audit costs.
- Benefits Subsidy underspent by £365k due to additional Grants received.
- Finance overspent by £660k due to the recruitment of agency staff to clear the backlog of Statement of Accounts which is now complete. There are also mitigating factors insofar as there are difficulties countrywide in the recruitment of staff which has now been made more difficult due to Local Government Reform. There were also additional ICT charges and therefore there were additional Shared Service charges.
- Revenues overspent by £332k including £62k on Shared Services and £270k on Civica System.

Legal, Democratic and Property Services – outturn position £13k overspend

Within Legal, Democratic and Property Services there was an overspend of £13k due to:

- Business Development had an overspend of £125k due to additional spend on Building Maintenance of £78k, Insurance costs of £14k, General Fees of £19k, Shared Service recharges of £38k offset by savings on Utilities of £24k.
- Democratic Services overspent by £93k due to additional Salary costs of £51k, insufficient budget for Councillor allowances of £38k and additional Shared Service recharges of 34k.
- Legal Advice and Services underspent by £205k due to additional income of £65k, salary savings of £86k due to vacant posts, General savings of £44k and additional Shared Service Income of £10k.

Planning, Regeneration and Leisure Services – outturn position £246k overspend

Within Planning, Regeneration and Leisure Services there is an overspend of £246k due to:

- Development Control overspent by £157k due to a drop in Planning Income against budget.
- Economic Development overspend of £28k is due to recruitment costs.
- Building Control overspent by £40k due to a loss of income.
- Town Centre overspent by £21k due to additional Business Rates at Windsor Street.

Regulatory Client – outturn position £211k overspend

Within Regulatory Client, the overspend of £211k is due to additional management costs of WRS amounting to £170k and a loss of Licensing income of £41k.

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2023/24 Position

- 2.7 The position at year end 2023/24 in terms of departmental savings was that the two Amber items still require careful monitoring:
- The Service Review figures have been analysed following Establishment Review work undertaken in the second half of 2024. The combination of spending on establishment salaries and Agency is above the budgeted figures and as such this is still a significant risk.
 - The Capacity Grid project, recouping old Council Tax and Business Rates debt is nearing the end of its allocated time. As per the Council Tax Resolution Report that went to Council in February, we had a surplus in the collection fund of £594k, of which £76k relates to Bromsgrove District Council. Overall amounts for all members of the collection fund are significantly higher than expected.
- 2.8 The Red item in relation to finance will not be delivered. Additional resources have been bought in, and all accounts up to the 2023/24 financial year have now been closed. This task was completed in January 2025. In 2025/26 we will now be able to move back to the correct establishment.

2024/25 Outturn Position

- 2.9 The 2024/25 position is shown in Appendix A. The vast majority of savings items link either to increases in grant, agreed increases in Tax or items that will not be delivered until future financial years.
- 2.10 As has been stated in previous reports, the largest savings in recent years have been on Pension costs which link to the 2023 triennial revaluation. These revised figures run for 3 years and as such are a risk from the 2026/7 year if they change. Initial advice from actuaries in December 2024 was that it is highly likely that these will not change from present levels in the next revaluation.
- 2.11 The following items will require careful tracking going forward:
- The Service Review figures have been analysed following Establishment Review work undertaken in the second half of 2024. The combination of spending on establishment salaries and Agency is above the budgeted figures and as such this is still a significant risk and has been flagged as red. It will be closely monitored throughout 2025/26.
 - Now that the Financial Recovery Plan has been delivered, the savings target in relation to Finance will need to be considered in light of the Finance Stability Plan that is being introduced. Work is ongoing to scope this and identify the level of resources required to carry out this work.

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- Validation of delivery of Fees and Charges income. There are delivery issues in a few areas highlighted in Appendix A.
- Increasing Waste Costs and their linkage to the possible Waste partnership. This now might be impacted by Local Government Re-organisation.

3. FINANCIAL IMPLICATIONS

- 3.1 The savings have significant financial implications if not delivered.
- 3.2 The Council presently has an estimated £12.781m in General Fund Reserves to cover one off issues, and £9.484m in Earmarked Reserves for specific purposes as per the MTFP report that went to Council in February. These are the only recourse, apart from additional reductions in spending/additional income, that the Council has to mitigate a potential overspend position.

4. LEGAL IMPLICATIONS

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

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

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

Climate Change Implications

- 5.2 The green thread runs through the Council Plan. 2024/25 savings options which had implications on climate change would have been addressed at that time and 2025/26 issues have been assessed as part of the 2025/26 budget process.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no direct equalities implications arising as a result of this report. Any implications will have been dealt with as part of the 2023/24 and 2024/25 Budget processes.

