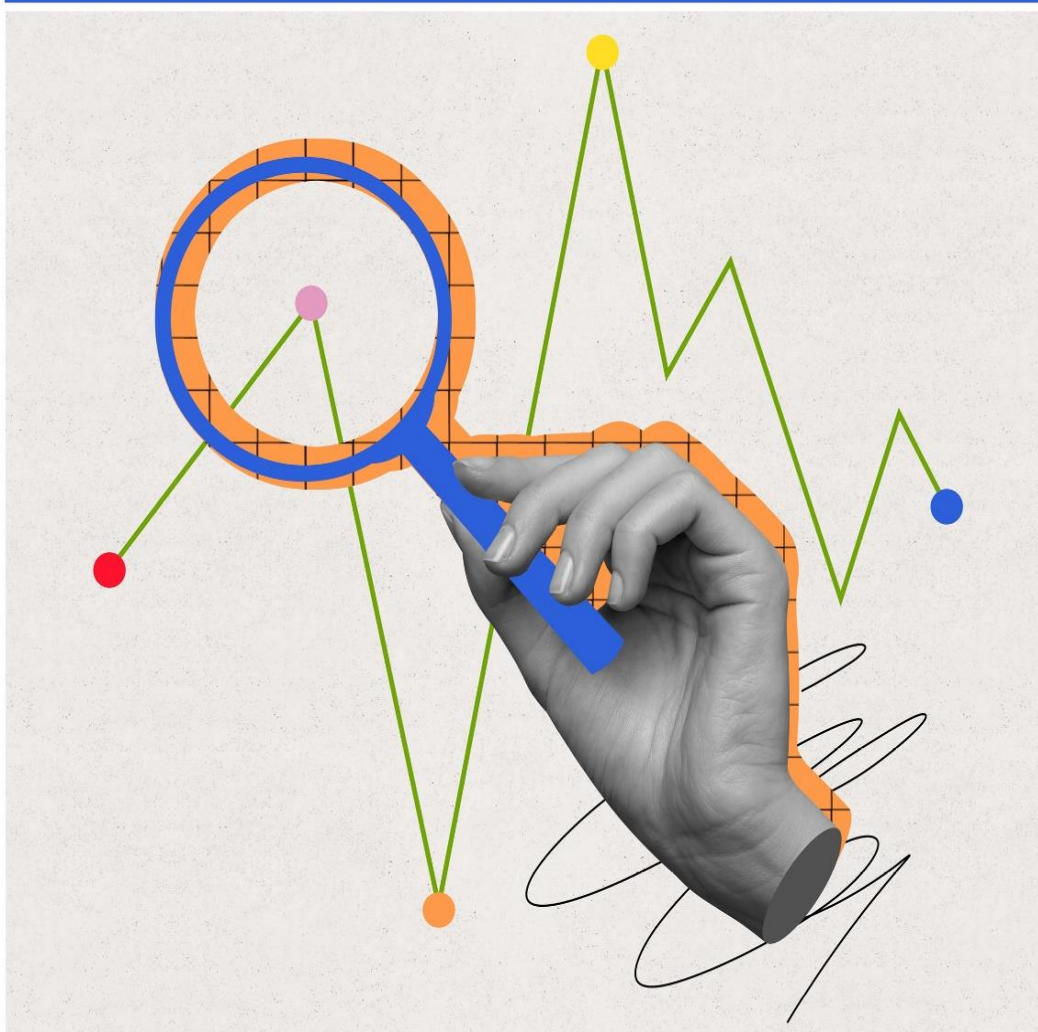


Bromsgrove District Council



Audit, Standards and Governance Committee

ANNUAL REPORT

2024 - 2025



Bromsgrove
District Council

www.bromsgrove.gov.uk

CHAIRMAN'S FOREWORD

On behalf of the Committee, I would like to thank Councillor David Nicholl for his Chairmanship prior to the May. I am particularly grateful to all the Members of the Committee for their diligence and attention, given the breadth of work that the Committee undertakes.

