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Meeting	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
Time/Day/Date	6.30 pm on Wednesday, 29 April 2026
Location	Abbey Room, Stenson House, London Road, Coalville, LE67 3FN
Officer to contact	Democratic Services (01530 454512)

### AGENDA

Item	Pages
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. DECLARATION OF INTERESTS</b>	
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.	
<b>3. MINUTES</b>	
To confirm and sign the minutes of the meeting held on 26 February and 11 March 2026	<b>3 - 8</b>
<b>4. OUTSTANDING ACTIONS UPDATE</b>	
To consider any outstanding actions from previous meetings	<b>9 - 12</b>
<b>5. COMMITTEE WORK PLAN</b>	
To note the Committee's work plan	<b>13 - 16</b>
<b>6. DRAFT ACCOUNTING POLICIES 2025/26</b>	
Report of the Head of Finance	<b>17 - 38</b>
<b>7. STANDARDS AND ETHICS REPORT - QUARTER 4</b>	
Report of the Interim Head of Legal and Support Services	<b>39 - 46</b>
<b>8. LOCAL GOVERNMENT REORGANISATION - ACCOUNTS AND AUDIT REQUIREMENTS</b>	
Report of the Head of Finance	<b>47 - 52</b>

<b>9. INTERNAL AUDIT PROGRESS REPORT</b>	
Report of the Audit Manager	<b>53 - 86</b>
<b>10. INTERNAL AUDIT STRATEGY</b>	
Report of the Audit Manager	<b>87 - 106</b>
<b>11. INTERNAL AUDIT ANNUAL PLAN</b>	
Report of the Audit Manager	<b>107 - 118</b>
<b>12. INTERNAL AUDIT CHARTER AND MANDATE</b>	
Report of the Audit Manager	<b>119 - 136</b>
<b>13. CORPORATE RISK UPDATE</b>	
Report of the Audit Manager	<b>137 - 176</b>

Circulation:

Councillor J G Simmons (Chair)  
Councillor R Sutton  
Councillor P Moulton  
Councillor R Boam  
Councillor D Cooper  
Councillor D Everitt  
Councillor G Rogers  
Councillor N Smith  
Councillor A Wilson  
Vacant  
Mrs E Hutchinson

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Abbey Room, Stenson House, London Road, Coalville, LE67 3FN on THURSDAY, 26 FEBRUARY 2026

Present: Councillor P Moulton (Chair)

Councillors R Sutton, D Cooper, D Everitt, G Rogers, J G Simmons and N Smith

In Attendance: Councillor J Legrys

Officers: Mrs A Crouch, Mr B Dooley, Ms K Hiller and Mrs R Wallace

External Audit: Mr P Montgomery, Ms L Hinsley and Ms H Parks

## **51. APOLOGIES FOR ABSENCE**

Before the meeting opened, Councillor R Sutton announced that he would be resigning as Chair of Audit and Governance Committee with immediate effect, and that Councillor P Moulton would be resigning as Deputy Chair but would take on the role as Chair for this meeting.

Apologies were received from Councillor R Boam, Councillor R Johnson and Councillor A Wilson.

## **52. DECLARATION OF INTERESTS**

There were no interests declared.

## **53. MINUTES**

Consideration was given to the minutes of the meeting held on 4 February 2026.

Members noted that paragraph 3 of minute item 45 was unclear and that it should have been adjusted to include the following:

‘An Independent Member reinforced the point that the 2022 CIPFA position statement on Audit Committees was very clear in this regard.’

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

RESOLVED THAT:

The minutes of the meeting held on 4 February 2026 be approved and signed by the Chair as an accurate record of proceedings pending the alteration noted above.

## **54. OUTSTANDING ACTIONS UPDATE**

Consideration was given to the Outstanding Actions Update.

A member suggested that the second action in the table on page 9 of the agenda should have been altered so that it included procurement, and an update was requested from the Head of Planning and Infrastructure regarding the action related to Agenda Item 12 on page 10.

Members noted that the target dates of the last three actions in the table needed to be amended to 29 April 2026.

The Outstanding Actions Update was noted, and members were thanked for their comments.

## **55. COMMITTEE WORK PLAN**

Consideration was given to the Committee's work plan.

A member noted that the Statement of Accounts Update scheduled for 29 April 2026 was not required following the presentation of the accounts at this meeting.

The Committee's work plan was noted.

## **56. AUDIT COMPLETION REPORT - 2023/24 AND 2024/25**

Before presenting their report, the External Auditors announced that their presentation was to comprise of two sections: one for each report.

The External Auditors presented the Audit Completion Report 2023/24.

A discussion followed during which several questions of clarity were addressed by the External Auditors.

A member asked whether the introduction of a new finance system was a risk as the Authority approached Local Government Reorganisation. In response, the External Auditors acknowledged that it was a risk but mentioned that, following investigations from their IT risk assessment team, significant weaknesses had been raised about the use of the Unit4 system in November 2025. The External Auditors stated they were satisfied that the Annual Governance Statement addressed these weaknesses as part of the recommendations.

It was also questioned whether there were implications for the Council if they did not manage to meet the backstop date. The External Auditors replied that, in the event the backstop date was not met, it would have increased the reputational risk to the Council.

In response to a question from a member, the External Auditors stated that they could not have provided assurances about the 2023/24 accounts as no further work had been carried out to identify further errors, but it was noted that they were trying to build assurance from 2021 as a priority. The Head of Finance added that, while unaudited, the accounts were to be signed by the Section 151 Officer to provide assurance.

The External Auditors presented the Audit Completion Report 2024/25.

Members had a discussion and several questions of clarity were asked which were responded to by the External Auditors and the Head of Finance.

Recommendations 1, 2 and 3 of the report were noted.

The additional recommendation as set out in the additional papers was moved by Councillor R Sutton, seconded by Councillor J Simmons and

**RESOLVED THAT:**

The management representation letters for 2023/24 and 2024/25 be approved by the Committee.

**57. STATEMENT OF ACCOUNTS 2023/24**

The Head of Finance presented the report.

It was noted by the Head of Finance that recommendations 2 and 3 of the report were to be altered following the Chair's resignation to include 'the Chair of this meeting'.

A member commented that they wanted assurance regarding the accuracy of the accounts due to what they believed were weaknesses in governance. It was questioned what were to happen should the Statements of Accounts not be approved by the Committee.

The Head of Finance replied that, if the Statements of Accounts were not approved, it would have increased the reputational risk to the Council as the Government-set backstop date for publishing the Statement of Accounts would have been missed.

The member requested legal advice from the Monitoring Officer about the consequences of not approving the Statements of Accounts.

The meeting adjourned at 7:32pm.

The meeting reconvened at 7:52pm.

It was advised by the Monitoring Officer that voting against the officer's recommendations and the Council itself was not a breach of the Code of Conduct, and that members were allowed to vote as they wished. It was added that the narrative that surrounded the vote may have given rise to a breach of the Code of Conduct, but it depended on what was said.

Members were also advised that it was a legal requirement for the Chair of the meeting to sign the accounts.

The Head of Finance commented that, while the External Auditors had not provided their assurance for the accounts, the Section 151 Officer and the Head of Finance were happy with them.

It was moved by Councillor J Simmons, seconded by Councillor G Rogers and

RESOLVED THAT:

- 1) The Annual Statement of Accounts 2023/24 be approved.
- 2) The Chair of this meeting be authorised to sign the Statement of Accounts 2023/24.
- 3) Authority be delegated to the Chair of this meeting and the Section 151 Officer to approve any minor non-material amendments, as agreed with the External Auditors, to the Statement of Accounts 2023/24 on behalf of the Committee.

**58. STATEMENT OF ACCOUNTS 2024/25**

The Head of Finance presented the report and noted that recommendations 2 and 3 needed to be reworded to reflect the structure changes of the Committee.

At the request of members, it was minuted that the Committee had exercised its knowledge of the cumulative experience of the Authority, its chief officers, the letter of representation, the systems of control that operate, the budgetary control and monitoring

and, relying on those elements to reach a conclusion, there was no reason at the time to doubt the accounts, as internal and external auditors had found no material issues in their investigations.

It was moved by Councillor J Simmons, seconded by Councillor G Rogers and

RESOLVED THAT:

- 1) The Annual Statement of Accounts 2024/25 be approved.
- 2) The Chair of this meeting be authorised to sign the Statement of Accounts 2024/25.
- 3) Authority be delegated to the Chair of this meeting and the Section 151 Officer to approve any minor non-material amendments, as agreed with the External Auditors, to the Statement of Accounts 2024/25 on behalf of the Committee.

**59. TREASURY MANAGEMENT UPDATE REPORT - QUARTER 3**

The Head of Finance presented the report.

The report was noted.

The meeting commenced at 6:00pm

The Chair closed the meeting at 8:07pm

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Stenson House, London Road, Coalville, LE67 3FN on WEDNESDAY, 11 MARCH 2026

Present: Councillors R Boam, D Cooper, D Everitt, G Rogers, J G Simmons, N Smith, A Wilson and Mr P Montgomery (Independent Member)

In Attendance: Councillor J Legrys

Officers: Ms K Beavis, Mrs A Crouch, Ms K Hiller, Mr P Stone and Mrs C Hammond

External Audit: Ms L Hinsley

**60. ELECTION OF CHAIR FOR THE MEETING**

The Head of Legal and Support Services opened the meeting and sought nominations for the election of Chair for the meeting and the rest of the civic year.

Councillor R Boam moved that Councillor J Simmons be elected as Chair for the meeting and the rest of the civic year. It was seconded by Councillor N Smith.

RESOLVED THAT:

Councillor J Simmons be elected as Chair for the meeting and the rest of the civic year.

**61. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors P Moulton and R Sutton and, Ms E Hutchinson.

**62. DECLARATION OF INTERESTS**

There were no interests declared.

**63. STATEMENT OF ACCOUNTS 2023/24 AND 2024/25**

The Strategic Director for Resources presented the report to the Committee.

It was moved by Councillor R Boam, seconded by Councillor N Smith and

RESOLVED THAT:

1. The Annual Statement of Accounts 2023/24 and 2024/25 as set out in appendix 1 and 2 be approved.
2. That the Chair of the Committee meeting be authorised to sign the Statement of Accounts 2023/24 and 2024/25.

The meeting commenced at 6:30pm

The Chair closed the meeting at 6:37pm

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## Audit and Governance Committee

### Outstanding Actions

Key:

Green = completed

Amber = working towards

Red = to be completed



Meeting Date	Agenda item	Action	Comments	Responsible Officer	Target dates/rationale for delays	Status and last updated
12/11/25	7	To provide the Committee with a briefing on Unit 4.	A Unit 4 update report is schedule for the June meeting	Anna Crouch		08/01/26 Amber
12/11/25	7	To arrange discussions with Cllr P Moulton and the Chair with the intention to undertake a root cause analysis on the human processes regarding the implementation of the Unit 4 system.	<b><u>An arrangement of discussions to be made once accounts have been completed.</u></b>	Paul Stone		08/01/26 Red

Agenda Item 4.

Meeting Date	Agenda Item	Action	Comments	Responsible Officer	Target dates/rationale for delays	Status and last updated
04/02/26	7	To provide a response to Cllr Rogers in relation to the following question raised during discussion: 'What checks and balances are in place to make sure only the correct type of waste is put into trade waste bins, how is this dealt with?'	Response sent via email on 09/02/2026	Kerry Beavis/Paul Sanders		08/02/2026 Green
04/02/26	7	To provide a response to Cllr Moulton in relation to the following question raised during discussion: 'Where is stock such as radiators/doors etc stored, is it still a storage unit as it was in the past?'	Yes, we store at Market Street but often order and collect to fit same day as we do not have capacity to store every door/ window etc  Response sent via email on 10/02/2026	Gary Hall		10/02/2026 Green
04/02/26	7	Outstanding finance audit recommendations: It was agreed to provide more narrative in future reports so that members have more information and it is clear what progress has been made.		Paul Stone	Next meeting the internal audit progress update is reported to (29/04/26)	Amber
04/02/26	12	Corporate risk no.35 re Local Plan: Members felt the risk was not accurate considering the timeframes for submission the plan. It was agreed to go back to planning officers to review the risk.		Paul Stone	Next meeting the risk register is reported to (29/04/26)	Amber

<b>Meeting Date</b>	<b>Agenda Item</b>	<b>Action</b>	<b>Comments</b>	<b>Responsible Officer</b>	<b>Target dates/rationale for delays</b>	<b>Status and last updated</b>
04/01/26	12	Corporate risk no.21 re Driver and fleet compliance: In response to members concern that it was a particularly high-risk score, it was agreed to get further details for the next meeting.		Paul Stone	Next meeting the risk register is reported to (29/04/26)	Amber

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**AUDIT AND GOVERNANCE COMMITTEE – WORK PROGRAMME** (as at 21/04/26)

<b>Issue</b>	<b>Report Author</b>	<b>Meeting at which will be reported</b>
<b>June 2026</b>		
2025/26 Annual Audit Plan Report of the External Auditor	Anna Crouch, Head of Finance	10 June 2026
Key judgements and estimates in the statement of accounts	Georgina Gwillim, Finance Team Manager	10 June 2026
Unit 4 Update	Anna Crouch, Head of Finance	10 June 2026
Treasury Management Stewardship Report 2025/26 For the Committee to consider the draft Treasury Management Stewardship Report 2025/26 before it is considered by Cabinet.	Anna Crouch, Head of Finance	10 June 2026
Draft Accounting Policies 2025/26	Anna Crouch, Head of Finance	10 June 2026
Annual Governance Statement 2025-26	Anna Crouch, Head of Finance	10 June 2026
Audit and Governance Committee Annual Report	Kerry Beavis, Audit Manager	10 June 2026
Draft Member Code of Conduct Annual Report	Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	10 June 2026
SIRO (Senior Information Risk Officer) Annual Report	Laurent Flinders, Information Governance Officer, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	10 June 2026
<b>August 2026</b>		
Review of Corporate Governance Policies	Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	5 August 2026
Treasury Management Update Report (Q1)	Anna Crouch, Head of Finance, Georgina Gwillim, Finance Team	5 August 2026

Issue	Details	Report Author	Meeting at which will be reported
	Manager		Internal Audit Progress Report (Q1)
Corporate Risk Update	Kerry Beavis, Audit Manager	5 August 2026	Standards and Ethics Quarterly Report (Q1)
Local Government and Social Care Ombudsman Annual Review Letter	Kerry Beavis, Audit Manager	5 August 2026	Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer
<b>November 2026</b>			
Future External Arrangements	Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	5 August 2026	Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer
Treasury Management Update Report (Q2)	Anna Crouch, Head of Finance	11 November 2026	Anna Crouch, Head of Finance, Georgina Gwillim, Finance Team Manager
Internal Audit Progress Report (Q2)	Anna Crouch, Head of Finance	11 November 2026	Kerry Beavis, Audit Manager
Corporate Risk Update	Kerry Beavis, Audit Manager	11 November 2026	Kerry Beavis, Audit Manager
Standards and Ethics Quarterly Report (Q2)	Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	11 November 2026	Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer
<b>January 2027</b>			
Audit Completion Report	Anna Crouch, Head of Finance	13 January 2027	Anna Crouch, Head of Finance
Statement of Accounts	Anna Crouch, Head of Finance	13 January 2027	

Issue	Details	Report Author	Meeting at which will be reported
<b>February 2027</b>			
Annual IT Health Check Report		Sam Outama, ICT Team Manager	10 February 2027
Treasury Management Update Report (Q3)		Anna Crouch, Head of Finance, Georgina Gwillim, Finance Team Manager	10 February 2027
Internal Audit Progress Report (Q3)		Kerry Beavis, Audit Manager	10 February 2027
Corporate Risk Update		Kerry Beavis, Audit Manager	10 February 2027
Standards and Ethics Quarterly Report (Q3)		Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	10 February 2027
Annual Review of the Council's Constitution		Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	10 February 2027
Annual Review of the Code of Conduct Complaints Arrangements		Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	10 February 2027
<b>April 2027</b>			
Audit and Governance Committee Annual Report		Anna Crouch, Head of Finance	28 April 2027
Internal Audit Annual Plan		Kerry Beavis, Audit Manager	28 April 2027
Internal Audit Progress Report (Q4)		Kerry Beavis, Audit Manager	28 April 2027
Corporate Risk Update		Kerry Beavis, Audit Manager	28 April 2027
Standards and Ethics Quarterly Report (Q4)		Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	28 April 2027

Issue	Details	Report Author	Meeting at which will be reported
SIRO (Senior Information Risk Officer) Annual Report	Laurent Flinders, Information Governance Officer, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	28 April 2027	
Draft Member Code of Conduct Annual Report	Emma Lant, Rochelle Tapping, Interim Head of Legal and Support Services and Monitoring Officer	28 April 2027	

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 29  
APRIL 2026

<b>Title of Report</b>	<b>DRAFT ACCOUNTING POLICIES 2025/26</b>	
<b>Presented by</b>	Anna Crouch Head of Finance	
<b>Background Papers</b>	<b>Audit and Governance Committee - 12 November 2025</b> <a href="#">Draft Accounting Policies 2024/25</a>	<b>Public Report: Yes</b>
<b>Financial Implications</b>	There are no direct financial implications as a direct result of this report.	
	<b>Signed off by the Acting Section 151 Officer: Yes</b>	
<b>Legal Implications</b>	There are no direct legal implications as a direct result of this report.	
	<b>Signed off by the Monitoring Officer: Yes</b>	
<b>Staffing and Corporate Implications</b>	There are no direct staffing and corporate implications as a direct result of this report	
	<b>Signed off by the Head of Paid Service: Yes</b>	
<b>Purpose of Report</b>	To present the draft accounting policies for the 2025/26 financial statements	
<b>Recommendations</b>	<b>THAT THE COMMITTEE CONSIDERS AND APPROVES THE DRAFT ACCOUNTING POLICIES FOR THE 2025/26 FINANCIAL STATEMENTS AS DETAILED IN APPENDIX A.</b>	

**1.0 BACKGROUND**

1.1 It is a requirement of the Local Government Act 2003 and the Accounts and Audit (England) Regulations 2015 for the Statement of Accounts to be produced in accordance with proper accounting practices as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

1.2 There are significant changes in the 2025/26 Code that impact the Council's accounting policies.

Key updates include:

- Property, Plant, and Equipment (PPE) revaluations now on a mandatory five-year cycle supported by annual indexation, with a desktop valuation permitted in year three where no appropriate index exists
- Intangible assets measured only at historical cost (revaluation model withdrawn)

- Adoption of International Financial Reporting Standards (IFRS 17) and amendments to International Accounting Standards (IAS 21) (no material impact expected)
- Removal of the prior adaptation on accumulated depreciation on revaluation
- Clarification that a full revaluation is not the default method to evidence the absence of impairment
- Transitional arrangements permit prospective application without restatement of prior periods.