Operational Implications

- 6.2 Operational implications will have been dealt with as part of the 2023/24 and 2024/25 Budget process.

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7. RISK MANAGEMENT

- 7.1 Non delivery of savings options, depending on their financial magnitude can have either a small or significant effect on the Council's finances. As such mitigations need to be in place to deal changes to what was agreed by Council in February 2023 and February 2024.

8. APPENDICES and BACKGROUND PAPERS

Appendix A – Bromsgrove Savings Monitoring 2024/25

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Baxter	2/7/25
Lead Director / Head of Service	Bob Watson	27/6/25
Financial Services	Debra Goodall	25/6/25
Legal Services	Claire Felton	2/2/25
Policy Team (if equalities implications apply)		
Climate Change Officer (if climate change implications apply)		

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Governance Committee 23rd May 2024

Appendix A – Bromsgrove Savings Monitoring 2024/25 Outturn

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	RAG Status	Narrative
2023/4 Budget Items						
Service Reviews	-140	-330	-405	-405		This position, following the establishment review and a review of budgets in 2025/26, is an overspend against budget and is a risk to be mitigated.
Finance Vacancies	-100	-100	-100	-100		This savings was not delivered in 2023/24 and 2024/25 as additional resource has been bought in to get the accounts up to date.
Engage Capacity Grid (One Off)	-200	-200	0	0		As per the 2025/26 Council Tax Resolution the Council has a Collection Fund surplus of £594k of which £76k related to Bromsgrove.
Environmental Services Partnership	0	-25	-50	-50		As per the Outturn monitoring, there is a significant overspend in this area (Waste) and the envisioned partnership has not yet materialised.
Total 2023/4 Items	-440	-655	-555	-555		
2024/5 Budget Items						
Utilities increase		-140	-140	-140		Only 60% drawn down in 23/4 – this is the 40% remainder.
23/4 Inflation Budget		-188	-194	-194		Not drawn down in 23/4, £125k put in for 24/5
7% increase Fees & Charges		-273	-273	-273		Most seem to delivery targets as per the Outturn.
2% C Tax Increase 25/6			-191	-191		This is the present allowable increase level
2% C Tax Increase 26/7			-101	-101		This is the present allowable increase level
2% Fees & Charges 25/6			-101	-101		This is future years
2% Fees & Charges 26/7		-515	-515	-515		This is future years
Gov Grant at 23/4 Levels						As per Government Guidance
Increase in number of Properties (Council Tax Base)		-36	-84	-121		This is 50% of the projected property increases in the Local Plan
Council Tax increase to 3%		-91	-91	-91		Allowable in 2024/5
Planning Income at 25% increase		-145	-145	-145		Under-recovery of planning income to budgeted levels by £161k

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Parking Income		-100	-100	-100		Under-recovery on parking of £175k
Impact of 23/4 Pay Award		-125	-125	-125		Budget Review of central items highlighted this savings.
Business Rates						Based on the LG Futures model for the Worcestershire Business Rates
Adjustment		-427	-350	-350		Pool
Additional Grant announced on 23/1/24		-126	-126	-126		As per Government Guidance
24/5 Savings		-2,166	-2,435	-2,768		

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Audit, Standards and Governance Committee 14 July 2025

Corporate Risk Update July 2025

Relevant Portfolio Holder	Councillor Baxter
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall, Head of Finance and Customer Services
Report Author Bob Watson	Job Title: Deputy Chief Executive and Chief Finance Officer Contact Bob Watson email: bob.watson@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 at a corporate level.

2. RECOMMENDATIONS

The Committee/Cabinet is asked to:

- Consider the strategic risks detailed in the Corporate Risk Register.
- Consider and comment on the changes to risk scores and removal/additional of new risks.

3. KEY ISSUES

Background

- 3.1 The Corporate Risk Register must continue to ensure that the Council's most significant strategic risks in relation to achievement of corporate priorities and objectives are identified, managed, monitored and reported.
- 3.2 The Corporate Risk Register is reviewed by the Corporate Risk Management Officers Group (CRMOG) quarterly, changes and updates to the register to be reviewed by AS&G Committee quarterly in accordance with the Risk Management Strategy. Notes of the latest meeting are attached at Appendix 1.