This year has seen a significant move forward in terms of issues highlighted by our Auditors in their Interim Auditors Annual Reports for 2020/21, 2021/22 and 2022/23. The most important of these has been that we have:

- Produced accounts for 2020/21, 2021/22 and 2022/23, made the accounts available for public consultation and received "Disclaimer Opinions" as per the "Backstop" legislation requirements.
- Produced draft accounts for 2023/24 and put these out for public consultation within the "Backstop" legislation requirements. There is no opinion received yet as new External Auditors are being onboarded.

This has meant the Council now has far more certainty in respect of its financial position which is reflected in levels of reserves and balances. However, as with many Councils, there is still the requirement for clarity over "Disclaimer Opinions" and their knock-on effect on future years audit opinions. Because of these deliverables being met, we have felt as a committee, that the requirement highlighted by the Audit Task Group in 2023, on rectification of the financial position, has been met and have moved back to meeting four times a year.

My particular thanks go to the Democratic Services Officers for their support, Mr Peter Carpenter, Mrs Debra Goodall and their team for dealing with the ongoing issues of non-delivery of the accounts and delivering an unprecedented four sets of accounts within the municipal year. I am grateful for Councillor Rachel Bailes, as Risk Champion, in moving forward this agenda, with her innovative approach and questioning of major issues and how risk is reported.

Looking forward, there are two aspects this Committee should look to ensure happens. The first is the appointment of an independent lay member of the Committee which is both a national recommendation and something that was highlighted in Councillor Nicholl's previous report to Council. The second is there is still a long way to go, especially with Local Government Reorganisation and Devolution about to happen and so it is imperative that the control processes now in place are continually enhanced to ensure the correct governance is established for Council decision making processes and its use resources.

I believe that the Audit, Standards and Governance Committee has and continues to provide a valuable contribution to the development of standards and protocols across the Council's governance in an effective and compliant way.

Councillor H.D.N. Rone-Clarke

Chairman of the Audit, Standards and Governance Committee

MEMBERSHIP



Harrison Rone-Clarke (Chairman)



Simon Nock (Vice-Chairman)



Rachael Bailes



Samuel Evans



Derek Forsythe



David Hopkins



Charlie Hotham



David Nicholl



Stephen Peters



Justin Stanley



Marc Worrall (Parish
Councils' Representative)

INTRODUCTION

This report provides an overview of the Audit, Standards and Governance Committee's activities during the municipal year 2024-25.

The ultimate responsibility for Audit rests with the Portfolio Holder with responsibility for Finance and the Section 151 Officer. The Portfolio Holder is expected to attend each meeting as determined in the Council's Constitution.

During the year the Committee had considered reports and updates on the following subjects:

- Monitoring Officer's Report – details complaints and training taken place during the period between meetings.
- Updates from the Internal Audit Team.
- Updates from the External Auditors (including Backstop Report).
- General Dispositions Report.
- Annual Update Report on Regulation of Investigatory Powers Act 2000 (RIPA) Report.
- Financial Compliance Report (including updates on Statements of Accounts).
- Financial Savings Monitoring Report.
- Risk Management Report/Quarterly Risk Update.
- Risk Champion Update.
- Annual Review from the Local Government Ombudsman.

Further information about some of the key responsibilities of the Committee are detailed within this report.