1.3 In August 2023, CIPFA issued a consultation on the 2025/26 Code of Practice which will apply to the 2025/26 Statement of Accounts. Consultation on the 2025/26 Code of Practice on Local Authority Financial Reporting in the United Kingdom | CIPFA. In the Exposure drafts, CIPFA:

- Details the amendments to IFRS 16 Lease liabilities for sale and lease back transactions. In common with many other local authorities, the Council has decided to implement IFRS 16 in 2025/26 in line with the mandatory deadline.
- Confirms the contents of the Narrative Statement

1.4 This report, therefore, presents the accounting policies that the Council will apply in the preparation of the Statement of Accounts for 2025-26.

## **2.0 DRAFT ACCOUNTING POLICIES 2025/26**

2.1 The Accounting Policies adopted by the Council determine the accounting treatment that is applied to transactions during the financial year and in the preparation of the Statement of Accounts at the year-end. They determine the specific principles, bases, conventions, rules and practices that will be applied by the Council in preparing and presenting its financial statements.

2.2 Accounting policies need not be applied if the effect of applying them would be immaterial. Materiality is defined in the Code as: "Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the item, or a combination of both, could be the determining factor."

2.3 The Audit and Governance Committee's Terms of Reference require the Committee 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 Council. It is, therefore, considered good practice for the Committee to have greater visibility over the accounting policies, enabling appropriate oversight and challenge prior to their application.

2.4 The draft accounting policies for 2025/26 are included in Appendix A. The finance team review the accounting policies each year to ensure they comply with accounting standards. Any policies, which are no longer relevant or have no material effect to the Statement of Accounts are removed. Following the 2025/26 review, there are no

Council-specific or discretionary changes to accounting policies. Updates reflect mandatory changes arising from the CIPFA Code of Practice.

2.5 The draft accounting policies will be reviewed by the external auditors, Azets, as part of the audit of the accounts and are still subject to change up to the point the final Statement of Accounts documented are approved and signed. Any major changes will be highlighted to the Audit and Governance Committee alongside the final version of the Statement of Accounts.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	A well-run council  Production of timely and accurate Statement of Accounts is a statutory requirement. Achievement of this reflects sound financial management - supporting all the council priorities.
Policy Considerations:	CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26
Safeguarding:	Not applicable
Equalities/Diversity:	Not applicable
Customer Impact:	Not applicable
Economic and Social Impact:	Not applicable
Environment, Climate Change and Zero Carbon	Not applicable
Consultation/Community/Tenant Engagement:	Not applicable
Risks:	Regulation 7 of the Accounts and Audit Regulations 2015 requires a local authority to prepare a Statement of Accounts in accordance with “proper practices in relation to accounts”.  As this report complies with best practice, the risk has been assessed as low.
Officer Contact	Anna Crouch Head of Finance <a href="mailto:anna.crouch@nwleicestershire.gov.uk">anna.crouch@nwleicestershire.gov.uk</a>

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# Notes to the accounts

## Accounting policies

### 1. General Principles

The Statement of Accounts has been prepared with reference to the objective of showing the results of the stewardship and accountability of elected members and management for the resources entrusted to them, and on the underlying assumption of a going concern basis.

The Statement of Accounts summarises the Council's transactions for the 2025/26 financial year and its position at the year-end of 31 March 2026.

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which requires the statement to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the Local Government Act 2003.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The Council's accounting policies are updated annually to reflect any changes in IFRS, including changes in International Public Sector Accounting Standards (IPSAS), HM Treasury guidance, CIPFA guidance or any other change in statute, guidance or framework impacting on the Council's accounts.

In December 2024, CIPFA issued a consultation on the 2025/26 Code of Practice which will apply to the 2025/26 Statement of Accounts. [Consultation on the 2025/26 Code of Practice on Local Authority Financial Reporting in the UK](#)

In the Exposure drafts, CIPFA details the amendments to IFRS 16 Lease liabilities for sale and lease back transactions. In common with many other local authorities, the Council has decided to implement IFRS 16 in 2025/26 in line with the mandatory

deadline. CIPFA also confirms the contents of the Narrative Statement.

The Council's accounting policies as far as possible have been developed to ensure that the accounts are understandable, relevant, free from material error or misstatement, reliable and comparable, and are applied consistently. A glossary of terms can be found at the end of this document.

The concept of going concern assumes that the Council's functions and services will continue in operational existence for the foreseeable future. The provisions in the Code in respect of going concern reporting requirements reflect the economic and statutory environment in which the Council operates. If the Council was in financial difficulty, the prospects are that alternative arrangements might be made by central government either for the continuation of the services it provides, the provision of exceptional financial support, or for assistance with the recovery of a budget deficit over more than one financial year. These provisions confirm that, as Councils cannot be created or dissolved without statutory prescription, they must prepare

their financial statements on a going concern basis of accounting.

## 2. Accruals of income and expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract. Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the

effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

## 3. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand

and form an integral part of the Council's cash management.

## 4. Exceptional items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

## 5. Prior period adjustments, changes in accounting policies and estimates and errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the

effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

## **6. Charges to revenue for non-current assets**

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation attributable to the assets used by the relevant service
- Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- Amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund balance (Minimum Revenue Provision) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

MRP has previously been determined as 4% of the opening balance for the financial period (the Regulatory Method). Going forward the Section 151 Officer has revised this policy for 2019/20 onwards to the asset life method, based on Option 3 of the MHCLG guidance, whereby MRP is determined by reference to the useful life of the asset.

## **7. Council tax and non-domestic rates (England)**

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves.

Billing authorities are required by statute to maintain a separate fund (the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

### **Accounting for Council Tax and NDR**

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited

to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

## 8. Employee Benefits

### Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end.

They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g., cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not

taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund

Balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

### Post-employment Benefits

Employees of the Council are members of the Local Government Pensions Scheme, administered by Leicestershire County Council. The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Leicestershire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based

on assumptions about mortality rates, employee turnover rates, etc., and projected earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds.
- The assets of Leicestershire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:
  - Quoted securities – current bid price
  - Unquoted securities – professional estimate
  - Unlisted securities – current bid price
  - Property – market value.

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The change in the net pension's liability is analysed into the following components:

- Service cost comprising:
  - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- Net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

- Re-measurements comprising:
  - The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
  - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure
  - Contributions paid to the Leicestershire County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the

amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### **Discretionary Benefits**

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

### **9.Events after the reporting period**

Events after the Balance Sheet date are those events, both favourable and

unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

## **10. Financial Instruments**

### **Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially

measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years.

The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was

repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

### Financial Assets

Financial assets are classified using an approach that is based on the business model for holding the financial assets and their Cashflow characteristics.

There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss (FVPL), and
- Fair value through other comprehensive income (FVOCI).

There are some exceptions, where the Council holds strategic investments to help it meet other policy objectives, such as the support of economic development in the district.

This means that some investments are ones where contractual payments are not solely payment of principal and interest (i.e. where

the cash flows do not take the form of a basic debt instrument).

### Financial Assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

The Council has not given any loans to external or voluntary organisations, nor provided guarantees against loans they have received from financial institutions.

When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement. Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

### Expected credit loss model

The Council recognises expected credit losses on all of its financial assets held at amortised cost or FVOCI, either on a 12

month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses.

Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12 month expected losses.

### Financial assets measured at Fair Value through Profit or Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices – the market price
- Other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

An equity instrument can be elected into a FVOCI treatment rather than a FVPL

treatment if it is not held for trading. The Council has reviewed its assets that would be measured at FVPL on the basis of the business model and has elected to classify instruments as either FVPL or FVOCI on an instrument-by-instrument basis based on the assessed benefit to the council from the chosen classification.

Loans and receivables are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

## 11. Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are

satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

## 12. Heritage Assets

The Council has three heritage assets which are held in support of increasing the knowledge, understanding and appreciation of the Council's history and local area. These are Moira Furnace, a listed monument of historical interest located in

Moira, the Memorial Clock Tower, a Grade II listed building that services as a historic war memorial located in the centre of Coalville and the 'Heart of the Forest' Sculpture in Ashby.

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the council's accounting policies on property, plant and equipment.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment – see note 18. The Council will occasionally dispose of heritage assets. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (again see note 18 below).

### 13. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g., software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Intangible assets are measured initially at cost. Previously, amounts were only revalued where the fair value of the assets held by the Council were determined by reference to an active market. Under the new 2025/26 Code of Practice, intangible assets are only valued at historic cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

### 14. Inventories and Long-term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average costing formula. Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

### 15. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the

property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than

£10,000) the Capital Receipts Reserve.

## 16. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

<sup>3</sup> Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

### The Council as Lessee Finance Leases

From 1 April 2024, North West Leicestershire District Council has applied **IFRS 16** Leases as adopted by the CIPFA Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on

the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

At the commencement of a lease, a liability is recognised for the obligation to make future payments (discounted to their present value using the interest rate implicit in the lease or (where this is not readily determinable) our incremental borrowing rate. The right acquired under the lease to use the leased item is recognised as an asset, measured on the commencement date at cost based on the lease liability plus any payments made before that date. Initial direct costs of the Council are added to the carrying amount of the asset. Liabilities are recalculated where rents change as a result of a change in an index or rate used to determine future payments. Adjustments to liabilities are matched with adjustments to the cost of the right-of-use asset.

Lease payments are apportioned between: a charge for the acquisition of the right to use the property, plant or equipment which is applied to write down the lease liability, and a finance charge which is debited to the

Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Right-of-use assets recognised under leases are accounted for using the policies applied generally to Property, Plant and Equipment assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. This will include valuation where the cost model does not provide a reliable proxy for the current value of the right-of-use asset. The Council is not required to use council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Therefore, the Minimum Revenue Provision arrangements also apply to leased assets. Where leases are for items of low value, or the lease term is less than 12 months from commencement, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased item. For this purpose, the Council has determined that items with a value of less than £10k when new are low value. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

## Operating leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is recognised in the Comprehensive Income and Expenditure Statement on a straight -line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

## 17. Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the council's arrangements for accountability and financial performance.

## 18. Property, plant and equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one

financial year are classified as property, plant and equipment.

### Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

### Measurement

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred while assets are under construction.

The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income and Expenditure line of the Comprehensive Income and Expenditure Statement unless the donation has been made conditionally.

Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund and the

Balance taken to the Capital Adjustment Account in the Movement in Reserves Statement.

From 1 April 2025, in line with the 2025/26 Code, Property, Plant and Equipment are subject to a mandatory five-year revaluation cycle (or five-year rolling basis) supported by appropriate indexation in intervening years. Where no suitable index exists, a desktop valuation may be used in year three. A full revaluation is not the default method to evidence the absence of impairment; proportionate impairment assessments apply. Transitional arrangements allow prospective application without restatement of prior years.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV–SH)
- Council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value EUV), except for a few offices that are situated close to

the Council's housing properties, where there is no market for office accommodation, and that are measured at depreciated replacement cost (instant build) as an estimate of current value

- Surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Where non-property assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the

Revaluation Reserve to recognise unrealised gains.

Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

- Where decreases in value are identified, they are accounted for by:
- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

## Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the

amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

## Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases – straight-line allocation over the useful life of the property as estimated by the valuer.

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on

assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

## Disposals and non-current assets held for sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale.

The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are

reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts.

A proportion of capital receipts relating to housing disposals is payable to the government (50% for land and other assets, net of statutory deductions and allowances and for dwellings, amounts determinable under the Right to Buy and One for One Agreement that the Council signed in 2012). The balance of receipts remains within the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## **19. Provisions, contingent liabilities, and contingent assets**

### **Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Council has an obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year - where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is

reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

### Contingent liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

### Contingent assets

A contingent asset arises where an event has taken place that gives the Council a

possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

## 20. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund Balance so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current

assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.

## 21. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

## 22. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

## 23. Accounting standards that have been issued but have not yet been adopted

The Council is required to disclose information relating to the impact of changes in accounting standards on the financial statements as a result of new standards that have been issued but are not yet required to be adopted. In the 2025/26 accounts, the Council is required to disclose the following changes to Accounting Standards which may have an impact on the Council's accounts in 2025/26.

The following standards are likely to be effective for local authorities for the 2025/26 financial year:

**IAS 21** The effects of changes in Foreign Exchange Rate IAS 21 prescribes how to include foreign currency transactions and foreign operations in the financial

statements of an entity and how to translate financial statements into a presentation currency. The Council does not have any foreign operations and is unaffected by these amendments.

**IFRS 17 Insurance Contracts** IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts. Its objective is to ensure an entity provides relevant information that faithfully represents those contracts to give users of financial statements a basis to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. The Council does not issue insurance contracts and is unaffected by these amendments.

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## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 29  
APRIL 2026

<b>Title of Report</b>	<b>STANDARDS AND ETHICS REPORT - QUARTER 4</b>	
<b>Presented by</b>	Rochelle Tapping Head of Legal and Support Services and Monitoring Officer	
<b>Background Papers</b>	None	<b>Public Report:</b> Yes
<b>Financial Implications</b>	There are no financial implications to be considered.	
	<b>Signed off by the Acting Section 151 Officer:</b> yes	
<b>Legal Implications</b>	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.	
	<b>Signed off by the Monitoring Officer:</b> yes	
<b>Staffing and Corporate Implications</b>	There are no staffing and corporate implications to be considered.	
	<b>Signed off by the Head of Paid Service:</b> yes	
<b>Purpose of Report</b>	To receive and consider the figures for the Local Determination of Complaints and Ethical Indicators for Quarter 4 of 2025/26.	
<b>Recommendations</b>	<b>THAT THE COMMITTEE NOTES THE REPORT.</b>	

**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.
- 1.2 This is a quarterly report to the Committee. 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. The report for Quarter Four of 2025/26 is attached at Appendix 1.
- 1.3 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.

- 1.4 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 RIPA powers, and several other indicators.

<b>Policies and other considerations, as appropriate</b>	
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 looked into and referred to the national agencies where appropriate.
Equalities/Diversity:	N/A
Customer Impact:	None arising directly from the report. Details regarding the process for making an FOI 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:	Receiving regular reports on the statistics of Ethical Indicators and councillor complaints enables the Committee to exercise oversight of their function under the Localism Act 2011 and manage risks.
Officer Contact	Emma Lant Legal Team Leader – Governance  emma.lant@nwleicestershire.gov.uk

# Standards and Ethics Quarter 4 Report

2025-2026

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# Introduction

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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 2025/26.

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 covers local determination of complaints, ethical indicators and Freedom of Information requests.

The quarterly reports will enable the Audit and Governance Committee to build up a picture over time of how many complaints are received and any trends where similar incidents are occurring. 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

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The Monitoring Officer received four complaints in Quarter 4 of 2025/26 (1 January to 31 March 2026).

One complaint received in Quarter 3 of 2024/25 is still ongoing.

Two complaints received in Quarter 1 of 2025/26 are still ongoing.

One complaint received in Quarter 2 of 2025/26 is still ongoing.

One complaint received in Quarter 3 of 2025/26 is still ongoing.

## 2.1 Assessment Sub-committee Decisions

The Monitoring Officer pursues an informal dispute resolution process prior to initiating formal proceedings via the Sub-committee route. No complaints have been resolved informally in Quarter 4.

There has been one Assessment Sub-committee meeting in this quarter. This relates to a complaint received in Quarter 1. The Sub-committee decided to refer the complaint to the Monitoring Officer for further action and an Assessment Sub-committee is now being reconvened.

## 2.2 Determination Sub-Committee Decisions

None to report - see above.

# Complaints made to the Monitoring Officer under the Code of Conduct during Q4 2025/26

Qtr 4 25/26	Complaint from	About District/ Parish councillor	Regarding	Status
	Parish Councillor	Parish Councillor	Misleading the public, bullying and misrepresentation of the Parish Council	Ongoing
44	District Councillor	District Councillor	Interrupting a Councillor surgery for local residents and failure to declare a relevant interest	Ongoing
	Member of the Public Parish Councillor		Treatment by Councillor in relation to concerns raised about an event	Ongoing
	Member of the Public Parish Councillor		Treatment of Cllr behaving dishonestly and has exhibited bullying and misogynistic behaviour	Ongoing

This table helps to show where there are patterns forming as to behaviour complained about, to enable the Audit and Governance Committee to determine where there needs to be further training for councillors. Some matters may not have been found to be a breach of the Code, but it is still important to know what issues are being raised so that future complaints can be prevented. So far this year, the following areas of the Code have been complained about:

1. Respect
2. Bullying, harassment and discrimination
3. Impartiality of officers of the Council
4. Confidentiality and Access to Information
5. Disrepute
6. Use of position

#### **Nolan Principles**

Selflessness, integrity, objectivity, accountability, openness, honesty, leadership

This document is official, handle appropriately

# Ethical Indicators

PERFORMANCE INDICATOR	Q1			Q2			Q3			Q4		
	23/24	24/25	25/26	23/24	24/25	25/26	23/24	24/25	25/26	23/24	24/25	25/26
Instances of concerns raised re Modern Slavery	0	1	0	0	0	0	1	0	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 Council's 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	1	0	0	0
Use of RIPA powers	0	0	0	0	0	0	0	0	0	0	0	0

# FOI Data for Q4 25/26

	Subject Access Requests											
	Q1			Q2			Q3			Q4		
	23/24	24/25	25/26	23/24	24/25	25/26	23/24	24/25	25/26	23/24	24/25	25/26
Total number received	11	11	25	11	10	24	9	12	19	8	21	22
% answered on time		100%	100%		90%	87%	78%	92%	95%	88%	95%	90%
Internal reviews		1	0		0	0			0		1	2

The Council received more SAR in this Quarter than in Q3. The number being dealt with on time is on target.