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- 3.3 A result of audit reports and reviews in both 2021 and 2023 processes have been introduced:
- Departmental ownership of service risks and reviews at service management teams on a monthly basis.
 - Regular review and development of active risk mitigation to reduce the impact of the risks – ensuring the Council moves to an embedded process where risk becomes managed as part of normal business.
 - Recently upgrading the '4Risk System', which is the Councils' repository of risk information and management.
 - That the Corporate Risk Management Officer Group has actively reduced risk numbers through their work and that a common approach to risk is now being embedded within the organisation.
- 3.4 The latest audit of Risk Management Embedding 2024-25 dated 1 June 2025 was a risk-based systems audit of the Risk Management as operated by both Bromsgrove District Council and Redditch Borough Council; this produced an audit opinion of 'Reasonable Assurance'.

The Definition of a Corporate Risk

- 3.5 The following definition of a of how risks move from being "departmental" to being "corporate" in nature was recommended by the CRMOG approved by CLT:

*"For a **Risk** to move from being '**departmental**' in nature to being '**corporate**' in nature 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."*

Corporate Risks

- 3.6 Corporate Risks are summarised in the following table. As the table below highlights, a number of the existing risks have been revised due to impacts of mitigations in those areas.

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RISK TREE REPORT

00. CORPORATE RISKS (14)

Reference	Risk Title	Risk Owner	Risk Lead	Status	Inherent	Residual	
COR0001	Non Compliance with Health and Safety Legislation	Bob Watson	Bob Watson	● Open	12	9	🔗 ▼
COR0002	Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence	Bob Watson	Helen Mole	● Open	16	6	🔗 ▼
COR0003	Non adherence with Statutory Inspection Policy	Simon Parry	Simon Parry	● Open	20	16	🔗 ▼
COR0004	Management of Contracts	Bob Watson	Claire Felton	● Open	6	6	🔗 ▼
COR0005	Resolution of the Approved Budget Position	Bob Watson	Debra Goodall	● Open	6	6	🔗 ▼
COR0006	Protection from Cyber Attack	Bob Watson	Mark Hanwell	● Open	20		🔗 ▼
COR0007	Adequate Workforce Planning	Bob Watson	Becky Talbot	● Open	12	9	🔗 ▼
COR0008	Financial Position Rectification	Bob Watson	Debra Goodall	● Open	6	6	🔗 ▼
COR0009	BROMSGROVE DC Being placed into special measures due to quality of planning application decisions	Ruth Bamford	Ruth Bamford	● Open	9		🔗
COR0010	Delivery of Levelling Up, Towns Fund, UK SPF Initiatives	Rachel Egan	Debra Goodall	● Open	12	12	🔗 ▼
COR0011	Cost of Living Crisis	Bob Watson	Debra Goodall	● Open	16	12	🔗 ▼
COR0012	New Customer Facing Interface	Bob Watson	Mark Hanwell	● Open	16	16	🔗 ▼
COR0013	Environment Act 2021	Simon Parry	Matthew Austin	● Open	16	16	🔗 ▼
COR0014	Devolution & LGR	John Leach	Bob Watson	● Open	20		🔗 ▼

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Risk Matrix – before mitigation

5 Major	Medium (5)	Medium (10)	Medium (15)	High (20) R3, R6	High (25)
4 Serious	Low (4)	Medium (8)	Medium (12) R1	High (16) R2, R11, R12, R13	High (20) R14
3 Significant	Low (3)	Low (6) R4, R5, R8	Medium (9) R7, R9	Medium (12) R10	Medium (15)
2 Minor	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
1 Insignificant	Low(1)	Low (2)	Low (3)	Low (4)	Medium (5)
Impact ↑ Likelihood →	1 Very unlikely	2 Unlikely	3 Likely	4 Very likely	5 Almost certain

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Risk Matrix – after mitigation

5 Major	Medium (5)	Medium (10)	Medium (15)	High (20) R6	High (25)
4 Serious	Low (4)	Medium (8)	Medium (12) R7	High (16) R3, R12, R13	High (20) R14
3 Significant	Low (3)	Low (6) R2, R4, R5, R8	Medium (9) R1, R9	Medium (12) R10, R11	Medium (15)
2 Minor	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
1 Insignificant	Low(1)	Low (2)	Low (3)	Low (4)	Medium (5)
Impact ↑ Likelihood →	1 Very unlikely	2 Unlikely	3 Likely	4 Very likely	5 Almost certain

BROMSGROVE DISTRICT COUNCIL

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Service (departmental) Risks

3.6 There are 47 service risks identified on the '4Risk' system; these are summarised in the following table:

Service Area	Red following mitigation	Amber following mitigation	Green following mitigation	Total number of risks
Customer Services		1		1
Revenues	1	2	1	4
Benefits		1	3	4
Finance		2	1	3
Environmental Services		5	1	6
Leisure & Cultural Services		1		1
Regeneration & Property Services		3	2	5
ICT		2		2
Planning		1		1
Housing		9	7	16
Community Services		1	2	3
HR			1	1
Total departmental risks	1	28	18	47