Meeting dates and minutes of the Audit, Standards and Governance Committee meetings can be found on the Bromsgrove District Council website, link detailed below:

[Browse meetings - Audit, Standards and Governance Committee](#)

The Role of The Audit, Standards And Governance Committee

Scope and Responsibility

The Audit, Standards and Governance Committee provides independent assurance to the Council in respect of:

- The effectiveness of the Council's governance arrangements
- The Annual Governance Statement
- The Review of the Annual Statement of Accounts
- Risk Management Framework and strategies
- The effectiveness of the Council's financial and non-financial performance
- Anti-Fraud arrangements
- Whistle-blowing strategies
- Internal and external audit activity
- Democratic governance

The Committee is also responsible for the Council's Standards Regime which covers both District and Parish Councils. Areas encompassed within the Standards Regime include:

- Promoting high standards of conduct by Councillors and co-opted members of Council bodies.
- Assisting Councillors and co-opted members to observe the Members' Code of Conduct.
- Advising and training Members and co-opted members in respect of the Code of Conduct.
- Formulating advice to members and officers in declarations of gifts and hospitality.
- Granting dispensations to Councillors and co-opted members from requirements relating to interests as set out in the Code of Conduct.
- Considering reports from the Monitoring Officer following investigation into complaints about elected Members.

Meetings of the Committee – 2024-2025

The Council's constitution requires the Audit, Standards and Governance Committee to hold quarterly meetings. At its meeting on 9th March 2023, the Committee agreed that it should hold six meetings per municipal year (meet bi-monthly) until issues with the submission of the outstanding Statements of Accounts had been resolved.

During the meeting held on 16th January 2025, Members agreed to the recommendation that following receipt of "Disclaimer Opinions" from the External Auditors for the 2020/21 and 2021/22 Accounts, as approved at the Committee meeting on the 5th December, the subsequent "Disclaimer Opinion" of the 2022/23 Accounts on the 3rd January and the provision of the 2023/24 Accounts for Public Consultation by the 17th January 2025 as per the backstop regulations, that Audit, Standards and Governance Committee meetings revert to being quarterly in nature.

Standards Regime

There are two main areas which are considered regularly in terms of the Committee's responsibility for Standards.

Monitoring Officer's Report

This covers Member Training, Member Complaints and Parish Council matters.

If the elected Member was found to have breached the Authority's Code of Conduct, the powers available to the Authority include a formal letter of warning to the Member and formal censure by motion, of a committee, for the removal of the Member from a Committee (which does not legally prevent the Councillor in question from attending), in addition to adverse publicity.

The Council's Code of Conduct is designed primarily with the view of maintaining standards through a conciliatory approach and there was a high reliance on the Monitoring Officer working in cooperation with political Group Leaders when finding resolutions to Member complaints.

It was reported through the Monitoring Officer's report that Members received training throughout the 2024-2025 municipal year. The training included the following sessions:

- Code of Conduct
- Joint Detailed Planning
- Planning Refresher
- Audit, Standards and Governance Committee
- Mock Planning Committee
- Chairing Skills
- Overview and Scrutiny
- Joint Member Licensing
- Modern.Gov App
- Local Government Finance
- Emergency Planning and Business Continuity
- Carbon Literacy
- Safety
- Appointments
- Planning
- Training for Members of the Shareholders Committee

The Member Development Steering Group (MDSG) had met several times throughout the municipal year. MDSG discussed the needs and adaptations required to make training relevant to Members. In addition, discussions took place regarding the Member Induction and training for the next municipal year.

The Constitution Review Working Group (CRWG) is a cross-party group where any potential changes to the Council's constitution are discussed. CRWG continued to meet during 2024-2025 and had been considering issues relating to constitutional changes that follow the Council's approval on 20th September 2023 of the hybrid Leader and Cabinet governance model, implemented from the start of 2024-25 municipal year. Among the items of business

that the Group discussed were various constitutional updates deemed necessary to enact the Hybrid Leader and Cabinet arrangements including updates to terms of reference for the Cabinet Advisory Group (CAG), Memorandum of Understanding (MoU) for cross party working. Topics such as behaviour at meetings and the rules for remote participation in meetings had also been considered.

Member Complaints

An update on Member complaints had been provided in all Monitoring Officer's reports. It was noted that several Member complaints had been received to date in 2024-25, most of which have been resolved locally. There had also been several complaints received in respect of Parish Councillors. It was noted that these were most appropriately dealt with by Parish Councils and not by the District Council's Monitoring Officer.