This Quarter saw an increase in FOI Requests from Q3. The number dealt with on time is ahead of target.

46	Freedom of Information Requests											
	Q1			Q2			Q3			Q4		
	23/24	24/25	25/26	23/24	24/25	25/26	23/24	24/25	25/26	23/24	24/25	25/26
Total number received	157	122	161	196	132	154	157	197	161	194	204	165*
% answered on time	93%	89%	91%	86%	90%	90%	92%	92%	93%	92%	90%	95%
Internal reviews	1	0	4	2	0	2	1	1	1	0	1	1

The number of EIRs answered on time has improved from the previous quarter.

	Environmental Information Requests											
	Q1			Q2			Q3			Q4		
	23/24	24/25	25/26	23/24	24/25	25/26	23/24	24/25	25/26	23/24	24/25	25/26
Total number received	6	4	10	5	6	15	3	1	14	3	6	23
% answered on time		100%	90%	80%	100%	87%	100%	100%	93%	100%	85%	96%
Internal reviews		0	0	0	0	1	0	0	1	0	0	3

\*19 of these FOI Requests are in progress and a response is not yet due

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 29  
APRIL 2026

<b>Title of Report</b>	<b>LOCAL GOVERNMENT REORGANISATION - ACCOUNTS AND AUDIT REQUIREMENTS</b>	
<b>Presented by</b>	Anna Crouch Head of Finance/Acting S151 Officer	
<b>Background Papers</b>	<a href="#">Local Government Association - LGR finance essentials: Accounts and audit requirements through the LGR process</a>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	There are no financial implications arising from this report.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	<p>Under the Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2024, local authorities are legally required to prepare, approve and publish their annual statement of accounts in accordance with proper accounting practices.</p> <p>The statement of accounts must be approved by the responsible financial officer and then by the authority itself and must be subject to external audit.</p> <p>In response to the national backlog in local authority audits, the amended regulations introduce a series of statutory backstop dates by which audited accounts (referred to in the regulations as the authority's "accountability statements", including the audit opinion) must be published on the council's website. The relevant backstop dates are:</p> <ul style="list-style-type: none"> <li>• for all outstanding accounts up to and including 2022/23: 13 December 2024</li> <li>• for 2023/24 accounts: 28 February 2025</li> <li>• for 2024/25 accounts: 27 February 2026</li> <li>• for 2025/26 accounts: 31 January 2027, with later years following on a rolling basis.</li> </ul> <p>The regulations also continue to require that the public is given the opportunity to inspect the accounts and related documents. For financial years from 2024/25 onwards, the amended regulations allow the period for the exercise of public rights to commence from the first working day of July following the end of the financial year, rather than earlier in the year.</p>	
	<b>Signed off by the Monitoring Officer:</b> Yes	

<b>Staffing and Corporate Implications</b>	There are no staffing implications arising from this report.
	<b>Signed off by the Head of Paid Service: Yes</b>
<b>Purpose of Report</b>	The purpose of this report is to brief the Audit and Governance Committee on the accounts and audit requirements arising from Local Government Reorganisation (LGR), drawing on the Local Government Association (LGA) Finance Essentials guidance published in December 2025. The report explains the implications for audit, governance and financial reporting and sets out the role of the Audit and Governance Committee in providing assurance during the LGR process.
<b>Recommendations</b>	<b>THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES THE CONTENTS OF THE REPORT AND THE IMPLICATIONS FOR THE COUNCIL'S ACCOUNTS, AUDIT ARRANGEMENTS AND GOVERNANCE RESPONSIBILITIES DURING THE LOCAL GOVERNMENT REORGANISATION PROCESS.</b>

## 1.0 BACKGROUND

- 1.1 On 5 February 2025, the Minister of State for Local Government and English Devolution formally invited councils in two-tier areas to bring forward proposals for local government reorganisation. The Government's stated objective is that simpler structures will improve outcomes for residents, strengthen accountability and generate efficiencies that can be reinvested in services.
- 1.2 The Local Government Association (LGA) has published a series of Finance Essentials guidance notes to support councils through this process. The guidance referenced in this report focuses specifically on accounts and audit requirements through the LGR process, and is intended to support Chief Finance Officers, Members and Audit Committees in understanding how statutory responsibilities continue to apply during periods of structural change.

## 2.0 LGA GUIDANCE

### **Statutory accounts and audit responsibilities during LGR**

- 2.1 The LGA guidance is clear that all predecessor councils remain fully responsible for producing and publishing statutory accounts until the point at which they are legally dissolved. Each authority must continue to maintain comprehensive and accurate financial records and prepare an annual Statement of Accounts that complies with the CIPFA Code of Practice on Local Authority Accounting, which is based on IFRS adapted for the public sector.
- 2.2 Importantly, the guidance emphasises that LGR does not alter statutory deadlines or audit requirements. Draft accounts must still be prepared and published on time, and external audit must continue to be prioritised, even where significant organisational change is underway. Failure to do so risks creating avoidable issues for successor authorities and undermining public confidence.

### **Importance of timely audit completion**

- 2.3 A central theme of the LGA guidance is that timely completion of accounts and audits is critical to a successful transition. Incomplete, delayed or poor-quality accounts can create significant problems for successor authorities, including uncertainty over opening balances, unresolved audit issues being carried forward, and weakened financial governance in the early years of the new authority.
- 2.4 The guidance highlights that successor councils rely heavily on the final audited accounts of predecessor bodies to establish their opening balance sheets. Any weaknesses in asset valuation, reserves, provisions, or creditor and debtor balances can directly affect the financial resilience and credibility of the new authority.

### **Balance sheet quality and audit trail**

- 2.5 The LGA guidance places particular emphasis on the quality of balance sheet information during LGR. Authorities are expected to ensure that all balance sheet entries are supported by clear audit trails, appropriate working papers and documented judgements. This includes assets, liabilities, provisions, reserves and accruals.
- 2.6 The guidance stresses that maintaining a strong balance sheet position is not simply an accounting exercise, but a core element of stewardship. Poorly evidenced balances or unresolved historic issues increase audit risk and may delay audit opinions, with consequences that extend beyond vesting day (the date that the new councils come into being).

### **Role of the Audit Committee**

- 2.7 The LGA guidance explicitly recognises the critical role of audit committees during LGR. Audit committees are expected to maintain oversight of financial reporting, internal control and external audit throughout the transition period, and to provide assurance that statutory responsibilities continue to be met.
- 2.8 For audit committees, this includes:
- Continuing to scrutinise draft and final Statements of Accounts.
  - Monitoring progress against audit timetables and understanding reasons for any delays.
  - Seeking assurance that significant accounting judgements, estimates and valuations are robust and well-evidenced.
  - Ensuring that management is addressing audit recommendations in a timely manner.
  - Understanding how unresolved issues may affect successor authorities.
- 2.9 The guidance makes clear that audit committee scrutiny should not be relaxed during LGR, and that strong governance is particularly important during periods of uncertainty and change.

### **Implications for the Council**

- 2.10 Should LGR proceed, the Council will be required to continue producing compliant and timely accounts up to dissolution, and to support external audit through to completion. The Audit and Governance Committee will play a key role in maintaining assurance over this process and in ensuring that the Council leaves a strong and transparent financial position for any successor authority.

2.11 The guidance reinforces the importance of maintaining focus on “business as usual” statutory duties, even while preparing for potential structural change, and provides a clear framework against which audit committee assurance can be given.

### Conclusion

2.12 The LGA Finance Essentials guidance confirms that accounts and audit requirements remain unchanged during LGR, and that strong financial reporting and audit discipline are essential to a successful transition. Audit committee oversight is a central component of this assurance framework, helping to protect the interests of residents, Members and successor authorities alike.

Policies and other considerations, as appropriate	
Council Priorities:	A Well-Run Council
Policy Considerations:	Relevant policies include the Council’s accounting policies, which underpin the preparation of compliant and timely financial statements. These policies ensure consistency and transparency in financial reporting, supporting audit processes and facilitating a robust transition in the event of Local Government Reorganisation (LGR).
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>If audit committees fail to monitor the impact on local government responsibilities (LGR), several risks arise:</p> <ul style="list-style-type: none"> <li>• <b>Oversight of Critical Issues:</b> Important matters affecting service delivery, financial stability, or compliance may go unnoticed, leading to operational and reputational consequences.</li> <li>• <b>Weak Accountability:</b> Without regular scrutiny, there is a risk that decision-making lacks transparency, making it more difficult to hold officers and elected members accountable for outcomes.</li> <li>• <b>Financial Mismanagement:</b> Unmonitored impacts could result in inefficient use of resources or undetected budgetary pressures, potentially leading to deficits or waste.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Failure to Meet Statutory Duties:</b> If changes or risks affecting LGR are not properly monitored, the Council may inadvertently breach statutory obligations or fail to deliver essential services.</li> <li>• <b>Reduced Public Trust:</b> A lack of oversight can erode confidence in the Council's governance, as stakeholders may perceive the authority as neglecting its duty of care.</li> <li>• <b>Missed Opportunities for Improvement:</b> Audit committees play a role in identifying areas for enhancement; if impact is not monitored, valuable lessons and improvements may be overlooked.</li> </ul>
Officer Contact	<p>Anna Crouch  Head of Finance/Acting S151 Officer  <a href="mailto:anna.crouch@nwleicestershire.gov.uk">anna.crouch@nwleicestershire.gov.uk</a></p>

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## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 29  
APRIL 2026

<b>Title of Report</b>	<b>INTERNAL AUDIT PROGRESS REPORT</b>	
<b>Presented by</b>	Kerry Beavis Audit Manager	
<b>Background Papers</b>	<a href="#">Global Internal Audit Standards</a>  <a href="#">Application Note: Global Internal Audit Standards in the UK Public Sector</a>  <a href="#">Internal Audit Plan 2025/26</a>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	None	
	<b>Signed off by the Acting Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	None	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	None	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To inform the Audit and Governance Committee of progress against the Internal Audit plan for 2025/26 and to highlight any incidences of significant control failings or weaknesses that have been identified.	
<b>Recommendations</b>	<b>THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES THE INTERNAL AUDIT PROGRESS REPORT FOR 2025/26 QUARTER 3.</b>	

**1.0 BACKGROUND**

- 1.1 The Global Internal Audit Standards in the Public Sector require that the Council's Audit and Governance Committee approve the audit plan and monitor progress against it. The Standards require that the Audit and Governance Committee receive periodic reports on the work of internal audit.
- 1.2 The Audit and Governance Committee approved the 2025/26 Audit Plan on 23 April 2025. Quarterly progress reports are received by the Audit and Governance Committee.

## 2.0 PROGRESS REPORT

2.1 The Internal Audit Progress Report for the period 1 January 2026 to 31 March 2026 (Q4) is attached at appendix 1.

## 3.0 FINANCIAL IMPLICATIONS

3.1 There are no financial implications with this report.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	An effective audit service supports all council priorities.
Policy Considerations:	None
Safeguarding:	There are no specific safeguarding risks associated with this report.
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment, Climate Change and Zero Carbon	None
Consultation/Community/Tenant Engagement:	The report was reviewed by the Corporate Leadership Team on 25 March 2026
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 a risk of not conforming with the Global Internal Audit Standards in the UK Public Sector.
Officer Contact	Kerry Beavis Audit Manager <a href="mailto:kerry.beavis@nwleicestershire.gov.uk">kerry.beavis@nwleicestershire.gov.uk</a>



**INTERNAL AUDIT SHARED SERVICE**

**North West Leicestershire District Council**

**Internal Audit Progress Report 2025/26 Quarter 4**

## **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 2025/26 Internal Audit Plan from 1 January to 31 March 2026.

## **2. Internal Audit Plan Update**

- 2.1 The 2025/26 audit plan is included at Appendix A for information and details the audits in progress. There have been three final audit report issued since the last quarterly update, extracts of these are included at Appendix B.

## **3. Internal Audit Performance Indicators**

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

## **4. Internal Audit Recommendations**

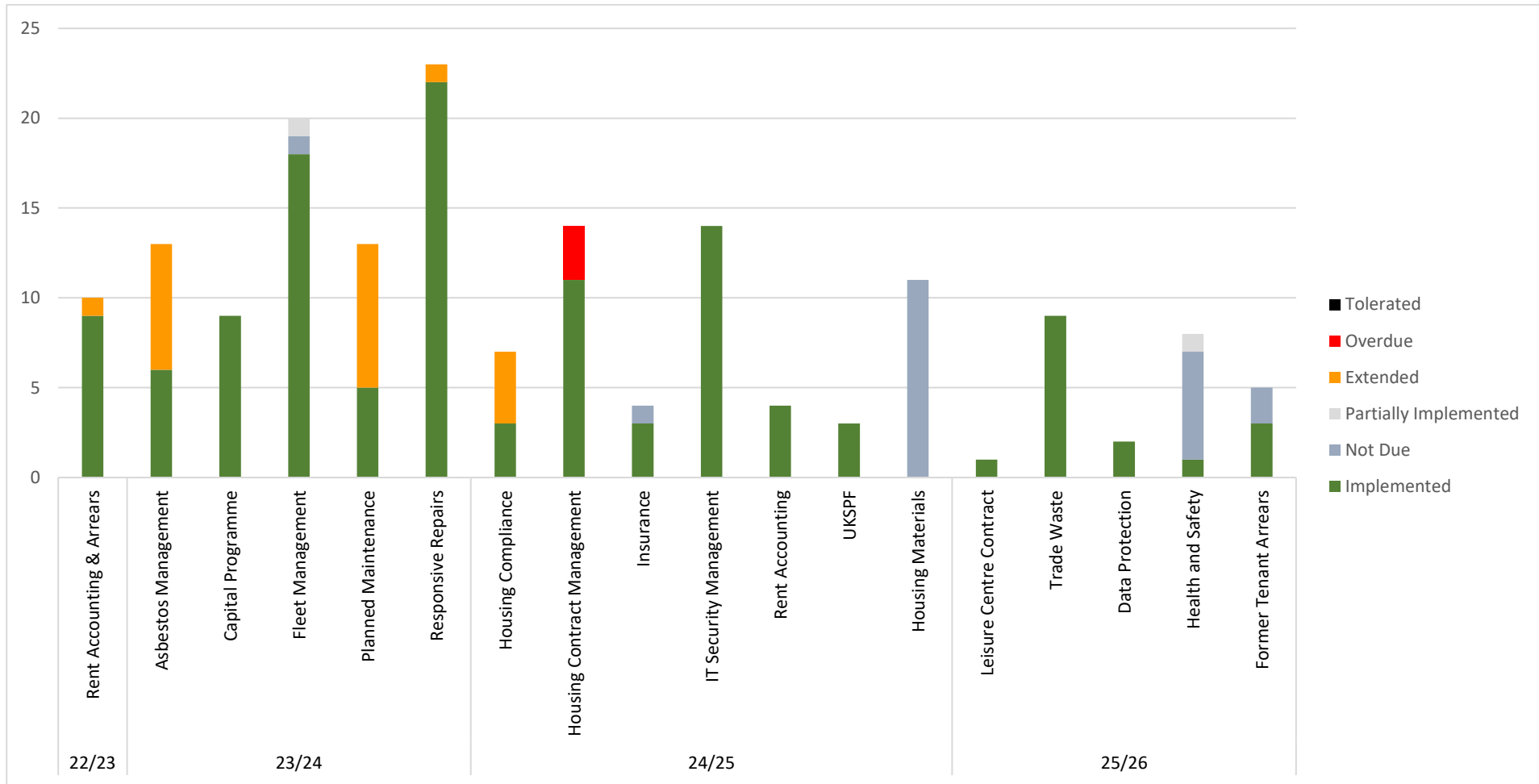
- 4.1. Internal Audit monitors and follows up critical, high and medium priority recommendations. Further details of overdue and extended recommendations are detailed in Appendix D for information; this no longer includes the key financial systems recommendations as they are being monitored through an action plan.
- 4.2. Due to the number of outstanding audit recommendations for the key financial systems it was agreed that the Director of Resources, at that time, would produce an action plan to address all outstanding recommendations. Updates on the progress against the action plan has been reported to Audit and Governance Committee during 2025/26 within the quarterly progress reports.  
A full review of the actions against the recommendations has been carried out and an update of progress against the recommendations is shown in Appendix C.

