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Meeting	AUDIT AND GOVERNANCE COMMITTEE
Time/Day/Date	6.30 pm on Wednesday, 23 April 2025
Location	Abbey Room, Stenson House, London Road, Coalville, LE67 3FN
Officer to contact	Democratic Services (01530 454512)

AGENDA

Item	Pages
1. APOLOGIES FOR ABSENCE	
2. DECLARATION OF INTERESTS	
Under the Code of Conduct members are reminded that in declaring interests you should make clear the nature of that interest and whether it is a disclosable pecuniary interest, registerable interest or other interest.	
3. MINUTES	
To confirm and sign the minutes of the meeting held on 5 February 2025	5 - 8
4. COMMITTEE WORK PLAN	
To note the Committee's work plan	9 - 10
5. DRAFT MEMBER CODE OF CONDUCT ANNUAL REPORT	
The report of the Head of Legal and Support Services	11 - 20
6. STANDARDS AND ETHICS REPORT - QUARTER 4	
The report of the Head of Legal and Support Services	21 - 30
7. QUARTER 4 AUDIT PROGRESS REPORT	
The report of the Audit Manager	31 - 74
8. AUDIT PLAN	
The report of the Audit Manager	75 - 84
9. INTERNAL AUDIT CHARTER	

	The report of the Strategic Director of Resources	85 - 100
10.	UPDATE ON ACTION PLAN IN RESPONSE TO ANNUAL AUDIT OPINION 2023/24	
	The report of the Strategic Director of Resources	101 - 104
11.	ANNUAL GOVERNANCE STATEMENT 2023-24	
	The report of the Strategic Director of Resources.	105 - 130
12.	APPOINTMENT OF INDEPENDENT MEMBERS OF AUDIT AND GOVERNANCE COMMITTEE	
	The report of the Strategic Director of Resources	131 - 134
13.	CORPORATE RISK UPDATE	
	The report of the Strategic Director of Resources	135 - 170
14.	SIRO (SENIOR INFORMATION RISK OFFICER) ANNUAL REPORT	
	The report of the Head of Legal and Support Services	171 - 184
15.	AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2024/25	
	The report of the Strategic Director of Resources	185 - 202
16.	EXCLUSION OF PRESS AND PUBLIC	
	The officers consider that the press and public should be excluded during consideration of the following items in accordance with Section 100(a) of the Local Government Act 1972 as publicity would be likely to result in disclosure of exempt or confidential information. Members are reminded that they must have regard to the public interest test and must consider, for each item, whether the public interest in maintaining the exemption from disclosure outweighs the public interest in making the item available.	
17.	IT HEALTH CHECK RETEST UPDATE	
	The report of the ICT Team Manager	203 - 350

Circulation:

Councillor P Moulton (Chair)
 Councillor D Everitt (Deputy Chair)
 Councillor A Barker
 Councillor R Boam
 Councillor D Cooper
 Councillor R Johnson
 Councillor G Rogers
 Councillor J G Simmons
 Councillor N Smith

Councillor R Sutton

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MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Abbey Room, Stenson House, London Road, Coalville, LE67 3FN on WEDNESDAY, 5 FEBRUARY 2025

Present: Councillor P Moulton (Chair)

Councillors D Everitt, A Barker, D Cooper, R Johnson, G Rogers, J G Simmons and R Sutton

In Attendance: Councillors

Officers: Ms K Beavis, Mrs A Crouch, Ms K Hiller, Ms E Lant, Mr S Outama, Mr P Stone and Mrs R Wallace

External Audit:

43. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors R Boam and N Smith.

Before moving on, the Chair made some announcements. He reported that there would be two self-assessment questionnaires circulated to Members before the next meeting on good practice, as well as skills and knowledge. This would assist with the writing of the training programme going forward.

The Chair also reported that following a successful round of interviews, two appointments to the Independent Person role had been made.

44. DECLARATION OF INTERESTS

There were no declarations of interest.

45. MINUTES

Consideration was given to the minutes of the meeting held on 9 December 2024.

It was moved by Councillor R Johnson, seconded by Councillor J Simmons and

RESOLVED THAT:

The minutes of the meeting held on 9 December be confirmed as an accurate record of proceedings.

46. COMMITTEE WORK PLAN

Consideration was given to the committee work plan.

The committee work plan was noted.

47. STATEMENT OF ACCOUNTS UPDATE

The Strategic Director of Resources presented the report to Members.

In response to a query, it was confirmed that Azets were now the Council's external auditors and would attend committee meetings going forward.

Members welcomed the transparency of the report but still had some concerns about the finance system, it was felt a more detailed report may be required in the future. The

Strategic Director assured Members that he had confidence in the system and with the recent and ongoing external support, improvements would soon be seen. He added that the Corporate Leadership Team did recognise the need to sort the issues as soon as possible and are working on it as a priority.

The update was noted.

48. QUARTER 3 AUDIT PROGRESS REPORT

The Audit Manager presented the report to Members.

Several concerns were raised in relation to the asbestos management audit, particularly the risk to staff due to training issues. Advice was sought from the Audit Manager on steps the Committee could take to seek assurance. It was advised that a report be requested from the Head of Housing initially, with recommendation to invite them to attend April's Committee if the report was unsatisfactory. Members of the Committee agreed to request a written report from the Head of Housing.

In relation to the Corporate Estates Management audit, Members were disappointed with the further delay of the implementation of the digital asset management system. It was suggested that a report to provide further assurance be requested. Following further concerns being raised in relation to general staffing and recruitment issues across the Council, it was advised that a report be requested from the Chief Executive as Head of Paid Service as this was their responsibility.

Following support across the committee, it was moved by Councillor A Barker, seconded by Councillor J Simmons and

RESOLVED THAT:

- 1) The Head of Housing to provide a written response with assurances in relation to the progress of the asbestos management audit recommendations.
- 2) The Head of Property and Economic Regeneration to provide a written response with assurances in relation to the progress of the corporate estates management audit recommendations 2, 4 and 6.
- 3) The Chief Executive, as Head of Paid Service, to provide a written response with assurances in relation to the resourcing and recruitment issues referenced across several of the audits in progress.

During a discussion in relation to the finance system, Members were reassured that although budget monitoring was being prioritised over virements, virements were still being carried out and records kept. It was confirmed that the Procurement Strategy was currently being drafted and should meet March's deadline.

Discussion was also had regarding the staffing issues as part of the payroll audit recommendations, the Committee were assured that although the payroll service was being resourced externally to ensure resilience, that did not increase the fraud risk.

Members thanked the Audit Manager and her team for the continuing hard work carried out in conducting the audits.

The report was noted.

49. TREASURY MANAGEMENT UPDATE REPORT - QUARTER 3

The Head of Finance presented the report to Members.

The report was noted.

50. DRAFT ACCOUNTING POLICIES 2023/24

The Head of Finance presented the report to Members.

It was moved by Councillor R Sutton, seconded by Councillor J Simmons and

RESOLVED THAT:

The Draft Accounting Policies for the 2023/24 financial statements as detailed in appendix A of the report be approved.

51. ANNUAL REVIEW OF THE COUNCIL'S CONSTITUTION

The Head of Legal and Support Services introduced the report and handed over to The Legal Team Leader for Governance who presented the report to Members.

The work of the Cross Party Working Group in conducting the annual review was noted.

It was moved by Councillor R Sutton, seconded by Councillor J Simmons and

RECOMMENDED THAT:

The proposed changes to the Constitution for adoption with effect from 1 March 2025 be approved by Council at its meeting on 20 February 2025.

52. STANDARDS AND ETHICS REPORT - QUARTER 3

The Head of Legal and Support Services presented the report to Members.

The report was noted.

53. ANNUAL IT HEALTH CHECK

The Strategic Director of Resources introduced the report and handed over to the ICT Team Manager who presented the report to Members.

The report was noted.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.43 pm

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AUDIT AND GOVERNANCE COMMITTEE – WORK PROGRAMME (as at 10/04/25)

Issue	Report Author	Meeting at which will be reported
April 2025		
Annual Member Conduct Report	Kate Hiller, Head of Legal and Support Services and Monitoring Officer	23 April 2025
Annual Governance Statement 2023-24 For committee to approve the Annual Governance Statement 2023-24	Paul Stone, Strategic Director of Resources (Section 151 Officer)	23 April 2025
Audit Plan	Kerry Beavis, Audit Manager	23 April 2025
Internal Audit Charter	Kerry Beavis, Audit Manager	23 April 2025
Quarter 4 Audit Progress Report	Kerry Beavis, Audit Manager	23 April 2025
Standards and Ethics Report - Quarter 4	Kate Hiller, Head of Legal and Support Services and Monitoring Officer	23 April 2025
SIRO (Senior Information Risk Officer) Annual Report	Laurent Flinders, Information Governance Officer	23 April 2025
Corporate Risk Update To provide the Committee with details of the latest Corporate Risk Register.	Paul Stone, Strategic Director of Resources (Section 151 Officer)	23 April 2025
IT Health Check Retest Update	Sam Outama, ICT Team Manager	23 April 2025
Update on Action Plan in Response to Annual Audit Opinion 2023/24 This report provides an update on the actions taken by Management following the consideration of the Annual Audit Opinion 2023/24 by the Committee on 7 August 2024.	Paul Stone, Strategic Director of Resources (Section 151 Officer)	23 April 2025
Audit and Governance Committee Annual Report 2024/25 To present the Committee's Annual Report 2024/25 for consideration.	Paul Stone, Strategic Director of Resources (Section 151 Officer)	23 April 2025

Issue	Details	Report Author	Meeting at which will be reported
Appointment of Independent Members of Audit and Governance Committee To approve the appointments of two independent members of the Audit and Governance Committee. The approval can be made by the Audit and Governance Committee as set out in the Council's Constitution.		Paul Stone, Strategic Director of Resources (Section 151 Officer)	23 April 2025
External Audit Plan For the Council's External Auditors to present their Annual Audit Plan to the committee		Anna Crouch, Head of Finance	23 April 2025
June 2025			
Treasury Management Stewardship Report 2024/25 To report the Treasury Management Stewardship Report 2024/25 to members		Anna Crouch, Head of Finance	4 June 2025
Draft Accounting Policies 2024/25 To present the Draft Accounting Policies 2024/25 to members for approval		Anna Crouch, Head of Finance	4 June 2025
Audit Strategy and Charter		Kerry Beavis, Audit Manager	4 June 2025

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 23
APRIL 2025

Title of Report		DRAFT MEMBER CODE OF CONDUCT ANNUAL REPORT	
Presented by		Kate Hiller Head of Legal and Support Services and Monitoring Officer	
Background Papers		<p>The Localism Act 2011</p> <p>The current Councillors' Code of Conduct is available on the Council's website and in the Constitution.</p>	Public Report: Yes
Financial Implications		There are no financial implications to be considered.	
		Signed off by the Section 151 Officer: Yes	
Legal Implications		<p>The report details complaints made to the Monitoring Officer under the Code of Conduct for Councillors for the period 2024/25. The report also allows the work and purposes of the Audit and Governance Committee in relation to standards matters to be communicated to the public.</p>	
		Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications		None arising from the report. The purpose of the Audit and Governance Committee is to oversee the Council's corporate governance.	
		Signed off by the Head of Paid Service: Yes	
Purpose of Report		<p>The Committee's Terms of Reference states that a report to full Council is required on the Committee's performance and effectiveness. The draft Annual Report sets out the Committee's work in relation to standards matters and the Committee is being asked to approve it prior to submission to Council. The Committee is also being asked to authorise the Head of Legal and Support Services and Monitoring Officer to make any minor amendments following comments from the Committee.</p>	

Recommendations	<p>1) THAT THE COMMITTEE NOTES THE REPORT AND PROVIDES ANY COMMENTS;</p> <p>2) THAT AUTHORITY BE DELEGATED TO THE HEAD OF LEGAL AND SUPPORT SERVICES AND MONITORING OFFICER TO MAKE ANY MINOR AMENDMENTS TO THE REPORT FOLLOWING COMMENTS FROM THE AUDIT AND GOVERNANCE COMMITTEE;</p> <p>3) THAT THE COMMITTEE APPROVES THE ANNUAL MEMBER CONDUCT REPORT 2024/25 PRIOR TO SUBMISSION TO COUNCIL ON 17 JUNE 2025.</p>
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1.0 BACKGROUND

- 1.1 It is important that the work of the Audit and Governance Committee should be visible to the Council and wider public. The Draft Annual Member Conduct Report is attached as an appendix. The Draft Annual Member Conduct Report acts as a helpful tool in communicating the work undertaken by the Audit and Governance Committee in relation to standards matters to the public and to Members.
- 1.2 The Committee is asked to receive and provide any comments on the draft Member Conduct Annual Report 2024/25 and authorise the Head of Legal and Support Services and Monitoring Officer to make any necessary amendments following comments from this Committee prior to its submission to Council on 17 June 2025.

Policies and other considerations, as appropriate	
Council Priorities:	- A Well-Run Council
Policy Considerations:	The Code of Conduct for Councillors and the Constitution.
Safeguarding:	N/a
Equalities/Diversity:	Detailed in the Draft Annual Member Conduct Report attached as an appendix.
Customer Impact:	None arising directly from the report. Details regarding the process for making a complaint about a councillor are on the Council's website.
Economic and Social Impact:	N/a
Environment, Climate Change and Zero Carbon	N/a
Consultation/Community/Tenant Engagement:	N/a

Risks:	By reporting on complaints made under the Member Code of Conduct to the Monitoring Officer and ensuring the Code of Conduct is kept under review by the Committee, and endorsed by Full Council, the Council can ensure that Members are aware of their obligations under the Code and mitigate risks associated with misconduct and non-compliance.
Officer Contact	Kate Hiller Head of Legal and Commercial Services kate.hiller@nwleicestershire.gov.uk

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MEMBER CONDUCT ANNUAL REPORT 2024-25

This is the Member Conduct Annual Report of North West Leicestershire District Council's Audit and Governance Committee and covers the period from 1 April 2024 to 31 March 2025.

In addition to the responsibilities detailed in the Terms of Reference below, the Audit and Governance Committee promotes high standards of conduct by District Council Members and Members of Town/Parish Councils in North West Leicestershire. The Audit and Governance Committee complies with the requirements of the Localism Act 2011, applicable regulations and the guidance provided under that legislation, together with the Council's adopted Arrangements for Dealing with Complaints about Councillors.

In February 2022, Council adopted a new version of its Code of Conduct for Councillors, which was based on the Local Government Association Model Code of Conduct, and followed collaboration with other Leicestershire District and Borough Councils and Leicestershire County Council.

2. Audit and Governance Committee Terms of Reference

Membership: Ten District Councillors

Quorum: Three District Councillors

The Terms of Reference of the Audit and Governance Committee are set out in Section D7 of Part 2 of the Constitution and can be found via this link:

[The Councils Constitution](#)

The Audit and Governance Committee has responsibility for governance issues, including audit functions. Its scope is to provide independent assurance to those charged with governance on matters such as risk management, the internal control environment, financial reporting, internal and external audit and standards matters. It also oversees the work on reviewing the Council's Constitution, corporate governance policies, Councillors Code of Conduct and Arrangements for Dealing with Complaints about Councillors and receives the annual letter from the Local Government and Social Care Ombudsman. Sub-Committees of the Audit and Governance Committee are formed as required to deal with matters relating to complaints about Councillors.

3. Composition

District Councillors

The following Councillors were appointed to the Committee in May 2024:

Chairman: Councillor P Moulton

Deputy Chairman: Councillor D Everitt

Councillor A Barker

Councillor R Boam

Councillor D Cooper

Councillor Johnson

Councillor G Rodgers

Councillor J G Simmons

Councillor N Smith

Councillor R Sutton

Parish Representatives

The following parish councillors were appointed as Parish Representatives for the remainder of the Administration in June 2024:

Councillor M McIntyre – Lockington and Hemington Parish Council

Part of the role of the Audit and Governance Committee is to hold Sub-committees to investigate complaints against Councillors (District and Parish). As provided for in the Council's Constitution, the Sub Committees may co-opt at least one parish councillor when decisions are taken concerning a parish matter. This will be as and when required. The Parish representatives will not be required to attend the main meetings of the Audit and Governance Committee. The Sub-committees have not been required to co-opt a Parish Councillor in the last year.

Independent Persons

The legislation requires the Council to appoint at least one Independent Person (IP) who potentially advises all those involved in a Standards complaint, including the Monitoring Officer, and who must be consulted prior to the determination of a complaint.

Through an open advertising process conducted with partner authorities the Council appointed the following pool of independent persons from whom one can be drawn as and when required:

Michael Pearson
Mark Shaw
Gordon Grimes
Richard Gough
Michael Gibson
Laurence Faulkner

The IPs were appointed by Full Council on the 25 May 2021 until Full Council meeting on 13 May 2025.

The Council is currently working with other districts on the recruitment of the new pool of Independent Persons for 2025-29. The recruitment is being led by Oadby and Wigston Borough Council. The report to recruit the new pool will be taken to Full Council on 13 May 2025.

The main officer support for the Committee is provided by the Monitoring Officer, the Governance Legal Team Leader and the Democratic Support Officer. Professional advice is provided to the Committee by the S151 Officer and Internal Audit Manager and other officers, as required.

4. Meetings and Work Programme

The Audit and Governance Committee meets in accordance with the programme set by Full Council. The Chair of the Committee, in their discretion, may convene an additional meeting not in the programme. Sub committees still meet on an ad hoc basis in order to consider and determine allegations of Member conduct. The Committee has its main work planned in advance through a Work Programme which enables it to be more proactive, strategic and focused in its approach to key issues. The work of the sub committees is not programmed as the meetings are called as and when needed.

5. Reporting Arrangements

The Audit and Governance Committee receives quarterly Standards and Ethics Reports which provide information in two categories: Local Determination of Complaints and Ethical Indicators.

The report enables the Audit and Governance Committee to keep track of how many complaints are received by the Monitoring Officer each quarter and how these are dealt with. Where the Councillor Code of Conduct has been breached, this will also be recorded to enable the Committee to determine whether there needs to be further targeted training.

The report also allows the Committee to have oversight on the quarterly data for Ethical Indicators. This includes reporting on instances of concern raised regarding Modern Slavery, reporting of

whistleblowing incidents, whether the Council has used its Regulation of Investigatory Powers Act (RIPA) powers, and several other indicators.

6. Procedures and Workloads

(a) **Dispensations**

During 2024/25, there was one dispensation granted to all Members at full Council on 5 November 2024. This was in relation to the Members' Allowance Scheme. As all members are entitled to receive allowances under the Members Allowance Scheme, if all members were to declare an interest and not take part in the discussion and vote, it would impede the transaction of the business (section 34(4)a) of the Localism Act 2011) and mean that the Council could not agree a scheme as required. A dispensation was, therefore, granted to all Members as it was considered in the interests of North West Leicestershire to agree a Members Allowance Scheme.

(b) **Complaints made to the Monitoring Officer under the Code of Conduct during 2024/25**

The Monitoring Officer deals with complaints in line with the Council's Arrangements for Dealing with Complaints about Councillors. The Arrangements can be found on the Council's website via the following link:

[Arrangements for Dealing with Complaints about Councillors 2024-25](#)

The Arrangements for Dealing with Complaints about Councillors were reviewed in 2024/25 and were adopted by Council on 5 November 2024.

The first stage of dealing with a complaint is a consideration of the initial tests. The Arrangements for Dealing with Complaints about Councillors provide that if the initial tests are not met, the complaint will not proceed.

If the complaint does proceed, the next step is informal resolution. This is where the Monitoring Officer works with the complainant and the subject member to see whether the complaint is one that can be resolved informally to the satisfaction of both parties. No finding is made in relation to the Code and parties can decide whether they wish to take part in this step.

If the complaint is not resolved informally, for whatever reason, the Monitoring Officer refers the complaint to the Assessment Sub-Committee. The Assessment Sub-Committee makes a decision about whether the press and public should be excluded from the meeting under Schedule 12A Local Government Act 1972. The Sub-Committee makes this decision having regard to the advice from the Monitoring Officer and an assessment of the public interest. Under the Council's Arrangements for Dealing with Complaints about Councillors. There is a presumption that the meeting will be held in private. This is in line with the Local Government Association Guidance on Member Code of Conduct Complaints Handling (2021).

On consideration of a complaint, the Assessment Sub-Committee has the following decisions available to it:

- Refer the complaint to the Monitoring Officer to take other action – this is fact specific to the matter being considered.
- Request further information from the parties.
- Refer the complaint to the Monitoring Officer for investigation.
- No action to be taken in respect of the complaint.

The table below summarises the complaints which have been received during 2024/25. This information is reported on quarterly basis to the Audit and Governance Committee.

<u>Qtr</u>	<u>Complaint from</u>	<u>About district/parish councillor</u>	<u>Regarding</u>	<u>Status</u>
Q1 24/25	Member of the public	District Councillor	Accusation of trespassing and fly-tipping	Initial tests not met
	Member of the public	Parish Councillor	Concerns around planning application and predetermination	Initial tests not met
Q2 24/25	Member of the public	Parish Councillor	Failing to follow procedures re calling an extraordinary meeting	Went to Assessment Sub-committee – no further action
Q3 24/25	District Councillor	District Councillor	Concerns raised regarding conduct at a Council meeting	Initial tests not met
	District Councillor	District Councillor	Concerns raised regarding conduct at a Council meeting	Went to Assessment Sub-committee – referred to the MO to take other action
	District Councillor	District Councillor	Concerns raised regarding conduct at a Council meeting	Resolved informally
	District Councillor	District Councillor	Concerns raised regarding conduct at a Council meeting	Went to Assessment Sub-committee – referred to the MO to take other action
	District Councillor	District Councillor	Concerns raised regarding conduct at a Council meeting	Resolved informally
Q4 24/25	District Councillor	District Councillor	Concerns raised regarding conduct at a Planning Committee meeting	Ongoing – referred to Assessment Sub-committee
	District Councillor	District Councillor	Concerns raised regarding conduct at a Planning Committee meeting	Initial tests not met
	District Councillor	District Councillor	Concerns raised regarding conduct at a Planning Committee meeting	Initial tests not met
	District Councillor	District Councillor	Concerns raised regarding conduct at a Planning Committee meeting	Initial tests not met
	Member of the public	District Councillor	Refusal to meet to discuss ASB issues	Ongoing – referred to the Assessment Sub-committee
	Member of the public	District Councillor	Concerns around connection to a planning application	Ongoing
	District	District	Misleading the public	Initial tests not met
	Member of the public	Parish / Town	Continuing to act as a Cllr following resignation	Initial tests not met

	Member of the public	Parish / Town	Allowing a Cllr to act following a resignation	Initial tests not met
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(c) Complaints referred to the Standards Assessment Sub Committee

From the complaints in the above table, five were referred to the Sub-Committee.

(d) Members' Register of Interests

The Democratic Services Officers send regular reminders to members to ensure that the Register of Members' Interests is up to date and provide advice and assistance to Parish Councils on the completion of the Registers.

(e) Advice and Training

The Monitoring Officer and Deputy Monitoring Officer continue to provide both parish and district members with advice, both proactively and on request, on member's interests and governance.

7. Policies & Procedures

The Audit and Governance Committee oversees the ethical framework of the Council including oversight of:

- Anti Fraud and Corruption Policy
- Anti Money Laundering Policy
- Confidential Reporting (Whistle Blowing Policy)
- Risk Management Policy
- RIPA Policy
- Local Code of Corporate Governance
- Data Protection Policy
- Information Governance Framework
- Information Security Policy
- Information Rights Policy
- Records Management Policy

These corporate governance policies are reviewed annually by the Audit and Governance Committee before consideration and adopted by Cabinet. The Committee considered the policies at its meeting on 7 August 2024 and Cabinet adopted the policies at its meeting on 24 September 2024.

Councillor P Moul
Chairman of Audit and Governance Committee

Councillor D Everitt
Deputy Chairman of Audit and Governance Committee

Kate Hiller
Head of Legal and Support Services and Monitoring Officer

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 23
APRIL 2025

Title of Report		STANDARDS AND ETHICS REPORT - QUARTER 4
Presented by	Kate Hiller Head of Legal and Support Services and Monitoring Officer	
Background Papers	None	Public Report: Yes
Financial Implications	There are no financial implications to be considered.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The report details the Council's compliance with legislative requirements including Freedom of Information requests, Environmental Information Requests and use of RIPA powers from the previous quarter.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no staffing or corporate implications to be considered.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To receive and consider the figures for the Local Determination of Complaints and Ethical Indicators for Quarter 4 of 2024/25.	
Recommendations	THAT THE COMMITTEE NOTE THE REPORT AND PROVIDE ANY COMMENTS.	

1.0 BACKGROUND

- 1.1 The Audit and Governance Committee assists the Council in fulfilling its duty under the Localism Act 2011 to promote and maintain high standards of conduct by Councillors and co-opted Councillors of District and Parish Councils.

This is a quarterly report to the Committee for the period 1 January 2025 to 31 March 2025. The Standards and Ethics Report appended provides information in two categories: Local Determination of Complaints and Ethical Indicators. Each category is split for ease of reference.

This report will enable the Audit and Governance Committee to keep track of how many complaints are received by the Monitoring Officer each quarter and how these

are dealt with. Where the Councillor Code of Conduct has been breached, this will also be recorded to enable the Committee to determine whether there needs to be further targeted training.

The report also allows the Committee to have oversight on the quarterly data for Ethical Indicators. This includes reporting on instances of concern raised regarding Modern Slavery, reporting of whistleblowing incidents, whether the Council has used its Regulation of Investigatory Powers Act (RIPA) powers, and several other indicators.

Policies and other considerations, as appropriate	
Council Priorities:	A Well-Run Council
Policy Considerations:	N/a
Safeguarding:	Customers and the community are safeguarded in relation to modern slavery by having the ability to raise instances of concern, which must be investigated and referred to the relevant national, regional and local agencies where appropriate.
Equalities/Diversity:	N/a
Customer Impact:	None arising directly from the report. Details regarding the process for making a Freedom of Information request or making a complaint about a councillor are on the Council's website.
Economic and Social Impact:	N/a
Environment, Climate Change and Zero Carbon	N/a
Consultation/Community/Tenant Engagement:	N/a
Risks:	By receiving regular reports on the data for Ethical Indicators and councillor complaints, the Committee can exercise oversight of their function under the Localism Act 2011 and to ensure that it is provided with adequate assurance that the Council is appropriately managing its risks. .
Officer Contact	Kate Hiller Head of Legal and Support Services kate.hiller@nwleicestershire.gov.uk

Standards and Ethics

Quarter 4 Report

2024-2025

Contents

Page 1 - Introduction

Page 2 - Local Determinations of Complaints

Page 3 - Ethical Indicators

Page 4 - Freedom of Information Requests

Page 5 - Definitions

Introduction

This is the quarterly report to the Audit and Governance Committee detailing both the figures for the Ethical Indicators and the figures for the Local Determination of Complaints process for 2024/25.

For clarification purposes the months covered by the quarters are as follows:

Quarter 1 - 1 April to 30 June

Quarter 2 - 1 July to 30 September

Quarter 3 - 1 October to 31 December

Quarter 4 - 1 January to 31 March

The report is split into two parts for ease of reference; Part one refers to the local determination of complaints, part two is the table showing the ethical indicators figures.

The report will enable the Audit and Governance Committee to build up a picture over time of how many complaints are received and where these are coming from. The parts of the Code of Conduct which have been breached will also be recorded to enable training to be targeted effectively.

Local Determination of Complaints

The Monitoring Officer received nine complaints in Quarter 4 of 2024/25 (1 January 2025 - 31 March 2025).

Three complaints received in Quarter 4 are still ongoing.

Six complaints received in Quarter 4 were unable to be progressed as the initial tests were not met.

2.1 Assessment Sub-committee Decisions

There has been one Assessment Sub-committee meeting in this quarter. This related to one complaint received in Quarter 2 which the Sub-Committee determined no further action was required and two complaints received in Quarter 3 which were referred to the Monitoring Officer to take further action. The Monitoring Officer pursues an informal dispute resolution process prior to initiating formal proceedings via the Sub-committee route. Two complaints have been resolved informally in Quarter 4.

2.2 Timeliness of Decision

The Local Government Association [guidance](#) states that where the decision has been delegated to an officer the authority should aim to complete their initial assessment of an allegation within 15 working days of receiving a complaint. Where the assessment is sent to a committee, the committee should be set up along similar timescales. The Council has taken this standard and included it in the Council's arrangements for dealing with complaints to aim to hold an Assessment Sub-committee within 15 working days of notifying the parties that informal resolution is not possible

2.3 Subsequent Referrals

None to report - see above

2.4 Outcome of Investigations

None to report - see above

2.5 Parts of the Code Breached

This section is intended to show where there are patterns forming to enable the Audit and Governance Committee to determine where there needs to be further training for Councillors. Targeting training in this way makes it more sustainable and, hopefully, more effective.

So far this year, the following areas of the code were found to have been breached:

N/A

Complaints made to the Monitoring Officer under the Code of Conduct during Q4 2024/25

<u>Qtr 4</u> <u>24/25</u>	<u>Complaint from</u>	<u>About district/ parish councillor</u>	<u>Regarding</u>	<u>status</u>
	District Councillor	District Councillor	Concerns raised regarding conduct at a Planning Committee meeting	Ongoing
	District Councillor	District Councillor	Concerns raised regarding conduct at a Planning Committee meeting	Initial tests not met
	District Councillor	District Councillor	Concerns raised regarding conduct at a Planning Committee meeting	Initial tests not met
	District Councillor	District Councillor	Concerns raised regarding conduct at a Planning Committee meeting	Initial tests not met
	Member of the public	District Councillor	Refusal to meet to discuss ASB issues	Ongoing
	Member of the public	District Councillor	Concerns in connection to a planning application	Ongoing
	District	District	Misleading the public	Initial tests not met
	Member of the public	Parish / Town	Continuing to act as a Cllr following resignation	Initial tests not met
	Member of the public	Parish / Town	Allowing a Cllr to act following a resignation	Initial tests not met

Ethical Indicators

PERFORMANCE INDICATOR	Q1			Q2			Q3			Q4		
	22/ 23	23/ 24	24/ 25	22/ 23	23/ 24	24/ 25	22/ 23	23/ 24	24/ 25	22/ 23	23/ 24	24/ 25
Instances of concerns raised re Modern Slavery	0	0	1	0	0	0	0	1	0	0	0	0
Instances of concerns raised re Modern Slavery referred to national agencies	0	0	0	0	0	0	0	0	0	0	0	0
Number of whistle blowing incidents reported	0	0	0	0	0	0	0	0	0	0	0	0
Number of Challenges to procurements	0	0	0	0	0	0	0	0	0	0	0	0
Public interest Reports	0	0	0	0	0	0	0	0	0	0	0	0
Objections to the Councils Accounts	0	0	0	0	0	0	0	0	0	0	0	0
Disciplinary action relating to breaches of the Member/Officer Protocol	0	0	0	0	0	0	0	0	0	0	0	0
Follow up action relating to breaches of the Member/Officer Protocol	0	0	0	0	0	0	0	0	0	0	0	0
Use of RIPA powers	0	0	0	0	0	0	0	0	0	0	0	0

FOI Data for Q4 24/25

- There was a slight increase in the number of requests received this quarter, with the response time down slightly from the previous quarter. The response times are still on target.
- There has been an increase in the number of Subject Access Requests (SARs) this quarter. Part of this increase seems to represent a higher volume of requests in relation to Housing.

	Subject Access Requests											
	Q1			Q2			Q3			Q4		
	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25
Total number received	3	11	11	6	11	10	5	9	12	10	8	21
% answered on time			100%			90%		78%	92%		88%	95%
Internal reviews			1			0			1			1

	Freedom of Information Requests											
	Q1			Q2			Q3			Q4		
	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25
Total number received	147	157	122	122	196	132	108	157	197	148	194	204
% answered on time	51%	93%	89%	79%	86%	90%	60%	92%	92%	91%	92%	90%
Internal reviews	1	1	0	3	2	0	3	1	1	1	0	1

	Environmental Information Requests											
	Q1			Q2			Q3			Q4		
	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25
Total number received	4	6	4	4	5	6	7	3	1	7	3	6
% answered on time			100%		80%	100%		100%	100%		100%	85%
Internal reviews			0		0	0		0	0		0	0

Definitions

Business as usual Information requested can be sent quickly and easily within the normal course of business

Land Charges specific information about a particular property

Ombudsman Complaint a customer has followed Stage 1 and 2 complaints procedure but unhappy with the outcome they are entitled to take complaint to the Local government Ombudsman who will decide if the Council has a case to answer.