There had been several complaints this year at both Parish and District levels. These continue to be investigated locally by the Monitoring Officer. There had been no investigations about Members which required a Hearings Sub-Committee to be convened.

Dispensation Report

The Audit, Standards and Governance Committee received several dispensations reports this year.

The reports on Individual Member Dispensations were considered on 17th July and 14th September 2023 respectively. The requests for Individual Member Dispensations detailed in those reports were granted by the Committee. The dispensations agreed at these meetings remain valid until the first meeting of the Audit, Governance and Standards Committee following the next District Council Elections in May 2027 unless amended by the Committee prior to that date.

An Individual Member Dispensations Report was considered at the meeting on 7th March 2024. This was in respect of Individual Member Dispensations and Outside Bodies Dispensations as requests had been received from Councillors S. Ammar, S. Webb concerning the Citizens Advice Bureau (CAB) and A.M. Dale, J. Elledge, and M. Marshall relating to The Artrix. These dispensations remain valid until first meeting of the Audit, Standards and Governance Committee following the next District Council Elections in 2027 unless amended by the Committee prior to that date.

A further Individual Member Dispensations Report was considered at the meeting held on 23rd May 2024 in respect of Individual Member Dispensations and Outside Body appointment dispensations for individual Members. The dispensations agreed at these meetings remain valid until the first meeting of the Audit, Governance and Standards Committee following the next District Council Elections in May 2027 unless amended by the Committee prior to that date

Parish Council Involvement

The Parish Council's representative can add any item on to the agenda as required as outlined in the Committee Terms of Reference. Whilst Parish Councils can appoint two representatives on to the Committee, only one of these places was taken up. The Parish Council's Representative for the municipal year 2024-2025 was Mr M. Worrall.

Investigations and Enquiries

The Independent Person, Mr Mel Nock, had continued to support the Monitoring Officer in the management of Member-to-Member complaints where necessary. The Council had considered joining the other District Councils in Worcestershire that had a retained pool of Independent Persons – any proposals for this would be considered by the Committee. In the meantime, Mr Nock, remains the Independent Person on an interim basis.

INTERNAL AUDIT REPORTS

During the year the Committee had continued to receive updates on the work of the Internal Audit team including details of the following completed audit reports:

- Internal Audit Plan 2024-2025
- Internal Audit Annual Report and Audit Opinion 2024-25
- Internal Audit - Progress Report (every meeting).

EXTERNAL AUDITORS

During the year the Committee received reports from the current External Auditors, Grant Thornton on the following subjects:

- Grant Thornton – Quarterly Sector Update (including Backstop Report)
- Joint Interim Auditor's Annual Report

The Progress Reports were considered at each meeting of the Committee and covered a range of issues including the following:

- Value for Money
- Significant Risks
- Financial Statements
- Housing Benefits

On the 3rd October 2024, the Council appointed Auditors for 2023/24 onwards Bishop Fleming notified the Council that they were resigning. The Council, following liaison with Public Sector Audit Appointments Limited (PSAA) for the appointment of alternative Auditors confirmed that Ernst and Young would become the Council's External Auditors on the 24th October 2024.

Section 24 Notice

One of the legislative reporting requirements the Council had not achieved was 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.

Following the issuing of the original Section 24 Statements, and a review of why this happened which was undertaken by a Task 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.

Backstop Report

On 30th July 2024, the Minister of State for Local Government and English Devolution, Jim McMahon, provided a written statement to Parliament confirming the Government's intention to introduce a backstop date for English local authority audits up to 2022/23 of 13th December 2024. A backstop date for 2023/24 was proposed of 28th February 2025 and a date for 2024/25 audits of 27th February 2026.