3.7 Details of all risks are on the new '4Risk' system, and access can be given on request from Sarah Carroll (sarah.carroll@bromsgroveandredditch.gov.uk)

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Governance Committee 14 July 2025

Insurance

- 3.8 The Councils successfully renewed the insurance contracts last month (June). The Council is now running a year after other Worcestershire Councils who renewed last financial year. Insurers are now requesting significantly more detail and there was a great deal of effort put in by the insurance officer and her team to get data to the required standard. This issue highlighted a deficiency in property data capture – which links to the Corporate Customer Risk linked to data.

The Risk Management Framework

- 3.9 Risk Management Training. There remains a requirement for Corporate Risk training (Members and Officers) and existing processes need further embedded in the organisations to increase assurance.

4. Legal Implications

- 4.1 No Legal implications have been identified.

5. Financial Implications

- 5.1 Effective risk identification, and management of those risks, is integral to the delivery of effective and efficient services to residents and businesses. Risk impacts can be both financial and reputational.
- 5.2 The Council spends significant sums insuring itself and must also hold Reserves to mitigate the costs of risks should they happen. A comprehensive Risk Management approach ensures risk and its consequences, including financial ones, are minimised.

6. Strategic Purpose Implications

Relevant Strategic Purpose

- 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.

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Governance Committee 14 July 2025

7. Other Implications

Customer / Equalities and Diversity Implications

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

Operational Implications

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

Governance implications

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

8. Risk Management

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

9. APPENDICES

Appendix 1 – Minutes of Corporate Risk Management Officer Group – 27 June 2025

AUTHOR OF REPORT

Name: Bob Watson, Deputy Chief Executive and Chief Finance Officer
E Mail: bob.watson@bromsgroveandredditch.gov.uk

BROMSGROVE DISTRICT COUNCIL

Audit, Standards and Governance Committee 14 July 2025

Appendix 1

Corporate Risk Management Officer Group

Meeting

27th June 2025

Risk	Notes
Corporate	
Non Compliance with Health and Safety Legislation	No Change
Decisions made to address financial pressures and implement new projects that are not informed by robust data and evidence	No Change
Non adherence with Statutory Inspection Policy	No Change
Management of Contracts	No Change – Bob & Claire to discuss
Resolution of the Approved Budget Position	No Change – Bob & Deb to discuss
Protection from Cyber Attack	No Change
Adequate Workforce Planning	A discussion took place as to whether this could reduce due to embedding in service planning.
Financial Position Rectification	No Change – Accounts 24/25 are being published and budget books have been created.
BROMSGROVE DC Being placed into special measures due to quality of planning application decisions	<p>Update - Applications which may be the subject of a refusal are presented to Managers/Assistant Director as an additional level of scrutiny</p> <p>Managers support maintaining a good turnover of major applications, so as to provide a stable numerical base</p> <p>Managers continue to closely monitor appeal decisions</p> <p>planning committee members are now provided with performance information via</p>

BROMSGROVE DISTRICT COUNCIL

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Risk	Notes
	a report at Committee. This is done on a quarterly basis.
Delivery of Levelling Up, Towns Fund, UK SPF Initiatives	Jane Berry to look at mitigations.
Cost of Living Crisis	Risk to be updated due to funding.
New Customer Facing Interface	No Change
Environment Act 2021	The main risk is financial as the funding is unknown for new costs.
Devolution & LGR	The risk was updated to include LGR.
New CX & Deputy CX	To be closed.

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Service Risks

Risk	Notes
Customer Services	
Non Compliance RBC/BDC Fail to ensure the adequate security arrangements for Customer Service Centres	No Change
Benefits	
Fail to effectively resource the service to meet demands	No Change
Impact of Welfare Reform Act	No Change
Impact of ELF scheme	No Change – This may need to be reviewed and look at criteria of funding.
Benefits subsidy	No Change
Revenues	
Performance Information data is not robust	No Change
Reduced collection rates	No Change
Failure of corporate Fraud and Compliance team	No Change
Data Compliance	No Change
Finance	
Fail to provide adequate support to managers to manage their budgets	Residual Risk to be reviewed.
Fail to effectively manage high value procurements resulting in breach of EU procurement rules.	Carmen to look at wording
Purchasing Non Compliance	No Change
Environmental Services	
Fail to adequately maintain and manage car parking and On Street enforcement	This risk will be transferred to Regeneration & Property Services.
Avoidable damage to fleet arising from staff behaviour and non-compliance	No Change
Fail to ensure adequate Health & Safety across the service	No Change