Subject Access Request a request by an individual to see information an organisation holds on them

Transfers requests received that fall out of our remit i.e. Adult social Care or Highways

Environmental Information Request a right for any person to request access to environmental information held by public authorities.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 23
APRIL 2025

Title of Report	QUARTER 4 AUDIT PROGRESS REPORT	
Presented by	Kerry Beavis Audit Manager	
Background Papers	Public Sector Internal Audit Standards Internal Audit Plan 2024/25	Public Report: Yes
Financial Implications	None	
	Signed off by the Section 151 Officer: yes	
Legal Implications	None	
	Signed off by the Monitoring Officer: yes	
Staffing and Corporate Implications	None	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	To inform the Committee of progress against the Internal Audit plan for 2024/25 and to highlight any incidences of significant control failings or weaknesses that have been identified.	
Recommendations	THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES THE REPORT.	

1.0 BACKGROUND

- 1.1 The Public Sector Internal Audit Standards require the Council's Audit Committee to approve the audit plan and monitor progress against it. The Standards state that the Committee should receive periodic reports on the work of internal audit.
- 1.2. The Audit and Governance Committee approved the 2024/25 Audit Plan on 24 April 2024. The Committee receives quarterly progress reports.

2.0 PROGRESS REPORT

- 2.1 The Internal Audit Progress Report for the period 01 January 2025 to 31 March 2025 (Q4) is attached at Appendix 1.

Policies and other considerations, as appropriate	
Council Priorities:	An effective internal audit service supports all council priorities.
Policy Considerations:	N/A
Safeguarding:	There are no specific risks associated with this report.
Equalities/Diversity:	N/A
Customer Impact:	N/A
Economic and Social Impact:	N/A
Environment, Climate Change and Zero Carbon	N/A
Consultation/Community/Tenant Engagement:	The report was presented to Corporate Leadership Team on 26 March 2025
Risks:	There are no specific risks associated with this report, however, if the Audit and Governance Committee did not receive periodic reports from Internal Audit, there would be risk of not conforming with the Public Sector Internal Audit Standards
Officer Contact	Kerry Beavis Audit Manager Kerry.beavis@nwleicestershire.gov.uk



INTERNAL AUDIT SHARED SERVICE

North West Leicestershire District Council

Internal Audit Progress Report 2024/25 Q4

1. Introduction

- 1.1. Internal Audit is provided through a shared service arrangement led by North West Leicestershire District Council and delivered to Blaby District Council and Charnwood Borough Council. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to highlight progress against the 2024/25 Internal Audit Plan up to 31 March 2025.

2. Internal Audit Plan Update

- 2.1 The 2024/25 audit plan is included at Appendix A for information and details the audits in progress. There have been two final audit reports issued since the last quarterly update and several advisory pieces of work in progress.

Summaries of the reports are detailed in appendix B, both of which have received an opinion of “reasonable assurance”.

3. Internal Audit Performance Indicators

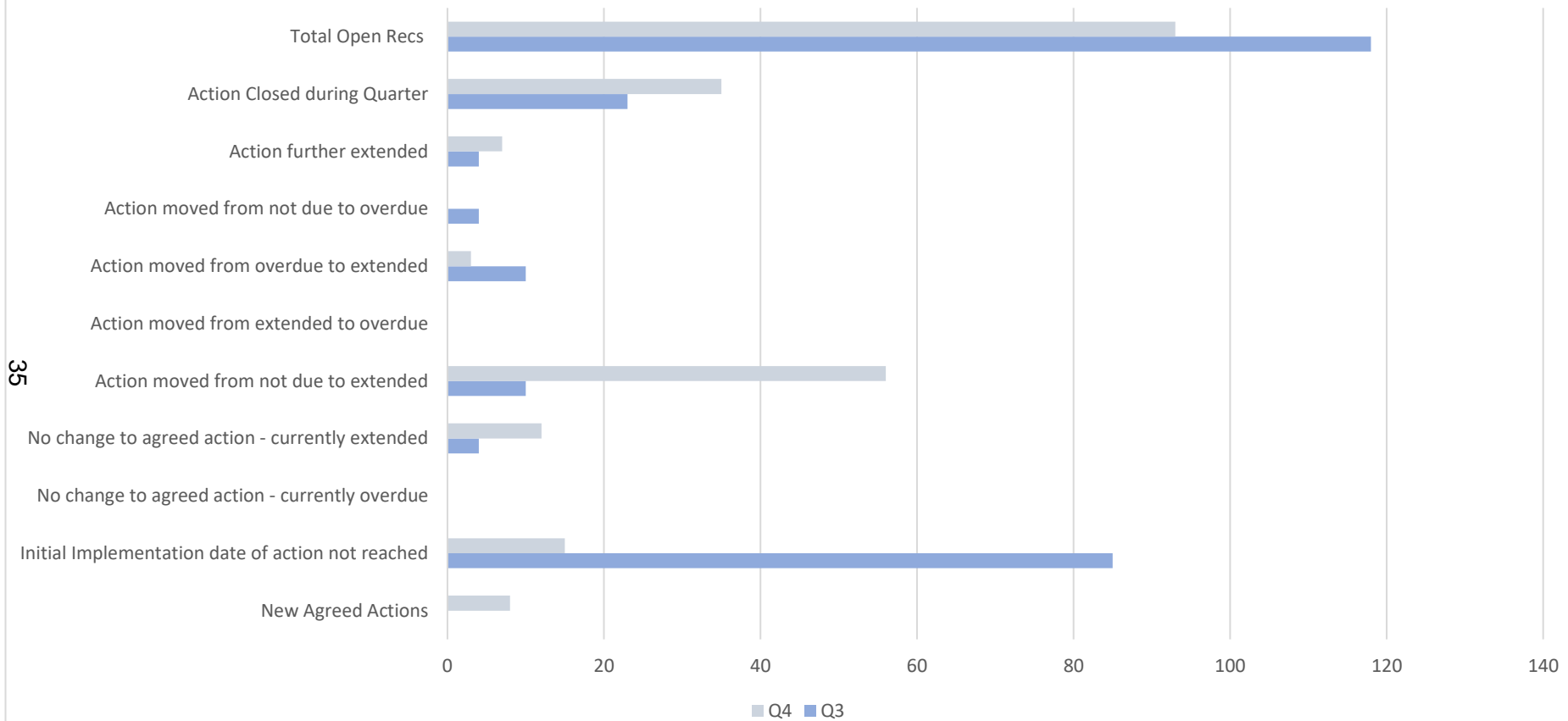
- 3.1. Progress against the agreed Internal Audit performance targets is documented in Appendix D.

4. Internal Audit Recommendations

- 4.1. Internal Audit monitor and follow up critical, high and medium priority recommendations. Further details of overdue and extended recommendations are detailed in Appendix B for information.

Year	Not Due		Extended		Overdue		Total Closed		
	High	Medium	High	Medium	High	Medium	Critical	High	Medium
21/22	-	-	2	1	-	-	-	30	21
22/23	-	-	8	3	-	-	-	24	23
23/24	7	2	37	27	-	-	3	53	52
24/25	4	1	-	-	-	1	-	1	2

Comparison of Movement Action from Quarter 3 to Quarter 4



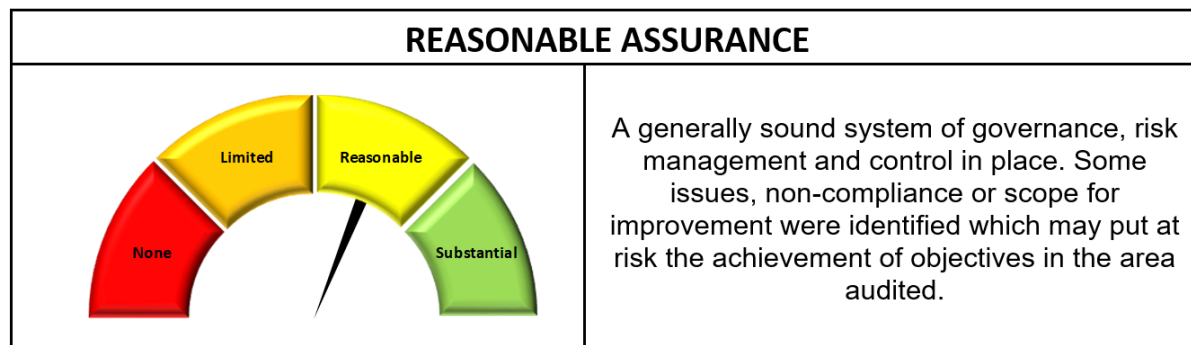
2024/25 AUDIT PLAN AS AT 31 MARCH 2025

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
Housing Void Properties	Audit	12	-	Included within Contract Management Audit						
Housing Compliance	Audit	28	26	Review						
Housing Contract Management	Audit	24	14	Review						
Housing Materials	Audit	10	1	In progress						Addition to plan
Choice Based Lettings	Audit	7	12	Completed						
Tree Stock Management	Audit	8	3	Completed						The audit has been put on hold and the time will now be used for advisory work as further work on the strategy is needed.
Waste Services	Advisory	6	1.5	In progress						
Grade & Bulky Waste	Audit	14	0.5	Engagement Planning						
Insurance	Audit	8	15	Completed						
VAT & Benefits in Kind	Audit	10	-	Cancelled						Cancelled due to other additions to the plan.
Key Financial Systems	Audit	55	2	In progress						
Regeneration Projects	Consultancy	20	22	Completed	N/A					
IT Audit – IT Security Management	IT Audit Contractor	10		Draft						
IT Audit – Unit 4 Application Review	IT Audit Contractor	10		Management Responses						
Net Zero	Audit	8	-	Q3						Changed to advisory to support the work carried out by Unipart.
Driver Checks	Advisory	6	13	Completed	N/A					
Transformation Projects	Advisory	3	0.5	Ongoing						
Complaints	Audit	12	2	In progress						
UKSPF	Audit	8	2	In progress						

Procurement & Contract Management	Audit	12	-	Cancelled						Cancelled until 2025/26 due to the delay in the changes in legislation.
TA Accounts	Assurance	-	8.5	Completed	N/A					
Housing Decarbonisation Grant	Grant Assurance	5	3	In progress						
UKSPF	Advisory	-	5	Completed	N/A					Addition to plan
Corporate Property Projects	Advisory	-	1.5	In progress						Addition to plan
Grant sign-off	Assurance	-	1							

SUMMARY OF FINAL AUDIT REPORTS ISSUED DURING 2024/25 Q3

Choice Based Lettings



Key Findings

Areas of positive assurance identified during the audit:

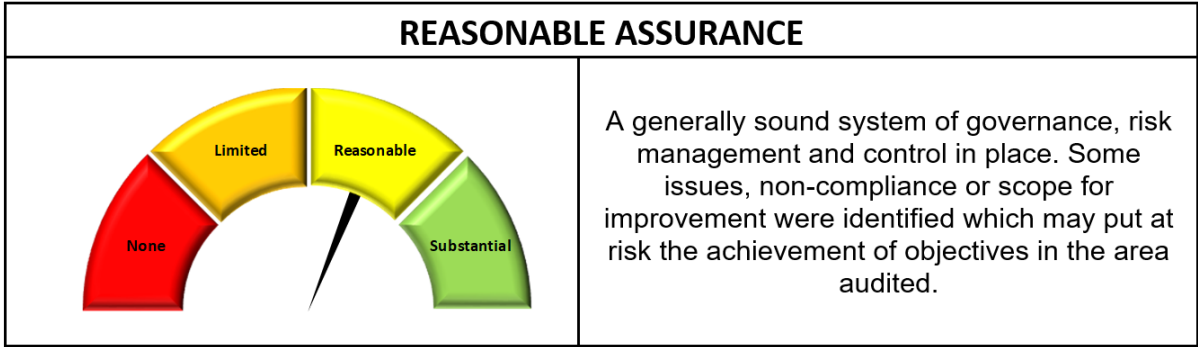
- The Housing Jigsaw system dashboard and taskbar provides an efficient way to monitor the status of applications.
- Application qualification, assessment and banding was completed in accordance with policy.
- Advertised properties are shortlisted/allocated in accordance with policy.
- Reasons given for refusal of accommodation are recorded.

The main areas identified for improvement are:

- Proactive monitoring of the housing register.
- Regularly reporting to senior management and members.
- Banding review backlog needs addressing.
- Monitoring of banding dates, annual reviews and refusals.
- Declarations of Interest should be completed for officers involved in the assessment and allocation processes.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The housing register is proactively monitored, in accordance with the Housing Allocations Policy.	High	To elevate some resource a self-service approach for applicants has been introduced. However, more resources are needed to complete the tasks on a weekly basis going forward. A recent report provided to management shows there are currently 24 critical cases requiring review. Officers will be tasked with reducing this number over subsequent reporting periods.	Housing Strategy and Systems Team Manager	September 2025
2. Regularly reporting to senior management and members is introduced.	Low	Monthly briefings are held with the lead and shadow portfolio holders. Performance information is included in the corporate performance report and is reported to the Housing Improvement Board. The information is used to influence decisions on what the Council buys and builds.	Housing Strategy and Systems Team Manager	Implemented
3. Exception reporting is introduced to ensure critical and urgent bands have expiry dates, annual reviews on lower bands are being undertaken, and applicants refusing three offers of accommodation are identified and reviewed.	High	Investigate the reporting options available in the Housing Jigsaw System. If this is not a viable option the team will work with the housing systems team to develop exception reporting in Sequel for band expiry dates, annual reviews and refusals.	Housing Strategy and Systems Team Manager	September 2025
4. Officers involved in the allocation process sign a conflict-of-interest form which highlights potential areas of conflict and includes a declaration that the officer will inform their manager when a potential a conflict of interest could arise.	Medium	Three roles within those identified, as not completing the form, no longer need to complete a declaration due to a change in the team structure. Completion of the declaration forms needs to be added to relevant roles within SkillGate and reminders will be issued to those who have not completed their form.	Housing Strategy and Systems Team Manager	March 2025
5. Controls are put in place to ensure Team Leaders/ Managers monitor the completion of annual declarations.	Medium	Monitoring of declaration forms will be completed by Head of Housing together with other compliance monitoring, with cooperation from HR.	Head of Housing	September 2025

Insurance



Key Findings

This audit commenced in August 2024 at which time the Council was carrying out a procurement exercise to appoint new insurers from October 2024. The audit has reviewed the insurance that was in place at the time the audit commenced, and the information provided for the procurement exercise. At the outset of the audit the Head of Finance expressed concerns over the level of detail held on properties that were insured and the amount of insurance cover in place. These concerns were considered during the procurement exercise, and it was found that the level of insurance cover in place, particularly for housing properties, had been inadequate. A rolling valuation programme will be in place with the new insurers to ensure this does not happen in future.

Areas of positive assurance identified during the audit:

- There are arrangements in place to ensure that all land, buildings and assets are covered and that policies are updated as required to reflect additions and disposals.
- Insurance service provider(s) have been selected in accordance with Contract Procedure Rules.

The main areas identified for improvement are:

- Updating of policies, procedures and information available to staff regarding the Council's insurance, including timescales for responding to insurance queries and claims.
- Assigning responsibilities to officers to ensure assets are correctly recorded for insurance purposes, revalued with the correct frequency and to retain evidence of review of insurances in line with Financial Procedure Rules.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>1.A full review of the insurance process documentation is carried out, updated as necessary, and made available to staff.</p> <p>This should include how to submit insurance claims and timescales for providing information to insurers.</p> <p>Staff should be notified of the updated processes and procedures.</p> <p>This will ensure that officers across the authority are fully aware of their responsibilities in relation to insurance and insurance claims.</p>	High	<p>The insurance process documentation review will be initiated immediately as now there is a new process to log claims with new insurers.</p> <p>Updates will include detailed steps for submitting claims, required documentation, and response times.</p> <p>Once completed, relevant staff will receive training on the revised procedures.</p>	Insurance Officer and Finance Assistant	March 2026
<p>2.A review of the way in which the Council manages its insurance claims should be conducted to ensure that any documentation held is up to date and accurate.</p>	Medium	<p>Prior to report being received internal insurance claims log has been updated to ensure accuracy.</p> <p>A thorough review of the claim tracking process is conducted every two weeks.</p>	Interim Financial Services Team Leader	Already implemented
<p>3. Training should be arranged for relevant officers to enable them to improve their knowledge and understanding in this area.</p>	High	<p>Finance Assistant and Head of Finance have both attended a comprehensive training programme recently.</p> <p>This training included fundamentals of insurance processes, claims management, and responsibilities which can be applied within the council.</p> <p>Further training to be provided to any relevant staff who may benefit from this as and when required.</p>	Head of Finance	Implemented. Will continue to attend further training when relevant training identified.
<p>4.A timetabled process for reviewing all insurances is put in place, this should include revaluations.</p> <p>Evidence of the annual review should be retained.</p>	High	<p>A formal, timetabled process will be established for the annual review of all insurance policies.</p> <p>Responsibilities for asset verification, revaluations, and ensuring the required frequency of revaluations will be clearly assigned and documented.</p> <p>Evidence of each review will be retained for audit purposes.</p>	Head of Finance / Insurance Officer	March 2026

EXTENDED RECOMMENDATIONS

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	CLT Lead	Implementation Due Date	1st Follow up comments	Extension Date	Second Follow up comments	Extension Date	Further Management update	Further extension date
2022/23	Payroll	3.Consideration should be given to providing training to a member of the Human Resources Team to ensure business continuity in the event of the absence of the HR Analyst.	Medium	Agree – training to be provided to a member of the HR Team but may require additional resource.	Head of HR and Organisational Development.	Head of HR & OD	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and	Jul-24	Jul 24 – No response received		Nov-24 Due to staffing changes it has not been possible to implement this recommendation.	Apr-25
2022/23	Payroll	9. Consideration should be given to ICT undertaking the System Administration role within iTrent. This would assist with the separation of duties, referred to in recommendation 1.	Medium	Agree – will discuss transfer of responsibilities with IT Manager.	Head of HR and Organisational Development	Head of HR & OD	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	Jul-24	Jul 24 – No response received		Nov-24 Due to staffing changes it has not been possible to implement this recommendation.	Apr-25
2022/23	Payroll	1. A review of the roles carried out between HR Administration, HR Payroll and Finance Payroll should be carried out to ensure, adequate separation of duties exist between HR (staffing), payroll (preparation) and payroll (payment).	High	Agree – will need to look at roles of staff and how to implement to ensure adequate separation of duties.	Head of Finance and Head of HR and Organisational Development Financial Services Team Leader	Director of Resources/ Head of HR & OD	Apr-24	Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	Jul-24	Jul 24 – No response received		Nov-24 Due to staffing changes it has not been possible to implement this recommendation. Dec-24 - Due to staff changes and systems process review the payroll processing will now be outsourced. This will mitigate all current listed risks.	Apr-25
2022/23	Payroll	2. A regular review of the iTrent audit log is carried out by an independent officer to ensure functions are appropriate to the officer.	High	Agree – appropriate audit log to be sourced, possibly reviewed by Senior HR Advisors.	Head of HR and Organisational Development.	Head of HR & OD	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	Jul-24	Jul 24 – No response received		Nov-24 Due to staffing changes it has not been possible to implement this recommendation.	Apr-25
2022/23	Payroll	5. On, at least, an annual basis an establishment report from iTrent should be run and issued to Heads of Service / Managers to confirm the accuracy of the report. The report should include all staff, vacancies, hours worked, contractual basis, salary and salary point. Checks should be documented and once completed should be	High	Agree – report to be obtained from iTrent and issued on an annual basis.	Head of HR and Organisational Development.	Head of HR & OD	Mar-24	Extended as requested.	Jul-24	Jul 24 – No response received		Nov-24 Due to staffing changes it has not been possible to implement this recommendation.	Apr-25

		returned to HR to action any items identified and to retain as evidence of checks being undertaken.											
2022/23	Payroll	6.A review of the payroll checking process is carried out to eliminate duplication, reduce the risk of fraud and ensure independence in the review and checking of the monthly payroll.	High	Agree – current payroll checks to be reviewed and revised.	Exchequer Services Team Leader and Head of HR and Organisational Development Financial Services Team Leader	Director of Resources/ Head of HR & OD	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	Jul-24	Jul 24 – No response received		Nov-24 Due to staffing changes it has not been possible to implement this recommendation. Dec-24 - Due to staff changes and systems process review the payroll processing will now be outsourced. This will mitigate all current listed risks.	Apr-25
2022/23	Payroll	7. A full review of user access is carried out, in particular System Administrator access should be reviewed, and the number reduced.	High	Agree – access to be reviewed and removed where no longer required.	Head of HR and Organisational Development	Head of HR & OD	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	Jul-24	Jul 24 – No response received		Nov-24 Due to staffing changes it has not been possible to implement this recommendation.	Apr-25
43													
2022/23	Payroll	8. A review of the access for the HR Analyst should be undertaken and access removed / disabled where no longer required.	High	Agree – access to be reviewed and removed where no longer required.	Head of HR and Organisational Development	Head of HR & OD	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	Jul-24	Jul 24 – No response received		Nov-24 Due to staffing changes it has not been possible to implement this recommendation.	Apr-25
2023/24	Workforce Planning	1.The Council should develop a Workforce Planning Strategy, supported by an action plan, that clearly sets out the desired approach and methodology to workforce planning along with roles and responsibilities across the Council. The Strategy should also include details of how the Council will react to any significant external factors such as emerging risks, changes in legislation, opportunities and staff satisfaction that could impact the resourcing structure or pressures across the organisation.	High	Agreed. A Work Force Planning Strategy will be developed.	Head of HR and Organisational Development	Chief Executive	CLT September 2024 Followed by consultation Approval by Cabinet November 2024	Oct 24 – Plan due to be reviewed by CLT in Nov and will then will require relevant committee approval.	Jan-25	Nov 24 - Due to the committee approval process this recommendation is required to be further extended.	Apr-25	Mar-25 - Due to changes in Head of Service it has been advised that this needs to be extended to provide the new Head of Service an opportunity to update and review if required.	Oct-25

		Once developed the Strategy should be formally approved and communicated as appropriate, with the action plan becoming a live document that is appropriately reviewed, managed, monitored, and updated.											
2023/24	Workforce Planning	2.The partners that the Council is working with need to be documented in either the Workforce Planning Strategy or supporting documentation	High	Agreed as per the recommendation.	Head of HR and Organisational Development	Chief Executive	CLT September 2024 Followed by consultation Approval by Cabinet November 2024	Oct 24 – Request for extension. Plan due to be reviewed by CLT in Nov and will then require approval.	Jan-25	Nov 24 - Due to the committee approval process this recommendation is required to be further extended.	Apr-25	Mar-25 - Due to changes in Head of Service it has been advised that this needs to be extended to provide the new Head of Service an opportunity to update and review if required.	Oct-25
2023/24 44	Procurement and Contracts	3.The contract register should be reviewed and updated on a regular basis to ensure compliance with the Local Government Transparency Code. Responsibility for updating the contracts register should be relevantly assigned.	High	Agreed. This is currently in train. If the full information is not available, will publish and add full detail at a later date.	Procurement Officer	Director of Resources	Jun-24	June 24 – The data continues to be compiled. It is intended that the register will be published on the Council's website by the end of July.	Aug-24	July 24 - Currently reviewing how the software available can be utilised to ensure that the register is relevantly published.	Sep-24	Oct 24 – Extended as not yet in position to publish contracts register. Third party appointed to assist with procurement support. Dec-24 - Extended due to further work being required. Mar-25 - Meetings are being undertaken with V4, Heads of Service and Team Managers, but meetings are ongoing. After correspondence with V4, it is believed that the contract register will be ready for publishing in April/May therefore an extension is requested to May 2025.	Dec-24 Mar-25 May-25
2023/24	Procurement and Contracts	4.Where appropriate satisfactory contract management arrangements should be incorporated into contract documentation.	Medium	Agreed. The additional planned resource for Procurement will help to support relevant training for officers.	Director of Resources	Director of Resources	Dec-24	Dec-24 - Extended due to further work being required.	Mar-25	Mar-25 - The Procurement Team is working on documentation in relation to contract management. The Legal Team has separately been			

										working on updating the Council's standard terms and conditions of contract and will liaise with the Procurement Team to cross-refer to any relevant contract management documents, as appropriate.			
2023/24	Procurement and Contracts	6.Suitable training and advice should be available to staff that are new to contract management to enable them to manage contracts effectively.	Medium	Agreed. See 4. Above.	Director of Resources	Director of Resources	Dec-24	Dec-24 - Extended due to further work being required.	Mar-25	Mar-25 - Training by V4 is scheduled to take place in May-25. Therefore, an extension has been requested to May-25	May-25		
2023/24	Treasury Management	2.Reconciliations between the Treasury Management system and the general ledger should be brought up to date.	High	Agreed The treasury management reconciliations will be completed once the bank reconciliation for 2023/24 have been completed.	Treasury Management Officer Project Officer in the Finance Team	Director of Resources	Dec-24	Dec 24 - No Response		Jan 25 - Rec in progress. Correcting mis-postings in GL Expected completion 31/01/25.	Jan-25	Mar-25 - Due to the bank reconciliation issues this will need extending. Currently reconciling to April 2023	Dec-25
2023/24	Main Accounting and Budgetary Control	4. Reconciliations for FY 23/24 be completed as a matter of urgency. Going forward, time limits are set for the completion and sign off for all reconciliations, these should be relevantly managed and monitored.	High	Agree - completion of 2023/24 reconciliations are being worked on as a priority. There will be a monitoring process for all feeder system reconciliations going forward.	Finance Team Manager and Interim Exchequer Services Team Leader	Director of Resources	Sep-24	Oct-24 The process for implementing the action has been slow and therefore there is a need to extend the implementation date. Additional resources have been employed to improve progress.	Mar-25	Mar-25 - Due to the bank reconciliation issues this will need extending. Currently reconciling to April 2023	Dec-25		
2023/24	Main Accounting and Budgetary Control	12. Following completion of clearing the suspense/ holding accounts, regular monitoring of these accounts is carried out.	Medium	Agree – monthly reconciliations will be undertaken	Interim Exchequer Services Team Leader	Director of Resources	Sep-24	Oct-24 The process for implementing the action has been slow and therefore there is a need to extend the implementation date. Additional resources have been employed to improve progress.	Mar-25	Jan 25 - Currently in progress to reduce balances - on target for March 25		Mar-25 - Due to the bank reconciliation issues this will need extending to ensure regular monitoring is carried out following monthly bank reconciliation completion.	Dec-25

2023/24	Main Accounting and Budgetary Control	5. All virements must be appropriately processed through the finance system.	High	Agreed.	Finance Team Manager	Director of Resources	Sep-24	Oct-24 Extension required as budget monitoring is being prioritized before the virements are processed. An external company is being engaged with to assist with developments.	Mar-25	Mar-25 - Testing and implementation have been delayed due to availability and change of project and systems officers. Therefore, an extension has been requested to June 2025.			
2023/24	Capital Programme Management	1. The Capital Governance procedures and forms are reviewed, updated as required are made available to all relevant staff.	Medium	Agreed.	Head of Finance	Director of Resources	Dec-24	Dec-24 - Standard report template produced. Considered part implemented.	Feb-25	Mar-25 - It has been agreed that to eliminate duplication the project office forms will be used for this, however this has meant that the forms will need to be amended.	Sep-25		
2023/24	Capital Programme Management	2. Officers are provided with training in respect of financial management and the capital governance process, commensurate to their role.	Medium	Agreed.	Head of Finance	Director of Resources	Mar-25	Mar-25 - It has been agreed that to eliminate duplication the project office forms will be used for this, however this has meant that the forms will need to be amended.	Sep-25				
2023/24	Capital Programme Management	3. The virement procedure and approval process for capital schemes is clarified to ensure that virements are clearly documented and approved.	Medium	Agreed. Updates to Unit4 will help to create relevant workflow. However, the process needs to be communicated. Will review the Financial Procedures Rules, specifically sections A24 – A28 to align with the approach of the development and active pool approach.	Head of Finance and Capital Accountant	Director of Resources	Feb-25	Feb-25 - No response received Mar-25 - Extension agreed to Sep-25	Sep-25				
2023/24	Capital Programme Management	4. The documented procedure and request form are published and made available to all relevant staff.	Medium	Agreed.	Head of Finance	Director of Resources	Mar-25	Feb-25 - No response received Mar-25 - Extension agreed to Sep-25	Sep-25				
2023/24	Capital Programme Management	5. Consideration is given to reviewing the virement scheme requirements as set out in Financial Procedure Rules, and approval levels to ensure that they are appropriate and prevent the use of cumulative transactions to	Medium	Agreed.	Head of Finance and Capital Accountant	Director of Resources	Feb-25	Feb-25 - No response received Mar-25 - Extension agreed to Sep-25	Sep-25				

		circumvent Financial Procedure Rules.											
2023/24	Capital Programme Management	9. A full review of the capital expenditure to date for all capital projects is completed and reported to the Capital Strategy Group as soon as accurate information is available.	High	Agreed. Focus is on updating Unit 4 which focuses on revenue monitoring. Capital monitoring functionality is available and will be considered at a later date to support improved monitoring.	Head of Finance	Director of Resources	Sep-24	Sept 24 - Report is planned to be presented to Capital Strategy Group at end of September.	Oct-24	Oct-2024 No Response on evidence requested		Nov 24 - Work has been carried out in identifying the expenditure on capital projects but further work is required to ensure that all expenditure is captured within Unit 4. This will be completed as part of the close down process.	Mar-25 Dec 25
2023/24	KFS Creditors	2. A standard system report be made available for both Audit and management monitoring / reporting purposes which provides details of the officers involved in the requisitioning and approver process of PO's raised.	Medium	1. Report creation currently in progress which contains both the requestor and approver against each PO. 2. User report available showing requisitioner and approver levels.	Interim Financial Services Team Leader	Director of Resources	Mar-25	Jan 25 - Previously, system was unable to create approval reports but was able to creat requisition only. Currently testing new report to ensure approvers can be seen along with approval date. Challenge is to get both on the same report.		Mar-25 - A new contractor has been engaged, and the development of the report is now in progress but as yet not available.	Sep-25		
2023/24	KFS Creditors	3. Review be undertaken by the finance team once system reporting data becomes available to ensure PO's are not being raised and approved by the same officer.	Medium	1. Review will be undertaken once report has been created to ensure there is no conflict between requisitioner and approver.	Interim Financial Services Team Leader	Director of Resources	Mar-25	Jan 25 - Previously, system was unable to create approval reports but was able to create requisition only. Currently testing new report to ensure approvers can be seen along with approval date. Challenge is to get both on the same report.		Mar-25 - A new contractor has been engaged, and the development of the report is now in progress but as yet not available.	Sep-25		
2023/24	KFS Creditors	4. An exercise on identifying all duplicate invoice payments made during 2023/24 be completed as a matter of priority.	High	1. Duplication report has been created within the Unit 4 system. This report requires a review alongside the bank reconciliation which is currently taking place. 2. Historic duplicate payments listing for the previous financial year has also been located which will be	Financial Services Team Leader Project Officer in the Finance Team	Director of Resources	Sep-24	Oct-24 Work is still underway on the bank reconciliation, this will identify the duplicate invoice payments made.	Dec-24	Dec-24 - No response Jan-25 - Bank Matching completed to 1st week of this month therefore payments up to date on Unit 4 system now. Duplicate workshop and training was provided to team and rolled out. Recording	Apr-25		

				<p>reviewed.</p> <p>3. A request has been raised with Embridge (software management company) to provide a tool on Unit 4 to track duplicate invoices and payments for accuracy and also allow a report to be run against these specific invoices.</p> <p>4. External Duplicate payments tracker created in the meantime to monitor and track payments alongside bank rec.</p>						<p>available of this. Duplicate payments have been identified but not managed in line with training and tracker. Currently controls are being placed to ensure this is managed in line with the training going forward. Further training is required to exchequer team on how to use the duplicates payment report in unit 4. Extension requested to Apr-2025</p>				
2023/24	KFS Creditors	5. Recovery of funds or credit notes be obtained for all duplicate payments identified.	High	<p>1. Duplicate payments report will be tracked and actioned weekly to chase up and provide update.</p> <p>2. To be included in monthly Finance Service Plan KPI to monitor and feedback.</p>	Financial Services Team Leader	Director of Resources	Dec-24	Dec-24 - No response Jan-25 - Jan 25: Payments have been identified, training was rolled out but no tracking currently in place. Further workshop will be pencilled in to ensure tracking is accurately recorded and tracked. Extension requested.	Aug-25					
48														
2023/24	KFS Creditors	7. Supplier invoice payment performance be monitored going forward, with a KPI introduced within the Finance Service Plan.	Medium	<p>1. Report now created and introduced to enable the effective monitoring of supplier invoice payment.</p> <p>2. To include in KPI in Finance Service Plan and monitor monthly.</p>	Interim Financial Services Team Leader	Director of Resources	Mar-25	Mar-25 - A contractor has been engaged to ensure that the system performance will be reportable in the future, as currently the system is not being used in a way in which meaningful reports can be produced. An extension to April 2026 has been requested to provide the time to fully embed the changes and enable reporting.	Apr-26					