External Auditors, Grant Thornton considered that there would be insufficient time to conclude their work in advance of the 13th December 2024 backstop deadline. On that basis the backstop for the 2020/21, 2021/22 and 2022/23 years was applied. Given that several key audit areas remained outstanding, their proposed audit reports would be issued as a disclaimer of opinion, effectively meaning Grant Thornton had been unable to gain the assurance necessary to give an audit opinion by the statutory backstop date.

During its meeting on 16th January 2025 Members agreed that following the delivery of receipt of "Disclaimer Opinion's" from the External Auditors for the 2020/21 and 21/22 Accounts, as approved at the Committee meeting on the 5th December, the subsequent "Disclaimer Opinion" of the 22/23 Accounts on the 3rd January and the provision of the 2023/24 Accounts for Public Consultation on by the 17th January 2025 as per the backstop regulations Audit, Standards and Governance Committee meetings revert to being quarterly in nature.

Risk Champion Updates

The Risk Champion for the Council, Councillor R.A. Bailes, had provided comprehensive updates on risk at meetings of Audit, Standards and Governance Committee. The risk updates spurred several significant discussions among Members. The following had been carried out as part of the review:

- Regular meetings had been set up with the Section 151 Officer and Risk Champion.
- Access to the Corporate Risks System, reviewing areas in Housing, Planning and Workforce Planning.
- Review of the Risk Management Report.
- Review of critical risks after consideration of the English Devolution White Paper.

Below is a summary of the main matters discussed at Audit, Standards and Governance Committee in this municipal year:

23rd June 2024

Dispensations Report

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

Annual Update Report on Regulation of Investigatory Powers Act 2000 (RIPA)

The Committee considered the annual update report on the Regulation of Investigatory Powers Act 2000 (RIPA). The revised Code of Practice for Covert Surveillance and Property Interference, 2018, advised that elected members should, at least on an annual basis, review the RIPA policy and the authority's use of the Act. This report was published in compliance with that requirement.

Grant Thornton – External Audit Progress Report and Sector Update

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

Previous meetings of the Committee had discussed the backstop arrangements for dealing with outstanding Local Authority accounts, which the Government had consulted on in the first quarter of the calendar year.

Internal Audit Plan 2024/2025

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

The plan was largely based on a review of corporate and departmental risk registers and included review of four fundamental financial systems and proactive counter fraud work by review of the corporate credit card and petty cash systems. The recommendations would be monitored throughout the implementation.

Some recruitment had taken place within the Internal Audit team which would result in the team working at full capacity by the end of Summer 2024.

Financial Compliance Reports Including Progress Update on Statement of Accounts

This report set out details of delivery against key financial requirements. During the presentation it was reported that the Council's 2020-21 Accounts could be published on the Council's website and would be open for public inspection. It was estimated that the draft 2021-22 accounts would also be delivered by late June and the draft 2022-23 accounts by late August. These would also be published on the website with disclaimers to be clear that they were unaudited and with no audit adjustments.

Financial Savings Monitoring Report

In June 2024 the Committee received a report which set out the final position on the 2023-24 financial savings programme. Included in the report was information regarding two items classified as 'amber' in terms of potential risk to achievement for Service Reviews and Capacity Grid Project. There was, in addition, a risk to the establishment from rising costs, despite a tight control being exercised by Senior Managers. The Capacity Grid project was being delivered but the time lag in recording debts was a risk to delivery. Finance Vacancies was reported as a red risk as despite a recruitment round the vacant finance positions could not be filled.

Quarterly Risk Update Q4 2023/4

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

Areas of risk included in the report were highlighted as follows:

- General and local elections and the impact that this might have on the Local Government Settlement.
- Two risks had moved from amber to green (COR 17 and COR 21) due to mitigating actions.
- Four new departmental risks.

15th July 2024

Internal Audit Annual Report and Audit Opinion 2023/24

At this meeting it was discussed that the Accounts and Audit Regulations and the Public Sector Internal Audit Standards (the Standards) required the Head of Internal Audit to provide an Annual Internal Audit Opinion and report that could be used by the organisation to inform its Annual Governance Statement.