**Current Outstanding Recommendations – Excluding Key Financial Systems Recommendations from previous years.**

Year	Not Due		Extended		Overdue	
	High	Medium	High	Medium	High	Medium
22/23	-	-	1	-	-	-
23/24	2	-	13	3	-	-
24/25	7	7	4	-	3	-
25/26	4	6	-	-	-	-

## Implementation of actions by Audit

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Appendix A

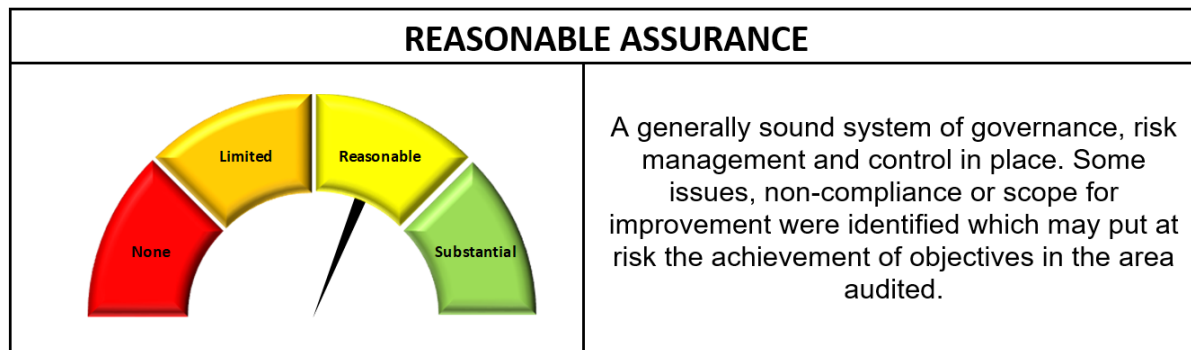
2025/26 AUDIT PLAN AS AT 18 MARCH 2026

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
Former Tenant Arrears	Audit	5	6	Completed	Reasonable	-	-	5	-	
Right to Buy	Audit	10	17	Review						
Damp and Mould	Audit	15	2	In progress						
Warmer Homes Grant	Grant Assurance	10	0.5	In progress						No further requests to review
Housing Regulator	Advisory	10		As required						This was initially an audit that was agreed prior to the notification from the Housing Regulator. The focus of this work has now changed to advisory following the Regulator inspection
Housing Allocations	Audit	15	3.5	In progress						Addition to plan
Tenant Association Accounts		3	6	Complete	N/A					
Fleet Management & O' Licence	Audit/ Review	6	0.5	Due to start						Moved to Q4
Leisure Centres Contracts	Audit	15	11	Complete	Reasonable	-	1	-	-	
Port Health	Audit	15	26	Management Responses	Limited					
Food Waste Project	Advisory/ Assurance	8	3	In progress						
Burial Services	Audit	10	16.5	Draft	Reasonable					
Key financial systems	Audit	55		Engagement Planning						
Committee Admin and Reporting	Audit	15		Q3						Carried into 2026/27

Planning Development Management	Audit	15	1	In progress						
Local Nutrient Mitigation Fund Grant	Grant Assurance	5		Q2						
Regeneration Projects	Audit	40	4	Q4						
UKSPF	Grant Assurance	4		Q3						Carried into 2026/27 due to extension on grant spending
Regeneration Projects	Advisory	20	4	In progress						
Culture & Ethics	Audit	15	0.5	Engagement Planning						Carried into 2026/27
Project Support	Advisory	10	9	As required						
Data Protection	Audit	20	15	Completed	Reasonable	-	-	2	-	
Absence Management	Audit	15	14	Management Review						
Health and Safety	Audit	15	20	Completed	Reasonable	-	2	6	-	
Business Planning and Performance	Audit	10		Cancelled						Carried into 2026/27
Climate Change	Advisory	4		Q1,2,3,4						
Procurement & Contract Management	Audit	20	16	Draft	Limited					
Trade Waste	Audit	15	10	Complete	Limited	-	5	4	1	
IT Business Continuity	IT Audit Contractor	10		Management Review						
IT Change Control	IT Audit Contractor	10		Draft	Limited					
Expenses	Audit			Cancelled						Carried into 2026/27

**SUMMARY OF FINAL AUDIT REPORTS ISSUED DURING 2025/26 Q4**

**FORMER TENANT ARREARS**



61


**Key Findings**

Areas of positive assurance identified during the audit:

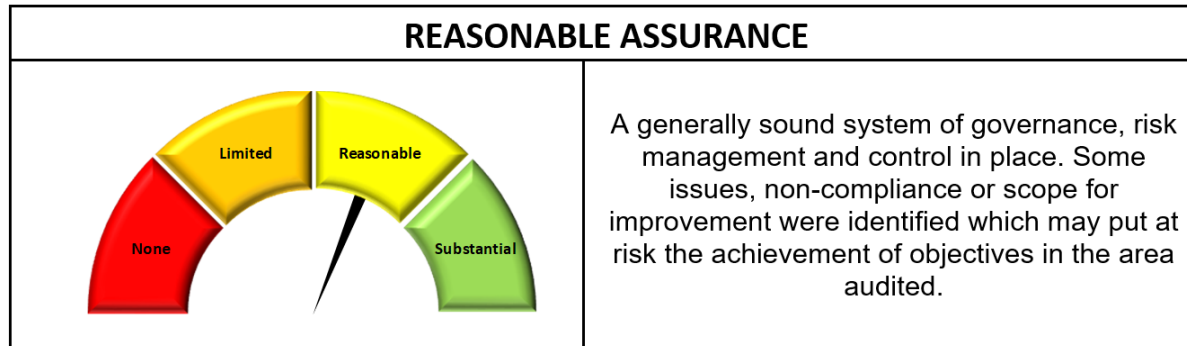
- Policies and procedures are in place, up to date and available to tenants and all relevant staff.
- Recovery action has been taken in accordance with procedures and agreements are recorded on the system as required.
- Collection rates are appropriately monitored and reported.
- Write offs are authorised in accordance with Financial Procedure Rules.

The main areas identified for improvement are:

- The process and timescale for resolving a recharge dispute.
- The process relating to Debt Relief Orders including the checks to be undertaken and recorded prior to write off.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The expected timescale for resolving disputes and notifying customers and rent accounting officers of the outcome is agreed and documented in the Rechargeable Works Procedure, together with the escalation process to be followed if the timescale is not met.	Medium (SP)	<p>The Housing Services Rechargeable Works Procedure will be revised to set out the target timescale and escalation process for resolving disputes and a workflow will be put in place to facilitate this.</p> <p>The process will include a mechanism to periodically identify relevant cases from the QL system and an initial 'mop up' exercise will be undertaken to detect all existing cases that require escalation.</p> <p>undertaken to identify and mop up any existing cases.</p>	Housing Strategy and Systems Team Manager	June 2026
2. Performance against the expected timescale is monitored.	Medium (SP)	Performance will be monitored against the timescale set out in the updated Housing Services Rechargeable Works Procedure.	Housing Strategy and Systems Team Manager	June 2026
3. Officers are reminded to record  all checks completed as part of the write off referral process.	Medium (SP)	Officers have been verbally reminded during a recent team meeting, but a formal reminder will be issued when the updated Former Tenant Arrears procedure is circulated to the team.	Principal Performance and Improvement Officer Housing Strategy and Systems,	Completed March 2026
4. A specific 'Insolvency Register check' action is added to the system to facilitate this.	Medium (SP)	The action has been added to the system and evidence of this will be provided.	Principal Performance and Improvement Officer Housing Strategy and Systems.	Completed March 2026
5. The process relating to Debt Relief Orders and checks to be undertaken and recorded prior to write off is clarified and documented in the Former Tenant Arrears Recovery Procedure.	Medium (SP)	The correct procedure will be clarified and the Former Tenant Arrears Recovery Procedure will be updated accordingly.	Principal Performance and Improvement Officer Housing Strategy and Systems.	Completed March 2026

## HEALTH AND SAFETY



### Key Findings

8

Areas of positive assurance identified during the audit:

- Policies, Procedures and Guidance are available to staff.
- Roles and Responsibilities are clearly documented, and management responsibility is included in appropriate job descriptions,
- Guidance and processes are in place for recording, investigating and reporting of accidents, incidents, hazards and near misses,

The main areas identified for improvement are:

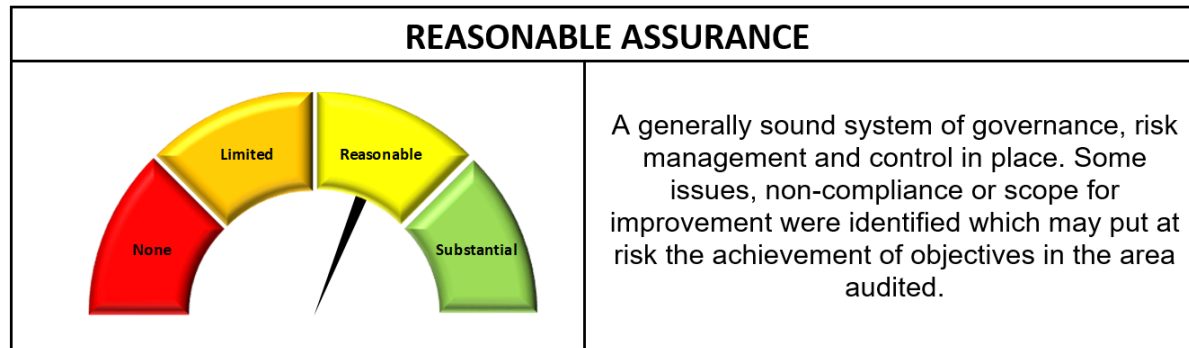
- Reviewing and updating of risk assessments
- Mandatory learning for staff
- Health and Safety Inspections
- Documenting lessons learned
- Documentation for third party contractors on site

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. All overdue risk assessments are reviewed and updated as necessary by managers and compliance monitored by the Health and Safety Officer.	Medium (CP)	All risk assessments identified as requiring review in the spreadsheet issued in January 2025 will be completed.	Health and Safety Officer	March 2026
2. The date of the next review is recorded on SHE Assure following the update of the assessments.	Medium (SP)	Following on from recommendation 1 above, the SHE Assure system will be updated to detail the next review date.	Health and Safety Officer	April 2026
3. A corporate process is introduced that details the requirements to evidence that staff have read and understood the risk assessments relating to their areas of operation, this should include when risk assessments are updated.	Medium (SP)	The Health and Safety Officer will carry out a review across each service of the different processes for evidencing the acknowledgement of the risk assessments. Following on from this the corporate process will be developed to cover all service areas and ensure consistency across the council. This will then be rolled out through training and awareness.	Health and Safety Officer	January 2027
4. A review of the way in which training is delivered is carried out to ensure that all staff can complete the mandatory training in a suitable way.	High (CP)	There is not a clear escalation process in place for when mandatory training is not completed. A proportionate escalation process needs to be put into place to ensure accountability. – This will be done by March 2026	Head of HR and Organisational Development	March 2026
		The mandatory training courses need to be reviewed within NWLDC– this not only relates to Health and Safety but the wider training requirements in respect of the type and format of mandatory training. This is an extensive project for the HR team.	Head of HR and Organisational Development	Training review and process implementation by July 2027
5. A corporate process should be devised, documented and responsibility disseminated to the appropriate level of staff within each area.	Medium (CP)	This will form part of the review noted in the above action regarding the escalation process.  In the short term, the Health and Safety officer will review the findings of the audit in relation to Manual Handling, Noise	Head of HR and Organisational Development	March 2026  March 2026

		<p>awareness and Health and Safety for managers and ensure compliance over 90%.</p> <p>This will be demonstrated with a report generated from the Skillgate system.</p>		
<p>6. An agreed programme of work is introduced that includes inspections across the Council. Inspections should be documented and appropriately retained to ensure that weaknesses identified can be followed up and confirmed as rectified.</p> <p>6</p>	High (CP)	<p>An annual programme of inspections and audits will be developed and rolled out across the Council with assigned officers detailed.</p> <p>The Health and Safety Officer will liaise with the Digital Transformation officer to design and implement an electronic inspection form to be completed for each inspection/ audit. The form will include a section where non-compliance issues need to be recorded.</p> <p>It is understood that the system to be used can extract the non-compliance issues to enable monitoring and follow-up, if this isn't fully possible a tracking document will be designed and implemented. This will ensure that all non-compliance issues are followed up.</p>	Health and Safety Officer	<p>November 2026</p> <p>March 2027</p>
<p>7. A central repository should be held to ensure that all lessons learned can be documented and are appropriately reported and used to make improvements both at service level and corporately.</p>	Medium (CP)	<p>This will link with the action above to centralise capture of audit/inspection actions. A lessons learned document will be produced for findings that have a significant impact and shared with management teams. Learning for all incidents is not feasible with the resources available.</p>	Health and Safety Officer	November 2026
<p>8. Managers should be reminded of the need to follow Health and Safety Guidance Note 17 - Managing Contractors.</p>	Medium (CP)	<p>Managing Contractors should be part of the procurement and contract management process. The most effective way is to include an initial Health and Safety questionnaires within the procurement process.</p> <p>The Health and Safety Officer will liaise with the Procurement Officer to ensure that a relevant Health and Safety assessment is</p>	Health and Safety Officer	October 2026

		<p>included within both the contractor assessment criteria and the contract management template documents being developed by the Procurement Officer. It is recognised that the assessment will not be required to be completed for all contracts, but discussions will be had with the Procurement Officer as to the categories where it will be needed. This will then be documented and included within both the procurement and contract management processes, as it cannot be assessed on contract value.</p> <p>It is recognised that a contractor can be engaged for one off works whereby a tender process hasn't been required but there is still a need for relevant Health and Safety assurance checks to be obtained prior to the start of the works. A guidance document will be developed by the Health and Safety officer to advise of the process to follow when this occurs. This document will be saved within the procurement and contract management area, and officers will be advised of its existence.</p>		
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## DATA PROTECTION



### Key Findings

Areas of positive assurance identified during the audit:

- Policies and procedures are up to date, available to all officers and members and published as required.
- Arrangements are in place to record and report potential data breaches as required.
- The Council's Information Commissioner's Office (ICO) registration is up to date.
- A suitably qualified Data Protection Officer (DPO) has been appointed.
- Data Protection training is available to all staff and members.
- Privacy Notices are in place and published as required.
- Controls are in place to ensure data is secure and protected, even in transit.
- Information requests are processed in accordance with legislation and performance is appropriately monitored and reported.
- Processes are in place to assess compliance with data protection policies.

The main areas identified for improvement are:

- The effectiveness of procedures in place to ensure mandatory training is completed need reviewing.
- Incident and breach reporting dates within the House on the Hill (HotH) system need reviewing to ensure system parameters are accurate and in line with legislation.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>1. A review of the system parameters and date fields within the House on the Hill system is undertaken to ensure that information is accurate, not misleading, and will provide accurate performance reporting and compliance with legislation.</p>	<p>Medium (SP)</p>	<p>It has been identified that there is a glitch in the HotH system which has led to the system dates being inaccurate.</p> <p>1. The system issue relating to the dates will be addressed by the software supplier.</p> <p>2. Following the fix being addressed the dates of the 21 reported breaches will be amended to ensure that they are accurately recorded.</p>	<p>Information Governance Officer</p>	<p>Feb 2026</p> <p>March 2026</p>
<p>2. Processes are put in place to ensure that where data sharing is required it is identified, recorded and data sharing agreements are in place prior to the start of the activity.</p>	<p>Medium (CP)</p>	<p>A procedure is in place and officers have been notified of this. From this point forward there will be an agenda item included with the FOI item, at the quarterly CLT performance meeting, where CLT will be reminded/ asked of any additions that are required to be added to the register.</p>	<p>Information Governance Officer</p>	<p>Immediately added to agenda with the first meeting being January 2026</p>

Key Financial System Action Plan

Policies and Procedures

Category	Finding	Detailed Action Plan	Responsible Officer	Implementation Date	Progress update
69 Creditors, Debtors, Main Accounting.	Key policies and procedures not in place for Creditors, Debtors and Main Accounting. Should include: Corporate Credit Card Policy Debt Recovery Procedure Bad Debt Write Offs Monitoring of Suspense Accounts Payment run procedures ensuring compliance with Fidelity Guarantee Insurance Review of Enhanced User Access / User Access - UNIT4 and access to Lloyds link Virements Committed Expenditure UNIT4 System guide not available.	Assign a responsible officer for each action and set individual timelines for completion, ensuring that 100% of policies and procedures are formally adopted and communicated to relevant staff by the deadline.  Complete a comprehensive review and update of user access for UNIT4 and Lloyds Link, confirming that all permissions align with current roles and responsibilities and meet best practice standards for user security.  Prioritise the implementation of automated bank reconciliation, direct debit processing, and invoice payment automation.  Measure success by establishing systems that reduce manual financial processes by at least 80% and eliminate outstanding reconciliation discrepancies.  Work closely with Embridge from March 2025 onwards to ensure each key priority is addressed according to plan, conducting fortnightly progress reviews through a project board and reporting outcomes to senior management.  Reduce risks associated with delays by completing each action within its specified timeframe, providing weekly highlight reports that demonstrate enhanced compliance, improved financial control, and strengthened operational efficiency.	Financial Services Team Manager	<del>June 2026</del> October 2026	Work is still required to be completed for the following -  <b>Main Accounting and Budgetary Control –</b> <ul style="list-style-type: none"> <li>key procedures to be developed</li> <li>the introduction of a formal training programme for budget holders</li> <li>process and review of open purchase orders</li> <li>committed expenditure exercises to be carried out, documented and evidenced.</li> </ul> <b>Creditors</b> <ul style="list-style-type: none"> <li>review and update of the procedures in place</li> <li>corporate credit card policy to be developed, issued and signed up to</li> <li>virtual credit card policy/ procedure</li> <li>payment runs user training to understand the functionality of the system</li> </ul> <b>Debtors</b> <ul style="list-style-type: none"> <li>a review of the policies and procedures in place to identify those that are still required, including debt recovery.</li> <li>Unit 4 system user guide to be developed, specific to NWL, it is intended that this will be developed and then made available following the introduction of the new intranet.</li> <li>Introduction of a review of the full aged debtor position with each service area.</li> </ul>
Main Accounting	Training was not provided to budget holders	Conduct a comprehensive assessment to identify the training needs of all officers involved in Main Accounting, focusing on the specific requirements for budget holders.  Based on this assessment, develop and implement a detailed training plan in collaboration with Embridge and HR, ensuring the inclusion of relevant Skillsgate courses.  Distribute updated manuals and guidance documents to all key stakeholders.  Progress will be measured by confirming that 100% of identified officers have completed the required training	Finance Team Manager	<del>December 2025</del> August 2026	Consideration is being given as to how to rollout training across the organisation prior to the end of the calendar year.

modules and received supporting documentation by the specified deadlines. This targeted approach will enhance user competency, ensure consistent understanding of procedures, and support the successful adoption of new accounting systems and processes.