2023/24	KFS Creditors	10. A Corporate Credit Card Policy is introduced and all officers that have been issued with a credit card are required to sign up to this policy.	Medium	1. Create credit card policy 2. Create standard form for cardholders to complete each month (if used) and attached receipts, include new cost centre/account codes. 3. Ensure card rules are emphasised in the agreement they complete that failure to provide timely receipts and cost centre codes will result in card being retracted. 4. Emphasising point 3 as backlog included card statement receipts not processed since Nov 2022. Team had been chasing for receipts and codes. 5. Possible opportunity to enable the submission of card receipts via unit 4 – to look into.	Interim Financial Services Team Leader	Director of Resources	Mar-25	Jan 25 - Policy creation and update in progress following feedback		Mar-25 - There has yet to be progress on this, but it is now within the task list of the CIPFA contractor.	Sep-25		
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2023/24	KFS Creditors	11. Reporting specification to be written into UNIT4 to enable exception reports of this nature to be generated showing the audit trail of newly created supplier accounts and amendments made to supplier account records. Exercise to be undertaken with immediate effect. These reports may possibly be available through audit functionality within the system.	High	1. Report requested from Embridge to allow the viewing of new and amended suppliers with audit trail (created by, amended by, checked by and approved by) within Unit 4.	Financial Services Team Leader Project Officer in the Finance Team	Director of Resources	Sep-24	Oct-2024 Extended due to incorrect setup of the workflow in Unit 4 therefore have yet been unable to create appropriate report.	Dec-24	Dec-24 - No response		Jan-25 - Scoping in progress with Embridge to build supplier forms - front end of Unit 4 which will meet this requirement. To review with Anna and seek sign off following scoping / mapping session. Expected completion by end of March 25. RISK: RED rating - Procurement to Supplier management is uncompliant in Unit 4 - this is due to no contract expiry or spend limit set up in the system. This means that a % of suppliers have exceeded their contract dates and limits. Therefore, this change will meet the need of both supplier approval changes management expiry and control spend function. Please accept this as a valid reason for extending the deadline date. Mar-25 - Further work is required on this area for full, relevant reviews to be carried out.	Mar-25 May-25
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2023/24	KFS Creditors	12. Overdue monthly Creditor Account reconciliations for FY 2023/24 be completed as a matter of urgency. Going forward, time limits are set for the completion and sign off for all monthly reconciliations.	High	Due to the issues with the implementation of Unit4, it had not been possible to complete any reconciliations during 2023/24 1. Full review of existing reconciliation and process taking place between Unit 4 and the creditors system, including method. 2. Implement agreed daily and monthly reconciliation process of the creditor Account against the GL. 3. Training rollout and sign off of agreed Finance Service Plan KPI. 4. Bring up to date all outstanding reconciliation and update Finance Service Plan KPI. Review and sign off all monthly reconciliations going forward.	Financial Services Team Leader	Director of Resources	Dec-24	Dec-24 No response		Jan-25 - Request extension to complete this rec - Corrections required via journal for rec.and invoices missing Management of Aged Creditors workshop to be arranged by Project Officer - Extend to 2nd week Feb 2025		Mar-25 - Due to the bank reconciliation issues this will need extending. Currently reconciling to April 2023	Dec-25
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2023/24	KFS Creditors	14. Publication of FY 2022/23 and 2023/24 performance data to be published as a matter of priority.	High	1. Report now created and introduced to enable the effective monitoring of supplier invoice payment for FY23/24 2. Obtain data from Total for 22/23 3. Review and sign off 4. Publish. To include as a KPI within the Finance Service Plan and monitor monthly as part of routine task.	Interim Financial Services Team Leader	Director of Resources	Mar-25	Jan 25 - One KPI being tracked - Team member trained, confirmed uploading completed - reviewed by audit, cannot identify any published reports.		Mar-25 - An contractor has been engaged to ensure that the system performance will be reportable in the future, as currently the system is not being used in a way in which meaningful reports can be produced. An extension to April 2026 has been requested to provide the time to fully embed the changes and enable reporting.	Apr-26		
52													
2023/24	KFS Debtors	2. UNIT4 system user guide/ manual be produced and made available to all relevant officers. NB – this recommendation also applies to the Creditors and Main Accounting audits.	Medium	1. Create training Matrix for each role containing list of all tasks. 2. Create Standard Operating Procedures (SOPs) for each task undertaken in Unit 4 as a step-by-step guide. 3. If required, training video's will be produced. 4. Review of training material and sign off. 5. Add to role training pack.	Interim Financial Services Team Leader	Director of Resources	Six months after implementation of Unit 4 Audit to follow up for progress in March 2025	Jan 25 - currently in progress of collating information and listing tasks for each user by dept. Discussion held with HR to allow them to upload to Skillsgate as mandatory training when starting new position.	Mar-25	Mar-25 - The contractor that has been engaged will produce a user manual.	Jun-25		

2023/24	KFS Debtors	3. Management consider automation of the process, whereby once the Service function has raised a sundry sales order, the system is programmed to automate the raising of the respective customer sundry sales invoice.	Medium	1. Review of full end to end process. 2. Training review, implement and document. 3. Finance Service Plan will include relevant KPI's which will be monitored monthly. Notes: Vision ERP (External software consultants) will amend the labelling of two boxes in the system for a more user-friendly approach. Vision ERP will amend layout on invoice to ensure customer Purchase Order is shown in the right place on the invoice. Vison ERP will aim to enhance and maximise the invoice automation as much as possible.	Interim Financial Services Team Leader and Finance Systems Administrator role (Capital Accountant)	Director of Resources	Mar-25	Jan 25 - On target - Scoping completed and reviewing document for sign off prior to configuration start. Mar-25 - Vision ERP (engaged to assist with automation) are reviewing and automating the processes however, as different areas are being reviewed only one can be changed at a time due to impact on others. Due to this an extension is required to ensure all processes are implemented in the relevant order.	Jun-25				
2023/24 53	KFS Debtors	5. Overdue monthly Debtor Account reconciliations for FY 23/24 be completed as a matter of urgency. Going forward, time limits are set for the completion and sign off for all monthly reconciliations.	High	Due to the issues with the implementation of Unit4, it had not been possible to complete any reconciliations during 2023/24 1. Full review of existing reconciliation and process taking place between Unit 4 and the debtors' system, including method. 2. Implement agreed daily and monthly reconciliation process of the Sundry Debtor Account. 3. Training rollout and introduction of Finance Service Plan KPI's. 4. Bring up to date all outstanding reconciliation and update KPI's. 5. A set review time will be put in place for completion of	Financial Services Team Leader	Director of Resources	Dec-24	Dec-24 - No response		Jan 25: Currently in progress. Request extension to complete this rec as awaiting Apr 23 year end balances document from External Audit that shows agreed balances to be transferred into Unit 4 at the time (part of rec for £9k difference) - Extend to 2nd week Feb 25		Mar-25 - Due to the bank reconciliation issues this will need extending. Currently reconciling to April 2023	Dec-25

				the reconciliations and the management sign off going forward.									
2023/24	KFS Debtors	6. Automated functionality within UNIT4 system be utilised for the generation and issue of standard overdue reminder letters, to ensure follow-up activity is undertaken in a timely manner. Parameters set within the system for issue of overdue reminders letters to be agreed by senior management. Senior management review and assess the rationale for not issuing reminder letters to customers with overdue unpaid invoices for Licences issued.	Medium	1. Following review, Vision ERP (External software consultants) will complete the setting up of the reminder letters functionality. 2. Embed automation of the reminder letters instead of manual workload. 3. Training rollout and Policy/training material creation. 4. Introduction of monitoring of letters sent out monthly via Finance Service Plan KPI's and review of aged creditors report with actions follow up. 5. Set up monthly meetings with services including licensing, property and revenues to ensure consistent collaboration of driving down aged debt. 6. Ensure reminder letters are set up for all including Licensing and Property services. (Listing in Finance Service Plan KPI monthly review).	Interim Financial Services Team Leader	Director of Resources	Mar-25	Jan - 25: Scoping completed. Session booked in to make further amendments on paper with mapping prior to sign off. Require completion of Debt management policy creation / update and sign off including Write off policy to ensure workflows are set up in line with Policy. Also require legal sign off of policy to ensure all criteria are met. This also includes a section on debt recovery. Once these are completed, only then can the Final process document can be signed off prior to build.		Mar-25 - Currently in progress but further work is required.	May-25		

2023/24	KFS Debtors	7. Manual debt recovery procedures be introduced which outlines pro-active debt recovery processes and activities to be undertaken. All overdue sundry unpaid debts be pro-actively worked on for recovery of payment, not just the most current. Pro-active telephone call be made by Exchequer Services function in first week of invoices in excess of £5,000 falling overdue (providing telephone contact details have been provided and resources allow) to discuss non-payment and make acceptable arrangements for the invoice to be paid.	High	1. Review of full existing processes and procedures. 2. Training rollout and Policy/training material creation. 3. Finance Service Plan KPI with clear to ensure timely review of aged creditors report with credit control actions follow up including monitoring the timely chasing of overdue payments. 4. Set up monthly meetings with services where serious aged debt outstanding to ensure consistent collaboration of driving down aged debt. 5. Review bad debt write offs.	Interim Financial Services Team Leader	Director of Resources	Mar-25	Jan - 25: Scoping completed. Session booked in to make further amendments on paper with mapping prior to sign off. Require completion of Debt management policy creation / update and sign off including Write off policy to ensure workflows are set up in line with Policy. Also require legal sign off of policy to ensure all criteria are met. This also includes a section on debt recovery. Once these are completed, only then can the Final process document can be signed off prior to build.		Mar-25 - An extension is required to ensure that a relevant policy can be implemented and approved.	Dec-25		
2023/24	KFS Debtors	8. Senior management to consider approval of the reintroduction of the facility to use external debt recovery agencies into the sundry debt recovery process for overdue debts. Use of 'External Debt Recovery Services' policy and associated procedures to be agreed and documented.	High	1. Set up workshop to discuss new world requirements post pandemic, document and apply into policy for debt recovery. 2. Review and sign off policy 3. Activate and implement as part of Finance Service Plan KPI and monitor monthly.	Financial Services Team Leader	Director of Resources	Sep-24	Oct-2024 Extended due to policy still in progress and debt recovery agency still to be confirmed.	Nov-24	Nov-24 In progress awaiting approval of policy.	Dec-25	Dec-24 - A draft debt policy is currently being reviewed. Additionally, the Vision project has started to ensure there is a write off process within Unit 4. Mar-25 - This will require assistance from CIPFA, who are currently reviewing the processes.	Mar-25 Sept-25
2023/24	KFS Debtors	9. Bad Debt write-off policy and associated procedures to be agreed and documented, this should be linked into the outstanding recommendation from 2022/23 relating to the production of a corporate debt policy.	High	1. Create / Review and sign off bad debt policy and training document in line with the creation of the corporate debt policy.	Interim Financial Services Team Leader	Director of Resources	Mar-25	Jan 25: Policy required to be written, then reviewed and signed off by Legal and Head of Finance prior to implementing Debt recovery processes and training rollout.		Mar-25 - An extension is required to ensure that a relevant policy can be implemented and approved.	Dec-25		

2023/24	KFS Debtors	<p>11. Introduce a Business Plan KPI with associated targets for the collection rate of sundry debts. Performance should be reported as part of the service and business plan quarterly monitoring arrangements in place.</p> <p>The Monthly Debtors Performance Pack produced by Exchequer Services function be distributed to all relevant members of staff (Heads of Service, finance colleagues, CEO).</p> <p>The Monthly Debtors Performance Pack produced by Exchequer Services be reviewed to ensure it meets its stakeholder needs. Stakeholders be issued with a full Aged Debt listing of their specific area. Resources be made available to pro-actively chase and recover historic overdue sundry debt.</p>	Medium	<p>1. List of Finance Service Plan KPI's to be produced for monthly review and the Monthly Debtors reporting Pack</p> <p>2. Automate majority via Unit 4 where possible and remaining in RTI via day-to-day completion of tasks.</p> <p>3. Review and sign off monthly pack to be distributed and action production.</p> <p>4. Collate feedback and improve on content.</p> <p>5. Build into individual's performance as part of their day-to-day duties and responsibilities.</p> <p>6. Review with Exchequer team to ensure they are provided all the tools and training to ensure completion, regular consistency and quality of aged debt maintenance.</p>	Interim Financial Services Team Leader	Director of Resources	Mar-25	<p>Jan 25: To complete review prior to sign off. Added to KPI.</p> <p>Mar-25 - Following the introduction of policies and procedures relevant KPI's will then be introduced. This recommendation requires an extension to ensure that the processes can be embedded an appropriate reporting can be produced to reflect the relevant performance measures that will be agreed.</p>	Apr-26				
56													
2022/23	ASB	<p>2. The performance indicators are reviewed and where appropriate new indicators added to measure performance against the incremental approach.</p>	Medium	<p>Review the indicators in line with the review of the ASB policy. With the intention to make the indicators for community safety and housing the same.</p>	Housing Management Team Manager.	Head of Housing	Mar-24	<p>March 23: New set of indicators within the policy. Extension to ensure that these are fully embedded and reported following the approval of the Policy at Cabinet</p>	Jul-24	<p>Jul 24 – Information provided does not detail any ASB performance indicators.</p>		<p>Nov-24 New service standards have been introduced but currently, due to the system used, it is not possible to report on performance. A new system is due to be implemented in April 2025 and it is hoped that this will have the capacity to accurately report performance.</p>	Dec-25
2023/24	Responsive Repairs	<p>7. Regular monitoring of orders, follow on work, and variations is undertaken to ensure orders are issued, progressed, follow on work scheduled, variations promptly approved, and orders completed.</p>	High	<p>An extensive amount of work has been done since the audit and all numbers have been reduced. Regular monitoring has now been introduced, and Audit is requested to re visit this recommendation</p>	Responsive Repairs Team Manager	Head of Housing	Q4 2024/25	<p>Feb-25 - Extension requested due to staff absences and team changes.</p>	May-25	<p>Mar-25 - A review of the recommendation has been carried out by the new Team Manager and this has led to the creation of follow-on "work pots" in QL. As a full cleanse is still required an</p>	Sep-25		

				with the service in Q4 to provide assurance on this identified control weakness.						extension to September 2025 is needed.			
2023/24	Responsive Repairs	9. Pre inspection and post inspections showing on the housing management system as outstanding should be reviewed to confirm their status.	Medium	A management decision will be made on closing inspections over a set time. Inspections going forward will be undertaken on a percentage of work – urgent, Housing Health & Safety Rating System (HHSRS) and high value works.	Responsive Repairs Team Manager	Head of Housing	Dec-24	Jan-25 A decision that all post inspections, as at 31/01/2025, over a month old, will be closed has been made by Housing Management team. Audit will carry out testing on inspections that do not meet the close criteria.	Mar-25	March-25- All inspections pre 31/01/25 to be closed. Post/Pre inspections. Going forward the automated post inspection rules are set to move a percentage of orders to post inspections. This will not include those under a certain amount and all of those over a set amount will be automatically selected. Extension to embed the process and then audit to test.	May-25		
2023/24 57	Responsive Repairs	10. A process is put in place to capture, document and monitor pre-inspection, post inspection and specialist surveys to ensure appropriate work is undertaken and tenants' homes meet the standard required.	High	These processes will be put in place once a substantive management and operational team is in place within the service, and contractors are embedded.	Responsive Repairs Team Manager	Head of Housing	Apr-25	Mar-25 DMC Process has started to be built into QL and this will be rolled out asap. Surveys are being monitored and actioned through the recently mobilised DMC work force. Notes are being recorded against QL orders. Pre/Post inspections as no9 rec. Extension is to ensure full testing can be carried out.	Sep-25				
2023/24	Responsive Repairs	11. Management should consider the use of e-forms or appropriate software to capture and store inspections and review the system parameters for the automatic selection of properties to be post inspected to ensure they are appropriate.	Medium	Agreed – the Service is enacting an e-form process as described.	Responsive Repairs Team Manager	Head of Housing	Apr-25	Mar-25 An officer has been tasked to build pre/post inspection forms with Systems Team as an e-forms. Parameters are already set as above	Sep-25				
2023/24	Responsive Repairs	12. The signing off of the work completed by the QS is documented on the order within the housing management system (QL).	Medium	These processes will be put in place once a substantive management and operational team is in place within the service, and contractors are embedded.	Responsive Repairs Team Manager	Head of Housing	Apr-25	Mar-25 The process will be reviewed when a QS is in post.	Dec-25				

2023/24	Responsive Repairs	13. Orders are changed to a history status when the contractor has been paid to prevent duplicate payment and ensure QL is accurate and up to date.	Medium	Work is ongoing with finance on overall process review. As part of the procedures work (elsewhere covered on this audit) it will also address this. The Service is seeking to automate this process between the finance and Housing systems. Historic jobs will be closed.	Responsive Repairs Team Manager	Head of Housing	Apr-25	Mar-25 The process has been overhauled, and invoices are being put through QL. Consolidated invoices are not being processed. Audit to test in April 25 when the process is fully embedded.	Apr-25				
2023/24	Responsive Repairs	14. A payment mechanism is agreed with contractors and is put in place for the processing of consolidated invoices, ensuring a timely, consistent approach.	Medium	The service is re-contracting all major suppliers. During this process the management of batch payments and invoicing has been addressed. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Responsive Repairs Team Manager	Head of Housing	Q4 2024/25	Feb-25 - Extension requested due to staff absences and team changes. This will be fully discussed with the Asset Management Team to ensure that there is a consistent process across the teams.	Apr-25				
58													
2023/24	Responsive Repairs	15. Payment Certificates are signed by the Contract Administrator before payment is made.	High	The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Responsive Repairs Team Manager	Head of Housing	Q4 2024/25	Feb-25 - Extension requested due to staff absences and team changes. Payment certificates were not used consistently within the Housing teams but are now being implemented. Audit to test June 2025.	Jun-25				

2023/24	Responsive Repairs	18. Each contract is assigned to a specific contract officer who will be responsible for managing and monitoring the relevant contracts. This will ensure that any breaches are identified and rectified promptly.	High	The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Responsive Repairs Team Manager	Head of Housing	Q4 2024/25	Feb-25 - Extension requested due to staff absences and team changes.	May-25	Mar-25 - Due to current staff vacancies, it has not been possible to implement this recommendation. Following the appointment of relevant staff this will be fully implemented. The extension reflects the time taken to have officers in post and implement the new processes.	Mar-26		
2023/24	Responsive Repairs	19. Performance monitoring data is obtained from the contractors for review to ensure contract conditions are being met.	Medium	The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Responsive Repairs Team Manager	Head of Housing	Q4 2024/25	Feb-25 - Extension requested due to staff absences and team changes.	May-25	Mar-25 - Due to current staff vacancies, it has not been possible to implement this recommendation. Following the appointment of relevant staff this will be fully implemented. The extension reflects the time taken to have officers in post and implement the new processes.	Mar-26		
2023/24	Responsive Repairs	20. Outstanding recharges debt is regularly monitored and relevantly reported.	Medium	A review of the process of managing and reporting rent accounts is in progress. This will be addressed as part of this review.	Housing Strategy and Systems Team Manager	Head of Housing	Mar-25	Mar-25 Due to staffing changes an extension to this is required.	Sep-25				
2023/24	Responsive Repairs	21. Management explore using the housing management system (QL) to identify and create recharge rent debit removing the need for internal recharge forms.	Medium	A review of the process of managing and reporting rent accounts is in progress. This will be addressed as part of this review.	Housing Strategy and Systems Team Manager	Head of Housing	Mar-25	Mar-25 Due to staffing changes an extension to this is required.	Sep-25				

2023/24	Responsive Repairs	22. Processes are reviewed, and appropriate controls are put in place to identify, accurately cost, document, and recover recharges to tenants. In conjunction with the above, management consider introducing a minimum recharge limit and explore the capabilities of the Aareon Versa Mobile System to streamline the process.	Medium	In April 24, a new policy regarding repairs approaches was adopted. This includes an improved management of recharges for works related to repairs. Other aspects of this recommendation will be addressed via the review of our reporting and management of rent accounts.	Housing Strategy and Systems Team Manager	Head of Housing	Mar-25	Mar-25 Due to staffing changes an extension to this is required.	Sep-25					
2023/24	Asbestos Management	3.The Council should conduct an assessment to identify all areas of non-compliance of statutory duties in relation to Asbestos Management. Following this an action plan should be put in place to ensure that the non-compliance is addressed. Assessments should then be scheduled at regular intervals to ensure ongoing compliance.	High	The Asset Management team holds reports to cover compliance of over 95% of the domestic stock and 100% of communal to comply with CAR2012. The Asset Management team has assessed where non-compliance is occurring and, in the majority, falls down to lack of resources that are managed or influenced by the following – • Two managers absent on long term sick leave. • Failing to recruit to three team crucial posts. • One post being carried out by an unqualified member of staff. Due to the lack of resources, the data received day to day, operational admin and data management is not being completed to a sufficient standard. Minimal admin is undertaken, and other staff resources are being utilised to pick up the short fall. Quality assurance is at risk due to	Asset Manager	Head of Housing	Nov-24	Nov-24 No response		Dec- 24 No response		Jan-25 - Due to multiple unsuccessful recruitment attempts this will need to be extended. Mar-25 - All asbestos recommendations have been reviewed, and it has been agreed that the asbestos contractor will carry out all new surveys to provide a baseline of information and the use of their portal wil provide the Council with an asbestos register. In addition to this a new asbestos management plan will be written, circulated and appropriately approved.	Apr-25 Mar-26	

61				insufficient administration of the asbestos data and as a consequence puts operatives, contractors, staff and other end users at risk. Failure to manage properly exposes NWLDC to prosecution from the Regulator, HSE and leading to unlimited fines. The service is continually trying to actively recruit, however, to reduce/ remove the risks associated with the control issues identified, the Housing Asset Management team is currently reviewing options available to them which include outsourcing the control and quality assurance of the asbestos data that is relied on.									
2023/24	Asbestos Management	5.Asbestos surveys should be uploaded to QL / MRI within a reasonable period of time following receipt of the survey.	High	This is a known issue that can only be resolved by adequate resourcing and addressing the issues detailed in the response to recommendation 3 above. The Tersus portal will be used initially to reduce the risks.	Compliance Team Leader – when appointed	Head of Housing	Nov-24	Nov-24 No response		Dec- 24 No response		Jan-25 - Resources and staffing has prevented full implementation. Mar-25 Following the completion of new surveys these will be uploaded to the appropriate software and, linked to QL.	Apr-25 Mar-26
2023/24	Asbestos Management	6.There should be a central record containing details of asbestos surveys, the results of the surveys and any action to be taken. The record should be used to enable effective monitoring of actions required. Responsibility for ensuring the record is maintained and actions completed should be assigned.	High	Whilst there are various locations for data held, Asset Management have been working on reducing data depositories to MRI, QL or the contractor portal. A central record is being developed to streamline how these are maintained so there is adequate visibility to all users of the data held.	Compliance Team Leader – when appointed	Head of Housing	Mar-25	Mar-25 Following the completion of new surveys these will be uploaded to the appropriate software and, linked to QL.	Mar-26				

				It is to be noted again that this is only feasible with the resourcing issues identified in the response section in recommendation 3. being addressed.									
2023/24	Asbestos Management	8. All contracts should have a named contract manager and formal contract management arrangements should be put in place.	High	This is a known process within Asset Management. Actioning this process and formally following through with normal contract administration is not possible with the current lack of resources to manage individual contracts. The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Asset Manager	Head of Housing	Q4 2024/25	Mar-25 Due to resource issues it has not been possible to complete this recommendation. An extension is required to provide the time to recruit to the positions and then embed all new processes.	Mar-26				
2023/24	Asbestos Management	9.Key performance indicators (KPI's) and the frequency to which they should be reported to management should be agreed with asbestos contractors. Service Plan KPI's should be a standard agenda item in any contract management meetings.	High	This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements. Adequate resourcing is also essential in capturing this data set. The new suite of KPI's will be discussed at contract management meetings now the	Asset Manager	Head of Housing	Q4 2024/25	Mar-25 The current contract is due to expire in June 2025. The new contract will have relevant KPI's in place and these will be monitored appropriately.	Dec-25				

				new contract is nearly in place.									
2023/24	Asbestos Management	10. Advice should be sought from the Procurement Team/ Director of Resources regarding overspends against contract values and any action to be taken.	High	<p>Central finance systems are difficult to extract and interrogate financial expenditure and budgets to effectively manage contracts.</p> <p>Training sessions have been identified and are being rolled out.</p> <p>Asbestos removal is contractually administered by the Repairs Team Manager – which has been vacant for a considerable time.</p>	Asset Team Manager / Asset Manager/ Commercial services Team Manager / Repairs Team Manager / Finance	Head of Housing	Dec-24	Dec-24 - No response		Jan-25 - The current contract is due to expire in June 2025 and has been adjusted to cater for increased expenditure and will go out as an open procedure to achieve better VFM.	Jun-25		
2023/24 63	Asbestos Management	11.Following receipt of the Schedule of Rates from Tersus Consultancy, invoices from the start of the contract should be reviewed to confirm that the Council has been correctly invoiced.	High	<p>This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements.</p> <p>Adequate resourcing is also essential in capturing this data set.</p> <p>The planned structure for the service includes provision to enable this process.</p> <p>This issue may have been due to the agency contractor not having site of the framework rates.</p> <p>A review will be carried out</p>	Asset Manager	Head of Housing	Mar-25	Mar-25 There is a SOR in place with Tersus and audit are currently in the process of testing to ensure that charges are correct.	Apr-25				

2023/24	Asbestos Management	12.For each of the asbestos contracts financial information should be produced and presented to management for both monitoring and discussion at contract management meetings.	High	This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements. Adequate resourcing is also essential in capturing this data set. Agree in principal but, until Unit 4 is fully operational this will not be possible to implement.	Asset Manager	Head of Housing	Mar-25	Mar-25 This is currently reliant on Unit 4 information which is not readily available.	Sep-25				
2023/24	Asbestos Management	13.The Council should ensure that all relevant staff have received / undertaken the level of training in Asbestos Management as required by either their job role or their assigned role within the Asbestos Management Policy.	Medium	Whilst all operational staff have the minimum Asbestos Awareness training others at team leader, supervisor and management have received Duty to Manage training. Whilst this is recognised as a minimum requirement, it has been identified that team managers should receive P405 training to mitigate risk at a higher level and to cover duty holder requirements in the absence of other Responsible Persons. HR, in conjunction with managers/ Heads of Service, will be requested to carry out a review of which officers require which level of training across the authority. Following this, training will be arranged.	Asset Manager and Strategic Director of Communities	Head of Housing	September 2024 Training dates will be advised following the review.	Oct 24 – Head of OD & HR to discuss with H&S Manager and to arrange relevant corporate training. Extended to Mar-25 in CLT.	Mar-25	Mar-25 In progress - all relevant officers have been identified with the levels of training required for each officer. A training plan is currently being developed, and all training will have been completed by March 2026	Mar-26		

2022/23	Rent Accounting and Arrears	10. With the introduction of Unit 4 (new Finance System) the rent debit should be uploaded automatically from the Housing System to the General Ledger each week. This should enable weekly reconciliations between the two systems to be carried out.	High	Agreed	Housing Strategy and Systems Team Manager/ Head of Finance	Head of Housing	Aug-23	Aug 23 – No response	Sep-23	Sept 23 - Issues regarding UNIT4 - meeting with Finance planned for w/c 11.9.23. Will require an extension to the implementation date.	Oct-23 Mar-24	Nov-23 Further extension requested. Aug-24: Due to the issues with Unit 4 it has not yet been possible to implement this recommendation.	Sept-24 Mar-25
2023/24	Planned maintenance	4. The procedures and system parameters are reviewed to ensure orders and variations are appropriately costed and authorised.	High	An action plan will be put in place to address issues, but these actions will not be able to be addressed until a full complement of Senior Management Team is in place.	Asset Manager	Head of Housing	Apr-25	Mar 25 - Due to there not being a full complement of managers in post this will be extended to March 2026. This will provide the team the opportunity to review and embed new and updated processes.	Mar-26				
2023/24	Planned maintenance	6. Procedures and processes are put in place to ensure relevant inspections are completed, documentation is retained, and completion is evidenced on the housing management system (QL).	High	Post inspections are now being carried out by the asset team. Asbestos information is currently being addressed with the contractor to enable relevant users to access the information. This will be reviewed once a full complement of Senior Management Team is in place.	Asset Manager	Head of Housing	Apr-25	Mar 25 - Due to there not being a full complement of managers in post this will be extended to March 2026. This will provide the team the opportunity to review and embed new and updated processes.	Mar-26				

2023/24	Planned maintenance	7. Processes are put in place to ensure certificates are obtained upon completion and are filed appropriately for future reference.	High	The reconciliation will, going forward, be carried out by the financial Asset Management Support Officer (AMSO). The process has been confirmed as – the in-house team complete compliance via a tablet. Contractors send through compliance certificates which are uploaded to the MRI software system with relevant reference number. Audit to review in three months to ensure process is now working.	Support Services Manager	Head of Housing	Oct-24	Oct-24 No response on evidence requested.		Dec-24 - Audit testing highlighted controls are not in place for all types of certification, this has been due to resource issue. To ensure that the process is followed for all certificates an extension is required.	Mar-25	Mar-25 Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation.	Mar-26
2023/24	Planned maintenance	8. Processes are put in place to ensure snagging works are identified, recorded and monitored to ensure remedial works are completed.	High	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.	Asset Manager	Head of Housing	Apr-25	Mar-25 Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation.	Mar-26				
2023/24	Planned maintenance	9. A review of the process is undertaken and documented to ensure that there is a clear and transparent audit trail in place and the process is relatively managed and monitored, and all officers are aware of the responsibilities in relation to authorisation and payment processes.	High	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place and the financial architecture is in place to support this.	Asset Manager	Head of Housing	Apr-25	Mar-25 Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation.	Mar-26				

2023/24	Planned maintenance	10. The complexity of the spreadsheets being used are reviewed and the process is documented to for business continuity purposes Additionally, any duplication of work should be removed.	High	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.	Asset Manager	Head of Housing	Apr-25	Mar-25 Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation.	Mar-26				
2023/24 67	Planned maintenance	13. Performance data is obtained and reviewed to ensure managers can monitor contractors' performance against targets and contract terms and conditions. Where targets are not being met the contractor should submit proposals for improving performance. Additionally, officers should be aware of any financial implications of contractors not meeting their contractual agreements, to ensure that these can be enforced if required.	High	The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Asset Manager	Head of Housing	Q4 2024/25	Mar-25 Due to resourcing issues this has still not been implemented. When resources are in place contract supervisors will be assigned to each relevant contract.	Mar-26				
2023/24	Fleet Management	6. There should be a procedure document which adequately details the process to be followed and authorisation to be obtained when disposing of council vehicles.	High	Following the adoption of the updated disposal policy (recommendation 5) a procedure will be implemented to ensure all vehicle disposals are carried out in accordance.	Transport Manager	Head of Community Services	Jan-25	Jan-25 Extension due to officers not being aware of the policy update and therefore delay in updating the procedures.	Apr-25				
2023/24	Fleet Management	12.Regular refresher training for completion of daily vehicle checks should be put in place. This could form part of the Councils mandatory training programme.	Medium	Refresher training programme to be developed incorporating vehicle checks on all fleet vehicles. Discussions will be held with HR to add the training programme into mandatory training requirement (job specific).	Transport Manager	Head of Community Services	Feb-25	Feb-25 - No response received. Mar-25 - Extend to June 2025.	Jun-25				