The report showed that a reasonable standard of assurance had been reached overall, which was the second of the four available ratings. All ten of the audit assignments during the year had achieved at least a reasonable rating of assurance. In addition, the team had carried out one critical friend review of key controls on transactions and balances on the general ledger, validity of accounts receivable transactions and the extent to which TechOne was being used by budget managers to forecast their budget outturns. This review had largely positive outcomes but there were some recommendations for improvement for reconciliations, which managers had already been aware of. A full internal audit of this would be carried out later in the financial year.

Quarterly Risk Update (Q1 2024/25)

The Committee considered a quarterly update report for Quarter 1 2024/25, which set out Council activity to identify, monitor and mitigate risk. It was reported to the Committee that the number of Corporate and Departmental risks had reduced. The Council's continuing actions in relation to cyber security were also noted.

Financial Compliance Report Including Update on Statement of Accounts

Members were asked to consider the Financial Compliance Report including the update on the Statement of Accounts report which set out progress against key financial requirements.

The following items which had progressed since the report were circulated as follows:

- The Council Tax & NDR Collection - Q4 had been completed.
- The Revenue Outturn suite – provisional - these were due to be submitted in the next couple of days.
- All other items listed in the report as 'expected to be delivered to deadline' had been achieved.

The draft 2020/21 accounts had been presented to the Audit, Standards and Governance Committee for comment in May and it was reported that they were open for Public Inspection.

Further information provided at this meeting was:

1. The 2021/22 to 2023/24 accounts were being worked on in sequence.
2. The Council's external auditors had indicated that the final piece of work on the take-on data had been completed and formal confirmation of this was awaited.
3. The format of the accounts for 2021-22 and onward financial years had been amended so that they were easier to read and understand.

10th September 2024

Annual Report from the Local Government Ombudsman (LGO)

During the meeting Members were advised that this report was provided to set out the statistics for complaints made against the Council and the aim was to provide Councils with information which could assist performance in handling complaints and to learn from them.

For the period ending 31st March 2024, the number of complaints received was thirteen and the number of complaints decided was ten. Of the ten decided cases, there was only one case where the LGO upheld the complaint. The Ombudsman found five complaints did not warrant an investigation and three complaints were referred to the Council as premature.

Since the last report on the Ombudsman's Annual Review letter in November 2023, Officers were continuing with a project to review and update the complaints handling system for the Council.

Grant Thornton – External Audit Progress Update

The External Auditors Grant Thornton introduced an update on the application of the Local Authority Backstop to Members. On 30th July 2024, the Minister of State for Local Government and English Devolution provided a written statement which confirmed the Government's intention to introduce a backstop date for English Local Authority audits up to 2022/23 of 13th December 2024 and up to 2023/24 proposed for 28th February 2025. The Board were reminded that audits for years 2020/21 to 2022/23 had not been signed off, largely due to challenges with the ledger implementation in February 2021 and in preparing draft financial statements.

Grant Thornton considered there would not be sufficient time to conclude the work in advance of the 13th December 2024 backstop deadline. On that basis, the expectation would be that the backstop for the 2020/21, 2021/22 and 2022/23 years be applied. Given that several key audit areas remained outstanding the proposed audit reports would be issued as a disclaimer

of opinion, effectively meaning that the External Auditors had been unable to gain the assurance necessary to give an audit opinion by the statutory backstop date. The Government had set out its intention that from 2023/24, auditors should work with Local Authorities to begin the process of recovery.

Internal Audit – External Quality Assessment and Improvement Plan

The purpose of the report was to inform Members of the results of the Internal Audit Independent External Quality Assessment (EQA) and Associated Quality Assurance and Improvement Policy and Plans.

The Standards required that an independent External Quality Assessment (EQA) of the internal audit service be completed every 5 years. An EQA had been completed in May 2024 with the results confirming that the service was operating in General Conformance to the Standards which was the highest of the three available assessment grades.