## Reconciliations

Category	Finding	Detailed Action Plan	Responsible Officer	Implementation Date	Progress Update
<b>All - Creditors, Debtors, Main Accounting, Treasury Management</b>	Reconciliations for 2023/24 and 2024/25 have yet to be completed.	<p>It has been formally agreed with the external auditors, Azets, that the Statement of Accounts for 2023/24 will be completed by 31 August 2025, and the Statement of Accounts for 2024/25 will be finalised by 30 November 2025.</p> <p>In addition, Mazars have been engaged to complete the key reconciliations by the week ending 18 July 2025.</p> <p>Completion of these tasks will be demonstrated by reconciliation sign-offs by Mazars and formal sign-off of the Statements of Accounts by Azets, according to the agreed deadlines. The overall plan, developed in agreement with the external auditors, focuses on completing all outstanding reconciliations for 2023/24 and 2024/25 and finalising the respective Statements of Accounts within the specified timeframes.</p>	Head of Finance	August 2025 May 2026	The setting of time limits for the completion and sign off of reconciliations for exchequer services is still required.

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## Reporting - UNIT4

Category	Finding	Detailed Action Plan	Responsible Officer	Implementation Date	Progress Update
<b>Creditors</b>	No standard system report available to show officer who raised a PO and officer who authorised. Report should highlight when same officer raised and authorised PO.	<p>A detailed review of the current reporting capabilities within the UNIT4 platform to determine the most effective approach for capturing and displaying this information.</p> <p>Collaboration between the finance systems team, IT department, and accounts payable staff will ensure that technical requirements are clearly defined and that the proposed report aligns with operational needs.</p> <p>A new report will be developed to display, for every PO, the identity of both the creator and the authoriser.</p> <p>Critical to strengthening internal controls, the report will include a specific feature to highlight instances where the same officer both raised and authorised a PO. This will enable timely identification and review of potential breaches in segregation of duties.</p> <p>Testing will be conducted to confirm accuracy and reliability of the report output, with adjustments made as necessary</p>	Financial Services Team Manager	December 2025	Completed

		<p>based on feedback from key stakeholders. Upon successful testing, relevant staff will be trained on how to access, interpret, and act upon the information provided by the report.</p> <p>The implementation of this report will enhance transparency, reinforce compliance with internal control policies, and support audit requirements. Progress will be monitored through regular reviews, and any issues or improvements identified during initial use will be addressed promptly to ensure the report continues to meet organisational standards and governance objectives.</p>			
<b>Creditors</b>	No standard report which would help to identify possible duplicate payments made (expect there will have been a report used for NFI purposes).	<p>To address the absence of a standard report to identify potential duplicate payments made to creditors, a standardised report will be developed and implemented within the UNIT4 platform. This report will be designed to compare key payment attributes, including invoice number, amount, date, and supplier, in order to flag any transactions that appear to be duplicates or that share highly similar details.</p> <p>Where applicable, any existing report previously used for National Fraud Initiative (NFI) purposes will be integrated or adapted for this purpose.</p> <p>The successful implementation of this action will be measured by the creation of a fully operational report. Monthly reviews will be carried out to ensure that at least 98% of all payments are analysed for possible duplication. The report will also produce a summary of all flagged transactions for management review.</p> <p>Officers will design, test, and implement the report, leveraging existing expertise and available tools. Relevant staff will receive training on both the use and interpretation of the report.</p> <p>The design, testing, and implementation of the duplicate payments report will be completed within three months from the initiation of the project.</p>	Financial Services Team Manager	<del>December 2025</del> July 2026	Work is ongoing to reduce the risk of duplicate payments, but further work is needed to ensure the risk is at an acceptable level, to include producing a report to identify such duplications.
<b>Creditors</b>	No exception report detailing new and amended suppliers.	<p>The finance systems team will collaborate with IT and the procurement department to define key data points required for effective monitoring of supplier records. A comprehensive report will be developed within the UNIT4 platform or similar procurement platform to capture and flag all newly created and modified supplier entries on a real-time or regular basis.</p> <p>Testing will be conducted to ensure accuracy, with adjustments made as needed based on user feedback and audit requirements.</p>	Finance Services Team Manager/Procurement Officer	December 2025	Completed

		Staff who are responsible for supplier management will receive targeted training on interpreting and responding to the report's findings. Ongoing monthly reviews will ensure the report remains effective and is utilised to mitigate risks associated with unauthorised or erroneous supplier changes. Progress will be tracked through regular project updates, and continuous improvement will be supported by incorporating feedback from internal audit reviews and end users.			
<b>Debtors</b>	Raising of debtor invoices is not automated.	<p>A structured and systematic solution will be implemented to enhance both efficiency and accuracy. The process will begin with a comprehensive review of current debtor invoicing procedures, involving key stakeholders to identify business requirements and document specific needs for automation.</p> <p>An evaluation of the existing capabilities of the UNIT4 platform will be conducted to determine the feasibility of automated invoice generation. This will include identifying any required configurations or integrations necessary to ensure a seamless implementation.</p> <p>Based on this assessment, a detailed design for the automated invoicing process will be developed, incorporating controls to maintain accuracy and compliance with organisational standards.</p> <p>Following approval, the UNIT4 platform or associated systems will be configured according to the agreed specifications. Rigorous testing, including user acceptance testing, will be carried out to ensure that all functionalities operate as intended and data integrity is maintained. Any issues identified during the testing phase will be addressed prior to full implementation.</p> <p>Staff involved in debtor invoice management will receive targeted training to ensure they are fully competent with the new automated process. Updated process documentation will be distributed, and ongoing support will be made available as required.</p> <p>To ensure the continued effectiveness of the solution, regular review mechanisms will be established. Feedback from users and internal audit will be incorporated to support continuous improvement of the process.</p>	Finance Services Team Manager	<p><del>March 2026</del></p> <p>May 2026</p>	Progress has been made on this and the time spent has been reduced however further discussions with Vision is required to see if the process can be fully automated as currently it is still a two-stage process.
<b>Debtors</b>	Automated debt recovery function in UNIT4 not utilised.	Review current debtor invoicing and debt recovery workflows in UNIT4, consulting stakeholders to define automation requirements. Evaluate existing system capabilities and determine necessary configurations or integrations. Develop and document updated procedures for automated invoice generation and debt recovery, assigning responsibilities and deadlines for each task. Monitor	Finance Services Team Manager	March 2026	Initial configuration was completed and went live in November 2025. However further work is required in reference to the issuing of reminder letters as currently the system is not set up to schedule these and there is still a daily manual process to run. Further discussions are required with Vision to see if the process can be fully automated.

		progress throughout implementation and adjust actions as required to ensure effective adoption.			
<b>Main Accounting</b>	No standard report to show virement postings to GL - also service do not maintain record of virements.	To address the absence of a standard report for virement postings to the General Ledger and the lack of record maintenance, a standardised process will be implemented. The current procedures related to virement postings in the accounting system will be reviewed, and stakeholders will be consulted to determine specific reporting requirements and necessary data fields. A standard report template for virement transactions will be designed and developed within the system.  A mandatory procedure for documenting all virements at the point of entry will be established. Responsible officers will be appointed to oversee report generation and ongoing record maintenance. An implementation timeline will be set, and all relevant staff will be informed of the process changes. Compliance will be monitored, and adjustments will be made as necessary to ensure the effectiveness and sustainability of the new process.	Finance Team Manager	June 2026	Completed
<b>Main Accounting</b>	No standard report showing annual budget upload to UNIT4	To address the absence of a standard report for annual budget uploads to UNIT4, a review of current reporting practices will be conducted in consultation with key stakeholders. A standard report template will be designed and implemented within UNIT4 to ensure consistency and accuracy. A responsible officer will be assigned to oversee the development, with a defined timeline for completion. Relevant staff will receive training on the new process, and compliance will be monitored on an ongoing basis.	Finance Team Manager	June 2026	Completed
<b>Main Accounting</b>	No standard report to confirm opening / closing balances / trial balance	A dedicated review of existing reporting procedures will be initiated to identify gaps in confirming opening and closing balances as well as the trial balance. A standardised report format will be developed and integrated into current systems to ensure accuracy and transparency. A responsible officer will be appointed to oversee the design, implementation, and periodic review of the report. Training will be provided to relevant staff to ensure consistent application, and compliance will be regularly monitored to support ongoing improvements.	Finance Team Manager	June 2026	Completed

### Performance - KPI's

Category	Finding	Detailed Action Plan	Responsible Officer	Implementation Date	Progress Update
<b>Creditors / Debtors</b>	No KPI's for supplier payments and income collection. No performance monitoring /reporting.	A comprehensive review of current payment and income collection processes will be conducted to identify relevant performance metrics.  Following this, a set of KPIs will be developed to effectively measure the efficiency and timeliness of supplier payments and the effectiveness of income collection. These KPIs will include, but not be limited to, average payment processing	Financial Services Team Manager	December 2025	Currently, performance monitoring and reporting for debtors is conducted only on a quarterly basis. With the implementation of Proactis, the organisation will gain the ability to report on supplier KPIs in a more timely and comprehensive manner, enhancing visibility and enabling more effective performance management. Monthly information is sent to Service Managers and quarterly information to CLT.  Creditors

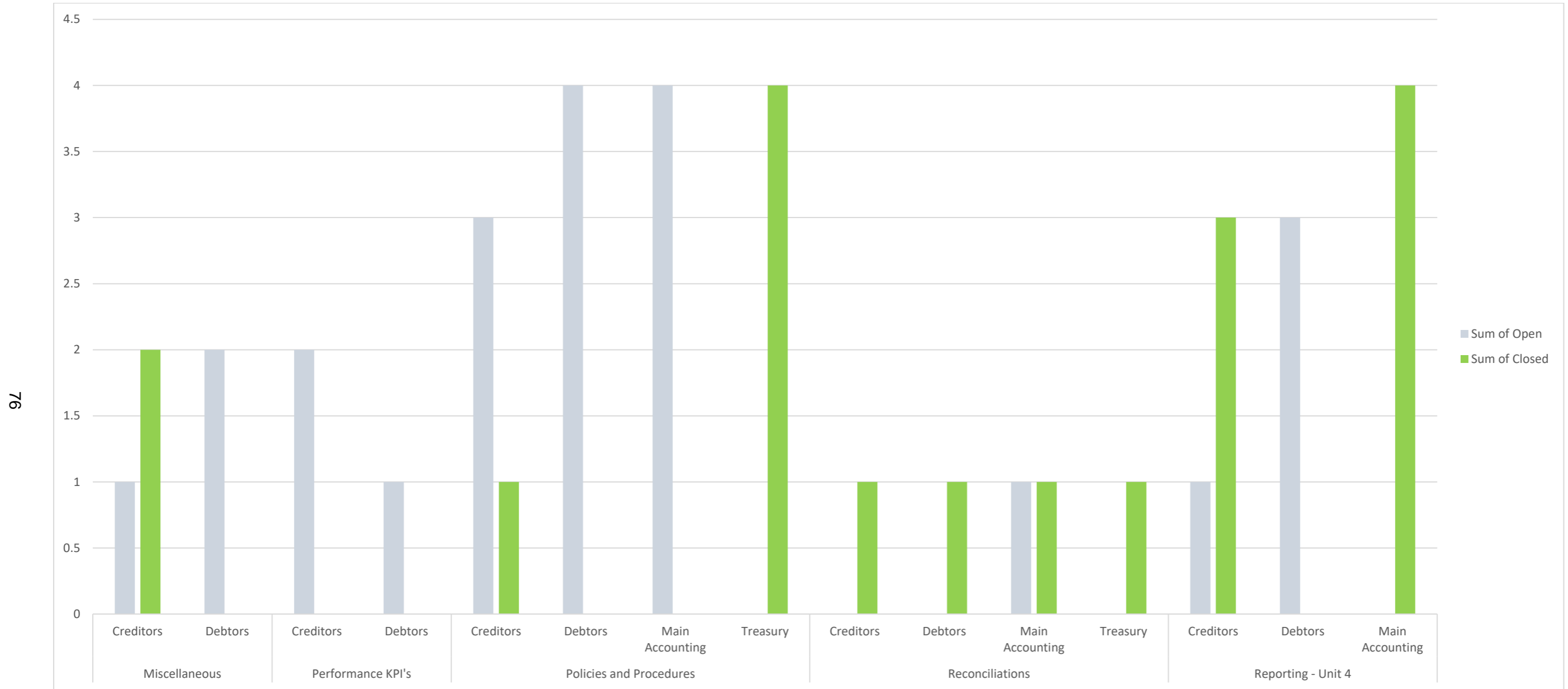
		<p>time, percentage of payments made within agreed terms, and collection rates for outstanding income within defined timeframes.</p> <p>A responsible officer will be appointed to oversee the development and implementation of these KPIs. The officer will also be tasked with establishing a structured process for ongoing collection, analysis, and reporting of performance data.</p> <p>Staff involved in payment processing and income collection will receive targeted training to ensure understanding and compliance with the newly established performance measures.</p> <p>Performance data will be monitored on a monthly basis, and regular reports will be generated and reviewed by management to identify trends, address issues promptly, and support continuous process improvement.</p> <p>The objective is to ensure transparency, accountability, and enhanced financial management through systematic measurement and regular performance review.</p>			<ul style="list-style-type: none"> <li>A report is run monthly, year to date and current month for supplier invoice payment performance with a set KPI (95%)</li> <li>Performance data for 22/23, 23/24 and 24/25 have not been published. Going forward this will be included within the KPI's and published quarterly performance reports. The risk of not publishing previous years is to be tolerated.</li> </ul> <p>Debtors</p> <ul style="list-style-type: none"> <li>A review of the KPI's that should be reported is to be carried out and processes introduced to ensure these are then appropriately done.</li> </ul>
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## Miscellaneous

Category	Finding	Detailed Action Plan	Responsible Officer	Implementation Date	Progress Update
<b>Creditors</b>	Uncertain if action has been taken to recover duplicate payments.	To address the uncertainty regarding the recovery of duplicate payments, a comprehensive review of all recent supplier transactions will be conducted to identify any instances of duplication. Clear procedures for the identification and recovery of duplicate payments will be documented and communicated to relevant staff. Responsibilities will be assigned to designated officers to oversee the process, and deadlines will be established to ensure timely resolution. Progress will be monitored regularly, and findings will be reported to management for further action as necessary.	Financial Services Team Manager	September 2025	<p>The process of recovering duplicate payments is an ongoing effort and has been integrated into standard operating procedures. As duplicate payments are identified, they are promptly addressed and recovered, making this task a routine aspect of regular financial operations.</p> <p>Dec 25 – Following an exercise carried out by internal audit to identify potential duplicate payments Exchequer Services are in the process of recovering these.</p> <p>Action has been taken to recover the identified duplicate payments</p> <p>Closed</p>
<b>Creditors</b>	Supplier payments over £250 are published on the council website in excel and PDF. The PDF version of the report is not user friendly. Also suggest report those payments £500 as Transparency Code.	Furthermore, the accessibility and compliance of supplier payment reports will be enhanced. The current PDF version of the published report is not user-friendly, and improvements will be made to ensure greater clarity and public accessibility. Additionally, reporting practices will be updated to ensure that all payments over £500 are clearly identified and reported in accordance with the Transparency Code. The objective is to achieve a user satisfaction rate of at least 80 percent regarding the usability of the new report format and to ensure that all payments over £500 are accurately and consistently included in the published documentation.	Financial Services Team Manager/Procurement Officer	September 2025	<p>Agreed to amend the amount to £500 and information is now published monthly.</p> <p>Closed</p>

		<p>Monitoring measures will include the collection and review of user feedback as well as quarterly audits to verify full compliance.</p> <p>A lead from the finance department, in conjunction will be responsible for overseeing the development, implementation, and ongoing monitoring of these improvements.</p>			
<b>Debtors</b>	External debt recovery services are not used.	<p>To address the current lack of external debt recovery services, the Council will initiate a structured review and implementation process designed to improve the recovery of overdue accounts and support robust financial management.</p> <p>The first step will involve a comprehensive assessment of existing internal debt recovery methods, identifying any inefficiencies or barriers that may be contributing to the accumulation of aged receivables.</p> <p>Following this evaluation, the Council will research reputable external debt recovery agencies, ensuring they display a consistent record of ethical practices, regulatory compliance, and proven success in similar sectors.</p> <p>A set of criteria will be established for selecting an appropriate agency, taking into account cost-effectiveness, transparency of process, and alignment with the Council's values.</p> <p>If this is the approach the Council wishes to take, once a suitable partner is chosen, clear procedures and escalation protocols will be drafted to govern when and how external debt recovery services will be utilised.</p> <p>Staff involved in financial operations will undergo training to familiarise themselves with these new procedures and ensure compliance. Communication will be maintained with debtors to inform them of the updated policy and encourage early resolution of outstanding balances prior to escalation.</p> <p>To evaluate the effectiveness of this initiative, key performance indicators such as reductions in overdue accounts, recovery rates, and feedback from internal stakeholders will be monitored and reported at regular intervals.</p>	Financial Services Team Manager	September 2026	<p>As part of our enhanced automated debt recovery process, we are implementing HMCTS online court action and actively investigating the use of external debt recovery services. Leveraging these solutions offers several advantages: it streamlines the recovery of overdue accounts, increases efficiency by automating legal proceedings, and gives access to professional expertise for handling persistent debts. This approach is expected to improve recovery rates, reduce administrative burden on staff, and support stronger financial management for the Council.</p> <p>Dec 25 – Draft Administration and Collection of Sundry Debt policy is now in place.</p> <p>Work has begun on revisiting MoneyClaim Online (HMCTS) and the use of Recovery Agents. This is integral to the automated recovery process, therefore is a priority and will need to be in place by the end of January 2026.</p> <p>Work is still in progress regarding this area.</p>

### Progress of Implementation of Key Financial Systems per Category



## OVERDUE RECOMMENDATIONS AS AT 18 MARCH 2026

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
2024/25	Housing Contract Management	6. Processes are put in place to ensure effective day to day management and monitoring can be undertaken on the completion of works and financial accuracy of all work issued to the contractor.	High	A full review of the process will be carried out, with the team, the process will then be documented and monitored going forward. Regular tracking of live jobs is undertaken already.	Responsive repairs, Voids and Minor Works Team Manager and Asset and Compliance Team Manager	Director of Communities	Dec-25	Jan-26 Procedures provided did not fully address the control issues identified. It is intended to have a workshop in April to address the issues relating to the procedures and develop an action plan that will ensure all relevant procedures are in place and control issues addressed.					
2024/25	Housing Contract Management	7. Processes are put in place to ensure all invoices are checked for accuracy and work completion prior to payment, payments are made in accordance with contract terms and documentation is retained to provide an audit trail.	High	This will be implemented in conjunction with recommendation 6.	Responsive Repairs, Voids and Minor Works Team Manager.	Director of Communities	Dec-25	Jan-26 Procedures provided did not fully address the control issues identified. It is intended to have a workshop in April to address the issues relating to the procedures and develop an action plan that will ensure all relevant procedures are in place and control issues addressed.					
2024/25	Housing Contract Management	11. Processes are introduced to document and approve variations, retain all documentation, and accurately record the information within QL orders to ensure that payment applications are correct and can be verified.	High	All variations over £500 are approved in writing. A process will be put in place to document the authorisation of variations and records kept.	Responsive Repairs, Voids and Minor Works Team Manager.	Director of Communities	Dec-25	Jan-26 Procedures provided did not fully address the control issues identified. It is intended to have a workshop in April to address the issues relating to the procedures and develop an action plan that will ensure all relevant procedures are in place and control issues addressed.					