2023/24	Fleet Management	19.In year stock takes of motor stores and clothing should be introduced. The results of stock takes should be provided to management and explanation provided in support of any discrepancies. All parts used are recorded against a relevant job. Fuel usage is appropriately reviewed and managed.	High	Stock Management will be reviewed on a quarterly basis. In conjunction with audit a review of monitoring fuel usage will be carried out.	Transport Manager	Head of Community Services	Dec-24 Apr-25	Dec-24 - Not yet implemented, extended to first review March 2025 and 2nd in June 2025.	Mar-25 Jun-25				
2021/22	Corporate Estates Management	2 A performance monitoring and reporting framework is introduced which includes contractor and legislative compliance performance monitoring and periodic reporting to the Statutory Duty Group and, where necessary, the Corporate Leadership Team.	High	Overlapping with the audit we have begun the introduction of a performance monitoring framework, utilising a RAG system. This will be reported through to CLT. It would be beneficial to include properties not managed by property services into this report.	Head of Economic Regeneration	Head of Economic Regeneration	Oct-22	Update - consultants have been employed to develop a Corporate Asset Management Toolkit. This will cover frequency of inspections and recording of compliance	Jul-23	Jul-23 – Good progress is being made but consultants still engaged.	Dec-23	Dec-23 Contractor performance is currently being monitored via the Statutory Duty Group. Further improvements are expected to be delivered by the council adopting a digital Asset Management System to work alongside the Asset Management Toolkit currently being prepared. Work to identify Asset Management Systems is with implementation and onboarding likely to take 6 months. Nov-24 The Statutory Duty Group standing agenda includes an item where all services are invited to discuss support contracts with the intention of providing early warning of contracts about to end and new contracts that are being procured. The item also allows discussion and noting of any poor performance by contractors. As we move forward to introduce the CAFM system,	Oct-24 Sept 25

69												<p>data fields will be introduced within the system for all matters that we are required (and if additional - choose) to monitor in terms of compliance. Within the system we will be able to capture any KPI that have been attached compliance related contracts and to record data that evidences accordance or otherwise with those KPI.</p> <p>This will allow for the introduction of a metric based rather than subjective assessment and management of compliance type contracts.</p> <p>The CAFM system is to be operational by 1/4/2025. Data input over a number of quarters will be required in order to provide evidence that KPI are being monitored and managed. We would expect to be able to fully evidence that this audit recommendation has been complied with by the end of September 2025 (to allow two quarters of data to be collected post introduction of the CAFM system)</p>	
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2021/22	Corporate Estates Management	4 The process for recording and monitoring issues through the compliance tracker is fully implemented and a reporting framework is put in place, to ensure that any remedial actions or works required are identified and tracked to fruition in a timely manner	Medium	Agreed – for the property services managed properties. This may take longer to fully implement if we follow a corporate landlord model. If not then there will not be assurance for all properties.	Head of Economic Regeneration	Head of Economic Regeneration	Oct-22	Update - consultants have been employed to develop a Corporate Asset Management Toolkit. This will cover frequency of inspections and recording of compliance.	Jul-23	Jul-23 – Good progress is being made but consultants still engaged.	Dec-23	<p>As per recommendation 2:</p> <p>Dec-23 Contractor performance is currently being monitored via the Statutory Duty Group. Further improvements are expected to be delivered by the council adopting a digital Asset Management System to work alongside the Asset Management Toolkit currently being prepared. Work to identify Asset Management Systems is with implementation and onboarding likely to take 6 months.</p> <p>Nov-24 The CAFM system we are procuring contains a compliance module which allows both officers and contractors to upload compliance reports, reinspection dates and logs of remedial actions with “to complete by” dates. The system then provides alerts to nominated officers when remedial actions are required and reminders when overdue.</p> <p>Managers with access to the system will via the dashboard be able to identify how many remedial actions</p>	Oct-24 Jul-25
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71											<p>are overdue at any time and to identify who has been allocated responsibility for dealing with the remedial action.</p> <p>We are confident that this module will provide for close monitoring of remedials.</p> <p>The CAFM system will be operational by 1/4/2025 and it will be possible to monitor the number of remedial actions that are overdue once all users and managers have been trained and are comfortable interrogating the system (allow three months) therefore it should be possible to demonstrate compliance with this recommendation by 1/7/2025</p>		
2021/22	Corporate Estates Management	6 A comprehensive record of all assets and statutory inspections/ checks that are required by the Council is introduced These records should cover all services and be monitored and reported against on a regular basis to ensure testing/ checks have taken place as required. Note: This recommendation was made in the Health and Safety Audit, undertaken in February 2021 (due for implementation in June 2021) and as yet has not been implemented.	High	Not all of these assets are owned by the authority. The scope of the contracts need to be known and recorded and performance monitored against this. Where assets are owned by the authority these will be detailed as required.	Head of Economic Regeneration	Head of Economic Regeneration	Mar-23	Extended to align with other recommendations	Jul-23	Jul-23 – Good progress is being made but consultants still engaged.	Dec-23	<p>The digital Asset Management System will automatically schedule inspections at the required frequency. It is expected that a decision on which Asset Management system is to be adopted will be taken by 31/3/2023 with implementation and onboarding likely to take 6 months thereafter.</p> <p>Nov-24 This recommendation effectively goes hand in hand with number 2 above.</p>	Oct-24 Oct-25

72												<p>The Performance Monitoring is carried out against the comprehensive record of checks and inspections.</p> <p>A comprehensive list of checks and inspections has been established through the compliance toolkit work completed earlier in 2024 by EXI. We believe we have not yet complied with this recommendation however as the compliance records are not kept in one place, against a comprehensive (single) asset register. The CAFM system to be operational from April 2025 will provide the single asset list, the single point of recording and the ability to check compliance metrics.</p> <p>Once the system is operational records of inspections will be able to be uploaded but we will require a number of periods of data gathering in order to prove compliance with this audit recommendation. We plan to have sufficient evidence by 1/10/2025 (2 quarters post CAFM becoming operational).</p>	
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2024/25 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 31.03.2025	Comments
Achievement of the Internal Audit Plan	33%	A number of audits are in progress.
Quarterly Progress Reports to Management Team and Audit and Standards Committee	On track	
Follow up testing completed in month agreed in final report	On track	
Annual Opinion Report - August 2024 Audit and Governance Committee Meeting	Achieved	
100% Customer Satisfaction with the Internal Audit Service	100%	Based on two received during 2023/24
Compliance with Public Sector Internal Audit Standards	Conforms	External inspection carried out w/c 30 November 2020 which confirmed that the Council conforms with the Public Sector Internal Audit Standards.

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 23
APRIL 2025

Title of Report	AUDIT PLAN	
Presented by	Kerry Beavis Audit Manager	
Background Papers	Global Internal Audit Standards CIPFA Application Note CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government	Public Report: Yes
Financial Implications	None arising from the report	
	Signed off by the Section 151 Officer: yes	
Legal Implications	None arising from the report	
	Signed off by the Monitoring Officer: yes	
Staffing and Corporate Implications	None arising from the report	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	Audit and Governance Committee are responsible for approving the risk-based internal audit plan, as detailed within the Constitution. Therefore, this report is to inform the Committee of the proposed Internal Audit Annual Plan for 2025/26 and allow them to comment and approve	
Recommendations	THAT THE COMMITTEE 1. NOTES THIS REPORT AND PROVIDE ANY COMMENTS ON THE DRAFT 2025/26 AUDIT PLAN. 2. APPROVES THE DRAFT 2025/26 INTERNAL AUDIT ANNUAL PLAN SUBJECT TO ANY COMMENTS MADE UNDER RECOMMENDATION 1.	

Policies and other considerations, as appropriate	
Council Priorities:	An effective internal audit service and risk-based plan supports the delivery of all council priorities.
Policy Considerations:	None
Safeguarding:	None

Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment, Climate Change and Zero Carbon	None
Consultation/Community/Tenant Engagement:	The Corporate Leadership Team has been consulted during the development of the plan.
Risks:	The absence of a risk based internal audit plan could lead to an inefficient internal audit service.
Officer Contact	Kerry Beavis Audit Manager Kerry.beavis@nwleicestershire.gov.uk



INTERNAL AUDIT SHARED SERVICE

North West Leicestershire District Council

2025/26 Internal Audit Annual Plan

1. INTRODUCTION

- 1.1 The Global Internal Audit Standards in the Public Sector require the Chief Audit Executive (the Audit Manager for this Council) to create an internal audit plan that supports the achievement of the organisation's objectives. This document sets out the background and the approach to producing the annual plan, with the 2025/26 annual plan attached at Appendix A.

2. BACKGROUND

- 2.1. The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit play a vital role in advising the Council that these arrangements are in place and operating effectively. The Council's response to Internal Audit activity should lead to strengthening of the control environment and therefore contribute to the achievement of the organisation's objectives.
- 2.2. Internal Audit provide a combination of assurance and consulting/advisory activities. Assurance work involves assessing how well the systems are designed and working, with consulting or advisory activities available to help to improve those systems and processes where necessary. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.
- 2.3. The Internal Audit Charter details the:
- Purpose of internal auditing;
 - Commitment to adhering to the Global Internal Audit Standards in the UK Public Sector;
 - authorises access to records, personnel, and physical properties relevant to the performance of engagements; and
 - Mandate, including scope and types of services to be provided, and the board's responsibilities and expectations regarding management's support of the internal audit function.
- 2.4 The Three Lines of Defence Model (below) is a valuable framework that explains Internal Audit's role in providing assurance that the management arrangements over governance, risk and internal control are adequate and effective.



Source: Chartered Institute of Internal Auditors

3. INTERNAL AUDIT PLAN

3.1. Overall Strategy

3.1.1 The key aim of the service is to provide an independent, objective assurance and advisory function which is designed to add value and improve the Council's operations. This supports North West Leicestershire District Council in the achievement of its priorities and helps services to provide good value for money, as it brings a systematic disciplined approach to evaluating and improving the effectiveness of risk management and control and governance processes.

3.1.2 The Audit Manager has produced a risk-based annual audit plan for 2025/26. This is informed by a risk assessment which is based on a combination of:

- consulting with key stakeholders including senior management;
- reviewing the strategic risk register and committee minutes;
- reviewing reports from external agencies (for example external audit) and legislative updates;
- factors such as changes in staffing, systems and processes; and
- the Audit Manager's professional judgement.

This approach enables the finite resources of the team to be focussed on areas where it can add value and conforms to the Global Internal Audit Standards in the UK Public Sector.

3.1.3 The outcomes from each audit engagement undertaken as part of the annual audit plan underpin the Audit Manager's annual opinion on the Council's internal control environment. This opinion feeds into the Council's Annual Governance Statement.

3.1.4 It should be noted that the Global Internal Audit Standards in the UK Public Sector state that:

"The chief audit executive must review and revise the internal audit plan as necessary and communicate timely to the board and senior management:

- The impact of any resource limitations on internal audit coverage.
- The rationale for not including an assurance engagement in a high-risk area or activity in the plan.
- Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.
- Limitations on scope or restrictions on access to information."

For North West Leicestershire District Council the Chief Audit Executive is the Internal Audit Manager. The Internal Audit Manager will ensure that the audit plan is regularly reviewed and adjusted as necessary throughout 2025/26. In practice this may mean that audits are added to or removed from the plan, with details included in the quarterly progress reports.

3.2. Resources Available

- 3.2.1 The Audit Team who will deliver the 2025/26 annual audit plan at North West Leicestershire District Council consists of the Audit Manager (0.4 FTE), Internal Auditor (0.69 FTE), Internal Auditor (1 FTE – to be recruited), Internal Audit Assistant (1 FTE), Internal Audit Apprentice (0.34 FTE) and an IT audit contractor. Table 1 shows a calculation of the available audit days for 2025/26, this does not include the days for the IT auditor. Additionally, as the Internal Auditor post is currently vacant the number of days has been adjusted to reflect this, and further contingency is in place to postpone some audits if the vacancy cannot be filled.

Table 1: Resources Available

Available Days	593
Team and Contract Management / Annual Opinion/ Annual Plan/Audit Committees/Progress Reports/External Audit/Audit Reviews	102
Corporate Meetings/General Admin/ Minutes Review/Regional Audit Groups	21
Available Audit Days	470

3.3. Internal Audit Annual Plan 2024/25

- 3.3.1 The proposed 2025/26 Annual Audit Plan is shown in Table 2 below and the detailed plan is shown in Appendix A. The Plan will be subject to ongoing review to ensure that it remains aligned with the Council's objectives and the risks identified by management and the audit team. Any changes will be reported to the Corporate Leadership Team and the Audit and Governance Committee.

Table 2: 2025/26 Annual Audit Plan

Risk Based Audit Work 2025/26 (see Appendix A)	385
Completion of 2024/25 Outstanding Audits	23
Follow up reviews	15
Advisory – Ad hoc	7
Global Internal Audit Standards in the Public Sector	13
NFI, RIPA, Fraud	14
Risk Scrutiny	2
Contingency	11
Total Audit Days	470

- 3.3.2 Three of the Council's key financial systems (Benefits, Council Tax and NNDR) are provided by the Leicestershire Revenues and Benefits Partnership, and therefore the audits in relation to these systems will be undertaken by the internal auditors at Hinckley

and Bosworth Borough Council. The Audit Manager will review the audit reports to take assurance from them.

- 3.3.3 The timings shown within the Internal Audit Annual Plan are estimates based on time taken on previous similar audits and a high-level consideration of the scope and existing arrangements. As part of the set-up process for each audit engagement the scope of the audit will be agreed in detail and a more accurate budget for audit days will be set. A contingency has been included in the plan to allow for variances in planned audit days against actual and for ad-hoc or fraud investigations that may arise during the year. The quarterly progress reports to Audit and Governance Committee will include a comparison of planned to actual days for each audit undertaken.

3.4 Limitations

- 3.4.1 The matters raised in the audit reports will only be those which come to the Audit Team's attention during internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or all the improvements that may be required. Whilst every care will be taken to ensure that the information contained in audit reports is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained therein. The work of the Audit Team does not provide absolute assurance that material errors, losses or fraud do not exist.

2025/26 INTERNAL AUDIT ANNUAL PLAN

AUDIT AREA	TYPE	TIMING	COUNCIL PRIORITY AREA	RISK REGISTER (WHERE APPLICABLE)	PLANNED AUDIT DAYS
HOUSING					
Former Tenant Arrears	Audit	Q1,2,3,4	2	CR17	5
Right to Buy	Audit	Q3	2	CR17	10
Damp and Mould	Audit	Q4	2	CR17	15
Warmer Homes Grant	Grant Assurance	Q1,2,3,4	2	CR17	10
Housing Regulator	Audit	Q3/Q4	2	CR17	25
Tenant Association Accounts		Q1,2,3,4	2		3
Subtotal					68
COMMUNITY SERVICES					
Fleet Management & O' Licence	Audit/ Review	Q2/3	3	CR9	6
Leisure Centres Contracts	Audit	Q1	2	CR5	15
Port Health	Audit	Q2	2	CR9	15
Food Waste Project	Advisory/ Assurance	Q1,2,3,4	3		8
Burial Services	Audit	Q2	2	CR9	10
Subtotal					54
FINANCE					
Key financial systems	Audit	Q2,3,4	4	CR2	55
Subtotal					55
LEGAL AND SUPPORT SERVICES					
Committee Admin and Reporting	Audit	Q2/3	4	CR13/ CR9	15
Subtotal					15
PLANNING AND INFRASTRUCTURE					
Planning Development Management	Audit	Q3	1	CR16	15
Local Nutrient Mitigation Fund Grant	Grant Assurance	Q2	1,2	CR2	5
Subtotal					20

PROPERTY AND ECONOMIC REGENERATION					
Regeneration Projects	Audit	Q1,2,3,4	1	CR2/ CR8	40
UKSPF	Grant Assurance	Q3	1	CR2	4
Regeneration Projects	Advisory	Q1,2,3,4	1	CR8	20
Subtotal					64
CROSS CUTTING					
Culture & Ethics	Audit	Q2/3/4	All		15
Project Support	Advisory	As required	All	CR8	10
Data Protection	Audit	Q2	All	CR4	20
Absence Management	Audit	Q3	4	CR3	15
Health and Safety	Audit	Q1	4	CR18	15
Business Planning and Performance	Audit	Q3	4	CR13	10
Climate Change	Advisory	Q1,2,3,4	3	CR15	4
Procurement & Contract Management	Audit	Q2	4	CR5	20
Subtotal					109
Total In House Days					385
OUTSOURCED IT AUDITS – not included in audit days					
ICT					
IT Business Continuity	IT Audit Contractor	TBA	4	CR7	10
IT Change Control	IT Audit Contractor	TBA	4	CR7/ CR5	10
Subtotal					20

Key to Priorities

1. Planning and Regeneration
2. Communities and Housing
3. Clean, green and zero carbon
4. A well run council

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 23
APRIL 2025

Title of Report	INTERNAL AUDIT CHARTER	
Presented by	Kerry Beavis Audit Manager	
Background Papers	Global Internal Audit Standards (GIAS) CIPFA Application Note CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government	Public Report: Yes
Financial Implications	None arising from this report.	
	Signed off by the Section 151 Officer: yes	
Legal Implications	None arising from this report.	
	Signed off by the Monitoring Officer: yes	
Staffing and Corporate Implications	None arising from this report.	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	One of the core functions of the Committee, as defined within its terms of reference, is to approve the Internal Audit Charter (an essential condition of the GIAS) which includes the internal audit mandate and the scope and types of internal audit services.	
Recommendations	THAT THE COMMITTEE APPROVES THE INTERNAL AUDIT CHARTER AT APPENDIX ONE OF THIS REPORT.	

1.0 BACKGROUND

- 1.1 In accordance with the Global Internal Audit Standards (GIAS), the purpose, authority and responsibility of the internal audit activity must be formally defined in an Internal Audit Charter. For local government bodies, this is complemented by the CIPFA Application Note and Code of Practice for the Governance of Internal Audit in UK Local Government (the Code).

Whilst the Council's Internal Audit Service has always had a Charter (approved annually by the Audit and Governance Committee), the introduction and requirements of the GIAS has presented an opportunity to review and reshape its contents.

In summary the following have been updated to ensure conformance with the GIAS's –

- An update of the definitions of the Board, Senior Management and the Chief Audit Executive;
- Update of the purpose of Internal Audit;
- Defined the mandate;
- Defined the Roles and Responsibilities of the Chief Audit Executive, including Ethics and Professionalism;
- Added in sections on Managing the internal audit function, communication with the Board and Senior Management; and
- Detailed the areas of oversight of the Board.

Policies and other considerations, as appropriate	
Council Priorities:	An effective Internal Audit Service that conforms to the relevant Standards and Legislation supports the delivery of all council priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment, Climate Change and Zero Carbon	None
Consultation/Community/Tenant Engagement:	The Charter was presented to the Corporate Leadership Team on 26 March 2025.
Risks:	Failure to have an approved Internal Audit Charter will lead to non-conformance with relevant Standards and Legislation.
Officer Contact	Kerry Beavis Audit Manager Kerry.beavis@nwleicestershire.gov.uk



INTERNAL AUDIT CHARTER

North West Leicestershire District Council

Version Control

Author	Date	Action
Lisa Marron Audit Manager	May 2020	Aligned Charter for all authorities.
Lisa Marron Audit Manager	September 2021	Reference to Seven Principles of Public Life added. Section 13 changed from Consulting and Advisory work to Nature of Services, assurance definition added (13.1) and the purpose of our work explained (13.2). 9.4 added to confirm approach to work for organisations outside of the shared service.
Kerry Beavis Audit Manager	September 2022	No changes required.
Kerry Beavis Audit Manager	September 2023	Minor - name changes.
Kerry Beavis Audit Manager	March 2025	Full review of Charter to align with the new Global Internal Audit Standards.

Contents

1. Introduction	4
2. Definitions	4
3. Purpose of Internal Audit.....	5
4. Commitment to Adherence to the Global Internal Audit Standards in the UK Public Sector	6
5. Mandate.....	6
6. Independence, Organisational Position, and Reporting Relationships	7
7. Changes to the Mandate and Charter	8
8. Board Oversight.....	8
9. Chief Audit Executive Roles and Responsibilities	9
10. Scope and Types of Internal Audit Services.....	13
11. Role of Internal Audit in Fraud-Related Work.....	14
12. Records Retention	14
13. Review.....	14

1. Introduction

- 1.1 The Accounts and Audit Regulations 2015 place a statutory duty on the Council to undertake an internal audit of the effectiveness of its risk management, control and governance processes. The Accounts and Audit Regulations 2015 also require that the audit takes into account Global Internal Audit Standards in the UK Public Sector or guidance.
- 1.2 The Global Internal Audit Standards in the UK Public Sector (GIAS) requires the Chief Audit Executive to develop and maintain an Internal Audit Charter. The Internal Audit Charter must set out the internal audit function's:
- Purpose;
 - Commitment to adhere to the Global Internal Audit Standards;
 - Mandate (including the scope and types of services to be provided, and the organisation's responsibilities and expectations regarding management's support of the internal audit function); and
 - Organisational position and reporting relationships.

The Chief Audit Executive is required to periodically review the Charter and present it to senior management and the 'board' for approval. Final approval of the Charter resides with the 'board'.

- 1.3 The Charter establishes the internal audit function's position within the Council, including; the nature of the Chief Audit Executive's functional reporting relationship with the board; authorising access to records, personnel and physical properties relevant to the performance of engagements; and defining the scope of internal audit activities.

2. Definitions

- 2.1 In line with the GIAS:

"Internal auditing is an independent, objective assurance and advisory service 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 governance, risk management, and control processes."

- 2.2 For the purpose of this charter the following definitions shall apply:

The Board – Highest-level body charged with governance, such as:

- A board of directors.
- An audit committee.
- A board of governors or trustees.
- A group of elected officials or political appointees.

- Another body that has authority over the relevant governance functions.

At this Council this shall mean the Audit and Governance Committee.

Senior Management – The highest level of executive management of an organisation that is ultimately accountable to the board for executing the organisation's strategic decisions, typically a group of persons that includes the chief executive officer or head of the organisation.

At this Council this shall mean the Corporate Leadership Team.

Chief Audit Executive – The leadership role responsible for effectively managing all aspects of the internal audit function and ensuring the quality performance of internal audit services in accordance with Global Internal Audit Standards in the UK Public Sector.

At this Council the Chief Audit Executive is the (Shared Service) Audit Manager.

3. Purpose of Internal Audit

- 3.1 The purpose of the internal audit function is to strengthen North West Leicestershire District Council's ability to create, protect, and sustain value by providing the Audit and Governance Committee and Senior Management with independent, risk-based, and objective assurance, advice, insight, and foresight, that meets rigorous professional standards.

The internal audit function enhances North West Leicestershire District Council's:

- Successful achievement of objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with stakeholders.
- Ability to serve the public interest.

The internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Global Internal Audit Standards in the UK Public Sector which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Board.
- Internal auditors are free from undue influence and committed to making objective assessments.

4. Commitment to Adherence to the Global Internal Audit Standards in the UK Public Sector

- 4.1 The internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements (specialised, mandatory provisions within the Global Internal Audit Standards that focus on critical risk areas).
- 4.2 The Chief Audit Executive will report annually to the Board and Senior Management regarding the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, which will be assessed through a quality assurance and improvement programme.

5. Mandate

- 5.1 The Internal Audit function derives its authority from the Accounts and Audit Regulations 2015, this Charter and the Council's Constitution.
- 5.2 The Accounts and Audit Regulations 2015 Section 5 (1) place a statutory duty on the Council to undertake an internal audit of the effectiveness of its risk management, control and governance processes. The Accounts and Audit Regulations 2015 also require that the audit takes into account Public Sector Internal Auditing Standards or guidance.
- 5.3 The Internal Audit staff have the authority to:
- enter any Council owned or occupied premises or land at all reasonable times (subject to any legal restrictions outside the Council's control);
 - have access at all times to the Council's records, documents and correspondence;
 - require and receive such explanations from any employee or member of the Council as he or she deems necessary concerning any matter under examination; and
 - require any employee or member of the Council to produce cash, stores or any other Council owned property under their control.
- 5.4 The Chief Audit Executive shall have access to, and the freedom to report in his/her name to all boards, members or officers, as he/she deems necessary.
- 5.5 All employees and members are requested to assist the Internal Audit activity in fulfilling its roles and responsibilities.

- 5.6 The Internal Audit activity will govern itself by adherence to the Global Internal Audit Standards in the UK Public Sector. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.
- 5.7 The Internal Audit function, and individual staff, will be governed by the code of ethics of the relevant professional bodies of which they are a member in addition to the Core Principles for the Professional Practice of Internal Auditing and the Code of Ethics from the International Professional Practices Framework. The Core Principles are:
1. Demonstrates integrity.
 2. Demonstrates competence and due professional care.
 3. Is objective and free from undue influence (independent).
 4. Aligns with the strategies, objectives and risks of the organisation.
 5. Is appropriately positioned and adequately resourced.
 6. Demonstrates quality and continuous improvement.
 7. Communicates effectively.
 8. Provides risk-based assurance.
 9. Is insightful, proactive, and future-focused.
 10. Promotes organisational improvement.
- 5.8 Internal Auditors who work in the public sector must also have regard to the Committee on Standards in Public Life's Seven Principles of Public Life, information on which can be found at www.public-standards.gov.uk.

6. Independence, Organisational Position, and Reporting Relationships

- 6.1 The Chief Audit Executive will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from Senior Management, thereby establishing the independence of the internal audit function. (See "Mandate" section above.) The Chief Audit Executive will report functionally to the Board and administratively (for example, day-to-day operations) to the Strategic Director of Resources (s151 Officer). This positioning provides the organisational authority and status to bring matters directly to Senior Management and escalate matters to the Board, when necessary, without interference, and supports the internal auditors' ability to maintain objectivity.
- 6.2 The Chief Audit Executive has free and unfettered access to the Chief Executive, Section 151 Officer, Monitoring Officer and Chair of the Board. The Chief Audit

Executive will communicate and interact directly with the Board, including in and between Board meetings, as appropriate.

- 6.3 The Chief Audit Executive will confirm to the Board, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the Chief Audit Executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Chief Audit Executive will disclose to the Board any interference internal auditors encounter related to the scope, performance or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

7. Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the Chief Audit Executive, Board and Senior Management on the internal audit mandate or other aspects of this Charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant acquisition or reorganisation within the organisation.
- Significant changes in the Chief Audit Executive, Board, and/or Senior Management.
- Significant changes to the organisation's strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

8. Board Oversight

To establish, maintain and ensure that North West Leicestershire's internal audit function has sufficient authority to fulfil its duties, the Board will:

- Discuss with the Chief Audit Executive and Senior Management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the Chief Audit Executive has unrestricted access to and communicates and interacts directly with the Board, including in private meetings without Senior Management present, if necessary.
- Discuss with the Chief Audit Executive and Senior Management other topics that should be included in this Charter.
- Participate in discussions with the Chief Audit Executive and Senior Management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.

- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Annually review this Charter with the Chief Audit Executive to consider changes affecting the organisation, such as the employment of a new Chief Audit Executive or changes in the type, severity, and interdependencies of risks to the organisation; and approve the Charter
- Approve the risk-based internal audit plan.
- Receive communications from the Chief Audit Executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement programme has been established and review the results annually.
- Make appropriate inquiries of Senior Management and the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

While the intent of the Global Internal Audit Standards is for the Board (i.e., The Audit Committee) to have budgetary, expenditure, and hiring authority over the Internal Audit Service, this is not the reality in the public sector. The following points aim to partially address the requirements of the Global Internal Audit Standards.

- Provide input to the Internal Audit function's human resources administration and budgets.
- Review the Internal Audit function's expenditure.
- Provide input to Senior Management on the appointment and removal of the Chief Audit Executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.
- Review and provide input to Senior Management on the Chief Audit Executive's performance.

9. Chief Audit Executive Roles and Responsibilities

9.1 Ethics and Professionalism

The Chief Audit Executive will ensure that internal auditors:

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of ethics and professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation, and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.

- Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

9.2 Objectivity

The Chief Audit Executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Chief Audit Executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for North West Leicestershire District Council.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any North West Leicestershire District Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, at least annually to appropriate parties, such as the Chief Audit Executive, the Board, Senior Management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

9.3 Managing the Internal Audit Function

The Chief Audit Executive will be professionally qualified (CIMA, CCAB or equivalent) and have wide internal audit and management experience, reflecting the responsibilities that arise from the need to liaise with Members, Senior Management and other professionals, both internally and externally.

The Chief Audit Executive has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the Board and Senior Management. Discuss the plan with the Board and Senior Management and submit the plan to the Board for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Board and Senior Management.
- Review and adjust the internal audit plan, as necessary, in response to changes in North West Leicestershire District Council's business, risks, operations, programmes, systems, and controls.
- Communicate with the Board and Senior Management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Board and Senior Management periodically and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact North West Leicestershire District Council and communicate to the Board and Senior Management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to North West Leicestershire District Council's relevant policies and procedures unless such policies and procedures conflict with this Charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Board and Senior Management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If

the Chief Audit Executive cannot achieve an appropriate level of coordination, the issue must be communicated to Senior Management and if necessary escalated to the Board.

9.4 Communication with the Board and Senior Management

The Chief Audit Executive will report periodically to the Board and Senior Management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement programme, which include the internal audit function's conformance with the IIA's Global Internal Audit Standards in the UK Public Sector and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues and other areas of focus for the Board.
- Results of assurance and advisory services.
- Resource requirements.
- Senior Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond North West Leicestershire District Council's risk appetite.

9.5 Quality Assurance and Improvement Programme

The Chief Audit Executive will develop, implement, and maintain a quality assurance and improvement programme that covers all aspects of the internal audit function.

The programme will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement.

The programme also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing.

Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the Chief Audit Executive will communicate with the Board and Senior Management about the internal audit function's quality assurance and improvement programme, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments.

External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside North West Leicestershire District Council; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

10. Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organisation, including all North West Leicestershire District Council's activities, assets, and personnel.

The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Board and Senior Management on the adequacy and effectiveness of governance, risk management, and control processes for North West Leicestershire District Council

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal Audit work will usually include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risk associated with areas under review and making proposals for improving the management of risks;
- appraising the effectiveness and reliability of the risk management framework and recommending improvements where necessary;
- assisting management and members to identify risks and controls with regard to the objectives of the Council and its services;
- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the Council is in compliance;

- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations and programmes to ascertain whether results are consistent with established objectives and goals, and whether the operations or programmes are being carried out as planned; and
- reviewing the operations of the Council in support of the Council's Anti-Fraud and Corruption policy.

11. Role of Internal Audit in Fraud-Related Work

- 11.1 The primary responsibility for maintaining sound systems of internal control including arrangements to prevent and detect fraud and corruption lies with Senior Management. An annual programme of internal audits is designed to assist this process by highlighting areas where controls are inadequate or are not operating.
- 11.2 All fraud investigations will be conducted in accordance with the Council's Constitution, Anti-Fraud and Corruption Policy and the Confidential Reporting (Whistleblowing) Policy.
- 11.3 All cases of suspected fraud and/or irregularity should also be reported to the Chief Audit Executive, with the exception of benefit fraud which should be reported to the Department of Work and Pensions. This is to ensure that appropriate action is taken and to enable the Chief Audit Executive to fully answer External Audit queries relating to the International Standard on Auditing (ISA) 240 "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements".

12. Records Retention

- 12.1 Audit engagement records will be retained for six years. This is in line with Local Government Association guidance.

13. Review

- 13.1 This Internal Audit Charter and Mandate will be reviewed annually by the Chief Audit Executive and presented to Senior Management and the Board for approval if any significant changes are identified.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 23
APRIL 2025

Title of Report	UPDATE ON ACTION PLAN IN RESPONSE TO ANNUAL AUDIT OPINION 2023/24	
Presented by	Paul Stone Director of Resources	
Background Papers	<u>NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL</u>	Public Report: Yes
Financial Implications	There are no financial implications to be considered	
	Signed off by the Section 151 Officer: yes	
Legal Implications	There are no legal implications to be considered	
	Signed off by the Monitoring Officer: yes	
Staffing and Corporate Implications	There are no staffing and corporate implications to be considered	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	This report provides an update on the findings of the Management Response to the Internal Audit Opinion 2023/24.	
Recommendations	THAT THE COMMITTEE NOTES THE PROGRESS AGAINST THE ACTIONS AGREED IN RESPONSE TO THE ANNUAL INTERNAL AUDIT OPINION 2023/24.	