To support continued improvement against the positive outcome, a new Quality Assurance and Improvement Policy had also been developed as set out below:

- Required service standards.
- Assist to ensure compliance with those standards.
- Provide assurance to stakeholders that sound arrangements were in place.
- To ensure internal audit work was of good quality and that the service was striving for continuous improvement.
- Provide a framework against which service performance could be evaluated.

Financial Compliance Report including Update on Statement of Accounts

Key legislative deliverables were discussed with the Board and the progress been made. It was explained that the Revenue and Capital Outturn forms for 2021/22 and VAT key returns had not been delivered. Significant data would be sent to His Majesty's Revenue and Customs (HMRC) following work with the Council's Tax Consultants PS Tax to bring the Council back into normal reporting and reclaim significant funds. The key closure deliverables for each financial year were also discussed.

Following the General Election in July 2024, the New Minister of State for Housing, Communities and Local Government wrote to Councils on the 30th July 2024 and noted the significant and unacceptable backlog of unaudited accounts. To tackle the backlog, an initial backstop date of 13th December 2024 for financial years up to and including 2022/23 and five subsequent backstop dates for 2015/16 through to 2019/20 were to be signed off by the 30th December 2023. Parliamentary approval was given on the 9th September for financial years 2024/25 to 2027/28 be the date by which local bodies should publish 'draft' (unaudited) accounts.

Draft accounts for 2021/22 were presented to the which showed the Council was in a positive overall position with regards to earmarked reserves and general funds. It was highlighted that significant work had been carried out by Officers to complete the accounts. Members were also informed that the next stage for the 2021/22 draft accounts was for Public Inspection.

Financial Savings Monitoring Report

This report set out a quarterly requirement of the 2020/21 External Audit Report, measuring the effectiveness of the Council's delivery of savings within the budget. The report explained the overall financial position as at Quarterly 1 2024/25.

In terms of savings, the report covered previous years as well as items required for the following financial year. The position at the year-end for 2023/24 for Departmental Savings

was that two amber items for The Service Review and The Capacity Grid Project required careful monitoring. The red item in relation to finance savings could not be achieved until closure of accounts had been completed. The largest savings in recent years were pension costs which linked to the 2023 triennial revaluation.

Delivery of the 7% increase on Fees and Charges across most Council's chargeable services and the deliverability of Planning income increases also required careful tracking.

5th December 2024

Grant Thornton – External Audit Backstop Report

During this item Members were advised that one of the legislative reporting requirements the Council had not achieved was the delivery of the 2020/21 Statement of Accounts, as such, the Council was issued with a Section 24 Statement. The Section 24 Statement was extended to also include the 2021/22 and 2022/23 financial years in the 2021/22 and 2022/23 Draft External Auditors Report.

Draft 2020/21 and 2021/22 accounts had been presented and placed on the Council's Website with a 30-day public consultation period. The draft 2022/23 accounts were published on the Council's website for public consultation on the 22 November 2024 which gave only 14 days, not the full 30 days, of public consultation before the Government imposed the Backstop date of 13th December 2024.

The report and specifically the appendices set out the External Auditors view of the accounts within the revised accounting arrangements due to the Government imposed backstop date for the delivery of accounts up to the 2022/23 financial year.

The Council's External Auditors Grant Thornton, under the present backstop legislation, delivered a "Disclaimer Opinion" for all three years accounts. The Council, its Members, Officers and Stakeholders were to understand and approve the contents of the documents and the context within which they were made.

Financial Compliance Report

This report set out the Council's Letter of Representation as well as setting out how the Council had complied with the key and Improvement requirements set out in the External Auditor's Annual Reports.

On the 3rd October 2024, the Council appointed Auditors for 2023/24, onwards Bishop Fleming notified the Council that they were resigning. The Council, following liaison with Public Sector Audit Appointments Limited (PSAA) for the appointment of alternative Auditors confirmed that Ernst and Young would become the Council's External Auditors on the 24th October 2024.