## EXTENDED RECOMMENDATIONS

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	CLT Lead	Due Date	1st Follow up comments	Ext Date	Second Follow up comments	Ext Date	Further Management update	Further extension date
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.	Health and Safety Officer	Head of HR & OD	September 2024	Oct 24 – Head of OD & HR to discuss with H&S Manager and to arrange relevant corporate training. Extended to Mar-25 in CLT.  Training dates will be advised following the review.	Mar-25	Mar-25 - All relevant officers have been identified with the levels of training required for each officer. A training plan is now being developed and all training will have been completed by March 2026. The action was previously assigned to the Asset Manager and Strategic Director of Communities but as the training is being managed by the Health and Safety Officer responsibility has now been moved.	Mar-26	Mar-26 Some training has been completed. Further specific training is in the process of being arranged.	
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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.	<del>Oct-23</del> 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. Apr-25: Due to issues with Unit 4 and the change in staff it has not yet been possible to implement this recommendation. An extension has therefore been requested to September 2025. Sept-25: There has been no further progress due to the issues with Unit4, and therefore a further extension is required. Mar-26 Experiencing issues with upload therefore further extension required.	<del>Sept-24</del> <del>Mar-25</del> <del>Sept-25</del> <del>Dec-25</del> April-26

2023/24	Planned maintenance	2. Management considers the use of a single source to manage, record and monitor progress against the annual programme to remove duplication in work and avoid error.	Medium	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.	Asset Manager	Head of Housing	Sep-25	Oct-25 Extended due to staff absence. Additionally, the service is currently reviewing the CAFM system as a single source of documentation.	Mar-26				
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. Sept-25 A review of digital sign off forms has begun.	Mar-26				
79													
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. Oct-25 File structure has been built to store records and a direct upload to the MRI software from file transfer sites is completed by contractors.	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	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	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, Voids and Minor Works 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	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 – <ul style="list-style-type: none"> <li>• Two managers absent on long term sick leave.</li> <li>• Failing to recruit to three team crucial posts.</li> <li>• One post being carried out by an unqualified member of staff.</li> </ul> Due to the lack of	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 will 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

82				<p>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 insufficient administration of the asbestos data and as a consequence puts operatives, contractors, staff and other end users at risk.</p> <p>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.</p>									
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	<p>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.</p>	Compliance Team Leader – when appointed	Head of Housing	Nov-24	Nov-24 No response		Dec- 24 No response		<p>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.</p>	<p><del>Apr-25</del> Mar-26</p>
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	<p>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 stream line how these are maintained so there is adequate visibility to all users of the data held.</p> <p>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.</p>	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				

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 new contract is nearly in place.	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	Dec-25 Due to staff absence a further extension has been requested.	Mar-26		
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.	Sept-25	Sep-25 The recommendation needs to be extended to allow the contract management processes to be embedded with the new contracts.	Mar-26		

2024/25	Housing Compliance	1. A review of all policies and procedures relating to Housing Services gas servicing, electrical testing, fire safety management, lift safety and legionella and water systems. Where policies and procedures are not in place measures should be taken to produce and approve the documents. The policies and procedures should reflect current practices, include roles and responsibilities of staff, contractors and other partners, and should be subject to regular review. Policies and procedures should be sufficient to satisfy the requirements of the Regulator of Social Housing 'FLAGEL' policies (fire safety, legionella, asbestos, gas safety, electrical safety, lift safety).	High	Policies and procedures exist, although not stored in a central location they are accessible to key staff involved in the process. All are compliant with RSH policies. Policies have now been placed on the corporate policy tracker to assist with management of review timelines and will be reviewed in line with recommendation.	Assets and Compliance Team Manager	Head of Housing	December 2025 • Lift Safety • Legionella and water March 2026 • Gas Servicing • Electrical Testing • Fire Safety Management systems	Dec-25 - Extension due to staff absence	Mar-26	Mar-26 Draft policies have been written for Gas, Electrical and Lift Safety.			
2024/25	Housing Compliance	4. Evidence to support completion of actions should be retained centrally to ensure that it can be easily located if required.	High	A review will be undertaken to minimise the locations that completion data is held. This will be developed in conjunction with recommendation 3 above.	Assets and Compliance Team Manager	Head of Housing	Dec-25	Dec-25 - Extension due to staff absence	Mar-26	Mar-26 Info received but this does not relate to the control issue identified.			

2024/25	Housing Compliance	5. A review of the processes for the completion of remedial actions identified during compliance inspections is carried out and documented to ensure that the process is streamlined, efficient and all relevant officers receive information to confirm actions have been taken as needed and in a timely manner.	High	A review of the process will be carried out and will put in place an action plan to ensure that completion of jobs raised have been completed within the given timescales and recorded in the appropriate locations for officers.	Building Safety and Tenant Involvement Team Manager	Head of Housing	Dec-25	Dec-25 - Extension due to staff absence	Mar-26	Jan-26 Further extension requested.	Jul-26		
2024/25	Housing Compliance	7. Contract management arrangements, for those contractors procured to carry out Compliance Inspections, should be reviewed to ensure that contracts are being managed in line with the contract. All contract meetings should be minuted and clearly detail any discussions / actions/ performance/ issues.	High	Agreed – to be implemented as set out in response to the Housing Contract Management audit. Policy documentation (recommendation 1) will set out the frequency of collection.	Assets and Compliance Team Manager	Head of Housing	Dec-25	Dec-25 - Extension due to staff absence	Mar-26	Mar-26 Minutes of meetings have not been provided.			

## 2025/26 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 18/03//2026	Comments
Quarterly Progress Reports to Management Team and Audit and Governance Committee	On track	
Follow up testing completed in month agreed in final report	On track	
To ensure audit coverage is sufficient to enable the Audit Manager to provide a year-end opinion on the governance, risk and control environment - Annual Opinion Report	Completed	Annual opinion report for 2024/25 reported at Audit and Governance Committee in August 2025
95% Customer Satisfaction with the Internal Audit Service	100%	2025/26 – 3 responses received.
To provide an efficient and compliant audit service -		
<ul style="list-style-type: none"> <li>• *Fieldwork is completed within two months of the start date.</li> </ul>	80%	
<ul style="list-style-type: none"> <li>• Management Debriefs are scheduled within 2 weeks of field work being completed and signed off.</li> </ul>	60%	This is due to delays in approving the new ways of reporting.
<ul style="list-style-type: none"> <li>• *Management Responses are received within 2 weeks of the debrief meeting.</li> </ul>	60%	
<ul style="list-style-type: none"> <li>• *Draft audit reports are issued within 1 week of receipt of full management responses.</li> </ul>	80%	
<ul style="list-style-type: none"> <li>• *Final audit reports are issued within 1 week of draft audit reports.</li> </ul>	0%	
<ul style="list-style-type: none"> <li>• *, **75% of agreed actions are subsequently signed off as implemented within the agreed time scale.</li> </ul> <p>This will increase to 85% in 2026/27 and 100% in 2027/28.</p>	100%	

*\*This measure is not exclusively a reflection on the Internal Audit Service's performance.*

*\*\*Whilst Internal Audit will track the implementation of agreed actions, management is responsible for completing the actions and ensuring that desired outcomes are achieved.*

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 29  
APRIL 2026

<b>Title of Report</b>	<b>INTERNAL AUDIT STRATEGY</b>	
<b>Presented by</b>	Kerry Beavis Audit Manager	
<b>Background Papers</b>	<a href="#">Global Internal Audit Standards</a>  <a href="#">Application Note: Global Internal Audit Standards in the UK Public Sector</a>  <a href="#">CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government</a>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	None	
	<b>Signed off by the Acting Section 151 Officer:</b> yes	
<b>Legal Implications</b>	None	
	<b>Signed off by the Monitoring Officer:</b> yes	
<b>Staffing and Corporate Implications</b>	None	
	<b>Signed off by the Head of Paid Service:</b> yes	
<b>Purpose of Report</b>	To provide the Audit and Governance Committee with an update on progress against the actions set out in the Internal Audit Strategy for 2025/26, summarising achievements, outstanding actions, and work to be carried forward into 2026/27.	
<b>Recommendations</b>	<b>THAT THE COMMITTEE:</b>  <b>1) NOTES AND PROVIDES COMMENTS ON THE PROGRESS MADE AGAINST THE INTERNAL AUDIT STRATEGY DURING 2025/26.</b>  <b>2) SUPPORTS THE CONTINUED DELIVERY OF OUTSTANDING ACTIONS INTO 2026/27, INCLUDING THE EXTERNAL QUALITY ASSESSMENT AND THE DEVELOPMENT OF DATA ANALYTICS CAPABILITY.</b>	

	<b>3). ENDORSES THE ONGOING IMPROVEMENT ACTIVITIES DESIGNED TO ENHANCE THE EFFECTIVENESS AND MODERNISATION OF THE INTERNAL AUDIT SERVICE.</b>
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## 1.0 BACKGROUND

- 1.1 The Internal Audit Strategy identifies key initiatives required to strengthen the Internal Audit service, align operations with the Global Internal Audit Standards (GIAS) in the UK Public Sector, and support strong governance, risk management and internal control arrangements.
- 1.2 Progress against the Strategy is monitored throughout the year and reported to senior management and the Audit and Governance Committee.

## 2.0 SUPPORTING INFORMATION

- 2.1 Noting the progress ensures the Audit and Governance Committee has transparent oversight of delivery against the Internal Audit Strategy, providing assurance that key improvements relating to governance, standards alignment and continuous-improvement activities have been implemented as planned. It also enables the Committee to recognise where progress has been strong and where external factors have influenced delivery timelines.
- 2.2 Support is required because several remaining actions—such as the External Quality Assessment, skills development and analytics capability—are essential for achieving full alignment with the GIAS. These actions have clear plans and resource commitments for 2026/27, and Committee endorsement helps ensure these improvements remain appropriately prioritised despite earlier unavoidable delays due to corporate and sector dependencies.
- 2.3 Endorsement ensures that longer-term modernisation initiatives, including the use of data analytics, Copilot tools, where appropriate, innovation and enhanced root-cause analysis, continue to receive organisational support. These improvements strengthen Internal Audit’s ability to deliver high-quality, risk-based assurance and help maintain a robust governance and control environment across the organisation.
- 2.4 A copy of the Update on the Initiatives Identified in the Internal Audit Strategy is attached at Appendix A.

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:	The update was presented to the Corporate Leadership Team on 25 March 2026
Risks:	Failure to implement the remaining actions could affect the service's ability to meet professional standards; however, meaningful controls are in place and work is planned for 2026/27 to mitigate this.
Officer Contact	Kerry Beavis Audit Manager <a href="mailto:Kerry.beavis@nwleicestershire.gov.uk">Kerry.beavis@nwleicestershire.gov.uk</a>

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## Update on Initiatives Identified in the Internal Audit Strategy 2025/26 – 2027/28

Appendix A

### Critical Success Factor Area: Management Support

Initiative	Time Frame	Update
Internal Audit Manager to provide Corporate Leadership Team with an overview of the GIAS in the UK Public Sector, in particular Domain 3 and the underpinning documentation for 2025/26 (i.e. Charter / Mandate / Strategy).	July 2025	Completed
Internal Audit Manager to provide relevant training to the Audit and Governance Committee, as identified in the skills and knowledge questionnaires.	March 2026	Global Internal Audit Standards Training carried out
Internal Audit Manager to present annual Internal Audit Report and Opinion to the Corporate Leadership Team in advance of reporting to the Audit Committee.	July 2025	Completed
Develop Internal Audit intranet page	July 2025	Awaiting new intranet
External Quality Assessment against the requirements of the GIAS in the UK Public Sector to include senior management and Audit Committee members.	October 2025	Postponed while awaiting further guidance from CIPFA due to being a shared service. This postponement was agreed with the S151 officer and Audit and Governance Committee members were advised and in agreement. The EQA will be carried out during 2026/27

**Critical Success Factor Area: Resources/ Skilled and Competent Staff**

<b>Initiative</b>	<b>Time Frame</b>	<b>Update</b>
Internal Audit manager to report annually to the Audit and Governance Committee on Internal Audit resource levels and any implications.	September 2025	Completed for 2025/26 as part of the quarterly update reports.
Internal Audit staff to complete an annual assessment of skills (via Audit Skills Matrix). Internal Audit Manager to assess skills and determine training and development needs.	September 2025 November 2025	Partially completed. There was a delay in this due to a new skills matrix being developed and also a delay in PDR's.
Basic data analytics training for Internal Audit staff	March 2026	To be carried forward in to 2026/27

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**Critical Success Factor Area: Continuous Improvement**

<b>Initiative</b>	<b>Time Frame</b>	<b>Update</b>
Invest time in utilising Copilot/ analytics tools where appropriate and alongside sufficient professional oversight	March 2026	In progress and will continue to be utilised.
Consider data requirements and availability in the audit planning stage	April 2025	Implemented.
Begin to incorporate analytics into fieldwork and testing.	December 2025	In progress and will continue to be utilised.
Enhance root cause analysis	March 2026	Implemented
Support innovation within the Internal Audit Service to continuously improve	March 2028	In progress and will continue.



## INTERNAL AUDIT STRATEGY

**2025/26 – 2027/28**

## Contents

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## 1. Internal Audit Vision

To be a trusted advisor and promoter for continuous improvement, helping the Council optimise efficiency, achieve goals and priorities, and stay resilient in the evolving public sector.

## 2. Internal Audit Mission

To protect and enhance organisational value through risk-based assurance and advice, supported by evidence.

## 3. Strategic Objectives and Critical Success Factors

The primary strategic objectives of the Internal Audit Service are:

- **Independent Assurance:** Providing independent assurance that the Council's risk management, governance, and internal control processes are operating effectively.
- **Risk Management:** Identifying and assessing risks to the Council and ensuring that appropriate measures are in place to mitigate these risks.
- **Compliance:** Ensuring that the Council complies with relevant laws, regulations, and internal policies.
- **Operational Efficiency:** Evaluating the efficiency and effectiveness of operations and recommending improvements to enhance performance.
- **Strategic Support:** Offering insights and recommendations that support the Council's priorities and help achieve long-term goals.
- **Continuous Improvement:** Promoting a culture of continuous improvement by identifying opportunities for process enhancements and innovation.

Critical success factors (CSFs) are specific elements or activities that are essential for the Internal Audit Service to achieve its purpose, mission, vision, and the primary strategic objectives of the Internal Audit Service. The key CSFs are identified as:

- **Management Support:** Strong backing from senior management ensures that the internal audit function has the necessary resources, authority, and visibility to perform its duties effectively.
- **Independence and Objectivity:** Maintaining independence from the areas being audited and ensuring objectivity in reporting findings are crucial for the credibility and reliability of the Internal Audit Service.
- **Resources/Skilled and Competent Staff:** Having a team of well-trained, knowledgeable, and skilled auditors is essential for conducting thorough and effective audits.
- **Effective Communication and Collaboration:** Clear and consistent communication with stakeholders, including CLT and the Audit Committee, helps in understanding expectations and ensuring that audit findings are acted upon. Collaborating with professional bodies and other public sector internal

audit bodies is key to ensuring that the Internal Audit Service stays attuned to internal audit practice.

- **Risk-Based Approach:** Focusing on areas of highest risk to the Council ensures that audit resources are used efficiently and that the most critical issues are addressed.
- **Continuous Improvement:** Regularly updating audit methodologies and practices to incorporate new technologies and respond to changing risks helps maintain the relevance and effectiveness of the Internal Audit Service.
- **Alignment with Organisational Goals:** Ensuring that the internal audit activities are aligned with the objectives and priorities of the Council helps in providing valuable insights and recommendations that support overall aims.

#### 4. Supporting Initiatives

Considering the operational framework of the Internal Audit Service within the Council, the evaluation against the GIAS in the UK Public Sector, and the insights derived from the aforementioned steps, three key areas have been identified for improvement to better achieve the Service's Critical Success Factors (CSFs). These areas are specifically highlighted under the weaknesses, opportunities, and threats in the Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis.

#### 5. Stakeholder Engagement

The Internal Audit Service has various stakeholders. The main internal stakeholders are the Corporate Leadership Team and the Audit and Governance Committee. The Strategic Director - Resources (S151) (part of the Corporate Leadership Team) has the responsibility, through S151 and statutory duties, to ensure there is an adequate and effective system of internal audit. Other internal stakeholders are senior management and other providers of assurance, as well as the Internal Audit Team itself.