1.0 BACKGROUND

- 1.1 In accordance with the Public Sector Internal Audit Standards (PSIA) the Chief Audit Executive (the Internal Audit Manager at North West Leicestershire District Council) is required to produce an annual report. The report for the financial year 2023/24 was considered by the Audit and Governance Committee at its meeting on 7 August 2024 alongside details of the management response and action plan.
- 1.2 The Opinion described the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The Internal Audit Annual Opinion for 2023/24 was "Limited Assurance".

- 1.3 This was the second consecutive year that the Council had received a limited assurance opinion and it was recognised that the level of assurance is not acceptable and that improvements were required. Therefore, an Action Plan was developed to address the concerns and issues raised.

2.0 UPDATES TO THE ACTION PLAN

- 2.1 In response to the Opinion and recognising the context within which the Opinion has been determined, the Corporate Leadership Team is progressing a number of key actions. It was agreed at the Audit and Governance meeting on 7 August 2024 that status updates would be presented to future committee meetings.

- 2.2 A copy of the Action Plan and progress to date is presented at Appendix One.

Policies and other considerations, as appropriate	
Council Priorities:	- A Well-Run Council
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None
Customer Impact:	None.
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon	None.
Consultation/Community/Tenant Engagement:	None.
Risks:	The Council's governance arrangements are a critical part of its operations to ensure decision making is robust and effective. Internal audit is an important part of these governance arrangements. There are a number of risks to the Council if it does not have a properly functioning internal audit function. These potential risks include reputation, poor decision making, fraud, lack of control and inadequate assurance.
Officer Contact	Paul Stone Director of Resources paul.stone@nwleicestershire.gov.uk

Management Actions in Response to Annual Internal Audit Opinion 2023/24

Action	Timeline for Delivery	Responsible Officer	Comments
Heads of Service to attend Audit and Governance meetings to respond to queries in respect of 'limited assurance' or 'no assurance' opinions.	Ongoing	Statutory Officers	ONGOING Officers attended the Audit and Governance Committee on 7 and 22 August 2024, with a particular focus on Housing. At the Audit and Governance meeting on 5 February 2025, Members sought further detail in respect of asbestos and recruitment and retention.
Additional resource for Internal Audit	February 2025	Internal Audit Manager	COMPLETED Council approved the budget as part of the General Fund Budget Report 2025/25 approved on 20 February 2025.
Further information to be provided by Internal Audit to show the direction of travel on audit recommendations.	September 2024	Internal Audit Manager	COMPLETED A chart of recommendation movement is now included within all monthly recommendation reports to CLT and all quarterly progress reports to both CLT and Audit and Governance Committee.
Continued focus on the Internal Audit function. This includes: <ul style="list-style-type: none"> Dedicated monthly Corporate Leadership Team (CLT) meeting to focus on audit recommendations. Requests for extension of audit deadlines to be made at the CLT meeting. Statutory Officers to request separate meetings with Directors/Heads of Service for any areas of concern. CLT to discuss the annual audit plan in draft in March each year. Directors to discuss progress against audit recommendations at performance meetings. Internal Audit to provide further detail/training on the work of Internal Audit to CLT Internal Audit Manager to provide details of how she arrives at the audit opinion for each report 	December 2024	Statutory Officers	COMPLETED There have been regularly dedicated monthly meetings of the Corporate Leadership Team to focus on progress against the internal audit recommendations. Statutory officers meet monthly and have requested further information on specific areas of concern. Audit recommendations appear as standing items on Team/Directorate meeting agendas. Annual audit plan is discussed in March each year. Audit Manager had a dedicated CLT session to discuss and detail the work of the internal audit function and processes. Discussions have been held regarding how the opinion for each audit have been arrived at. Additionally, there is now an overview in the audit report, for limited assurance reports, detailing why the assurance is such.
Acknowledgement of good work by services within audit reports.	December 2024	Internal Audit Manager	COMPLETED This is recognised in the key findings section of the audit report but as the report is by exception only not all good work is included.
Appointment of an independent Audit Committee Member.	December 2024	Director of Resources	COMPLETED Two independent members have been appointed subject to approval by Audit and Governance Committee at its meeting on 23 April 2025.
A suite of governance training has been arranged for November 2024.	November 2024	Head of Legal and Support Services	COMPLETED A suite of training sessions was delivered to team managers, Heads of Service and Directors during November 2024 covering topics such as

			risk management, information governance and committee report processes. There has also been a knowledge sharing video recorded by the Director of Resources, Head of Legal and Support Services and the Leisure Services Team Manager responding to governance related questions raised by team managers.
Internal Audit to attend Team meetings at least six monthly. [Head of Service to invite Internal Audit. Internal Audit to produce record of meeting]	December 2024	Internal Audit Manager	ONGOING Regular attendance at Housing Management Team meetings, also twice yearly at Head of Community Services Team meetings. As Internal Audit is now part of the Resources Directorate IA Manager attends all Resources DMTs. Requests have been made for invites to other DMT/ SMT but no further invites have been received.
Internal Audit to have regular meetings with External Audit	December 2024	Internal Audit Manager	COMPLETED IA/EA meetings have been arranged quarterly.
Internal Audit Included as part of the decision making/grant bids/project set up process	March 2025	Head of Internal Audit	ONGOING IA has been invited to some project meetings. IA Manager has discussed with all Heads of Service and highlighted the need for this on numerous occasions but still there appears to be a reluctance to involve IA at initiation.
Business/Service Plan process and associated templates to be updated to include Internal Audit Plan as a consideration (as part of wider support service engagement)	December 2024	Head of HR and Organisational Development	Still to be implemented.
Engage internal audit as part of Business/Service Plan process	December 2024	Directors/Heads of Service	Still to be implemented.
Consider if managers' Job Description need to be updated to reflect importance of assurance.	December 2024	Head of HR and Organisational Development	Still to be implemented.
Internal Audit to produce regular blogs, including case studies of usefulness of early/proactive engagement	December 2024	Internal Audit Manager	ONGOING Due to time pressures and staffing resources this has yet to be implemented. When the new intranet page is live, it is anticipated that this will follow.
Review the current intranet presence and accessibility for Internal Audit	December 2024	Internal Audit Manager	COMPLETED A new intranet is due from April 2025, IA has templated everything in preparation for this.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY 23
APRIL 2025

Title of Report	ANNUAL GOVERNANCE STATEMENT 2023-24	
Presented by	Paul Stone Director of Resources	
Background Papers	<u>Annual Governance Statement 2021/22 and 2022/23 - Audit and Governance Committee 24 April 2024</u>	Public Report: Yes
Financial Implications	There are no financial implications arising from this report.	
	Signed off by the Section 151 Officer: yes	
Legal Implications	Under Regulation 3 of the Accounts and Audit Regulations 2015, the Council is required to conduct a review of the effectiveness of the system of internal control and, as required by Regulation 6, must prepare an Annual Governance Statement.	
	Signed off by the Monitoring Officer: yes	
Staffing and Corporate Implications	There are no staffing implications arising from this report.	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	To present the Annual Governance Statement 2023/24.	
Recommendations	THAT THE AUDIT AND GOVERNANCE COMMITTEE APPROVES THE ANNUAL GOVERNANCE STATEMENT 2023/24.	

1.0 BACKGROUND

- 1.1 Local authorities have a legal responsibility to conduct, at least annually, a review of the effectiveness of their governance framework including their system of internal control. Following the review, an Annual Governance Statement ("AGS") must be produced, approved and published. Good practice dictates that the document is published alongside the statement of accounts but is considered in its own right.
- 1.2 Under normal circumstances, the AGS would be published alongside the Statement of Accounts for the relevant year. However, since the Council has not yet published these accounts, it is beneficial for the Audit and Governance Committee to review the AGS at this time. The AGS will be presented alongside the draft unaudited Statement of Accounts for 2023/24 at a future meeting.

- 1.3 Members of the Committee are asked to note the findings of the AGS and the actions proposed to further develop or strengthen elements of the Council's governance arrangements, which are outlined in the AGS shown in Appendix 1.
- 1.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) issue joint annual guidance on corporate governance which encourages local authorities in going beyond consideration of the internal control environment to look at wider arrangements for supporting sound corporate governance.
- 1.5 The CIPFA/SOLACE guidance - 'Delivering Good Governance in Local Government: Framework (2016)', outlines seven core principles for good governance, with a number of supporting principles. These seven principles are:
- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law.
 - B. Ensuring openness and comprehensive stakeholder engagement.
 - C. Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - E. Developing the Authority's capacity, including the capability of its leadership and the individuals within it.
 - F. Managing risks and performance through robust internal control and strong public financial management.
 - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 1.6 A key element of compiling the Annual Governance Statement is an assessment of the extent to which the Council has adhered to the governance standards set out in its Code, and providing a robust evidence base for this, set out in a transparent way. This is seen in the Statement in the section titled "How we comply with the CIPFA/SOLACE framework" on pages 8-14.
- 1.7 The AGS includes the following sections:
- Background and Scope of Responsibility – this section provides the purpose of the document and outlines the legal requirements for an AGS and its link to the Council's Code of Corporate Governance.
 - The Purpose of the Governance Framework – describes the Council's system of internal control.
 - The Governance Framework – describes how the Council has complied with the principles in its Code of Corporate Governance and includes links to online documents where the reader can access more detailed information.
- 1.8 There were several areas for improvement identified in the review of the AGS 2021/22 and 2022/23 for which updates have been provided.
- 1.9 The review of the 2023/24 AGS has identified further areas for improvement which are set out in the section titled "What are our key governance development priorities for

2024/25?”. The Annual Governance Statement is a snapshot document that reflects the governance arrangements, performance and structure of the Council at a specific point in time. Typically, it is prepared to coincide with the end of the financial year, and it provides a transparent account of the Council’s governance policies and practices over that period. The AGS 2024/25 will demonstrate the progress the Council has made in improving its governance arrangements.

1.10 The final section of the report details the overall opinion and conclusion.

1.11 Following Audit and Governance Committee approval, the final AGS will be published on the Council’s website.

Policies and other considerations, as appropriate	
Council Priorities:	- A Well-Run Council
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon	None.
Consultation/Community/Tenant Engagement:	None.
Risks:	The AGS is a mandatory requirement for local authorities. Failure to produce an AGS may result in non-compliance with relevant regulations namely the Accounts and Audit Regulations 2015.
Officer Contact	Paul Stone Director of Resources paul.stone@nwleicestershire.gov.uk

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**ANNUAL
GOVERNANCE
STATEMENT
2023/24**

What is Governance?

Governance is about how we ensure that we are doing the right things, in the right way for the right people in a timely, inclusive, open, honest and accountable manner.

Governance refers to the processes, systems and practices through which organisations, including governments, are directed and controlled. It encompasses the mechanisms by which decisions are made, implemented and monitored to ensure accountability, transparency, and efficiency.

It includes:

1. **Decision-Making:** Local councils and officials make decisions on various issues affecting the community, such as planning, public services, and local regulations.
2. **Service Delivery:** Ensuring that essential services like waste management, public transportation and social services are effectively provided to residents.
3. **Community Engagement:** Involving citizens in the decision-making process through consultations, public meetings, and feedback mechanisms to ensure their needs and preferences are considered.
4. **Accountability and Transparency:** Maintaining clear and open communication with the public about decisions, policies, and the use of public funds to build trust and ensure responsible governance.
5. **Regulation and Enforcement:** Implementing and enforcing local laws and regulations to maintain order and protect the welfare of the community.

Effective local governance is crucial for fostering sustainable development, enhancing the quality of life for residents, and ensuring that local governments are responsive and accountable to their communities.

Background and Scope of Responsibility

North West Leicestershire District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging the overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, which includes arrangements for the management of risk.

The Council has approved and adopted a Local Code of Corporate Governance (the “Code”), which is consistent with the principles of the CIPFA/SOLACE Framework ‘Delivering Good Governance in Local Government’ 2016. A copy of the Code is available on our website at [Local Code of Corporate Governance 2024.pdf](#). The

Code is reviewed annually and was approved by the Audit and Governance Committee on 26 July 2023.

This Statement explains how the Council has complied with the Code and meets the requirements of the Accounts and Audit Regulations 2015. The Council's arrangements comply with each of the principles in the CIPFA/SOLACE Framework.

The Purpose of the Governance Framework

"The governance framework includes the systems, processes, culture, and values that control and guide the authority's activities, and through which it interacts with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services."

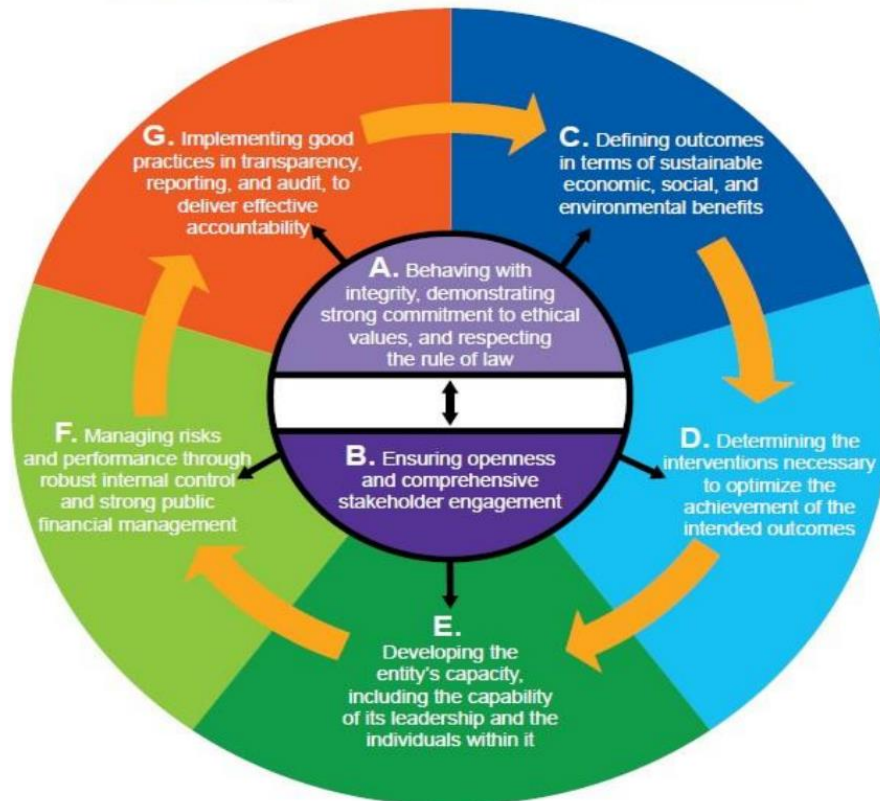
The Council's system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed:

- to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives,
- to evaluate the likelihood of those risks being realised and the impact should they be realised, and
- to manage them efficiently, effectively and economically.

The "Delivering Good Governance" framework below, envisages that there will be a continuous process of applying the seven principles, as set out in the Code, with two principles at the core of this process.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



The Governance Framework - Our vision, priorities and values

The Council's vision, priorities and values are set out in the Council Delivery Plan, which was approved by Council on 14 November 2023. The Council's vision is to support a clean, green and prosperous place where people want to live, work and visit. Our priorities are:

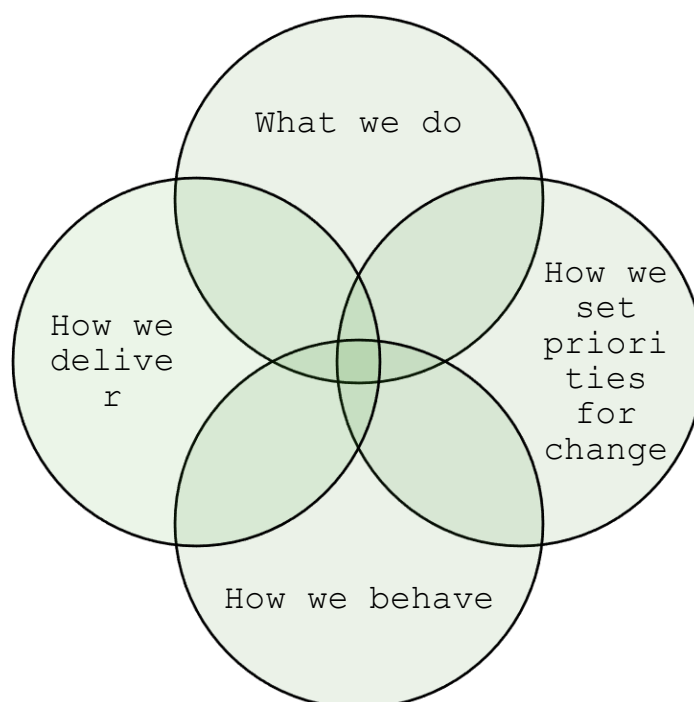
- **Planning and regeneration** This is about economic growth and physical development of the district.
- **Communities and housing** This is about looking after our tenants and keeping our communities safe.
- **Clean, green and Zero Carbon** This is about looking after the environment we live in.
- **A well-run council** This is about making sure our services are provided in a positive and friendly way, that we provide good value for money and that our finances are in good order.

We want our employees to believe in our five core values. These values will be integrated into our performance, staff development and appraisal programmes.

The overarching value is “One Council, one team” supported by the following five values:

- Excellence – we will always work to be the best we can be
- Trust – We are honest fair and transparent, and we value trust
- Respect – We respect each other and our customers in a diverse, professional and supportive environment
- Pride – We are proud of the role we play in making North West Leicestershire a happy healthy and vibrant place to live and work
- Growth – We will work together to grow and continually improve.

The key elements of our governance framework



The Council operates a cabinet style system of governance with separation of executive and scrutiny functions. All Cabinet members have been allocated a specific portfolio by the Leader and are responsible for driving forward the Council's key strategic aims.

The Council has a Constitution which sets out how it operates, how decisions are made and the procedures which are followed to ensure that decisions are efficient, transparent, and accountable to local people. The Constitution is reviewed annually by a working group of members supported by the Monitoring Officer.

The Council's arrangements for governance and scrutiny follow appropriate codes and guidance.

There are various layers of management within the organisation and our management teams each play an important role in governance framework.

We also have a series of Corporate Leadership Team (CLT) meetings (held with Directors and Heads of Service to consider strategic and operational matters relevant to specific directorates), and an Extended Leadership Team (ELT) meetings which include all Team Managers.

Managers across the Council, help the Chief Executive to shape the strategic direction of the Council and feed into ELT and Senior Management Team (SMT) meetings where Heads of Service meet with their respective Team Managers to consider specific service matters.

Role of the Council

The extent of the role of full Council in reviewing and monitoring effectiveness of internal control is set out in Part 3 of the Council's Constitution. Part 3 provides that the Council is responsible for setting the policy and budgetary framework. The Council's Statutory Officers who consist of the Head of Paid Service (the Chief Executive), the Monitoring Officer (Head of Legal and Support Services) and the Section 151 Officer (Director of Resources) fulfil the statutory duties associated with their roles, including ensuring that the Council's activities are in accordance with the law and legislative requirements, and that financial budgets are set appropriately and are monitored regularly. The Council's financial management arrangements conform to the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Constitution of the Council is subject to a continuous review process which sets out matters reserved to Council, Cabinet and Committees for decision, all other decisions are delegated to Officers. The Constitution was reviewed in 2023/24 and the new version, which was actively considered by Members, was approved by Council in February 2024.

Role of Cabinet

The Cabinet has responsibility for all executive functions and for making recommendations to Council within the Budget and Policy Framework. Its remit is clearly set out in the Constitution and it plays a major role in reviewing key aspects of overall service delivery, including monitoring its effectiveness and related governance issues.

Role of Audit and Governance Committee

The Audit and Governance Committee is responsible for ensuring that the Council's systems for internal control are sound by reviewing control mechanisms and guidelines (both internal and external), and ensuring continued probity and good governance of the Council's operations. The Committee meets the external auditor

to discuss findings in the Annual Audit Management Letter and reports. The Committee is also responsible for dealing with member conduct and standards issues.

Role of Scrutiny Committees

The Community and Corporate Scrutiny Committees carry out the Council's scrutiny function. The 'Call-in' provisions found within the Constitution provide members of the Corporate and Community Scrutiny Committees with a mechanism to scrutinise decisions of Cabinet where they feel that they have been taken outside the principles of decision making set out in Part 2, Section A of the Constitution:

- a) proportionality (i.e. the action must be proportionate to the desired outcome).
- b) due consultation and the taking of professional advice from officers.
- c) respect for human rights.
- d) a presumption in favour of openness.
- e) clarity of aims and desired outcomes.
- f) explaining what options were considered and giving the reasons for the decision."

The Committees are also consulted on policy development ahead of reports being taken to Cabinet.

Risk Management

The overall objective of the Council's risk management strategy is the identification, analysis, management and financial control of those risks which can most impact on the Council's ability to pursue its approved delivery plan.

The Risk Management Policy was approved by Audit and Governance Committee on 26 July 2023 and all reports to Council, Cabinet and Committees have a risk management section. A Corporate Risk Register has been developed and approved at both Corporate Leadership Team and by Elected Members. The Corporate Risk Register is accepted as a live document constantly under review for progress on managed risks and new risks that could impact on the Council. A risk review cycle has been developed that will allow closer links with the service planning process. The Council has decided that Service Plans will contain identified risks which was introduced for the Service Planning for 2024/25.

The Corporate Risk Group (CRG) is represented by each of the Council's services. The CRG will identify new risks and review the corporate risk register. Review of corporate risks is part of the terms of reference of the Audit and Governance Committee. Risks are reported to Audit and Governance Committee on at least a quarterly basis.

To ensure the Council's risk management approach is working effectively an external review was undertaken by Zurich (the Council's insurers). The review took place in 2022/23 with an action plan developed to address areas of

weakness across the Council. Progress has been made against the Action Plan which is being monitored by the Corporate Risk Group.

Role of Internal Audit

The Council has a Public Sector Internal Audit Standards (PSIAS) compliant Internal Audit service that is responsible for monitoring the quality and effectiveness of systems of internal control. A risk model is used to formulate an annual work plan, progress against which is reviewed each quarter by the Audit and Governance Committee. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Director and Head of Service as well as the Chief Executive, Section 151 Officer and Monitoring Officer. The reports include an independent opinion on the adequacy of the applicable internal controls, audit findings and recommendations for improvements with an agreed timescale for implementation. Progress against recommendations is followed up by Internal Audit and reported to Audit and Governance Committee on a quarterly basis throughout the year. In addition, Corporate Leadership Team oversees the delivery of audit recommendations.

The Internal Audit Report 2023/24 was considered by the Audit and Governance Committee at its meeting on 7 August 2024. The Chief Audit Executive (Audit Manager) issued a “Limited Assurance” opinion. This was the second consecutive year of a limited assurance opinion. It is recognised that this level of assurance is not acceptable and requires improvements. In response to the Opinion the Council has instigated and established an Action Plan to address the concerns and issues raised. Details of which are set out later in this document.

Of the audit opinions given in 2023/24, three had a reasonable opinion and fourteen had a limited opinion. The Management Response to this was considered by Audit and Governance Committee on 7 August 2024.

Mazars LLP was appointed by the Public Sector Audit Appointments (PSAA) as the Council’s external auditor for 2021/22 and 2022/23, with Azets being appointed as the Council’s external auditors for the 2023/24 financial year. The auditor’s statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014, the National Audit Office’s Code of Audit Practice and the PSAA Statement of Responsibilities. The Council has built good working relationships with Mazars and onboarding arrangements with Azets is progressing.

External Audit provides an opinion on the Council’s financial statements and conclude on the arrangements in place for securing economy, efficiency and effectiveness in the Council’s use of resources (value for money conclusion).

At the end of the financial year, the Council had not published its Statement of Accounts for 2021/22 and 2022/23. The Government confirmed its proposals to address the audit and backlog, and the Council is working towards publication of the unaudited Statement of Accounts to meet the backstop dates of 13 December 2024.

How we comply with the CIPFA/SOLACE framework

The following sections list the key elements of the systems and processes that comprise the Council's governance framework with a commentary setting out how the arrangements comply with each of the principles that are laid out in the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government.

During the year, the Council completed the Office for Local Government Best Value Self-Assessment. This is a framework designed for local authorities to evaluate their performance against the Best Value Duty. This duty requires councils to ensure continuous improvement in their services, focusing on economy, efficiency and effectiveness. Key components of the assessment include Leadership and Governance, use of resources, service delivery and partnerships and community engagement. The self-assessment has helped to evaluate where the Council is performing strongly, and this is reflected in the following pages. In areas where performance is lacking, a comprehensive action plan has been developed, and a significant portion of the actions has already been implemented.

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Arrangements have been put in place to ensure probity when dealing with different stakeholders and these are frequently updated. The Council has a Councillors' Code of Conduct, Planning Code of Conduct, Licensing Code of Conduct and Citizens' Rights which are all set out in the Constitution. These are regularly reviewed to take account of the latest legislation and guidance; these codes were reviewed in February 2023 as part of the update of the Council's Constitution.

The Council has an adopted Councillors Code of Conduct (based on the LGA Model Code), which is the same as other Leicestershire District/Borough Councils and the County Council. Many Town and Parish Councils in NWL adopted the same code as the Council. This provided consistency for dual/triple hatted members.

The Council has adopted Arrangements for Dealing with Complaints about Councillors. The MO deals with all complaints received.

During 2023/24 the Audit and Governance Committee had a pro-active work programme, and each meeting of the Committee received a quarterly performance monitoring report including information on standards complaints and ethical indicators.

The Council has robust arrangements for monitoring compliance with the Councillor Code of Conduct (including gifts and hospitality). The Officer Register of Gifts and Hospitality is monitored by the Chief Executive.

The Head of Paid Service, Section 151 Officer and Monitoring Officer meet regularly as a Statutory Officers Group (every six weeks). Their work includes monitoring compliance with standards of conduct across the Council, including both officers and members.

The Council's Whistle Blowing Policy includes members, contractors, suppliers and service providers and people working in partnership with the Council (e.g. volunteers). All reports received under the policy are investigated thoroughly.

Training is provided to councillors who are involved in several committees. Specific Audit and Governance Committee training was delivered on a range of topics throughout the year.

Our values have been developed by our staff, for our staff. They are reflected through our entire working journey with the Council – from recruitment to staff appraisal and staff recognition. The Council work as one team to provide high quality, value for money services, always putting the customer first.

Ensuring effective arrangements are in place for the discharge of the Monitoring Officer function

The "Monitoring Officer" function is carried out by the Head of Legal and Support Services who reports to the Chief Executive. The Legal Team Manager who has responsibility for legal matters and is also the "Deputy Monitoring Officer", reports to the Head of Legal and Support Services.

Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function

The "Head of Paid Service" role is undertaken by the Council's Chief Executive. The Head of Human Resources and Organisational Development, responsible for all HR matters, reports to the Chief Executive.

Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

The Council has an established Audit and Governance Committee whose remit and functions are based on the guidance set out in the CIPFA/SOLACE 'External Audit in Delivering Good Governance in Local Government: Framework', 2016, which identifies best practice in relation to roles and responsibilities. The Committee meets quarterly and receives regular reports from both the Section 151 Officer and the Audit Manager. Arrangements are in place for the Audit Manager to report independently to the Audit and Governance Committee should he/she feel it appropriate to do so.

Our staff values



There have been a number of training sessions with Audit Committee Members in supporting CIPFA's Position Statement which include risk management training and an overview of the Statement of Accounts.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Council ensures compliance with established policies, procedures, laws and regulations through various channels. Two of the Council's statutory officers, the Section 151 Officer and the Monitoring Officer, have responsibility for ensuring that the Council does not act in an ultra vires manner, supported by the Head of Human Resources and Organisational Development, who facilitates the management and mitigation of risk, and the Audit Manager who provides assurance on matters of internal financial control.

There is an in-house, Lexcel accredited Legal Team. Lexcel is the Law Society's legal practice quality mark for excellence in legal practice management and excellence in client care. The Legal Team work closely with all teams across the Council providing risk-based advice.

The Local Government Association has acknowledged the Council's good governance arrangements as an assurance case study, highlighting that good governance is important to both the political and managerial leadership of the Council.

Whistle-blowing and for receiving and investigating complaints from the public

The Council has in place appropriate Confidential Reporting policies and procedures which are regularly reviewed and updated where required. The Whistleblowing Policy is one of a suite of corporate governance policies which were reviewed in 2023.

Staff are aware of the Whistleblowing policy through the Council's intranet and as an integral part of the induction process for new starters. There is also a well-established and responsive complaints procedure to deal with both informal and formal complaints from customers and residents.

In 2022, the Council reviewed and adopted Arrangements for dealing with complaints about the conduct of councillors which include an informal resolution stage facilitated by the Monitoring Officer.

The Audit and Governance Committee has oversight of the complaints process and receive quarterly reports from the Monitoring Officer.

Principle B. Ensuring openness and comprehensive stakeholder engagement

The Council has established corporate communications principles and a communications strategy/plan which identifies key projects and campaigns. The

LGA Assurance case study



communications strategy aligns with the Council Delivery Plan. The Council has developed a corporate narrative with the support of the LGA which sets out what it can realistically achieve and how it will engage with communities.

The Council uses various means to communicate key messages to members of the public, including press releases, website content, social media and where relevant direct communication. Internally, we communicate with staff via team meetings, the intranet, blogs and Chief Executive's roadshows for staff. The Council's communication principles are:

- We will communicate the right information with the right people at the right time in the right way to make sure our priorities, key decisions and actions are understood.
- We will be proactive, transparent and realistic in our communication
- We will shout loudly about the positive things and show pride in our work
- We will always seek to have control over the message
- We will keep our audiences updated on our key projects, even when there aren't concrete updates
- We will make sure the most affected people know the information first
- We will target particular audiences depending on what we're talking about
- We will use the right tools and channels for the job
- Communications and the support from the Communications Team is embedded within teams and projects
- We will evaluate our communication – with our Corporate Leadership Team and Strategy Group having visibility over this
- Our commitment to staff communication:
 - We will consider how we communicate key messages to every member of staff, including remote workers and non-networked colleagues
 - We will have a clear and consistent style of communication which doesn't get in the way of the message
 - We will facilitate dialogue between the council's leadership team and officers
 - We will share our knowledge and expertise so improve the standard of communications across the council

- We will support a positive staff morale by helping staff to feel more engaged and onboard

The Council has refreshed its communications strategy for keeping employees up to date.

A staff roadshow was held in November 2023 to support the development of our Transformation Delivery Plan.

The Council has a regular mechanism of meetings with representatives and officials from the recognised Trade Unions in place.

The Council's scrutiny arrangements are designed to ensure that key policies are scrutinised and involve all sections of the community and stakeholders, as necessary.

To strengthen the relationship between parish and district, our Community Focus Team was set up in 2012 and was split into the community forum areas – Coalville and surrounding area, Ashby, Measham and Moira and the northern area. The work includes:

- The main point of contact with NWL town and parish councils, including regular engagement through a quarterly parish liaison meeting and monthly newsletters.
- In partnership with food banks, emergency food providers across the district, and other stakeholders, delivery of the NWL Food Poverty Action Plan
- As a team, support departments with engagement and consultation on various projects across the district • Build and support community resilience across the district, including weather resilience, youth engagement, training to strengthen parish and town councils and voluntary/community groups.
- Administer and co-ordinate the ongoing district Small Grant and Zero Carbon Grant schemes, one-off grants such as the Kings Coronation Grant and the UK SPF Community Grant, and Council grants to Age UK and the Citizens Advice
- Coordinate and deliver the Free Tree Scheme in partnership with the National Forest Company

The Council has a Statement of Community Involvement which sets out how residents, businesses and other organisations can engage with the planning system. In addition, there are various forums and panels such as the Members and officers have a constructive relationship. Leading members meet with senior officers fortnightly at Strategy Group and the Chief Executive meets monthly with the Leader and Deputy Leader of the Opposition.

Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits.

Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the authority's overall governance arrangements

The Council participates in a range of joint working arrangements with other bodies. There are countless examples of the Council's working in partnership with other local authorities via:

- Chief Housing Officers group
- Revs and Bens and Building Control Partnerships.
- Leicestershire Chief Executives
- East Midlands Chief Executives
- Planning Member Advisory Group
- Resilience Partnership Board for Emergency Planning

There is strong evidence within the organisation of networking at a local, county and regional level. Examples include:

- A Leicestershire Chief Execs Group and Leaders forum
- Freeport Board, Planning Officers Group to oversee the County's Growth Strategy.
- Economic Development Officers group
- Revenues and Benefits and Building Control Partnership
- HR Managers Group and
- Community Safety Group.