During the consideration of this item, it was noted that two key returns that had not been delivered were Revenue and Capital Outturn forms for 2021 / 2022 and the VAT returns. Significant work had been undertaken by the Council's Tax advisors in liaison with HMRC for the Council to return to normal VAT reporting.

The financial stability and sustainability of the Council was a core underlying theme of the Council's Risk Management Strategy. The closure of the three years' accounts and submission of an audit opinion was key to ensuring there was external validation to the Council's overall financial position.

Internal Audit – Progress Report

This report set out 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 following updates were provided during the presentation of the report:

- 1) Audits for Risk Management, Accounts Payable, Benefits and Council Tax had all been completed and reports were near to completion.
- 2) Staffing issues and recruitment

Results of the internal audit for Procurement were also discussed at this meeting. It was noted that the audit showed as limited assurance however, there had been some improvements made since the last audit had been carried out. It was also explained that the Council was reviewing nil compliance, with results showing that record retention was not always evident.

Following an External Quality Assessment (EQA) the Definition of Priority of Recommendations Table was being amended for future reporting to include a Risk Management Framework, as an enhancement.

Risk Management Report/Quarterly Risk Update

The Committee considered an update report and noted that it was the ninth cycle of reviewing Corporate and Departmental Risks since the original baselining of Risks in April 2022. Over the period, the following was noted:

- Departmental ownership of risks and reviews at Management Teams had been held monthly.
- Active review, mitigation and reduction of risks had been carried out ensuring risks were managed as part of the Council's business practice.
- Updating of the 4Risk System, as the Authorities' repository for the information.
- The Officer Risk Group had actively reduced risk numbers through their work and a common approach to risk was being embedded within the Organisation.
- The Risk Level had moved to a Moderate Assurance level in May 2023.
- A follow up Audit had taken place in the 2024/25 financial year.
- As at the end of September 2024 the number of Risks remained at 40 although there were no Red Risks, with 26 Amber Risks and 14 Green risks.
- There was a new risk in finance linked to staff non-compliance of procurement processes which would be mitigated by additional training.
- Given the significant cyber risks faced by Councils, as noted in the Corporate Risks section, it was important Members and Officers engaged to mitigate risk. Using the KnowBe4 functionality and associated penetration tests were assisting in mitigating the risk for both Members and Staff.

- The Council's Insurers highlighted under-insurance of Council assets due to incomplete assets and the use of Artificial Intelligence.

Quarter 2 – Savings Report

The report set out that the overspend position had increased. The position in terms of Risk at year end 2023/24 was that two Amber items required careful monitoring for the Service Review and the Capacity Grid Project. The Finance item identified as a red risk would not be delivered; however, additional resource was in place to get the accounts up to date.

Whistleblowing

Members were advised that the Chair of the Audit, Standards and Governance Committee requested that Council's Whistleblowing be brought to the Committee for Review. Browne Jacobson were commissioned by the Council to review the policies and the final version of the Whistleblowing Policy as agreed by the Board are set out below:

- What Whistleblowing and a Whistleblower is/are.
- How Whistleblowing links to the equality's legislation.
- How to raise concerns.
- Protections for Whistleblowers.
- Other Whistleblowing reporting routes.
- How the overall process works.

The Policy would be presented to the Unions at the joint meeting in December 2024 for their comment and approval before a final version was approved.

16th January 2024

Minutes to be checked – deadline date is 11th March 2025

20th March 2024

The last meeting of Audit, Standards and Governance Committee in the 2025-26 municipal year at which this Annual Report will be presented. Items to be considered at this meeting include:

- Standards Regime – Monitoring Officer's Report
- Risk Management Report / Corporate Risk Register
- Internal Audit Progress Report
- Financial Compliance Report
- Financial Savings Monitoring Report – Q3
- Annual Report for 2024/25

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