External stakeholders are mainly the Professional Bodies (CIPFA and IIA), External Auditor (Azets), and Government Bodies who require the Internal Audit Service to carry out specific pieces of work, predominately grant returns.

## ANALYSIS OF STAKEHOLDER EXPECTATIONS

## Appendix A

	Stakeholder	Influence	Interest	Internal Audit Action	Frequency of Communication	Stakeholder Expectations	
26	External Stakeholders	External Auditor	Medium	Medium	Keep Satisfied	As required	<ul style="list-style-type: none"> <li>• Provide support and co-ordination.</li> </ul>
		Government Bodies	Medium	Medium	Keep Satisfied	As required	<ul style="list-style-type: none"> <li>• Delivery of audit work to meet grant determinations/ other specifications.</li> </ul>
		Professional Bodies	High	Low	Keep Satisfied	As required	<ul style="list-style-type: none"> <li>• Compliance with GIAS in the UK Public Sector.</li> </ul>
		The Public	Low	Low	Monitor	As required	<ul style="list-style-type: none"> <li>• Transparency of outcomes in Internal Audit.</li> </ul>
27	Internal Stakeholders	Audit and Governance Committee	High	High	Manage Closely	TBA following review	<ul style="list-style-type: none"> <li>• Compliance with GIAS in the UK Public Sector.</li> <li>• Help in achieving the A&amp;G Committee responsibilities as stated in their Terms of Reference.</li> <li>• Delivery of audit work to help inform an overall opinion on the governance, risk, and control environment.</li> <li>• High quality, informative summarised reporting of key issues.</li> </ul>
		Corporate Leadership Team	High	High	Manage Closely	Monthly	<ul style="list-style-type: none"> <li>• Helping the A&amp;G Committee to achieve their duties as stated in their Terms of Reference.</li> <li>• Compliance with GIAS in the UK Public Sector</li> <li>• Ongoing update on the results of the Internal Audit work, status of management action plan implementations.</li> <li>• Briefing on key issues identified</li> </ul>

	Director of Resources (S151)	High	High	Manage Closely	Three weekly	<ul style="list-style-type: none"> <li>• Help in achieving S151 responsibilities statutory duties</li> <li>• Ensuring “an adequate and effective system of internal audit”</li> </ul>
	Senior Management	Medium	High	Keep Informed	As required	<ul style="list-style-type: none"> <li>• Business acumen</li> <li>• Value added services.</li> </ul>
	Providers of Assurance	Medium	Medium	Keep Informed	Various	<ul style="list-style-type: none"> <li>• Sharing knowledge, advice, and updates on the internal control environment.</li> </ul>
	Internal Audit Team	High	High	Monitor Closely	Daily	<ul style="list-style-type: none"> <li>• Keeping the Internal Audit Team motivated.</li> <li>• Providing ongoing training and career development.</li> </ul>

## Stakeholder Expectations Analysis

**Influence** is the level of power or authority a stakeholder has over the internal audit function's strategic direction, resources, and decision-making.

- High influence: The stakeholder has significant power to impact the internal audit function's strategy, resources, and key decisions.
- Medium influence: The stakeholder has moderate power to influence the internal audit function's direction and decisions.
- Low influence: The stakeholder has minimal power to affect the internal audit function's strategy and decision-making.

**Interest** is the level of interest a stakeholder has in the internal audit function's activities and outcomes.

- High interest: The stakeholder is actively involved and highly concerned about the internal audit function's performance and results.
- Medium interest: The stakeholder has a moderate level of interest in the internal audit function's activities and outcomes.
- Low interest: The stakeholder has minimal interest in the internal audit function's day-to-day operations and results.

## Internal Audit Action

- Manage Closely: High interest and high influence stakeholders require close collaboration, regular communication (e.g., monthly), and active involvement in the internal audit function's strategic planning and decision-making processes.
- Keep Satisfied: High influence but low interest stakeholders should be kept satisfied with the internal audit function's performance and outcomes. Provide them with regular updates and address their concerns promptly.
- Keep Informed: High interest but low influence stakeholders should be kept informed about the internal audit function's activities, and achievements. Provide them with timely and relevant information to maintain their engagement and support.
- Monitor: Low interest and low influence stakeholders require minimal engagement. Monitor their interest and influence levels and provide them with general information as needed.

**Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis 2025/26**

**Strengths**

Audit expertise and public sector knowledge  
Independence  
Innovative planning process provides flexibility  
Seeking efficiencies  
Reading the current climate / getting the balance right  
Sharing best practice (collaboration)  
GIAS in the UK Public Sector compliance helps create efficiencies

**Weaknesses**

Profile/ misconception of role  
Being kept informed of organisational developments/ issues  
Access to services  
Resource and budget constraints  
Access to data  
Competence in effective use of data analytical tools/ artificial intelligence

**Opportunities**

Digital transformation  
  
Enhanced collaboration  
  
GIAS in the UK Public Sector awareness to Corporate Leadership Team and Audit and Governance Committee  
  
Skills gap analysis identifies areas for training and development

**Threats**

Current public sector and local landscape could make auditing more difficult  
  
Demand on Internal Audit Service impacts on ability to undertake enough audit coverage to provide a meaningful year-end opinion/ non-compliance with GIAS in the UK Public Sector  
  
Reactive fraud demand impacts on internal audit resource  
  
Budget constraints  
  
Less action taken as a result of audit findings (greater risk tolerance)

Initiatives to support the achievement of the Critical Success Factors.

Critical Success Factor Area: Management Support			
<p><b>CSF 1:</b> Strong backing from senior management ensures that the internal audit function has the necessary resources, authority, and visibility to perform its duties effectively.</p>			
<p><b>The Internal Audit Service aims to secure support from senior management and the Audit Committee to facilitate its efficient and effective operation.</b></p>			
<p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>Internal Audit Manager to provide Corporate Leadership Team with an overview of the GIAS in the UK Public Sector, in particular Domain 3 and the underpinning documentation for 2025/26 (i.e. Charter / Mandate / Strategy). Time Frame: July 2025</li> <li>Internal Audit Manager to provide relevant training to the Audit and Governance Committee, as identified in the skills and knowledge questionnaires. Time Frame: March 2026</li> <li>Internal Audit Manager to present annual Internal Audit Report and Opinion to the Corporate Leadership Team in advance of reporting to the Audit Committee. Time Frame: July 2025</li> <li>Develop Internal Audit intranet page. Time Frame: July 2025</li> <li>External Quality Assessment against the requirements of the GIAS in the UK Public Sector to include senior management and Audit Committee members. Time Frame: October 2025</li> </ul>	<p><b>SWOT Mapping</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Independence</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Access to data and services</li> </ul>
		<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>GIAS in the UK Public Sector awareness to Corporate Leadership Team and Audit and Governance Committee</li> </ul>	<p><b>Threats</b></p> <p>Current public sector and local landscape could make auditing more difficult</p> <p>Less action taken as a result of audit findings (greater risk tolerance)</p> <p>Resource and budget constraints</p>

**Critical Success Factor Area: Resources/ Skilled and Competent Staff**

**CSF2:** Having a team of well-trained, knowledgeable, and skilled auditors is essential for conducting thorough and effective audits

**The Internal Audit Service aims to ensure that its auditors are thoroughly trained, knowledgeable, and proficient, thereby maintaining a robust and comprehensive skills-mix within the Service.**

<p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>Internal Audit manager to report annually to the Audit and Governance Committee on Internal Audit resource levels and any implications. Time Frame: September 2025</li> <li>Internal Audit staff to complete an annual assessment of skills (via Audit Skills Matrix). Internal Audit Manager to assess skills and determine training and development needs. Time Frame: September 2025 (initial self-assessment) November 2025 (review/ ensure skills mix exists/ identify team/ individual training and development needs to feed into PDR process).</li> <li>Basic data analytics training for Internal Audit staff Time Frame: March 2026</li> </ul> <p>102</p>	<p><b>SWOT Mapping</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Expertise and knowledge</li> <li>Planning process provides flexibility</li> <li>GIAS in the UK Public Sector compliance helps create efficiencies</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Resource Constraints</li> <li>ICT auditing skills gap</li> </ul>
		<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Skills gap analysis has identified areas for training and development</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Ability to provide a meaningful opinion as demand on services increases</li> <li>Reactive fraud demand impacts on internal audit resource</li> <li>Budget constraints</li> </ul>

**Critical Success Factor Area: Continuous Improvement**

**CSF 3:** Regularly updating audit methodologies and practices to incorporate new technologies and respond to changing risks helps maintain the relevance and effectiveness of the Internal Audit Service.

**The Internal Audit Service seeks to grow understanding and development of related technologies to improve the efficiency and effectiveness of the Service.**

<p><b>Initiatives</b></p> <ul style="list-style-type: none"> <li>• Invest time in utilising Copilot/ analytics tools where appropriate and alongside sufficient professional oversight Time Frame: March 2026</li> <li>• Consider data requirements and availability in the audit planning stage Time Frame: April 2025</li> <li>• Begin to incorporate analytics into fieldwork and testing. Time Frame: December 2025</li> <li>• Enhance root cause analysis Time Frame: March 2026</li> <li>• Support innovation within the Internal Audit Service to continuously improve Time Frame: March 2028</li> </ul>	<p><b>SWOT Mapping</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Innovative and seeking efficiencies</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Competence in effective use of data analytical tools/ AI</li> </ul>
		<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Digital transformation</li> <li>• Enhanced collaboration</li> <li>• Devolution/ LGR</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Budget constraints</li> </ul>

## Performance Objectives

Objective	Measurement
Compliance with Global Internal Audit Standards in the UK Public Sector	For 2025/26, measurement will be achieved via internal processes (see separate indicator), and full assessment by external independent assessor.
Quality assurance reviews confirm that adequate competencies are in place to comply with the Internal Audit Standards.	Completion of planned QAIP audits and all actions arising are implemented.
Customers / clients are satisfied with the Internal Audit experience.	Achieve minimum 95% customer satisfaction with audit from customer surveys.
To ensure audit coverage is sufficient to enable the Audit Manager to provide a year-end opinion on the governance, risk and control environment.	There is enough supporting evidence to enable the Audit Manager to provide a year-end opinion (via direct internal audit work and / or via other assurance providers).
To provide an efficient and compliant audit service	Fieldwork is completed within two months of the start date.
	Management Debriefs are scheduled within two weeks of field work being completed.
	*Management Responses are received within two weeks of the debrief meeting.
	Draft audit reports are issued within one week of receipt of full management responses
	Final audit reports are issued within one week of draft audit reports.
Agreed actions are completed and result in the desired outcomes.	*, **75% of agreed actions are subsequently signed off as implemented within the agreed time scale. This will increase to 85% in 2026/27 and 100% in 2027/28.
To implement Critical Success Factor actions, as outlined in the Internal Audit Strategy.	Completion of Critical Success Factor action plan.

*\*This measure is not exclusively a reflection on the Internal Audit Service's performance.*

*\*\*Whilst Internal Audit will track the implementation of agreed actions, management is responsible for completing the actions and ensuring that desired outcomes are achieved.*

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## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 29  
APRIL 2026

<b>Title of Report</b>	<b>INTERNAL AUDIT ANNUAL PLAN</b>	
<b>Presented by</b>	Kerry Beavis Audit Manager	
<b>Background Papers</b>	<a href="#">Global Internal Audit Standards</a>  <a href="#">CIPFA Application Note</a>  <a href="#">CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government</a>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	None arising from this report.	
	<b>Signed off by the Acting Section 151 Officer:</b> yes	
<b>Legal Implications</b>	None arising from this report.	
	<b>Signed off by the Monitoring Officer:</b> yes	
<b>Staffing and Corporate Implications</b>	None arising from this report.	
	<b>Signed off by the Head of Paid Service:</b> yes	
<b>Purpose of Report</b>	Audit and Governance Committee is 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 2026/27 and allow them to comment and approve.	
<b>Recommendations</b>	<b>THAT THE COMMITTEE</b>  <b>1. NOTES THE DRAFT 2026/27 INTERNAL AUDIT ANNUAL PLAN REPORT, ATTACHED AT APPENDIX 1, AND PROVIDES ANY COMMENTS ON THE REPORT.</b>  <b>2. APPROVES THE DRAFT 2026/27 INTERNAL AUDIT ANNUAL PLAN SUBJECT TO ANY COMMENTS MADE UNDER RECOMMENDATION 1.</b>	

**1. BACKGROUND**

- 1.1 The Global Internal Audit Standards (GIAS) require that the Chief Audit Executive (CAE) create an internal audit plan that supports the achievement of the

organisation's objectives. The Chief Audit Executive for North West Leicestershire District Council is the Shared Service Audit Manager.

- 1.2 The Internal Audit Service will be delivered and developed as set out in the Internal Audit Charter.
- 1.3 The audit plan is required to be reviewed and approved by both senior management and the 'Board'. As set out in the Internal Audit Charter, the role of the 'Board' is fulfilled by the Audit and Governance Committee. The audit plan was circulated to the Corporate Leadership Team for review and approval.
- 1.4 Progress against the approved audit plan, together with any amendments required during the year, will be reported to the Audit Committee quarterly through the year.

**2. INTERNAL AUDIT PLAN 2026/27**

- 2.1 The proposed Audit Plan for 2026/27 is attached as at Appendix 1. The Audit Plan has been prepared following a risk-based assessment of the Council's activities and consultation with the Corporate Leadership Team to identify the Council's key risks.
- 2.2 Each audit assignment included in the Plan has been aligned to the Corporate Risk Register where appropriate and to the priority area for the Council.

**3. APPENDICES**

Appendix 1 – 2026/27 Internal Audit Plan

<b>Policies and other considerations, as appropriate</b>	
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 <a href="mailto:Kerry.beavis@nwleicestershire.gov.uk">Kerry.beavis@nwleicestershire.gov.uk</a>



# **INTERNAL AUDIT SHARED SERVICE**

**North West Leicestershire District Council**

**2026/27 Internal Audit Annual Plan**

## 1. INTRODUCTION

- 1.1 The Global Internal Audit Standards (GIAS) and the accompanying *Application Note: Global Internal Audit Standards in the UK Public Sector* require the Chief Audit Executive (Audit Manager) to develop a risk-based internal audit plan that supports the achievement of the organisation's strategic objectives. This Internal Audit Annual Plan for 2026/27 has been prepared in accordance with the GIAS, the UK Application Note, and the CIPFA *Code of Practice for the Governance of Internal Audit in UK Local Government (2025)*.
- 1.2 The plan sets out the audit approach for the year and explains how Internal Audit will continue to provide independent, objective assurance and advisory services designed to add value and improve the Council's operations. It also confirms the service's commitment to the **Seven Principles of Public Life (Nolan Principles)**, which form an essential part of ethical conduct under the UK Application Note.

## 2. BACKGROUND

- 2.1 The Council is responsible for maintaining adequate governance, risk management and internal control frameworks. Internal Audit contributes to this by providing independent assurance on the effectiveness of these frameworks and by supporting continuous improvement across the organisation.
- 2.2 Internal Audit's purpose, authority and responsibilities are defined in the Internal Audit Charter. The Charter confirms Internal Audit's unrestricted access to records, personnel, premises and information required to fulfil its duties, consistent with the requirements of the GIAS and the CIPFA Code.
- 2.3 Internal Audit provides both assurance and advisory work. Assurance engagements assess the adequacy and effectiveness of governance, risk management and internal controls. Advisory engagements provide insight and advice intended to enhance systems and processes. Management remains responsible for ensuring systems operate effectively.
- 2.4 In delivering its work, the Internal Audit function is committed to the IIA Code of Ethics, the Nolan Principles of Public Life, and the ethical expectations of the Global Internal Audit Standards.
- 2.5 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 Internal Audit's overall aim is to provide an independent, objective assurance and advisory service that adds value and supports the Council in achieving its priorities. The Audit Manager has developed a **risk-based** annual audit plan in line with the Global Internal Audit Standards and the UK Application Note.

3.1.2 The Audit Manager has produced a risk-based annual audit plan for 2026/2027. The planning process incorporated:

- consultation with senior management and key stakeholders;
- review of the strategic risk register and relevant committee reports;
- consideration of external audit findings, regulatory updates, and emerging risks;
- assessment of organisational changes in systems, staffing and processes;
- professional judgement informed by accumulated knowledge of the Council's control environment.

3.1.3 This ensures that Internal Audit resources are directed where they will have greatest impact and supports the CIPFA Code's requirement for risk-based planning. 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 Public Sector.

3.1.4 The outcomes from audit engagements will inform the Audit Manager's annual opinion, which contributes to the Annual Governance Statement.

3.1.5 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.”

3.1.6 The Audit Manager will ensure that the audit plan is regularly reviewed and adjusted as necessary throughout 2026/27. 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 Coordination with other Assurance Providers

3.2.1 In accordance with the Global Internal Audit Standards and the UK Application Note, Internal Audit will continue to coordinate its work with other internal and external assurance providers wherever possible to minimise duplication, share intelligence, and strengthen assurance coverage.

3.2.2 Three of the Council’s key financial systems (Benefits, Council Tax and NNDR) are provided by the Leicestershire Revenues and Benefits Partnership Assurance reports from the Leicestershire Revenues and Benefits Partnership will be reviewed and relied upon where appropriate. Any barriers to coordination, as required by the Application Note, will be reported to senior management and the Audit and Governance Committee.

### 3.3 Resources Available

3.3.1 The Internal Audit resource assessment complies with Standard 8.2 of the Global Internal Audit Standards and the CIPFA Code requirement to ensure sufficient and appropriate resources. The total available audit days for 2026/27 have been calculated transparently, taking into account current vacancies in the Internal Audit Assistant and Internal Audit Apprentice posts. A contingency has been built into the plan to mitigate resource risks and ensure delivery of priority work.

3.3.2 The Audit Manager will notify senior management and the Audit and Governance Committee of any impact arising from resource limitations, in line with GIAS requirements.