The Chief Executive has a positive relationship with the Chief Executive of the National Forest. Our partners also include each of the registered Housing Providers, the Police, health providers, community and voluntary sector groups, and parish councils.

Where there are formal partnership arrangements, appropriate governance arrangements have been put in place.

For those that deliver services to our customers there are service level agreements or contractual arrangements in place to ensure delivery and protect reputational risk. Should there be corporate risks based on partnership arrangements these will be detailed within the corporate risk register. The Council is particularly mindful of the financial and reputational risks that can arise through entering joint working and collaborative arrangements, including the potential for a detrimental reputation impact on the Council should the partnership fail.

Enhancing the accountability for service delivery and effectiveness of other public service providers

The Council is a partner in the Leicestershire, Leicester and Rutland Resilience Partnership (LRRP). All councils at Unitary, District and Borough levels are members of the Partnership to bring together emergency management resources to prepare for and respond to civil emergencies within the Leicester, Leicestershire and Rutland area. The Head of Human Resources and Organisational Development is the Council's representative on the Resilience Partnership Management Board.

The Leicestershire Partnership, Revenues and Benefits is a collaborative effort involving three local authorities in Leicestershire to enhance the delivery of revenues and benefits services.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome

The Council Delivery Plan and our Medium-Term Financial Strategy detail how we have planned all our resources, both financial and staffing, to deliver against our priorities.

The Council has a robust performance management framework which was developed and agreed alongside the Council Delivery Plan (CDP). The framework sets out the arrangements for managing performance in the Council on an individual, team, service, department and CDP priority basis. Performance progress on the CDP is reported to Cabinet and the Corporate Scrutiny Committee on a quarterly frequency.

The Council's People Plan is being updated to reflect the move to flexible and agile working. The Council has reviewed its benefits package to recruit and retain appropriately skilled staff. This work has a focus on professions and areas of the workforce where there have been particular recruitment and retention difficulties. The Council has recruited 13 apprentices and has also been working with East Midlands Councils and the LGA to develop a national recruitment campaign for local government.

Profiled financial monitoring reports are produced, which also project the outturn, after each quarter end. These are reviewed by all budget holders and portfolio holder cabinet members on a quarterly basis and are reported to cabinet on a quarterly basis. However, the delivery of reports was hindered during the year as the Council addresses the challenges of a new financial management system.

A series of STAR Chamber meetings were convened to support the budget setting process for 2024/25. It helped to pinpoint potential budgetary reductions in line with the Council's strategic objectives. These sessions were instrumental in ensuring that the financial planning is in harmony with the Council's established priorities.

The Council has invested in a leadership development programme and provided opportunities for staff to take part in DCN Leadership programme, Young LA of the year where we came a creditable second place and Tri-Sector challenge to develop staff. The Council has also registered for the new Graduate Development programme.

The Best Value Duty requires local authorities and other public bodies to ensure continuous improvement in their functions, focusing on economy, efficiency, and effectiveness. The Council has conducted a self-assessment, leading to several actions that are currently being monitored.

Complaints and other formal enquiries are important information, providing an opportunity to understand where and why things sometimes go wrong and provide a basis for the Council to make positive changes, informed by data and the resident voice. The Council has recently reviewed its approach to complaint handling and updated that further following the publishing of the recent consumer standards in housing. Senior officers have oversight of all complaints at Stage 1 with the Chief Executive signing off all Stage 2 complaint responses.

The Council delivers a wide range of services to local people and in the main these are delivered to high standards and are comparable with similar councils. However, waste and housing are two areas of particular focus. The Council is undertaking a review of both these areas with a view to improving performance.

Principle E – Developing the entity’s capacity including the capability of its leadership and the individuals within it

The Council has rigorous recruitment and selection, performance management and staff development processes.

The Council fully supports the requirements to ensure that both members and senior officers have the necessary skills sets to fulfil their strategic role in the organisation. A comprehensive induction programme exists for both members and officers which has been developed to deal with all relevant core issues. The Council is committed to creating an environment where elected members’ skills can develop and thrive with regular courses being delivered.

An annual development review is undertaken for all officers, which includes the identification of training and development needs, which are then considered and built into a service level and corporate training programme where appropriate. We recognise the critical role that a motivated, skilled and capable workforce plays in every aspect of service delivery. Our People Plan that sets out the Council’s ambitions for a sustainable, effective and efficient workforce was approved by Cabinet in December 2018. The Plan includes timetabled actions against five thematic areas including: being an employer of choice; developing and supporting staff; leadership; happy and healthy workforce; and communication and listening. Progress to implement the plan will continue through the forthcoming year.

In April 2019 the Council achieved Investors in People accreditation and is now IIP Accredited (Silver) until 2025.

The Council adopted new corporate values in 2019, and these have been embedded into our recruitment and appraisal processes.

Principle F – Managing risks and performance through robust internal control and strong public management

The Community and Corporate Scrutiny Committees carry out the Council's scrutiny function. The Council has effective Scrutiny arrangements – two Committees chaired by opposition members. An informal working group plan the Scrutiny Work programme, and the work of the Committees is highlighted annually. An opposition member also chairs Audit and Governance Committee.

The Council maintains an Executive Decision Notice of key decisions to maximise transparency and consultation. The writing of formal reports follows a prescribed procedure which requires the completion of a number of procedural requirements for content, including Statutory Officer checks for legality, budgetary compliance, rationale and risk. Reasons for all decisions must be given and these are recorded in the minutes.

The Member and Officer Codes of Conduct and associated procedures act as a safeguard against conflicts of interest or bias.

The Audit and Governance Committee undertake the functions of an audit committee as identified by CIPFA guidance. It receives regular reports and presentations from the External Auditor and is independent of Cabinet.

The Council has a customer feedback complaints system, and this information is used to improve service delivery and customer satisfaction.

The Council's has a Risk Management Policy in place. The strategic risk register is reviewed and updated and scrutinised by the Audit and Governance Committee on a quarterly basis.

The risks identified have been linked to Council priorities/strategic aims and lead officers have been identified to manage each risk. Risk Management also forms a key element of the Council's Delivery Plan, and the Service Planning process and risk management is an integral part of the Council's performance management arrangements.

As part of the Council's Corporate Project Management Framework, all major projects have their own risk log. All reports going to members include the risk implications associated with the decision members are being asked to make.

The Council is committed to the effective use of IT and has an ICT strategy and IT Security Policy which were reviewed during 2023.

The Council's 2023/24 Treasury Management Strategy Statement was approved by Council in February 2023, respectively, and risks are fully evaluated as part of this Strategy.

Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Ensuring the Authority's Financial Management Arrangements Conform with the Governance Requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016)

Formal arrangements are in place for the Section 151 Officer with an interim employee appointed for part of the year, however, a permanent Director of Resources (Section 151 Officer) commenced employment in September 2023. Adherence to the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) continues.

The Section 151 Officer convenes with the Portfolio Holder on a fortnightly basis to provide updates on prevailing financial matters. The Section 151 Officer engages in regular dialogues with opposition members concerning fiscal matters, also fostering a transparent and candid rapport with the Audit and Governance Committee Chair.

Ensuring the authority's assurance arrangements addresses the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019)

The Council's internal reporting arrangements are designed to ensure the independence of the internal audit function. Appropriate resources are made available to provide an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It brings a systemic disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. The Audit Manager reports directly to the council's Audit and Governance Committee on all matters appertaining to audit outcomes.

Internal Audit provision has been reviewed and planned audit days have been increased significantly to reflect the size of the organisation, complexities and risks.

The Audit Manager and the Section 151 Officer meet on a monthly basis to discuss and review governance and risk matters.

Progress on Improvement Areas Arising from the Previous Annual Governance Statement

Improvement	Outcome
Retention of documentation in relation to the recruitment of consultants/temporary staff and following appropriate contract procedure rules. Segregation of duties between HR and payroll functions.	Implemented.
Rent Accounting & Arrears – improvements required to the management and monitoring of accounts in arrears and in credit.	Implemented.
Choice Based Lettings – management and monitoring of the waiting list, including applications and the documenting of decisions.	Implemented.
Payroll – improvement in segregation of duties between the HR and Payroll functions	Not implemented. Finance and payroll have held a workshop to review the work required.
Tax – IR35 & P60 – improve processes in respect of document retention in relation to the recruitment of consultants.	Implemented.
Compliance with CIPFA Position Statement to ensure the Audit and Governance Committee have the required skills and knowledge.	Training was delivered to the Audit and Governance Committee in October 2023.

What are our key governance development priorities for 2024/25?

The sustainability of local government remains important in light of increasing financial pressures across the sector. The key governance priorities for 2024/25 are:

Area for Improvement	Responsible
Ensuring financial sustainability is a top priority for the Council. To address the funding gap over the medium term, the Council's Transformation Programme will focus on identifying potential savings while also enhancing services and streamlining internal processes.	Director of Resources
The Annual Audit Opinion for 2023/24 provided limited assurance. To address this, there is a strong emphasis on implementing outstanding audit recommendations, with regular monitoring by statutory officers and the corporate leadership team. An action plan has been developed in response to the audit opinion and was presented to the Audit and Governance Committee at its meeting on 7 August 2024	Chief Executive Directors Heads of Service
The Council completed an LGA Peer Review in June 2024. The outcomes of this review will be presented to the Cabinet in December 2024, followed by the development of an action plan based on the findings.	Chief Executive
Governance training continues to be a priority for the Council, with annual sessions scheduled for its leaders to ensure ongoing development and adherence to best practices. The training covers a range of essential topics. These sessions are designed to equip leaders with the knowledge and skills necessary to govern effectively and uphold the highest standards of governance.	Head of Legal and Support Services
Appointment of an Independent Audit Committee Member for the Audit and Governance Committee, following the	Director of Resources

decision to remunerate the role. This will bring valuable external expertise and impartiality to the committee, enhancing its oversight and governance capabilities.	
Continue to strengthen project management governance across the council. Guidance documentation and standard templates have been published and will be regularly updated to ensure they remain effective. There is an ongoing emphasis on governance for all council projects, including regeneration schemes, housing, and transformation initiatives.	Chief Executive Director of Resources Head of Legal and Support Services
Training in assurance for members of the Audit and Governance Committee to equip them with the knowledge to effectively oversee the Council's financial reporting, internal controls, governance and risk management processes.	Director of Resources
Maintain a continued focus on fulfilling the Council's financial reporting requirements for local government, including the onboarding process with the new external auditor, Mazars.	Director of Resources
Conduct a review of the Council's Constitution which will focus on several key areas to ensure it is effective and up to date.	Head of Legal and Support Services.
The Council will monitor the boundary review closely and update governance arrangements as needed.	Head of Legal and Support Services

Overall opinion and conclusion

The Council is satisfied that appropriate governance arrangements are in place, however, it remains committed to maintaining and where possible improving these arrangements, in particular by addressing the issues identified in undertaking the annual review. The Council will continue to seek to enhance and strengthen governance arrangements within these areas for improvement and monitor progress made as part of our next annual review.

Signed:



Cllr Richard Blunt
Leader



Allison Thomas
Chief Executive

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 23
APRIL 2025

Title of Report	APPOINTMENT OF INDEPENDENT PERSONS OF AUDIT AND GOVERNANCE COMMITTEE	
Presented by	Paul Stone Director of Resources	
Background Papers	<u>Recommendations of the Independent Remuneration Panel - Council 5 November 2024</u>	Public Report: Yes
Financial Implications	Independent Persons are paid an allowance of £800 which was recommended by the Independent Remuneration Panel and approved by Council on 5 November 2024. The additional costs for both appointments can be met from budget approved by in the General Fund Budget Report 2025/26 approved by Council at its meeting on 20 February 2025.	
	Signed off by the Section 151 Officer: yes	
Legal Implications	A council's audit committee is established further to the Local Government Acts 1972 and 2000 and its purpose is to give assurance to members and the public about the governance, financial reporting and performance of the council. The appointment of a non-voting Independent Person on the committee will assist and promote good governance and scrutiny of the committee. Section 102(3) of the Local Government Act 1972 allows a council to include persons who are not members of the authority on a committee. Section 104 of the Act sets out disqualifications from membership, which is the same as those for being elected or being a member of a local authority.	
	Signed off by the Monitoring Officer: yes	
Staffing and Corporate Implications	There are no staffing and corporate implications.	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	Paragraph 1.7 of Section D7 of Part 2 of the Constitution provides that it is a function of the Audit and Governance Committee to appoint any Independent Person to provide technical expertise to the Committee. This report is seeking the Committee's approval to appoint two such Independent Persons.	

Recommendations	THAT AUDIT AND GOVERNANCE COMMITTEE APPROVES THE APPOINTMENT OF PAUL MONTGOMERY AND EMMA HUTCHINSON AS INDEPENDENT PERSONS ON THE AUDIT AND GOVERNANCE COMMITTEE.
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1.0 BACKGROUND

- 1.1 Local government bodies are expected to meet high standards of governance and accountability. An audit committee provides a specialist forum to support and monitor the authority in the areas of governance, risk management, external audit, internal audit, financial reporting, and other related areas. There are a number of statutory duties, regulations, and standards relating to financial reporting, governance, and audit that the authority must comply with, and an audit committee is best placed to oversee these.
- 1.2 The role of the Council's Audit and Governance Committee is set out in the Council's Constitution, specifically in Section D7. It describes the Committee's scope which includes providing independent assurance of the adequacy of the risk management framework and the internal control environment, overseeing the financial reporting and annual governance process, as well as overseeing the internal audit and external audit arrangements.

2.0 INDEPENDENT PERSON APPOINTMENT

- 2.1 A number of local authorities include independent persons on their audit committees as this is seen as strengthening the internal control and governance of the council.
- 2.2 Independent persons bring an unbiased perspective to audit committees. Their lack of direct involvement in the day-to-day operations of the organisation ensures that they can provide objective oversight and challenge management decisions without any conflicts of interest.
- 2.3 The presence of independent P strengthens the governance framework by ensuring that the Audit and Governance Committee operates transparently and holds management accountable. This is particularly important for maintaining public trust and confidence in the Council's financial and governance practices.
- 2.4 Independent members often possess a wide range of skills and expertise that may not be available within the organisation. This diversity of knowledge enhances the Committee's ability to effectively oversee complex financial and governance issues, contributing to more robust decision-making.
- 2.5 According to the Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement, having independent members on the audit committee aligns with best practices in governance. CIPFA emphasises that audit committees should be independent of executive decision-making to provide effective oversight and assurance over governance, risk, and control arrangements.
- 2.6 The Council's Constitution states that two independent persons may be co-opted to the Audit and Governance Committee to provide appropriate technical expertise but will not be entitled to vote at meetings.

- 2.7 Due to previous unsuccessful attempts to recruit independent persons, the Council proposed that these appointments should be appropriately remunerated. On 5 September 2024, the Remuneration Panel recommended that an annual allowance of £800 be paid to independent persons sitting on the Committee for this purpose. The decision to implement this was subsequently made by the full Council on 5 November 2024.
- 2.8 Following that decision, a recruitment campaign was launched. A total of three applications were received, with candidates asked to complete an application outlining their relevant experience for the role in line with the person specification. All three applicants were interviewed by a panel consisting of Councillors Moulton and Sutton, the Strategic Director of Resources and the Head of Internal Audit. The interview consisted of a series of questions relevant to the role.
- 2.9 The Council is seeking to appoint Paul Montgomery and Emma Hutchinson. Paul has 30 years' experience of audit and advisory services in the public sector including the civil service and NHS. Emma is a lawyer who brings experience of working in contentious criminal and civil litigation and regulatory matters, having worked for the Crown Prosecution Service for a number of years, as well as working in the private sector. Both Paul and Emma reside in the district.
- 2.10 If the Committee is minded to approve the appointments then both Paul and Emma would be appointed with immediate effect and will be invited to attend the next meeting of the Audit and Governance Committee in June 2025.

Policies and other considerations, as appropriate	
Council Priorities:	- A Well-Run Council
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon	None.
Consultation/Community/Tenant Engagement:	None.
Risks:	<p>Without an independent person providing the necessary technical expertise, the Committee may lack an unbiased perspective, potentially leading to decisions that are influenced by internal politics or conflicts of interest.</p> <p>The absence of independent oversight could undermine the credibility of the Committee's work, as stakeholders may perceive the Committee as less transparent and accountable.</p>

	<p>Independent persons often bring specialised skills and experience in areas such as financial management, risk assessment and governance. Without this expertise, the Committee could struggle to effectively oversee complex issues.</p> <p>The presence of independent persons can enhance stakeholder confidence in the Council's governance processes. Their absence may lead to reduced trust and confidence among the public and other stakeholders</p>
Officer Contact	<p>Paul Stone Director of Resources paul.stone@nwleicestershire.gov.uk</p>

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 23
APRIL 2025

Title of Report		CORPORATE RISK UPDATE
Presented by	Paul Stone Director of Resources	
Background Papers	Corporate Risk Update - Audit and Governance Committee 20 November 2024	Public Report: Yes
Financial Implications	There are no financial implications to be considered.	
	Signed off by the Section 151 Officer: yes	
Legal Implications	There are no legal implications to be considered.	
	Signed off by the Monitoring Officer: yes	
Staffing and Corporate Implications	There are no staffing and corporate implications to be considered.	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	To provide Committee members with an update in respect of the Council's corporate risk register in accordance with the Committee's Terms of Reference which is to monitor progress in addressing risk related issues reported to the Committee	
Recommendations	THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES THE LATEST CORPORATE RISK REGISTER AND PROVIDES COMMENTS TO INFORM THE WORK OF THE COUNCIL'S CORPORATE RISK GROUP.	

1.0 BACKGROUND

- 1.1 As part of the agreed Risk Management approach this report presents the latest version of the Corporate Risk Register which was reviewed at the last meeting of the officer Corporate Risk Group on 20 November 2024. In line with the Risk Management Policy, members of this Committee are to receive periodic updates on risks monitored through the Corporate Risk Register.

2.0 RISK REGISTER

- 2.1 The updated Risk Register can be found at Appendix 1. Of note are updates in respect of:

- Reference CR3 – there is a recruitment and retention refresh which is ongoing
- Reference CR5 – significant progress in respect of procurement compliance including revised contract procedure rules, approval of the Procurement Strategy and day-to-day procurement support from the Council's procurement partner, V4.
- Reference CR9 – a continued focus on governance arrangements and training.
- Reference CR16 – recognition of significant communication to all key stakeholders in respect of Local Government Reorganisation
- Reference CR18 – controls in response to a several incidents at the Customer Centre in Coalville
- Reference C20 – risks in respect of the Local Plan have been added to the register with details of existing and planned mitigations.

2.2 Out of the 17 active risks, one is red, ten are amber and six are green. There have been some narrative changes, and these are shown as tracked changes (red text).

2.3 The Director of Resources acts as the lead for corporate risk and is satisfied that the main risks posed to the organisation have been captured within the risk register and that control measures to mitigate these risks are appropriate. The report is based on an update in March 2025, any further update on significant changes in risk will be provided at the meeting.

2.4 The Audit and Governance Committee is asked to review and note this risk update and provide any feedback they wish to be considered by the Corporate Risk Group at its next meeting.

Policies and other considerations, as appropriate	
Council Priorities:	- A Well-Run Council
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon	None.
Consultation/Community/Tenant Engagement:	None.
Risks:	The Council manages its risks within existing budgets. Effective risk management protects the Council from insurance and/or compensation claims, fraud, and a range of other financial and non-financial risks.
Officer Contact	Paul Stone Director of Resources paul.stone@nwleicestershire.gov.uk

CORPORATE RISK REGISTER

APRIL 2025

APPENDIX 1

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk Score			Likelihood	Impact	Risk Score
CR1 137	Safeguarding Risk Death/serious harm to a vulnerable person receiving a Council service and safeguarding compliance is not followed. Consequence A serious case review arising from death/serious harm to a customers and staff. Reputational damage to Council. Loss of confidence in ability of Council to deliver services. Ensuring compliance with Safeguarding legislation and practise.	4	3	12	Treat	Head of Community Services, Housing and Head of HR & Organisational Development.	3	2	6
Existing Controls	<ul style="list-style-type: none"> An identified Corporate Leads: Head of Community Services and Head of HR and Org Devel- An identified team responsible for Safeguarding (Community Safety) with responsibility embedded into Team Leader role and an officer (Child & Adults at risk Officer). An agreed Safeguarding Policy refreshed as required. An identified group of Designated Safeguarding Officers (DSO's). An annual training programme to ensure new DSOs are well informed and trained. A mandatory training programme is in place for all staff, with refresher training carried out every three years. Safer Recruitment training is carried out for managers and safer recruitment is included within the Recruitment Guidelines. The DBS and Barring Policy is in place and up to date. A quarterly senior management review by the Head of Community Services of all cases to check progress/close cases. Annual report to CLT and Corporate Scrutiny as required by exception. A weekly case management review meeting by Environmental Health & Community Safety Team Leader to ensure all cases progressed. Commitment to raise awareness of the scale and extent of modern slavery in the UK and ensure our contracts and supplies don't contribute to modern day slavery and exploitation. A computerised system of reporting and managing reports introduced in 2019, ensures constant reminders of new cases, sending alerts at all points in the procedure. There is now a requirement for suppliers to provide details of their safeguarding policies or agreed to adopt the Council's safeguarding policies as part of the Council's tender process. Health and Safety Policy 								

CORPORATE RISK REGISTER

APRIL 2025

	<ul style="list-style-type: none"> Health and Safety at Work Regulations -Managers within the relevant services have a legal requirement to conduct regular risk assessments. Staff induction training. Annual reminders to complete/update health and safety risk assessments Review of the referral process for safeguarding referrals has been implemented Review of the performance indicators for the safeguarding referral service has been implemented 		
Planned mitigating actions		Delivery timescales	Ongoing
		Reason for delay in delivery	
Comments and progress on actions	Stable		

CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR2	<p>Management of Council finances</p> <p>Risk</p> <p>Reduced funding from Government. Increased demand for services, coupled with high inflation and pay awards has led to a funding gap over the medium term. Government plans reduction in business rates share to the Council. Changes to the local authority financial settlement. Economic downturn / recession. Commercial opportunities not progressed. Changing rent policies. The new Food Waste collections to be introduced in 2025/26 has a risk of insufficient revenue funding from Government being provided.</p> <p>Consequence</p> <p>Possible cessation of services or reduction of services provided.</p> <p>Central government intervention and special measures if Council issues a S114 notice.</p> <p>Inability to deliver Council Delivery Plan as resources are restrained.</p> <p>Potential staff redundancies.</p> <p>Funding of external groups is withdrawn.</p> <p>Potential breach of statutory duties/ability to deliver objectives compromised.</p>	4	3	12	Treat	Head of Finance	2	3	6
Existing Controls	<ul style="list-style-type: none"> Regular financial reporting to CLT and quarterly to Cabinet. Improved narrative on reports to Cabinet as well as additional reporting which tracks progress against savings targets. Financial Regulations form part of the Council's Constitution. Contract Procedure Rules were updated and approved by full Council in February 2025 to reflect the Procurement Act 2023 which was introduced on 24 February 2025. Financial planning processes are documented and reviewed regularly. No risky investments. Capital is funded from the Council's business rates growth. Enhanced governance around capital strategy spending, monitored/scrutinised by Capital Strategy Group. 								

CORPORATE RISK REGISTER

APRIL 2025

140	<ul style="list-style-type: none">• Monthly Statutory Officer meeting.• Robust level of general fund and earmarked reserves.• External support for technical finance/accounting i.e. Arlingclose (Treasury Management) and PSTax (VAT).• Medium Term Financial Plan in place and is updated as part of the budget setting process.• A clear financial strategy was established as part of the budget setting for 2023/24.• Head of Finance monitoring of Local Government funding reviews - business rates review not expected until 2026/27 and fair funding review delayed again.• Funding advisor engaged.• Participation in Business Rates Pooling.• Accessing external funding where appropriate.• Income collection procedures in Revenues and Benefits Service and Housing sound. Leicestershire Revenues and Benefits Partnership has two trained officers working solely on Council Tax Reduction Scheme Fraud and act as Single Point of Contact for Department of Work and Pensions (DWP) referrals.• Capital Strategy to use business rates reserve to fund the capital programme• Transformation Programme in train to support the closing of the funding gap.• Contingency budget was created in 2025/26 budget to manage the risk of insufficient ongoing revenue funding for food waste• Transformation Delivery Plan has been developed to support the balancing of the budget over the medium term.• The Statement of Accounts 2021/22 and 2022/23 were signed off by Audit Committee on 9 December 2024.		
Planned mitigating actions	<ul style="list-style-type: none">• Compliance with CIPFA and accounting codes in meeting the revised backstop dates to ensure that the closure of the 2024/25 Statement of Accounts aligns with the statutory deadline.• Address internal control weaknesses identified in a range of finance audits• Action Plan developed to address financial management weaknesses which is monitored by the Finance Leadership Team• Unit 4 to be developed to provide timely and accurate budget monitoring for all key stakeholders. <u>Project manager with Unit 4 experience employed to address outstanding issues with priorities identified.</u>• MTFP to be further developed to include sensitivity analysis	Delivery timescales	April 2027
		Reason for delay in delivery	
Comments and progress on actions	<p>Stable</p> <p>Internal audits of financial systems have been completed including accountancy and budget control, creditors, debtors, capital, procurement and treasury management. Actions have been developed to address weaknesses. Over 50% of internal audit recommendations from the recent limited assurance reports in respect of finance have now been implemented., with 25% on track for delivery and the remaining 25% are not yet due for delivery.</p>		

CORPORATE RISK REGISTER

APRIL 2025

Additional interim resource to ensure that the Statement of Accounts and statutory returns are published or completed, moving the Council towards a pre-Covid business as usual operation in meeting its statutory requirements.

Additional third-party resource to address issues identified with the Council's financial system (Unit4) with a focus on budget monitoring activity.

~~Budget setting has started earlier than in previous years to explore budget proposals.~~ Budget setting for 2026/27 has commenced with a focus on identifying savings over the medium term.

CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR3 142	<p>The employment market provides unsustainable employment base for the needs of the organisation.</p> <p>Risk The Council has insufficient resources due to being unable to fill vacancies <u>or recruitment is challenging for a variety of reasons meaning recruitment fails</u>. Failure to horizon scan and interpret future needs in crucial roles. Changes to income or financial climate. Inability to recruit to vacancies/retain staff globally or in specialist areas.</p> <p>Consequences The Council is unable to perform its statutory duties and/or deliver the Council Delivery Plan. The Council's partners are unable to perform duties. Use of external resources at a significantly higher cost</p>	3	4	12	Treat	Head of HR and OD	3	2	6
Existing Controls	<ul style="list-style-type: none"> Advance planning to mitigate this risk; the COVID pandemic experience demonstrated the Council's capability to be able to react and adjust the workforce. Non pay benefits improved during the last year to attract and develop the right skills and promoting existing staff talent through secondments and tailored development programmes. IIP silver award maintained in 2024 and aiming for Gold accreditation in 2025. New focus on apprenticeships development to allow the Council to 'grow our own' and to tackle ageing workforce distribution. Ability to divert resources from other services, bringing in additional resources from other sources (e.g. Agencies, Consultants, Voluntary/ Community sector etc.) would be activated. Market conditions are tested through recruitment processes, some challenges in some specialist areas. Market supplements and other measures are applied as needed where there are recruitment difficulties in some professional areas. The Council can offer a package of additional benefits to enhance the recruitment offer. Mitigations in place for variety of staffing related aspects - e.g. mental health awareness, overall wellbeing work etc. The Council has developed innovative partnering relationships with other sectors including the private sector to make posts uniquely attractive. The Council's recruitments processes have been reviewed to make the process easier. 								

CORPORATE RISK REGISTER

APRIL 2025

Planned mitigating actions	<ul style="list-style-type: none">Constantly reviewing its advertising strategies.Specialist journals and their associated websites are also used depending on the role.Social media is also used for advertising roles.Work is underway at a national and regional level working with East Midlands Councils and the Local Government Association to promote the local government sector. National campaign to launch in November.Recruitment and retention discussed at CLT in February 2024 and a sub-group has been established to consider potential future improvements to inform and update a new People Plan.Recruitment Refresh which includes:<ul style="list-style-type: none">Reviewing and updating our application form and interview processSetting up HR clinicsImproving the content on our website and social media channels regarding recruitment and promoting NWLDC as an employerUpdating our recruitment policy and creating guidelines for managers	Delivery timescales	April 2025
		Reason for delay in delivery	
Comments and progress on actions	<p>Stable</p> <p>Report to Corporate Scrutiny Committee on 23 May 2024 setting out the actions being taken to support the recruitment process.</p>		

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CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR4	Personal data breach Risk Loss or unlawful use of personal data constituting a breach of data protection legislation. Systems not in place to protect sensitive data. Staff are not properly trained in managing information and do not follow internal procedures. Consequences Monetary penalties from Information Commissioners Office (ICO), adverse publicity, private litigation and personal criminal liability of officers.	4	3	12	Treat	Head of Legal and Support Services	2	2	4
Existing Controls	<ul style="list-style-type: none">• Policies and procedures are in place and rolled out• The Information Governance policies have been reviewed and brought together under an Information Governance Framework which was approved by Cabinet in September 2024 Corporate Governance training is undertaken annually and includes information governance as appropriate to reflect changes in legislation. eLearning module updated and rolled out as mandatory annual training for all staff. Information Governance training delivered to leaders in November 2023.• The Council has a dedicated Senior Information Risk Officer (SIRO) and Data Protection Officer (DPO).• Quarterly meetings with Information Governance team and SIRO• <u>Annual SIRO report considered by Audit and Governance Committee in April 2024 – provided overview of the Council's compliance in relation to regulatory requirements, management of information risk across the Council and work done over the year.</u>• <u>Training on Information Governance was delivered to the Corporate Leadership Team and Extended Leadership Team in November 2024.</u>								
Planned mitigating actions	<ul style="list-style-type: none">• Information Governance Team to cooperate with the supervisory authority and monitor compliance with Data Protection laws.• Updated training to be provided to managers in November 2024.• Quarterly meetings with Information Governance team and SIRO to continue• Annual SIRO report 2024/25 to be taken to Audit and Governance Committee in April 2025				Delivery timescales	Ongoing			
					Reason for delay in delivery				

Comments and progress on actions

	Stable
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CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR5 146	<p>Procurement and management of contracts</p> <p>Risk</p> <p>Contracts have not been adequately secured and administered. This can lead to a range of issues, including suboptimal terms, potential legal disputes, and financial losses. Legal and procurement teams are not consulted when contractors are engaged. Procurement procedures are not followed. The Council contributes to modern slavery via its contracts and supplies. <u>Insufficient resources to monitor and implement contractual arrangements</u></p> <p>The Council fails to meet the requirements of the Procurement Act 2023.</p> <p>Consequences</p> <p>Council liable to incur additional costs, contract overrun, litigation and potential health & safety issues as well as service disruptions.</p> <p>Failure to meet the requirements of the Procurement Act 2023 may lead to fines, sanctions or other legal actions, as well as reputational damage to the Council.</p>	3	3	9	Treat	Strategic Director of Resources	2	3	6
Existing Controls	<ul style="list-style-type: none"> • Oversight board structure in place to oversee major project work and compliance group now in place to oversee these elements of contracted work. • Corporate procurement support and legal team to support where necessary on contract management. • Review of procurement compliance undertaken leading to enhanced contract register and updated strategy • <u>Recasting procurement functions activity, processes and focus of training and education for staff in 2023. Training delivered in November 2023. A suite of procurement training is scheduled throughout 2025 to ensure officers are aware of the changes to processes as a result of the introduction of the Procurement Act 2023.</u> • <u>Processes have been reviewed and procurement templates revised.</u> • <u>V4 have been employed as the Council's Procurement partner to provide day-to-day advice and support.</u> • <u>A refreshed Procurement Strategy was approved by Cabinet on 25 March 2025.</u> • <u>Contract Procedure Rules updated and approved by Council in February 2025 to reflect the Procurement Act 2023.</u> 								

CORPORATE RISK REGISTER

APRIL 2025

	<ul style="list-style-type: none"> Third-party support has been procured. 		
Planned mitigating actions	<ul style="list-style-type: none"> Procurement toolkit to be produced to cover majority of lower value procurements with high value and complex procurements to be supported by specialised function. Contracts register completed and to be published. Register to be regularly reviewed by CLT. V4 are continuing to work with services to ensure an accurate contracts register is published and maintained. Implement wider procurement response outside of financial to determine the competency of a contractor to undertake work – Health and Safety (H&S) competency, training, quality, environmental etc Ensure all staff involved in procurement are well-trained and fully understand the requirements of the Procurement Act 2023. Review and amend relevant policies. Support to be provided from additional third party in respect of training, policies and strategy development. Task and finish group established to ensure meeting requirements of the Act. Training to be provided as part of the annual corporate governance training in November 2024 	Delivery timescales	December 2025
		Reason for delay in delivery	
Comments and progress on actions	Stable		

CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR6	Emergency response Risk Failure to respond to an emergency event in an appropriate manner. Lack of planning, training and exercising of Emergency plans. Consequences General public at risk of harm or unable to access relevant services (e.g. emergency accommodation or rest centre).	4	4	16	Treat	Head of Human Resources and Organisation Development	4	2	8
148									
Existing Controls	<ul style="list-style-type: none"> Business continuity plans have been reviewed and updated at Head of Service level as part of the 2024/25 business plans process. LRF and Council emergency plans and arrangements are being constantly updated and have been used during recent storm flooding events that have affected the district in late 2023 and early 2024. Exercises also take place at regional and national level for a variety of emergency planning scenarios. The LRF partnership arrangement with all Leicestershire and Rutland authorities provides resilience during civil emergency situations. Business Continuity exercises show the readiness of the Council to deal with emergencies. System of ICO / FLM duty rotas is in place and continued reassessment for ongoing incidents. COVID experience shows capability and ability to perform. LRF delivered training to the Corporate Leadership Team in 2024 Senior managers attend LRF training. ICO's and FLM's issued with guidance documentation to support their roles. 								
Planned mitigating actions				Delivery timescales	Ongoing				
				Reason for delay in delivery					

CORPORATE RISK REGISTER

APRIL 2025

Comments and progress on actions	Stable
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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR7 149	Cyber-attack Risk Systems not in place or kept current to deflect any foreseeable cyber-attack, including those attackers using generative AI, which is increasing in the industry. Limited staff awareness of possible threats. Lapse in security awareness and basic processes from a technical AI and human perspective Consequences Business as usual” would not be possible. Cost of repelling cyber threat and enhancing security features.	4	4	16	Treat	Head of ICT	2	2	4
Existing Controls	<ul style="list-style-type: none"> Fully resilient network environment in place with no single points of failure for core systems. Systems which are running on premise have a daily off-site backup regime. In the case of on-premises systems which become unavailable for any reason, services would need to revert to their service BCP's to resume service. Yearly IT security health check and PEN (penetration) testing is carried out, by an Identity Attack Surface Management (IASME) security accredited supplier, with remediation action plan in place to mitigate any risks found. In 2024 the Council had 0 critical, 56 high, 153 medium and 3123 Low issues. <u>These are currently being worked on for remediation</u> five high and medium issues have now been remediated. The Council has also passed our Public Services Network (PSN) accreditation for 24/25 <u>and working on 25/26 renewal.</u> Phishing campaigns run four times a year to test staff security awareness and feedback results to CLT, with improvement plans in place for those who have not passed the test. Campaigns will now include members as they were excluded previously. Quarterly Cyber Security awareness training held for staff and new starters, to protect staff at home and in the office. Yearly mandatory information security training conducted for all staff on the Skillsgate training system. New business systems are run in remote fully resilient data centres and existing systems are being progressively migrated to cloud computing centres Diversity of environments used to avoid single point of failure risk, with backups now in the cloud, moving away from tapes. Improved business recovery arrangements have been implemented to minimise recovery time. 								