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Risk	Notes
Workforce planning	No Change
Risk	Notes
PDMS - New Environmental database	No Change
Environmental Enforcement	This risk will be monitored for 12 months.
Fail to ensure the health & safety of the Public / Staff and visitors using services (meeting regulatory requirements)	No Change
Regeneration & Property Services	
Failure to ensure that Council Owned buildings, Property Assets and Facilities remain fit for purpose now and for the future.	No Change
Fail to effectively manage property assets	No Change
Fail to optimise the income from Commercial properties	No Change
Fail to effectively manage the disposal of assets as part of asset disposal programme	No Change
Bromsgrove Leisure Contract	No Change
ICT	
Failure to identify, maintain and test adequate disaster recovery arrangements	No Change
Members and Data protection Training	No Change
Planning	
Loss of effective Building Control service due to changes in legislation / Hackett / Grenfell	Building Control has now concluded an audit with the Gov Regulator. Certain recommendations relate to the effective monitoring of staff competency. This will result in controls being added to this

BROMSGROVE DISTRICT COUNCIL

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Risk	Notes
	current risk once approved by the regulator.
Housing	
Fail to effectively manage housing repairs and maintenance	No Change
Fail to manage impact of increasing homelessness cases and Recruitment challenges	No Change
Risk	Notes
Inability to collect rent and rent arrears	No Change
Fail to effectively management leaseholder properties	No Change
Fail to effectively manage capital projects (also the right contracts are put in place, internal and external)	No Change
Potential for an increase in right buys	No Change
Failure to Achieve CQC Compliance at St Davids House	No Change
Failure to complete annual gas Safety Inspections	No Change
Risk of legionella in housing with communal facilities	No Change
Housing Revenue Account	No Change
Failure to comply with Charter for Social Housing and the Regulator	No Change
Non compliance with Asbestos Regulations	No Change
Non compliance with Regulatory Reform (Fire Safety) Order 2005 - Blocks of flats and communal entrances	No Change
Failure to comply with IEE regulations	No Change
Damp and Mould In Council Housing	
Passenger Lifts	No Change

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Risk	Notes
Community Services	
Safeguarding - Inadequate child and adult protection systems/process.	No Change
Starting Well Partnership – underperformance of contract	To be closed.
Social Prescribing – underperformance of contract	To be closed.
HR	
Fail to monitor and respond to changes in employment legislation	No Change

Possible New Risks

Insurance for Property – Julie Heyes

Climate Change – Matthew Eccles

Actions

1. Sarah to look at the hierarchy of the service areas
2. All to look at how the system is and feedback at the next meeting
3. Training to be arranged for all system users

Any Other Business

Nothing to report.

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS & GOVERNANCE COMMITTEE – WORK PROGRAMME 2025/26

14th July 2025

- Election of Chairman
- Election of Vice-Chairman
- External Audit Onboarding discussion - Update
- Standards Regime – Monitoring Officer's Report
- Annual Update Report on Regulation of Investigatory Powers Act 2000 (RIPA)
- Localism Act 2011 - Standards Regime - Dispensations
- Annual Report of Internal Audit and Audit Opinion 2024/25
- Internal Audit Plan 2025/26
- Financial Compliance Report including update on Statements of Accounts
- Financial Savings Monitoring Report 2024/25
- Risk Management Report / Quarterly Risk Update
- Annual Appointment of Risk Champion
- Committee Work Programme

16th October 2025

Standing items:

- Annual Review from the Local Government Ombudsman
- Standards Regime – Monitoring Officer's Report
- External Audit Backstop Report
- Financial Compliance Report including update on Statements of Accounts
- Risk Management Report / Quarterly Risk Update
- Risk Champion Update
- Committee Work Programme

Other items:

- Whistleblowing Policy Update

15th January 2025

Standing items:

- Standards Regime – Monitoring Officer's Report
- External Audit Backstop Report
- Internal Audit Progress Report
- Submission of Statements of Accounts (Verbal Update)
- Financial Compliance Report including update on Statements of Accounts
- Risk Management Report / Quarterly Risk Update
- Risk Champion Update
- Committee Work Programme

BROMSGROVE DISTRICT COUNCIL

AUDIT, STANDARDS & GOVERNANCE COMMITTEE – WORK PROGRAMME 2025/26

Other items:

- Capital Strategy 2026-27 including Treasury Management Strategy

16th April 2025

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

Other items:

-