CORPORATE RISK REGISTER

APRIL 2025

15	<ul style="list-style-type: none">• Accreditation to Cyber Essentials and the Public Services Network.• Latest audit / assessments all confirm secure environment with reasonable assurance. Some formalisations of processes required and review of backups restoration window.• Purchase of external vulnerability scanner now in place. This allows the Council to scan and monitor its external perimeter daily and proactively mitigate issues. Cloud Centre of Excellence (CCOE) latest scan showed 47 medium and 102 Low Vulnerabilities, which the Council is working to mitigate using the tool which it has been purchased.• An annual external IT audit assessed the organisation's IT arrangements in a range of areas against best practice. The outcome of the audit in 2024 was, limited assurance, with two critical recommendations and twelve mediums, The two high recommendations have been resolved, as well as the nine mediums. Three remediations due for completion in December. <u>have been completed.</u>• The Council has signed up to the Cyber Assessment framework (CAF), which is another cyber assessment carried by Cabinet Office. This has now been completed successfully<u>successfully</u>, and we are starting the 2nd phase of the CAF framework assurance.• Backups are now stored in the cloud as “offline backups”, this is for all Council data and Office 365 tenancy• Increase the Active Directory (AD) password complexity <u>has increased</u> from eight characters to 12 characters. This makes it harder for password to be cracked• Replacement of firewalls <u>now in place providing NEXGEN protection</u>due to End of Life (EOL) hardware• Introduce Password protection, <u>now implemented</u> so that when staff change AD passwords, they are checked against a Microsoft database of known weak passwords. This will prevent the use of insecure and weak password in the Council.• <u>Internal audit recommendations have been completed</u>			
	Planned mitigating actions	<ul style="list-style-type: none">• Need a list of business-critical systems in order of restoration priority, in conjunction with CLT <u>Complete remaining audit recommendations by December 2024</u> <u>Completed</u>	Delivery timescales	Ongoing
		<ul style="list-style-type: none">• <u>Introduction of Microsoft Co-Pilot AI, AI governance controls, and guard rails required before implementation of AI</u>	Reason for delay in delivery	
Comments and progress on actions	Stable Good progress on keeping staff and the business secure.			

CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR8	Project Management Processes Risk Projects are poorly managed. Failure of proposed projects could result in failure to achieve overall objectives. Inefficient use / waste of resources. Consequences Failure to implement project management techniques. Poor corporate oversight of projects. Inadequate controls on expenditure and poor budget monitoring. Inadequate monitoring of external contracts. Failure to engage project management expertise when required	3	3	9	Treat	Director of Resources	2	2	4
151									
Existing Controls	<ul style="list-style-type: none"> Greater use of professional project managers for key projects. Work ongoing to address project methodologies deployed across the Council. Greater use of external / non-subject board members. Board structure covering all major projects in place. Properly convened project teams with PID and project plan in place, including project risk registers. Progress on corporate projects scrutinised by CLT. Implementation of contract management framework for outsourced services. Scrutiny of quarterly monitoring reports on capital expenditure. Utilising Internal Audit to conduct audits of individual projects or project management more widely. . Scrutiny of risk registers or project management framework of individual projects by Risk Scrutiny Group. Project management guidance has been developed and published, as well as a suite of templates List of Council-wide projects developed and to be monitored by the Transformation Steering Group. Project Management Training was delivered to key officers in September 2024. 								
	<ul style="list-style-type: none"> A schedule of all projects across the Council has been developed and will be monitored by the Transformation Steering Group 	Delivery timescales		April 2025					

CORPORATE RISK REGISTER
APRIL 2025

Planned mitigating actions	<ul style="list-style-type: none">Project management training scheduled for some officers in September 2024E-learning module is being developed	Reason for delay in delivery	
Comments and progress on actions	Stable		

CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR9	<p>Ultra vires decisions/Local authority failure</p> <p>Risk</p> <p>Council makes ultra vires (beyond the Council's powers and functions) decisions or those which it does not have the correct permissions to undertake. Staff / Members proceeding without established governance arrangements. Failure to consult with Legal / Monitoring Officer.</p> <p>There is greater focus from Government and regulators on the local government sector. There is a risk of an impact of an adverse external assessment on the Council. If this risk materialised it could impact on service delivery, performance levels, governance, reputation and decision-making arrangements. Greater focus on the local government sector from Government and regulators following high profile council 'failures'.</p> <p>Consequences</p> <p>Potential challenge to decision/litigation against the Council, resulting in increased costs / compensation. Financial, reputational, legal and political damage to the Council.</p>	4	3	12	Treat	Head of Legal and Support Services	1	4	4
Existing Controls	<ul style="list-style-type: none"> Constitution reviewed annually – 243/254 review completed, and Constitution approved at Council in Feb 254. Guidance provided to report authors. Legal advice provided to officers and legal implications considered in reports to members as appropriate. Statutory Officer checks take place on reports to Council, Cabinet, Licensing, Planning and Audit and Governance Committees Advice provided to members by the MO/Dep MO as needed on matters being considered by Council/Committees. Policies and procedures in place, governance processes are documented and in operation, ongoing assessments and reviews are performed. Completion of the Annual Governance Statement. Corporate governance training on decision making provided in 2023 to CLT/ELT and on report writing in 2024 								

CORPORATE RISK REGISTER

APRIL 2025

	<ul style="list-style-type: none"> The Council has in place a range of controls including financial procedures, governance framework, performance management framework, project management methodology, strategies, controls underpinning its operations, clear communication with staff, Statutory officer meetings and internal audit plan. The Council is aware of the creation of the Office for Local Government and is actively working to understand the implications/requirements for the Council. “Golden triangle” of Statutory Officers is in place with a regular meeting of Statutory Officers taking place Recognised in case study by the LGA for having good governance in place LGA Peer Review completed June 2024 Internal audits of finance functions completed. Finance Leadership Team meet regularly to track recommendations. Where specific regulatory regimens are in place additional oversight and control implemented – e.g. Housing Improvement Board The Council has completed the Office for Local Government Best Value Self-Assessment and is performing well against the measures. Corporate Governance Training delivered to Managers in November 2024 “in session” video in respect of Governance/decision-making recorded and shared with staff in January 2025. 		
Planned mitigating actions	<ul style="list-style-type: none"> Annual review of Constitution 2025/26 Legal advice provided to officers and legal implications considered in reports to members as appropriate. Statutory Officer checks to take place on reports to Council, Cabinet, Licensing, Planning and A and G Committees Guidance and training to be provided to report authors Corporate Governance Training to be provided to Managers in November 2024-2025 Report authors guide to be refreshed and rolled out for officers Detailed training on decision-making to be delivered to relevant staff in 2025/26 Outcome of LGA Peer Review awaited Governance training scheduled for November 2024 	Delivery timescales	Ongoing
		Reason for delay in delivery	
Comments and progress on actions	Stable		

CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR10 <									

CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR13	Political Administration Risk No overall control of the Council following the May 2023 elections could lead to instability in the decision-making process which could impact adversely on service delivery. The election in May 2023 changed the political make-up of the Council. Consequences Financial, reputational and political damage to the Council. Slower decision making.	3	3	9	Treat	Chief Executive	2	3	6
156									
Existing Controls	<ul style="list-style-type: none"> There has been extensive work by officers to work with all Groups to minimise the impact. This work has been supplemented by external engagement with the Local Government Association. The work undertaken to date includes regular briefings with all Groups, a member induction programme, a continuing training programme for councillors, clarity on the roles of councillors on each committee and engaging with staff to raise their awareness in dealing with/responding to/working with councillors. The Council has in place a range of controls including financial procedures, governance framework, performance management framework, project management methodology, strategies, controls underpinning its operations, clear communication with staff, Statutory officer meetings and internal audit plan. The Council is aware of the creation of the Office for Local Government and is actively working to understand the implications/requirements for the Council. Monthly Statutory Officer meetings 								
Planned mitigating actions	<ul style="list-style-type: none"> Continued engagement with all groups/members. Advice provided to members on Constitution to enable members to undertake their roles. Continued Statutory Officer meetings Oflog self assessment. 			Delivery timescales	ongoing				
				Reason for delay in delivery					

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CORPORATE RISK REGISTER
APRIL 2025

Comments and progress on actions	Stable
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CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR15	Climate Change/Zero Carbon Delivery Risk Inability to deliver programme due to resource / financial / operational / procedural process. Inability to gain action by partners Consequences The failure of the Council to achieve carbon neutrality for its operations by 2030 and carbon neutrality for the District by 2050. This may have long term impacts on both the financial picture of the council and the ability of key service provision in the long term.	3	4	12	Treat	Head of Community Services	2	2	4
158									
Existing Controls	<ul style="list-style-type: none">Achievement of the carbon reduction ambitions are mainly vested in our Zero Carbon Policy and Roadmap. The Action Plan contains planned and programmed actions and will be reviewed annually. It will quantify the estimated net financial costs and net carbon savings associated with the contents of the Plan. Attaining the targets in the Plan is one of the Corporate Plan Key Performance Indicators. Whilst the action plan has been agreed it does contain several actions where funding has not been committed. The Strategy and Plan have identified the main carbon emissions sources. The Council will be alive to the many and various windfall opportunities for interventions in between the annual Plan revisions where these are considered likely to make significant impacts on reducing emissions. Emerging statute and government policy will exert significant influence over the Council's operations and indirect influence in relation to climate change.								
Planned mitigating actions	<ul style="list-style-type: none">Work is ongoing to understand the costs of zero carbon delivery which in turn will help to understand the risks.			Delivery timescales	April 2026				
				Reason for delay in delivery					
Comments and progress on actions	Stable								

CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR16 159	Changes in national priorities and legislative/regulatory change Risk Changes in national priorities given the new Government elected in July 2024. This could include changes in delivery of statutory services. Consequences Council may not have the necessary resources to deliver on key projects. Projects may adversely affect local residents. Introduction of new statutory duties may change the strategic direction of the Council, entail additional workload for officers, change the way existing services are delivered and increase financial pressures.	3	3	9	Treat	Chief Executive	2	2	4
Existing Controls	<ul style="list-style-type: none"> Briefings to officers on relevant changes Working alongside other stakeholders and partner organisations to keep informed of developments such as the Local Government Association, District Councils Network and Leicestershire Chief Executives Group A range of officers are actively involved in the business case development for Local Government Reorganisation (LGR) in Leicestershire. Significant communication and engagement has taken place with key stakeholders Members are briefed and debate has taken place at the full Council meeting in respect of LGR Staff have been provided with regular updates and a staff hub has been established to share information as LGR proposals are developed. 								
Planned mitigating actions	<ul style="list-style-type: none"> Circulation of relevant briefings to key officers on proposed/new legislation Effective business continuity planning Regular updates to Members on developments and potential changes in legislation Coordination and sharing of information with other local authorities through various networks and forums 			Delivery timescales	Ongoing				
				Reason for delay in delivery					

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CORPORATE RISK REGISTER

APRIL 2025

- Continued staff, member and stakeholder engagement on LGR as proposals develop.

Comments and progress on actions	Stable
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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR17	Housing Landlord Function Risk That the Council fails to deliver services in compliance with the new regulatory standards and the longer-term arrangements for the service. Consequences Loss of control of service provision , loss of function, unlimited fines, reputational and political risk.	3	4	12	Treat	Head of Housing	2	3	6
Existing Controls	<ul style="list-style-type: none"> Control over the major areas of compliance exist in general sense – achieved through system control, process and evidenced through auditing processes and self-assessment Greater burdens to provide assurance that performance management is robust, and intervention taken when performance drops. Assurance the data is correct, timely and is being seen and understood by the appropriate governing body High level of external oversight and reporting to regulatory bodies – including engagement with the same on regular basis Adherence to policy and improvement of policy in line with new guidance and process from regulator Comprehensive Audit Plan for service in place Increased member oversight via Housing Improvement Board Self Assessment against new housing standards completed and outcome fed into revised Improvement Plan 								

CORPORATE RISK REGISTER

APRIL 2025

Planned mitigating actions	<ul style="list-style-type: none"> Housing Improvement Plan in place <u>and regularly reviewed</u> with oversight from Cabinet, Scrutiny and Housing Improvement Board – this sets out a phased improvement plan to address regulatory change and service change as a whole Requested increased audit appraisals <u>Engagement of external bodies to assist with third party view and development of detailed plans in areas of focus featured in the Improvement Plan. Independent consultancy (Housing Quality Network) invited to work with us and undertake a gap analysis of current performance against meeting rigor of new consumer standards</u> 	Delivery timescales	April 2026
		Reason for delay in delivery	
Comments and progress on actions	<p>Stable</p> <p>Given the findings of poor assurance on compliance areas across both the Consumer Standards (introduced April 2024) and the safety compliance areas (Fire, Legionella, Electricity, Gas, Asbestos, Lifts) coupled with the ratings awarded so far by the Regulator of Social Housing to Local Authorities (C4 to Newham LBC and majority of other LA inspections graded at C3</p>		

CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR18	Health and Safety Risk: The Council fails to comply with health and safety legislation and manage health and safety risks in delivering its services Consequences Fatality or serious injury to an employee or member of the public. Breach of legislation may lead to criminal prosecution, imprisonment, fines and reputational damage. Loss of major assets. <u>Council employees continue to receive threatening behaviour/racial hatred comments from customers. There have been several incidents at the Customer Centre during 2025, and to staff undertaking duties in front facing services (eg Waste, Housing).</u>	3	4	12	Treat	Head of HR and Organisational Development	2	3	6
Existing Controls	<ul style="list-style-type: none"> Corporate Health and safety policy in place and reviewed annually. Supporting policies, Fire, Legionella, Asbestos in place. Teams undertake risk assessments and record on the SHE Assure system to identify and implement controls to reduce risk. Health and safety training program implemented with further development progressing. Health and safety discussion forms part of regular meetings with CLT, Management Teams, JTUCC and Union safety reps. <u>Increased security at the Customer Centre</u> <u>Panic alarms upgraded at the Customer Centre</u> <u>Posters on display stating that the Council will not tolerate threatening behaviour</u> <u>Issues raised with the Police Inspector in Coalville</u> 								

CORPORATE RISK REGISTER

APRIL 2025

Planned mitigating actions	<ul style="list-style-type: none">Further development of a H&S management system in line with ISO 45001Introduction of H&S guidance notes and introduction of H&S page as a single point to access H&S information.Social media campaign planned to highlight that the Council will not tolerate threatening behaviour.Consideration of body cams for front line staff where appropriate.Consideration of call recording on all telephony platforms.Structural alteration to the Customer Centre where areas of risk have been identifiedOverarching corporate review of policies relating to these areas.	Delivery timescales	<ul style="list-style-type: none">April 2026December 2024
		Reason for delay in delivery	
Comments and progress on actions	Stable		

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CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR19	East Midlands Freeport Risk While the Freeport aims to provide financial incentives, there are concerns about the long-term sustainability of these benefits. The establishment of the Freeport involves complex legal frameworks, including compliance with the Subsidy Control Act. The development associated with the Freeport could lead to significant environmental concerns, such as increased traffic congestion, impacts on local wildlife, and potential flooding risks. Local communities may have concerns about the changes brought by the Freeport, including potential disruptions and changes to the character of the area. The influx of businesses and workers may strain existing infrastructure, such as roads and public services. Economic conditions can change rapidly, and reliance on the Freeport model may expose the council to market fluctuations that could affect investment and job creation. Consequences If businesses do not meet growth expectations, the anticipated increase in business rates may not materialise. Not adhering to subsidy control regulations could expose the Council to legal challenges or financial penalties. Could lead to opposition from communities that complicates planning and development efforts.	3	4	12	Treat	Chief Executive/Director of Place/Director of Resources	2	3	6

CORPORATE RISK REGISTER

APRIL 2025

Existing Controls	<ul style="list-style-type: none">No detriment agreement has been established to ensure that the Council retains the same level of business rates as it would without the Freeport.Legal expertise has been sources to ensure compliance with the subsidy control act and other regulationsClear governance structures for oversight have been establishedThe Council is represented at Board levelStatutory officers and legal representatives are actively involved in meetings. The Section 151 Officer is represented on the Section 151/Finance Sub-CommitteeReport on the implications of housing need in the district has been draftedAs the planning authority, the Council will handle any planning applications related to the Freeport that fall within its jurisdiction		
Planned mitigating actions	<ul style="list-style-type: none">The Freeport will source additional support to provide further analysis of the risks associated with business rates growth.	Delivery timescales	April 2026
		Reason for delay in delivery	
Comments and progress on actions 165	Stable		

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CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR20	Local Plan Risk The preparation and implementation of the Local Plan may face significant delays and challenges due to a combination of factors including loss of staff, <u>insufficient capacity</u> , insufficient budget, lack of political ownership, non-compliance with legal requirements, potential legal challenges, environmental issues, changes in housing requirements, administrative shifts, delays in critical studies, slow responses from statutory consultees, infrastructure policy constraints, lack of support for specific provisions, changes in national approaches, and incomplete transport modelling. Consequences These issues collectively threaten the deliverability, viability, and timely completion of the Local Plan, potentially leading to unmet needs, increased costs, and compromised development strategies.	3	4	12		Head of Planning and Regeneration	2	3	6
Existing Controls	<ul style="list-style-type: none"> Local Plan Project Board oversees preparation of Local Plan and meets quarterly. Risk register reviewed at Project Board meetings. Portfolio Holder and Shadow Portfolio Holder briefed on a monthly basis. Key pieces of evidence commissioned or in process of being commissioned. 								
Planned mitigating actions	<ul style="list-style-type: none"> Additional capacity to be sought using grant provided by government 			Delivery timescales	April 2026				
				Reason for delay in delivery					

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CORPORATE RISK REGISTER
APRIL 2025

Comments and progress on actions	New

CORPORATE RISK REGISTER
APRIL 2025

Assessing the likelihood of exposure

1. Low	Likely to occur once in every ten years or more
2. Medium	Likely to occur once in every two to three years
3. High	Likely to occur once a year
4. Very High	Likely to occur at least twice in a year

Assessing the impact of exposure

1. Minor	Loss of a service for up to one day. Objectives of individuals are not met. No injuries. Financial loss over £1,000 and up to £10,000. No media attention. No breaches in Council working practices. No complaints / litigation.
2. Medium	Loss of a service for up to one week with limited impact on the general public. Service objectives of a service unit are not met. Injury to an employee or member of the public requiring medical treatment. Financial loss over £10,000 and up to £100,000. Adverse regional or local media attention - televised or newspaper report. Potential for a complaint litigation possible. Breaches of regulations / standards.

CORPORATE RISK REGISTER

APRIL 2025

169

3. Serious	<p>Loss of a critical service for one week or more with significant impact on the general public and partner organisations.</p> <p>Service objectives of the directorate of a critical nature are not met.</p> <p>Non-statutory duties are not achieved.</p> <p>Permanent injury to an employee or member of the public Financial loss over £100,000.</p> <p>Adverse national or regional media attention - national newspaper report.</p> <p>Litigation to be expected.</p> <p>Breaches of law punishable by fine.</p>
4. Major	<p>An incident so severe in its effects that a service or project will be unavailable permanently with a major impact on the general public and partner organisations.</p> <p>Strategic priorities of a critical nature are not met. Statutory duties are not achieved.</p> <p>Death of an employee or member of the public. Financial loss over £1m.</p> <p>Adverse national media attention - national televised news report.</p> <p>Litigation almost certain and difficult to defend. Breaches of law punishable by imprisonment.</p>

Risk matrix

		Likelihood			
		1	2	3	4
Impact	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4

CORPORATE RISK REGISTER

APRIL 2025

Traditionally in risk management there are four ways to mitigate the risks to the organisation, these being typically referred to as **Treat, Tolerate, Transfer and Terminate** and are known collectively as the “Four Ts”.

- **Tolerate** means the risk is known and accepted by the organisation. In such instances the senior management team should formally sign off that this course of action has been taken.
- **Transfer** means the risk mitigation is transferred i.e. it is passed to a third party such as an insurer or an outsourced provider, although it should be noted that responsibility for the risk cannot be transferred or eliminated.
- **Terminate** means we stop the process, activity, etc or stop using the premises, IT system, etc which is at risk and hence the risk is no longer relevant.
- **Treat** means we aim to reduce the likelihood of the threat materialising or else reduce the resultant impact through introducing relevant controls and continuity strategies.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY 23
APRIL, 2025



Title of Report	SIRO (SENIOR INFORMATION RISK OWNER) ANNUAL REPORT	
Presented by	Kate Hiller Head of Legal and Support Services and Monitoring Officer	
Background Papers	Standards & Ethics report Q1 Standards & Ethics report Q2 Standards & Ethics report Q3	Public Report: Yes
Financial Implications	There are no financial implications arising out of this report.	
	Signed off by the Section 151 Officer: yes	
Legal Implications	There are no legal implications arising out of this report.	
	Signed off by the Monitoring Officer: yes/no	
Staffing and Corporate Implications	There are no staffing implications arising out of this report.	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	The purpose of this report is to present to Members for consideration the SIRO's annual report for the year 2024/25.	
Recommendations	THAT AUDIT AND GOVERNANCE COMMITTEE NOTES THE REPORT OF THE SIRO AND PROVIDES ANY COMMENTS.	

1.0 BACKGROUND

- 1.1 The Council has appointed a Senior Information Risk Owner (SIRO) to oversee its information risk management and ensure regulatory compliance. The Council's SIRO is the Head of Legal and Support Services.
- 1.2 The responsibilities of the SIRO are as follows:
- To be accountable for risk management in relation to information governance at the Council;

- To take overall ownership of the Council's information risk approach, including the information governance framework; and
- To oversee the information security incident procedure and the Council's compliance in relation to dealing with information security incidents (data breaches).

1.3 The SIRO has produced an annual report to provide an overview of the Council's compliance in relation to regulatory requirements and to set out how information risk has been managed across the Council over the financial year 2024/25. It demonstrates how the Council has continued to meet its statutory regulatory requirements relating to the processing of personal data under the UK General Data Protection Regulation (GDPR) and the Data Protection Act 2018, as well as its duty to be transparent through compliance within the Freedom of Information Act 2000.

1.4 The SIRO's report for the period 1 April 2024 – 31 March 2025 is appended at Appendix A.

Policies and other considerations, as appropriate	
Council Priorities:	- A Well-Run Council
Policy Considerations:	Information Management Policy
Safeguarding:	N/A
Equalities/Diversity:	N/A
Customer Impact:	N/A
Economic and Social Impact:	N/A
Environment, Climate Change and Zero Carbon	N/A
Consultation/Community/Tenant Engagement:	N/A
Risks:	The purpose of the annual SIRO report is to outline how information risk has been managed and consideration of risk is a fundamental part of the report.
Officer Contact	Kate Hiller Head of Legal and Support Services kate.hiller@nwleicestershire.gov.uk



SENIOR INFORMATION RISK OWNER

REPORT 2024-25

Issued: 1 April 2025

1. Introduction

Within the Council the responsibility for good information risk management sits with all staff at all levels.

The Council's Senior Information Risk Owner (SIRO) oversees information risk management and ensures regulatory compliance. The Council's SIRO is the Head of Legal and Support Services.

The work of the SIRO is delivered through the Information Governance Team, which is led by the Council's Data Protection Officer.

The responsibilities of the SIRO are as follows:

- To be accountable for risk management in relation to information governance at the Council;
- To take overall ownership of the Council's information risk approach, including the information governance framework; and
- To oversee the information security incident procedure and the Council's compliance in relation to dealing with information security incidents (data breaches).

The SIRO meets with the Information Governance Team on a quarterly basis to:

- Review compliance in relation to responding to requests for information and identify any areas of concern/potential risk;
- Identify whether any organisational or technical measures are required to address any risks presented by information security incidents that have occurred;
- oversee compliance on the completion and review of data privacy impact assessments;
- Identify and keep under review any potential projects that may involve data protection compliance; and
- Keep under review the Council's Information Governance Framework and have regard to any changes that may be required as a consequence of any changes in legislation or guidance, or for any other reason.

2. Purpose of the Report

The purpose of this report is to provide an overview of the Council's compliance in relation to regulatory requirements and to set out how information risk has been managed across the organisation over the past year. It demonstrates how the Council has continued to meet its statutory regulatory requirements relating to the processing of personal data under the UK General Data Protection Regulation (GDPR) and the Data Protection Act 2018, as well its duty to be transparent through compliance within the Freedom of Information Act 2000. The content of this report may vary from year to year depending on the activities undertaken and may include an overview of:

- Key achievements;
- Performance related to information governance;
- Compliance with statutory deadlines;
- Management of information security incidents;
- Compliance with legislative and regulatory requirements relating to the handling of information, including compliance with the Data Protection Act 2018 (DPA), Freedom of Information Act 2000 (FOI) and Environmental Information Regulations 2004 (EIR);
- Training and awareness

In addition, the report may also include policy and procedure updates; and the setting of objectives for the upcoming year.

3. Information Requests

Members of the public can request information from the Council under the Freedom of Information Act 2000 (FOIA) and/or the Environmental Information Regulations 2004 (EIR). The Environmental Information Regulations 2004 apply to all information which relates to the environment, in its broadest sense, including land, air, water, soil, buildings, animals and people, pollution of all kinds, waste, health and safety. This also includes reports, measures and analysis of environmental information. Whereas the FOIA applies to all other information. There are statutory deadlines by which the Council must respond to these requests for information. Under the legislation, the Council can apply exemptions where it is appropriate to do so to protect the information from disclosure e.g. confidential information. Each exemption has certain criteria that must be met before it can be applied and in some cases, the Council is required to consider a public interest test. The Council reports quarterly to its Audit and Governance Committee on how it is performing in relation to responding to information requests on time.

The following table sets out the number of requests received and responded to within the period 1 April 2024 - 31 March 2025:

2024/25	Q1	Q2	Q3	Q4	TOTAL
Total Number (FOIs)	122	132	197	204	655
% answered on time	89%	90%	92%	90%	90%
Average per month	39	44	65	68	54 (Av. Per Quarter)
Average response time (days)	11	14	9	8	11
Withheld due to exemption/fees	18	13	17	8	56
Transfers (TFRs)	22	27	16	24	89
Internal Reviews	0	0	2	2	4
Environmental Information Requests	4	6	1	6	17

The following table sets out the number of requests received and responded to within the period 1 April 2023 - 31 March 2024:

2023/24	Q1	Q2	Q3	Q4	TOTAL
Total Number (FOIs)	157	196	157	190	700
% answered on time	93%	86%	92%	92%	90%
Average per month	52	71	52	63	60
Average response time (days)	11	12	10	10	11
Withheld due to exemption/fees	13	2	13	19	47
Transfers (TFRs)	18	15	20	37	90
Internal Reviews	1	2	1	0	4
Environmental Information Requests	6	7	2	3	18

From the above figures it can be noted that:

- There has been a slight decrease in the number of requests that have been received under the FOIA & EIR for the period 1 April 2024- 31 March 2025.
- The average number of requests has increased each quarter for the period 1 April 2024- 31 March 2025.
- There has been an increase in the number of exemptions applied for the period 1 April 2024- 31 March 2025.
- The Council has maintained the target of 90% for the number of requests responded to on time.

The following table shows the number of requests received by service area within the period 1 April 2024-31 March 2025. This table includes requests made under the Freedom of Information Act and Environmental Information Regulation:

Service Area	No. Requests	% of Total
Communications	3	≤ 1%
Community Safety	17	2%
Corporate Leadership Team	1	≤1%
Customer Experience	3	≤1%
Customer Services	5	1%
Democratic Services	10	1%
Economic Development & Regeneration	6	≤1%
Environmental Health	23	3%
Environmental Protection	31	4%
Finance	55	8%
Housing Repairs	7	1%
Housing	70	10%
Human Resources	25	4%
ICT	20	3%
Legal Services	13	2%
Leisure Services	15	2%
Licensing	18	3%
Planning & Development	37	5%
Planning Policy	18	3%
Property Services	27	4%
Revenues & Benefits	45	6%
Waste Services	18	3%
Multiple Departments	19	2%

The following table shows the number of requests received by service area within the period 1 April 2023-31 March 2024:

Service Area	No. Requests	% of Total
Housing Team/Repairs	74	14%
Environmental Protection	69	13%
Planning & Development/Planning Policy	63	12%
Human Resources	55	10%
Finance	39	7%
Licensing	30	6%
ICT	30	6%
Waste Services	26	5%
Environmental Health	24	4%
Property Services	24	4%
Revenue & Benefits	24	4%
Environmental Health	22	4%
Leisure Services	20	4%
Democratic Services	18	3%
Economic Development & Regeneration	11	2%
Communications	9	2%

From the above figures it can be noted that:

- The Housing Service has received the highest number of requests for 2023/24 and 2024/25. It is believed that due to the nature of the work of the Housing Team, being customer facing, and the media interest within the Housing sector continues to generate housing related requests.
- The Planning Service has also maintained a higher proportion of requests compared to other service areas. This is believed to be due to the public interest in proposed new developments at a more local level, and an interest within Local Authority Planning Services at a wider level.

In addition to making requests for public information, individuals can also make a request to the Council for personal data held on them (subject access requests). The following table shows the number of subject access requests received in the period 1 April 2024 – 31 March 2025:

2024/25	Q1	Q2	Q3	Q4	TOTAL
Subject Access Requests (SARS)	11	10	12	21	54

This compares with the following in the previous financial year (2023/24)

2023/24	Q1	Q2	Q3	Q4	TOTAL
Subject Access Requests (SARS)	11	11	9	7	37

From the above figures it can be noted that:

- There has been an increase in the number of subject access requests received in the period 1 April 2024 to 31 March 2025.
- The quarterly figure remains consistent, with an increase in the number of subject access requests received in Q4 24/25.
- The Information Governance Team has not identified any particular trends; however, it is noted that there has been an increase in the number of subject access requests received in addition to individuals filing Housing disrepair claims.

4. Information Security Incidents

An information security incident (data breach) is a security risk which can result in the accidental or unlawful loss, destruction or disclosure of information. There have been 28 information security incidents reported during the period of 1 April 2024 – 31 March 2025. Each security incident has been investigated by the Data Protection Officer and where appropriate, measures and mitigations have been made to prevent the reoccurrence of similar incidents.

This represents an increase from the 15 information security incidents reported the previous year. Whilst this may indicate that Data Protection compliance has decreased, it is thought that with the implementation of the Data Breach and Information Security Procedure and training provided to staff through the Corporate Governance Training in November 2024, this has increased staff awareness of the duty to report suspected or actual information security incidents. It is really important that staff feel able to report suspected data breaches, so that they can be fully investigated and actions put in place to mitigate the risks.

A personal data breach can be broadly defined as a security incident that has affected the confidentiality, integrity or availability of personal data.

Personal data breaches can be categorised into:

- Confidentiality breach, where there is an unauthorised or accidental disclosure of, or access to personal data
- Availability breach, where there is a or loss of access to or destruction of personal data
- Integrity breach, where there is unauthorised or accidental alteration of personal data

The main incident type recorded was classified as a 'Confidentiality Breach'. The majority of incidents reported related to personal data being disclosed to the incorrect recipient, mainly through email or letter.

The Information Governance Team is looking to enhance the reporting of data breaches to further categorise the nature of the breach, for example, email sent to incorrect recipient, unauthorised access to systems.

There have been two data breaches during this period that met the threshold to be reported to the Information Commissioner's Office (ICO). The incidents included correspondence being disclosed to the wrong recipient. The incidents were investigated in line with the Councils Data Breach and Information Security Procedure and assessed against the risk matrix. It was deemed that the risk to the rights and freedoms of the individuals met the threshold for reporting to the ICO. In both cases immediate mitigations were implemented to reduce the risk to the affected individuals. Further recommendations were made to the relevant service areas to reduce the risk of similar occurrences happening in the future.

The Commissioner has provided a response in relation to both incidents to advise that the cases have been closed.

Whilst it is appreciated that there will be an element of human error, the Council has taken the following measures to reduce the likelihood of information security incidents occurring:

- Training provided to employees through the Corporate Governance Training Programme
- An updated online mandatory training course launched 1 April 2025
- Site audits commenced January 2025 across Whitwick Business Centre, Customer Services Centre and the Waste Services Depot to ensure Data Protection compliance
- Exploration of Microsoft Office functions to utilise available software to reduce information security incidents, for example, email classifications
- Quarterly meetings between the Data Protection Officer, ICT Manager and Audit Manager to discuss and address any security risks. Feedback will be provided to the Monitoring Officer at the quarterly SIRO meetings.

5. Organisational Compliance with Regulatory Requirements

Changes to Legislation in 2024/25

Whilst it was anticipated that a new Data Protection and Digital Information Bill would be introduced, this did not complete before parliament was dissolved on the 24 May 2024.

Following the formation of the new government, the Data Use and Access Bill (DUAB) was introduced to parliament in October 2024. The DUAB completed passage through the House of Lords in February 2025 and is expected to come into force at the end of 2025. The Information Governance Team is keeping this under review and will seek to implement any necessary changes should the DUAB be implemented.

Data Protection Impact Assessments

The Council manages a variety of personal information that is essential for service delivery. The Council has a statutory requirement to ensure that its information systems and supporting processes meet security, confidentiality, data protection and data quality needs. When implementing new policy and/or practical changes to the way in which personal data is processed, the Council carries out Data Protection Impact Assessments. This is to ensure any risks to privacy are mitigated and ensure that measures are in place to appropriately protect personal data.

During the period 1 April 2024 – 31 March 2025 there were 10 Data Protection Assessments carried out. This figure has increased from last year. Training has been provided through the Corporate Governance Training, which included the need for

Data Protection Impact Assessments to be carried out in relation to new and existing systems, where applicable. It is mandatory for a Data Impact Assessment to be conducted where it is deemed the processing of personal data is 'high risk'. The Council have introduced a Data Protection impact Assessment template, which includes an initial screening process. This will be assessed by the Data Protection Officer to determine if a full Data Protection Impact Assessment is required. It is also considered even if processing is not deemed as 'high risk', as a Data Protection Impact Assessment is a useful tool when implementing change. This also demonstrates the Council's commitment compliance and accountability.

Data Protection Impact Assessments are kept under review to ensure that the measures remain appropriate.

Training and Compliance

Information governance training is mandatory for all officers including temporary and agency staff. It is carried out annually by all staff via an online platform and the target for completion is 100%.

During the period 1 April 2024- 31 March 2025, the completion rate is 86%. As mentioned earlier in the report, the training programme for 2025/26 was launched on the 1 April 2025. The programme has been significantly updated to ensure that it is fit for purpose and covers all the required areas that staff need to be trained on. To improve and monitor compliance, going forward staff will be expected to complete the training within the month of April. If there are staff members who have not completed the training within the month of April, this will be addressed as appropriate.

In addition to the mandatory annual training, training on data protection was delivered by the Information Governance Team to the Council's Leadership Team and team managers as part of the Council's Corporate Governance training this year.

In the upcoming year, it is intended that more focused sessions will be provided in relation to FOI, EIR and Data Protection requests, where required.

Artificial Intelligence (A.I)

It is recognised that AI is being integrated into local government. The Council is currently looking at different AI products including Microsoft Copilot.

Whilst there are many organisational benefits to using AI, the Council will need to consider the risks that using AI technology poses.

The Information Governance Team will be working closely with the Council's Transformation Officer and relevant service areas looking to explore AI technology in order to ensure the Council remains compliant with its Data Protection responsibilities.

Policies

The Information Governance Framework has four policies that sets out the Council's approach to information governance. The policies were approved by Cabinet on the 24 September 2024, after having been presented to the Audit and Governance Committee on 7 August 2024. The policies included in the framework are:

- The Data Protection Policy
- The Information Security Policy
- The Information Rights Policy
- The Records Management Policy

The Information Governance Team has also created the following procedure documents to form part of the Information Governance Toolkit:

- Procedure for Information Sharing
- Information Requests Procedure
- Information Classification Procedure

The policies and procedures will be kept under regular review by the Information Governance Team.

ICT Security

The ICT Manager has confirmed that the following ICT security measures are in place for protecting the organisation:

- An annual IT security health check is conducted by an external Information Assurance for Small and Medium Enterprises (IASM) organisation. Any critical, medium, and high risks are resolved. The IT security health check is an assessment of the Council's security posture, where the internal and external network is checked for vulnerabilities, to ensure that best practice is being followed, systems and applications have been patched and updated as well as overall security health of the Council's IT arrangements.
- Internal and external penetration testing is carried out, by a IASM security accredited supplier, with a remediation action plan in place to resolve any risks found. In 2024, the Council had no critical, six high, three medium and 23 Low issues. The high and medium issues have now been remediated. The Council has also passed its Public Sector Network (PSN) accreditation for 2024/25. The PSN accreditation, provides assurance to the Cabinet Office that the Council has maintained compliance for connecting to government networks.
- Phishing campaigns are conducted twice a year to test staff security awareness and feedback results to Corporate Leadership Team, with improvement plans in place for those who have not passed the test. Future campaigns will now include members as they were excluded previously.

- Quarterly Cyber Security awareness training is held for staff, members, and new starters, to protect staff at home and in the office. The completion rate is not as high as we would like it to be, and other ways to improve the uptake of this training are being explored. Annual mandatory cyber security training is also undertaken and this completion rate for this in 2024 was 85%
- New business systems are run in remote fully resilient data centres and existing systems are being progressively migrated to cloud computing or software as a service (SaaS) models, aligned to the ICT strategy of cloud first approach.
- Improved business recovery arrangements have been implemented to minimise recovery time. Accreditation to Cyber Essentials and the PSN has been secured.
- All of the the remediation recommendations arising from recent internal audits have now been completed successfully. Some formalisations of processes were required and these have been completed. An external vulnerability scanner has been purchased which allows the Council to scan and monitor the external perimeter daily and proactively mitigate issues. The latest scan showed 23 medium and 102 Low Vulnerabilities, which the Council is working to mitigate using the tool that has been purchased.
- Council backups have now been migrated to the cloud, with daily backups now stored off site. This has improved the Council's backup strategy and recovery times. The Council now has the ability to restore and recover back up files quickly, directly from the cloud, as opposed to using tapes, which took a long time to restore and can be unreliable
- Results of IT Health Checks are now reported to the Audit and Governance Committee. The IT Manager attended the last meeting to provide a update on the IT Health Check.
- The Council has completed the Cyber Assessment Framework (CAF) readiness program and is now working through the assurance piece of work with the Cabinet Office. This will ensure the Council is above the mandatory requirement for the completion of the CAF, when it is introduced into public and private sector organisations.

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 23
APRIL 2025



Title of Report	AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT 2024/25	
Presented by	Paul Stone Director of Resources	
Background Papers		Public Report: Yes
Financial Implications	There are no financial implications arising from this report.	
	Signed off by the Section 151 Officer: yes	
Legal Implications	There are no legal implications arising from this report.	
	Signed off by the Monitoring Officer: yes	
Staffing and Corporate Implications	There are no staffing or corporate implications arising from this report.	
	Signed off by the Head of Paid Service: yes	
Purpose of Report	To provide a summary of the work undertaken by the Audit and Governance Committee during the 2023/24 financial year. The Committee's Terms of Reference states that a report to full Council is required on the Committee's performance and effectiveness.	
Recommendations	THAT AUDIT COMMITTEE APPROVES THE DRAFT ANNUAL REPORT 2024/25 PRIOR TO SUBMISSION TO COUNCIL ON 17 JUNE 2025.	

1.0 BACKGROUND

- 1.1 The Annual Report of the Audit and Governance Committee 2024/25 is designed to inform the full Council of the Committee's activities during the financial year, and how it has discharged its responsibilities. The Audit and Governance Committee is now asked to formally approve this report prior to it being reported to Full Council on 17 June 2025.

2.0 ANNUAL REPORT 2024/25

- 2.1 The production of an annual report by the Audit and Governance Committee is considered to be good practice by the Chartered Institute of Public Finance and Accountancy (CIPFA). CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022, states that: To discharge its responsibilities effectively, the committee should:

report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.

- 2.2 It is important that the wider membership of the Council is kept informed of the work to ensure sound control and governance. The report to Council is an essential part of this process.
- 2.3 The annual report of the Audit and Governance Committee is shown in Appendix 1. It summarises the activities of the Committee and demonstrates how it has discharged its duties. It highlights the achievements of the Committee and is a useful reminder to the organisation of the role of the Committee in providing assurance about its governance, risk management and financial controls.
- 2.4 The collaboration between the Director of Resources, Head of Internal Audit, and the Audit and Governance Committee's chair along with other committee members, is a critical process in the drafting of the Annual Report. This cooperative effort ensures that the report is comprehensive, reflecting the organisation's financial health and adherence to regulatory requirements.

Policies and other considerations, as appropriate	
Council Priorities:	- A Well-Run Council
Policy Considerations:	None.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon	None.
Consultation/Community/Tenant Engagement:	Members of the Audit Committee have been widely consulted on the draft report.
Risks:	The Audit and Governance Committee has a leading role to play in ensuring that the Council's governance arrangements are effective and contribute to the mitigation of risks.
Officer Contact	Paul Stone Director of Resources paul.stone@nwleicestershire.gov.uk

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT

2024/25



CONTENTS	PAGE
FOREWORD	2
INTRODUCTION	4
HIGHLIGHTS OF THE YEAR	5
SUMMARY OF WORK UNDERTAKEN	5
• EXTERNAL AUDIT	5
• INTERNAL AUDIT	5
• ANTI FRAUD AND CORRUPTION	6
• RISK MANAGEMENT	6
• CORPORATE GOVERNANCE	6
• FINANCE	7
• OTHER	7
TRAINING AND DEVELOPMENT	7
LOOKING FORWARD	7
TERMS OF REFERENCE 2023/24	9

FOREWORD

As Chair of the Audit and Governance Committee, I am pleased to present this Annual Report which sets out the role of the Audit Committee and summarises the work and achievements we have undertaken as a Committee during the financial year 2024/25.

As we embark on the next phase for the Committee, we recognise that we are in a continuous learning and development period. The training received in January 2025 was a helpful refresher of our roles for all our members. We are committed to learning and exploring the intricacies of financial reporting, internal controls, risk management, and external audit functions together as a committee.

It is my pleasure to commend the 2024/25 Audit Committee Annual Report.

Thank you to all the officers involved in its production, and in particular Kerry Beavis, Audit Manager, Kate Hiller, Head of Legal and Support Services, Elizabeth Warhurst, former Head of Legal and Support Services, Paul Stone, Director of Resources and Anna Crouch, Head of Finance. I would also like to thank Members and officers who have supported the work of this Committee by presenting, discussing, challenging and debating solutions to the ongoing risk, control and governance environment of the Council. All Members of the Committee bring a balanced, independent and objective approach to business of the Committee and I thank them for the contributions they have made.

As a Committee, our focus over the past year has been on the Council's progress regarding the sign-off of the statement of accounts.

We have received assurances on the security of the Council's network and receipt of the Public Sector Network Certification.

The work of the Internal Audit function continues to provide regular assurance in respect of the Council's governance and internal control arrangements. We have oversight of the internal controls, and therefore, we have held officers to account when there are concerns about internal audit recommendations not being completed in a timely manner. The Committee is concerned about the last two annual audit opinions, which were issued with limited assurance. Consequently, the Committee is seeking to address these issues and monitor the situation to ensure that the Council meets its priorities of being well-run.

The Committee established a working group of members that reviewed both the Council's Arrangements for Dealing with Complaints and the Constitution. I am particularly grateful to those Members of the working group who assisted in those reviews.

Committee members have been involved in the successful recruitment of two independent persons providing the Committee with an extended knowledge base and assists with complying with the good practices detailed within the CIPFA Position Statement on Audit Committees.

Effective audit committees build strong relationships, so we intend to collaborate with management, external auditors, and other stakeholders. We have new auditors, Azets, for the audit of our accounts from 2023/24 onwards. It is important that we develop a good working relationship with them to ensure the backlog of accounts is completed in a timely manner. We look forward to receiving regular updates from Azets. In addition to our financial oversight, we have also focused on governance arrangements and have received numerous reports to ensure that our oversight responsibilities are met effectively. This focus on governance has

significantly impacted our decision-making, enabling us to make more informed and transparent decisions.

As we move forward, we remain dedicated to our role in providing rigorous oversight and ensuring the highest standards of accountability and transparency. We look forward to continuing our work in collaboration with all stakeholders to achieve our shared goals.

The times in which NWLDC operates remain challenging. However, the professionalism and dedication of Officers, Audit Committee members, and our external auditors, Azets, have enabled the highest standards of governance to continue to be achieved.



Cllr Peter Moulton,

Chair, Audit and Governance Committee

April 2025

INTRODUCTION

While there is no statutory obligation to have such an arrangement, Audit Committees are widely recognised as a core component of effective governance and therefore reflect good practice. The CIPFA Position Statement also states that “*Audit Committees are a key component of an authority’s governance framework. Their function is to provide an independent and high-level resource to support good governance strong public financial management.*”

The Audit and Governance Committee is properly constituted and as such is given sufficient authority and resources by the Council. In effect, the Committee has the right to obtain all the information it considers necessary and to consult directly with senior managers. In line with best practice the Audit and Governance Committee can report its observations and concerns directly to the Council.

A local authority has a duty to ensure that it is fulfilling its responsibilities for adequate and effective internal control, risk management and governance, as well as the economy, efficiency and effectiveness of its activities. The Audit Committee has a key role in overseeing and assessing the internal control, risk management and corporate governance arrangements and advising the Council on the adequacy and effectiveness of those arrangements.

This role is reflected in the Committee’s Terms of Reference which are shown in Appendix One as set out in the Council’s Constitution. During October 2022 CIPFA (the Chartered Institute of Public Finance and Accountancy) published ‘Audit Committees – Practical guidance for Local Authorities and Police’, an update of previous guidance from 2018. The guidance includes suggested Terms of reference for audit committees. These were used as the basis for proposed new Terms of Reference for the Audit and Governance Committee, which were agreed at the Full Council meeting on 23 February 2023, with membership of the Committee agreed at the Full Council meeting on 7 May 2024.

The current Audit and Governance Committee had the following attendance during 2024/25.

Member	24 Apr 2024	7 Aug 2024	22 Aug 2024	25 Sep 2024	20 Nov 2024	9 Dec 2024	5 Feb 2024
Cllr Moulton (Chair)	✓	✓	✓	✓	✓	✓	✓
Cllr Everitt (Deputy Chair)	✓	✓	✓	✓	✓	✓	✓
Cllr Barker	✓	✓	✓	✓	✓	✓	✓
Cllr Boam	✗	✓	✓	✗	✓	✗	✗
Cllr Cooper	✓	✓	✓	✓	✓	✓	✓
Cllr Johnson*	-	-	-	✓	✓	✓	✓
Cllr Rogers	✓	✗	✓	✓	✓	✓	✓
Cllr Simmons	✓	✓	✓	✓	✓	✓	✓
Cllr Smith	✗	✓	✗	✓	✓	✗	✗
Cllr Sutton	✓	✓	✗	✓	✓	✓	✓

*Cllr Johnson was appointed to the Committee in 2024.

HIGHLIGHTS OF THE YEAR

There have been many benefits from the work of the Committee. The main outcomes and improvements include:

- Received and approved the Internal Audit Plan for 2024/25
- Focused on the CIPFA Position Statement to enhance the work of the Committee.
- Audit Committee working party with a focus on reviewing the Council's Arrangements for Dealing with Complaints and the Constitution
- Received risk register updates at each of its meetings.
- Focus on Internal Audit Recommendations
- Training received for Audit Committee Members
- Signing off the Statements of Accounts 2021/22 and 2022/23 in accordance with the Government's backstop date

SUMMARY OF WORK UNDERTAKEN IN 2024/25

The Audit and Governance Committee completed the following during 2024/25:

External Audit

- Received audit updates from the Council's external auditors, Mazars
- Received and considered a report in respect of the audit delay backlog
- Received and considered the detailed results of the external auditor's work in relation to the audit of the 2021/22 and 2022/23 financial statements of the Council. The Committee noted the disclaimed opinion, in accordance with the Government's proposal to meet the backstop date for these specific financial years.

Internal Audit

- Continued to oversee the internal audit arrangements for the Council. This included approving the review of the Internal Audit Charter which outlines the terms of reference of the Council and is aligned to the Public Sector Internal Audit Standards.
- Received and approved the Internal Audit Annual Report for 2023/24. This included the Annual Audit Opinion on the adequacy and effectiveness of the framework of control, risk management and governance within the Council. As the opinion was one of limited assurance, the Director of Resources also provided a management action plan in response to the audit opinion.
- Received and approved the Internal Audit Plan for 2024/25. The plan ensures that internal audit resources are prioritised towards those systems and areas which are considered to be of high risk, or which contribute most to the achievement of the Council's corporate objectives. It is designed to enable the Internal Audit Manager to give her opinion at the end of the year but is flexible to ensure it remains relevant throughout the year.
- Monitored the delivery of the Internal Audit Plan for 2024/25 through regular update reports presented by the Audit Manager.

- Received and considered the results of internal audit work performed in respect of each Directorate.
- Monitored the progress made by management during the period to address identified control weaknesses (recommendations).
- Monitored the performance of the Internal Audit team through the regular update reports.

Anti-fraud and Corruption

- Received and approved updates to the Anti-Fraud and Corruption Policy, Confidential Reporting (Whistleblowing) Policy, and the Anti-Money Laundering Policy.

Risk Management

- Continued to oversee the Council's risk management arrangements and Risk Management Policy, including updates to the strategy and Policy, as well as a revised format of the risk register.
- Reviewed the progress made by the Council to identify and address corporate risks. This included consideration of the Strategic Risk Register three times during the year, in April November and August 2024.

Corporate Governance

- Received and considered the Senior Information Risk Officer Annual Report
- Received and considered the Annual Governance Statements 2021/22 and 2022/23
- Considered the draft Member Conduct Annual Report recognising it acts as a helpful tool in communicating the work undertaken by the Audit and Governance Committee to the public and to Members.
- Received and considered quarterly Standards and Ethics reports detailing both the figures for the Ethical Indicators and the figures for the Local Determination of Complaints process.
- Received and considered at each meeting its own work plan for the year ahead, ensuring that all relevant areas are covered during the year.
- Considered the management response to the Annual Internal Audit Opinion 2023/24 and received regular updates on progress against the action plan at each of its meetings.
- Received and considered a report in respect of a review of the Council's Arrangements for Dealing with Complaints about Councillors and recommended changes to Council on 5 November 2024
- Considered a report in respect of the Council's review of its Constitution and recommended changes to Council on 22 February 2024
- Reviewed Corporate Governance Policies including:

- Anti Fraud and Corruption Policy
 - Anti Money Laundering Policy
 - Confidential Reporting (Whistleblowing) Policy
 - Risk Management Policy
 - RIPA and Policy
 - Local Code of Corporate Governance
 - Data Protection Policy
 - Information Governance Framework
 - Information Security Policy
 - Information Rights Policy
 - Records Management Policy
- Appointed two Independent Members of the Audit Committee,

Finance

- Considered reports in respect of the Statement of Accounts update
- Considered the draft Accounting Policies 2023/24
- Received and considered reports on Treasury Management Stewardship
- Continued to review the Council's Treasury Management arrangements. This included reviewing the Treasury Management Activity Report 2023/24 – Quarter 1 and Quarter 3 and Mid-year which included the actual and proposed treasury management activity.

Other

- Received details of the Local Government and Social Care Ombudsman's review letter for 2023/24 in accordance with its guidance on Effective Handling of Complaints.

TRAINING AND DEVELOPMENT

- Members have completed a self-assessment against CIPFA Guidance for Local Authority Audit Committees. This will be used to inform an ongoing training programme for Members.
- Members have received training in respect of Internal Audit, Risk, Standards and Ethics, Statement of Accounts
- Members received training in respect of the role of Audit Committee members
- A programme of training for Committee members has been produced and will be mandatory for all Audit and Governance Committee Members.
- A Training manual will be developed for Audit and Governance Committee Members.

LOOKING FORWARD

The Committee has approved the work programme for the 2025/26 financial year setting out the receipt of regular update reports and annual assurance reports.

The Committee will continue to closely monitor the delays to publishing the Council's Statement of Accounts and the Government's proposals for addressing the backlogs across the sector, with a focus on monitoring the Council's progress towards meeting the backstop dates.

Continued training and development of Members in line with the CIPFA Position Statement.

Close monitoring of the Council's Corporate Risk Register and scrutiny of key areas of concern such as, but not limited to, safeguarding, housing and value for money.

A continued focus on the monitoring of internal audit recommendations.

SECTION D7 - AUDIT AND GOVERNANCE COMMITTEE

1 COMMITTEE FORM AND STRUCTURE

Committee scope

- 1.1 The **Audit and Governance Committee** has specific responsibility for governance issues, including audit functions.
- 1.2 The Committee's scope is to:
 - 1.2.1 provide independent assurance to those charged with governance of the adequacy of the risk management framework and the internal control environment.
 - 1.2.2 provide independent review of the **Council's** governance, risk management and control frameworks and oversee the financial reporting and annual governance process.
 - 1.2.3 oversee internal audit and external audit arrangements, helping to ensure efficient and effective assurance mechanisms are in place.
- 1.3 The success of the **Audit and Governance Committee** in exercising its audit functions depends upon its ability to remain apolitical. It must adopt a nonpolitical approach to its meetings and discussions at all times. Remaining apolitical also places a duty on **Councillors** not to make inappropriate use of information provided to the Committee for other purposes.

Composition

- 1.4 The **Audit and Governance Committee** will comprise 10 Councillors in **Political Balance**.
- 1.5 Members of the **Committee** should not be members of **Cabinet** or **Scrutiny**.
- 1.6 The Chair will be appointed by **Full Council** annually.
- 1.7 Two **Independent Persons** may be co-opted as required to the Audit and Governance Committee to advise on finance matters or to a **Sub-Committee** of the Audit and Governance Committee in relation to standards matters but will not be entitled to vote at meetings.
- 1.8 At least one parish councillor may be present when matters relating to parish councils, or their Councillors are being considered. Parish councillors are co-opted to the Audit and Governance Committee as required and will not be entitled to vote at meetings.

Quorum

The **Audit and Governance Committee Quorum** will be three **Councillors**.

2 MATTERS RESERVED FOR THE AUDIT AND GOVERNANCE COMMITTEE

Governance, Risk and Controls

- 2.1 The Committee has the right to access all the information it considers necessary to undertake the work of the Committee and may receive reports and refer matters to internal and external auditors.
- 2.2 To review the Council's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.
- 2.3 To review and approve the **Annual Governance Statement** and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the **Council's** framework of governance, risk management and control.
- 2.4 To consider the **Council's** arrangements to secure value for money and to review and scrutinise assurances and assessments on the effectiveness of these arrangements.
- 2.5 To consider the **Council's** framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
- 2.6 To monitor the effective development and operation of risk management in the **Council**.
- 2.7 To monitor progress in addressing risk related issues reported to the **Committee** such as the [Corporate Risk Register](#).
- 2.8 To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- 2.9 To review the assessment of fraud risks and potential harm to the **Council** from fraud and corruption.

- 2.10 To monitor the Anti-Fraud and Corruption Strategy, actions and resources.
- 2.11 To review the governance and assurance arrangements for significant partnerships or collaborations.
- 2.12 To review and monitor the Council's compliance with public sector financial and audit standards and guidance, in accordance with the CIPFA Codes and Accounts and Audit Regulations.
- 2.13 To review and monitor the Council's Treasury Management arrangements in accordance with the CIPFA Treasury Management Code of Practice.

3 INTERNAL AUDIT

- 3.1 To approve the internal audit charter.
- 3.2 To approve (but not direct) the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- 3.3 To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- 3.4 To make appropriate enquiries of both management and the Head of Internal Audit (currently the Audit Manager) to determine if there are any inappropriate scope or resource limitations.
- 3.5 To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Internal Audit. To approve and periodically review safeguards to limit such impairments.
- 3.6 To consider reports from the Head of Internal Audit on internal audit's performance during the year.
- 3.7 To consider internal audit's annual report:
 - 3.7.1 The statement of the level of conformance with the **Public Sector Internal Audit Standards** and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit;
 - 3.7.2 The opinion on the overall adequacy and effectiveness of the **Council's** framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the Committee in reviewing the **Annual Governance Statement**.

- 3.8 To consider summaries of specific internal audit reports in accordance with agreed protocols.
- 3.9 To receive reports outlining the action taken where the Head of Internal Audit has concluded that management has accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.
- 3.10 To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
- 3.11 To provide free and unfettered access to the **Audit and Governance Committee** Chair for internal audit, including the opportunity for a private meeting with the Committee.

4 EXTERNAL AUDIT

- 4.1 To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised.
- 4.2 To consider the external auditor's annual audit letter, relevant reports and the report to those charged with governance.
- 4.3 To consider specific reports as agreed with the external auditor.
- 4.4 To comment on the scope and depth of external audit work and to ensure it gives value for money.
- 4.5 To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

5 FINANCIAL REPORTING

- 5.1 To review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the **Full Council**.
- 5.2 To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
- 5.3 To seek assurances that the **Council** has complied with the **Treasury Management** Strategy and Practices by demonstrating effective control of the associated risks and pursuing optimum performance consistent with those risks.

6 ACCOUNTABILITY ARRANGEMENTS

- 6.1 To report to those charged with governance on the Committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- 6.2 To report to **Full Council**, as required, on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.
- 6.3 To publish an annual report on the work of the Committee.

7 RELATED FUNCTIONS

- 7.1 Subject to the requirements set out below, to consider all findings of the Local Government and Social Care Ombudsman, including reports resulting in a finding of maladministration against the **Council**, and to make recommendations as to actions that may be necessary in connection with the Ombudsman's findings.

There are statutory obligations which will, in some circumstances, require reports to be taken to **Cabinet** or **Full Council**.

The Ombudsman operates protocols in relation to the timing of the publication of findings. The Council would have to give consideration to those protocols when determining how to manage the **Audit and Governance Committee's Agenda**.

- 7.2 To review any issue referred to it by the **Chief Executive, S151 Officer, Monitoring Officer** or any **Council** body.

8 STANDARDS FUNCTIONS

- 8.1 To assist the Council in fulfilling its duty under the Localism Act 2011 to promote and maintain high standards of conduct by **Councillors** and **co-opted Councillors** of district and parish councils.
- 8.2 To advise the Council on the adoption or revision of its **Councillors' Code of Conduct** in **Part 4**.
- 8.3 To monitor and advise the Council about the operation of its **Councillors' Code of Conduct** in **Part 4** in light of best practice and any changes in the law.
- 8.4 Advising, training or arranging to train councillors and co-opted members on matters relating to the **Councillors' Code of Conduct** in **Part 4**.
- 8.5 Dealing with any report from the **Monitoring Officer** on any matter concerning governance.

- 8.6 To establish **Sub-Committees** for the assessment or determination of matters concerning allegations in relation to Councillor conduct.
- 8.7 To grant dispensations to **Councillors** who require such dispensations for more than one meeting or on more than one occasion from requirements relating to interests set out in the **Councillors' Code of Conduct** in **Part 4** as appropriate.
- 8.8 To advise the Council on, and review as necessary, the arrangements for dealing with complaints or any local protocols regulating the conduct of **Councillors** and to deal with allegations of breach of any such protocol.
- 8.9 To consider and make recommendations to **Full Council** on any other matter

that may be referred to the **Audit and Governance Committee** relating to the conduct and training of Councillors.

- 8.10 To consider amendments to the **Constitution** and recommend proposals to **Full Council** for approval, except where specifically delegated to the **Monitoring Officer**.
- 8.11 To undertake an annual review of the **Corporate Governance Policies** and make recommendations to **Cabinet**.

Local Assessment of Complaints About Councillor Conduct

- 8.12 **Sub-Committees** of the **Audit and Governance Committee** are formed on an ad hoc basis to deal with local assessment of **Councillor** conduct complaints.
- 8.13 All **Audit and Governance Committee** members will form a pool from which members will be drawn based on their availability and the requirements of the particular **Sub-Committee** as and when required.
- 8.14 The **Sub-Committee** may co-opt at least one parish councillor when decisions are taken concerning a parish matter.
- 8.15 The **Sub-Committee** may co-opt at least one **Independent Person** as appropriate.
- 8.16 No member who considered a complaint at the initial **Assessment/ Determination Sub-Committee** may consider the same complaint at the **Review Sub-Committee**.
- 8.17 The **Quorum** of the **Sub-Committees** is 3 **Councillors**.
- 8.18 The **Chair** of each **Sub-Committee** will be a **Councillor**.
- 8.19 The **Sub-Committees** and their functions are set out below:

Assessment Sub-Committee

Assessment of complaints in accordance with the **Council's Councillors' Code of Conduct** in **Part 4** and to either:

- Accept the **Monitoring Officer's** recommendation of no failure to comply with the **Councillor's Code of Conduct**; • Refer the matter for full investigation; or • Refer the matter for other action.

Review Sub-Committee

Consideration of requests for a review in accordance with the **Council's Councillors' Code of Conduct** in **Part 4**.

Determinations Sub-Committee

To receive reports from the **Monitoring Officer** or his/her appointed investigating officer and to decide either:

- To determine finding of no failure to comply with the **Councillors' Code of Conduct** in **Part 4**;
- To determine finding of failure to comply with the **Councillors' Code of Conduct** in **Part 4** and impose relevant sanctions; or
- Refer the matter for other action; in accordance with the **Council's Councillors' Code of Conduct** in **Part 4**.

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