**Table 1: Resources Available**

<b>Available Days</b>	<b>596</b>
Team and Contract Management / Annual Opinion/ Annual Plan/Audit Committees/Progress Reports/External Audit/Audit Reviews	98
Corporate Meetings/General Admin/ Minutes Review/Regional Audit Groups	33
<b>Available Audit Days</b>	<b>465</b>

3.4 Internal Audit Annual Plan 2026/27

3.4.1 The proposed 2026/27 Annual Audit Plan is shown in Table 2 below and the detailed plan is shown in Appendix A. In accordance with the Global Internal Audit Standards, the annual audit plan will be kept under continuous review throughout the year. The Audit Manager will revise the plan to reflect emerging risks, changes in priorities, or resource constraints, and will communicate significant changes to the Corporate Leadership Team and the Audit and Governance Committee.

**Table 2: 2026/27 Annual Audit Plan**

Risk Based Audit Work 2026/27 (see Appendix A)	339
Completion of 2025/26 Outstanding Audits	51
Follow up reviews	18
Advisory – Ad hoc	4
Global Internal Audit Standards in the Public Sector	17
NFI, RIPA, Fraud	7
Risk Scrutiny	2
Contingency	27
<b>Total Audit Days</b>	<b>465</b>

3.4.2 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.

3.4.3 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 audits 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.

3.5 Limitations

3.5.1 The matters raised in the audit reports will only be those which come to internal audit’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. Internal audit work does not provide absolute assurance that material errors, losses or fraud do not exist.

2026/27 INTERNAL AUDIT ANNUAL PLAN

AUDIT AREA	TYPE	TIMING	COUNCIL PRIORITY AREA	RISK REGISTER (WHERE APPLICABLE)	PLANNED AUDIT DAYS
<b>HOUSING</b>					
Housing Complaints	Audit	Q1	2,4	CR17	15
Housing Regulator	Audit	Q1,2,3,4	2	CR17	15
Mutual Exchanges	Audit	Q4	2	CR17	10
Gas	Audit	Q3	2	CR17	15
Fire Safety and Management	Audit	Q2	2	CR17	10
Responsive Repairs - response times	Audit	Q1	2	CR17	10
Tenant Satisfaction	Audit	Q3	2	CR17	15
Tenant Association Accounts	Advisory/ support	Q1,2,3,4	2	CR17	4
<b>Subtotal</b>					<b>94</b>
<b>COMMUNITY SERVICES</b>					
CCTV	Audit	Q4	2		10
Climate Change	Audit	Q2	3	CR15	8
Food Waste Project Board	Advisory	Q1,2,3,4	2,3	CR8	2
Fleet and Driver Compliance Project Boards	Advisory	Q1,2,3,4	3,4	CR21	2
Licensing Enforcement	Audit	Q2	2		10
<b>Subtotal</b>					<b>32</b>
<b>FINANCE</b>					
Key financial systems	Audit	Q2,3,4	4	CR2	55
Unit 4	Audit	Q2	4	CR2	15
<b>Subtotal</b>					<b>70</b>
<b>LEGAL AND SUPPORT SERVICES</b>					
Committee Admin and Reporting	Audit	Q2	4	CR9	12
<b>Subtotal</b>					<b>12</b>

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<b>PLANNING AND REGENERATION</b>					
S106	Advisory	Q3	1	CR8	2
Planning Governance and Decision-making	Audit	Q2	1		12
<b>Subtotal</b>					<b>14</b>
<b>ECONOMIC REGENERATION</b>					
Regeneration Projects	Advisory	Q1,2,3,4	1	CR8	3
Commercial lettings	Audit	Q4	2	CR2	15
UKSPF	Audit	Q1/2	1	CR2	4
Car Parking	Advisory	Q1,2,3,4	2	CR8	2
<b>Subtotal</b>					<b>24</b>
<b>HR AND ORGANISATIONAL DEVELOPMENT</b>					
Expenses	Audit	Q1	4		10
Business Planning and Performance	Audit	Q2	4	CR9	12
Business Continuity	Audit	Q3	4	CR6	15
iTrent - new system	Advisory	Q1,2,3,4	4	CR8	3
<b>Subtotal</b>					<b>40</b>
<b>ICT</b>					
IT Governance	In-house	Q3	4	CR7	15
IT Cloud Service and Third-Party Supplier Management	IT Audit Contractor	TBA	4	CR7	
<b>Subtotal</b>					<b>15</b>
<b>CROSS CUTTING</b>					
LGR	Advisory	Q1,2,3,4	All	CR16	5
Fraud and error	Audit	As required	4	CR10	15
Value for Money	Audit	Q2	4	CR2	15
Legacy Fund	Advisory	Q1,2,3,4	4	CR2	3
<b>Subtotal</b>					<b>38</b>
<b>Total In House Days</b>					<b>339</b>

**Key to Priorities**

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

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## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 29  
APRIL 2026

<b>Title of Report</b>	<b>INTERNAL AUDIT CHARTER AND MANDATE</b>	
<b>Presented by</b>	Kerry Beavis Audit Manager	
<b>Background Papers</b>	<a href="#">Global Internal Audit Standards</a>  <a href="#">CIPFA Application Note</a>  <a href="#">CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government</a>	<b>Public Report: Yes</b>
<b>Financial Implications</b>	None	
	<b>Signed off by the Acting Section 151 Officer: yes</b>	
<b>Legal Implications</b>	None	
	<b>Signed off by the Monitoring Officer: yes</b>	
<b>Staffing and Corporate Implications</b>	None	
	<b>Signed off by the Head of Paid Service: yes</b>	
<b>Purpose of Report</b>	One of the core functions of the Committee, as defined within its terms of reference, is to approve the Internal Audit Charter and Mandate (an essential condition of the GIAS) and the scope and types of internal audit services.	
<b>Recommendations</b>	<b>THAT THE COMMITTEE APPROVES THE INTERNAL AUDIT CHARTER AT APPENDIX ONE.</b>	

**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 Chartered Institute of Public Finance and Accountancy (CIPFA) Application Note and Code of Practice for the Governance of Internal Audit in UK Local Government.

**2.0 INTERNAL AUDIT CHARTER AND MANDATE**

- 2.1 The Internal audit Charter and Mandate is attached at Appendix 1

<b>Policies and other considerations, as appropriate</b>	
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 Internal Audit Charter and Mandate was presented to the Corporate Leadership Team on 25 March 2026.
Risks:	Failure to have an approved Internal Audit Charter and Mandate will lead to non-conformance with relevant Standards and Legislation.
Officer Contact	Kerry Beavis Audit Manager <a href="mailto:Kerry.beavis@nwleicestershire.gov.uk">Kerry.beavis@nwleicestershire.gov.uk</a>



# **INTERNAL AUDIT CHARTER AND MANDATE**

**North West Leicestershire District Council**

## Version Control

<b>Author</b>	<b>Date</b>	<b>Action</b>
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	To align with the new Global Internal Audit Standards.
Kerry Beavis Audit Manager	March 2026	Minor changes to further clarify conformance with the Global Internal Audit Standards.

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## **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 Public Sector or guidance.
- 1.2 The Global Internal Audit Standards in the 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 activity's position within the Council, including the nature of the Chief Audit Executive's functional reporting relationship with the board; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.
- 1.4 For the UK public sector, conformance with the Global Internal Audit Standards is to be read together with the Application Note: Global Internal Audit Standards in the UK Public Sector issued by the Relevant Internal Audit Standard Setters (RIASS) and, for local government, the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government (the CIPFA Code). This Charter has been updated to reflect GIAS (UK Public Sector) and the CIPFA Code, effective 1 April 2025.

## **2 Definitions**

- 2.1 In line with the GIAS:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve

the effectiveness of risk management, control and governance processes.”

- 2.2 The GIAS refer to the “board” and senior management. CIPFA advises that these terms should be interpreted in the context of each council’s own governance arrangements.

Under GIAS, the “*board*” is defined as the highest level of body charged with governance.

For the purposes of this Internal Audit Charter and Mandate, the “board” is defined as the Audit and Governance Committee of North West Leicestershire District Council.

The Audit and Governance Committee is responsible for providing independent assurance to those charged with governance on the adequacy and effectiveness of the Council’s risk management framework, governance arrangements, and internal control environment.

*Senior Management* – The highest level of executive management of an organisation, accountable to those charged with governance for the delivery of the organisation’s objectives, strategies and operational management.

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 Public Sector. The specific job title and/or responsibilities may vary across organisations.

At this Council the Chief Audit Executive role is fulfilled by 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 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 Public Sector which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the audit committee.
- 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 Public Sector**

- 4.1 The internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, namely the Global Internal Audit Standards and any Topical Requirements mandated for the UK public sector, read together with the Application Note: Global Internal Audit Standards in the UK Public Sector. The Chief Audit Executive will report annually to the Audit and Governance Committee and senior management regarding the internal audit function's conformance with GIAS (UK Public Sector), which will be assessed through a quality assurance and improvement programme (QAIP).

#### **5. Mandate**

- 5.1 Internal Audit 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 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 Auditing Standards or guidance.
- 5.3 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 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 service, 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](http://www.public-standards.gov.uk).
- 5.9 Internal Audit Mandate and Board Approval.  
The Internal Audit Mandate, setting out the authority, role, responsibilities, scope and types of services, and organisational independence, will be approved by the Audit and Governance Committee. The Mandate and this Charter will be reviewed at least annually and following any material change.
- 5.10 Essential Conditions.  
The Council will ensure that the essential conditions necessary for an effective internal audit function, as described in GIAS and interpreted by the CIPFA Code for local government, are established and maintained, including: organisational independence;
- unrestricted access;

- sufficient resources;
- Board oversight; and
- arrangements that support objectivity and quality.

## **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 management, thereby establishing the independence of the internal audit function. 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 Audit Committee. 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, and disclose any actual or perceived impairments to independence, or objectivity, together with safeguards. Any interference encounter related to the scope, performance, timing or communication of internal audit work will be reported to the Board with an explanation of implications for effectiveness.

## **7. Changes to the Mandate and Charter**

- 7.1 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 the internal audit 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**

- 8.1 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.
  - Discuss with the Chief Audit Executive and senior management other topics that should be included in the internal audit charter.
  - Participate in discussions with the Chief Audit Executive and senior management about the "essential conditions," described in the Global Internal Audit Standards and the CIPFA Code, which establish the foundation that enables an effective internal audit function.
  - Approve the internal audit function's charter and mandate, which includes the scope and types of internal audit services.
  - Annually review the internal audit charter with the Chief Audit Executive to consider changes affecting the organisation, and approve the internal audit charter
  - Approve the risk-based internal audit plan.
  - Discuss the internal audit function's resource plan and staffing model,
  - Consider the CAE's annual statement on resource sufficiency.
  - Receive and review the internal audit strategy.
  - Collaborate with senior management to determine the qualifications and competencies the organisation expects in a Chief Audit Executive, as described in the Global Internal Audit Standards.
  - 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 program has been established and review the results annually, including receiving the full external assessment report at least every five years and approving any resulting action plans.
  - Make appropriate inquiries of senior management and the Chief Audit Executive to determine whether scope or resource limitations are inappropriate.

## **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 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

- 9.2.1 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.
- 9.2.2 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.
- 9.2.3 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.
- 9.2.4 Internal auditors will:
- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the Chief Audit Executive, board, 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**

9.3.1 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.

9.3.2 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.
- Develop, maintain and implement an Internal Audit Strategy that supports the Council's strategic objectives and success, and aligns with the expectations of the Board, senior management and key stakeholders.
- Communicate the impact of resource limitations on the internal audit plan to the board and senior management and provide an annual statement on resource sufficiency together with options to mitigate any limitations.
- Review and adjust the internal audit plan, as necessary, in response to changes in North West Leicestershire District Council's business, risks, operations, programs, 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 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, including periodic evaluation of technology used by the internal audit function and reporting any limitations that affect effectiveness or efficiency.
- 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 the internal audit 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.
- Maintain an assurance map and escalate to senior management and, if necessary, the Board where appropriate coordination cannot be achieved.

#### **9.4 Communication with the Board and Senior Management**

9.4.1 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 program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards in the 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, and the annual statement on resource sufficiency.
- 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 Program**

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

- 9.5.2 The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards in the 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.
- 9.5.3 The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing.
- 9.5.4 Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.
- 9.5.5 Annually, the Chief Audit Executive will communicate with the board and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments).
- 9.5.6 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. The Board will receive the full external assessment report and approve any resulting action plans.

## **10. Scope and Types of Internal Audit Services**

- 10.1 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.
- 10.2 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 management on the adequacy and effectiveness of governance, risk management, and control processes for North West Leicestershire District Council.
- 10.3 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.
- 10.4 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.
- 10.5 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 and considering value for money;
- 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; and coordinating assurance activities with other internal and external providers, and reporting any barriers to coordination to senior management and, if necessary, the Board.

## **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 The 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.

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## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 29  
APRIL 2026

<b>Title of Report</b>	<b>CORPORATE RISK UPDATE</b>	
<b>Presented by</b>	Kerry Beavis Audit Manager	
<b>Background Papers</b>	<a href="#">Corporate Risk Update - Audit and Governance Committee 4 February 2026</a>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	None	
	<b>Signed off by the Acting Section 151 Officer:</b> yes	
<b>Legal Implications</b>	None	
	<b>Signed off by the Monitoring Officer:</b> yes	
<b>Staffing and Corporate Implications</b>	None	
	<b>Signed off by the Head of Paid Service:</b> yes	
<b>Purpose of Report</b>	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.	
<b>Recommendations</b>	<b>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.</b>	

**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 by officers of the Corporate Risk Group in March 2026. 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:

- CR3 – full review of the risk.
- The inclusion of LGR considerations within relevant risk controls and mitigating actions.

- CR20 – an update on the planned mitigation actions in relation to the risk associated with the Local Plan.
- 2.2 Out of the 17 active risks, one is red, seven are amber and nine are green. There have been some narrative changes, and these are shown as tracked changes.
- 2.3 The Director of Resources acts as the lead for corporate risk, but during the period between the previous Director retiring and the new Director starting this is currently being managed by the Audit Manager. The Audit Manager 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 2026, 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.

<b>Policies and other considerations, as appropriate</b>	
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	Kerry Beavis Audit Manager <a href="mailto:Kerry.beavis@nwleicestershire.gov.uk">Kerry.beavis@nwleicestershire.gov.uk</a>

**CORPORATE RISK REGISTER**  
**MARCH 2026**

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk Score			Likelihood	Impact	Risk Score
CR1  139	<p><b>Safeguarding</b></p> <p><b>Risk</b> Death/serious harm to a vulnerable person receiving a Council service and safeguarding compliance is not followed.</p> <p><b>Consequence</b> 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.</p>	4	3	12	Treat	Head of Community Services, Housing and Head of HR & Organisational Development.	3	2	6
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>• An identified Corporate Leads: Head of Community Services and Head of HR and Org Development</li> <li>• An identified team responsible for Safeguarding (Community Safety) with responsibility embedded into Team Leader role and Community Safety Officer- Safeguarding Lead officer</li> <li>• An agreed Safeguarding Policy refreshed as required. Updated in 2024, refreshed in 2025</li> <li>• An identified group of Designated Safeguarding Officers (DSO's) and Safeguarding Service advisors</li> <li>• A mandatory training programme for DSOs and service advisors every three years and quarterly team meetings, updates and training</li> <li>• A mandatory online training programme is in place for all staff with refresher training carried out every three years.</li> <li>• Safer Recruitment training is carried out for managers and safer recruitment is included within the Recruitment Guidelines.</li> <li>• The DBS and Barring Policy is in place and up to date.</li> <li>• A quarterly senior management review by the Head of Community Services of all cases to check progress/close cases.</li> <li>• Annual report to CLT and Corporate Scrutiny as required by exception.</li> <li>• A case management review meeting by <a href="#">Environmental Health &amp; Community Safety Team Manager</a><a href="#">Leisure and Communities Team Manager</a> and Community Safety Team Leader to ensure all cases progressed with the Safeguarding lead officer.</li> <li>• 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.</li> <li>• 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.</li> </ul>								

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**CORPORATE RISK REGISTER**  
**MARCH 2026**

	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Health and Safety Policy</li> <li>• Managers within the relevant services have a legal requirement to conduct regular risk assessments.</li> <li>• Staff induction training.</li> <li>• Annual reminders to complete/update health and safety risk assessments</li> <li>• Review of the referral process for safeguarding referrals has been implemented in 2024/2025</li> <li>• Review of the performance indicators for the safeguarding referral service has been implemented</li> <li>• Training provided for new DSO's and refresher training for existing DSO's in July and August 2025. Safeguarding lead officer continues with meeting all DSO's and provides relevant updates and information sharing, best practice etc. <a href="#">Further training available for new DSO recruitment and refresh</a></li> </ul>		
Planned mitigating actions	<ul style="list-style-type: none"> <li>• <a href="#">Council allocated £2m in 2026/7 budget to resource LGR work/ programmes</a></li> </ul>	Delivery timescales	Ongoing
Comments and progress on actions	<b>Stable</b> <a href="#">Annual CLT Safeguarding update report in May 2026</a>		
		Reason for delay in delivery	

**CORPORATE RISK REGISTER**  
**MARCH 2026**

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR2  141	<p><b>Management of Council finances</b></p> <p><b>Risk</b>            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>The Council's consultations in respect of Business Rates Retention and the Fair Funding Review issued in 2025, suggest that the Council may face significant losses in terms of business rates growth.</p> <p>The Council's finance system, Unit4, requires enhancements following implementation in April 2023 to ensure that financial information is timely and accurate to support decision making.</p> <p><b>Consequence</b></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	2	4

## CORPORATE RISK REGISTER

### MARCH 2026

#### Existing Controls

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- 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.
- Audit and Governance Committee have received regular reports regarding the Council's progress in respect of completing the Statement of Accounts for 2023/24 and 2024/25, the last report being considered by the Audit and Governance Committee on 12 November 2025.
- 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.
- 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
- The Statement of Accounts 2021/22 and 2022/23 were signed off by Audit Committee on 9 December 2024.
- ~~The Council has agreed provisional dates for completion of the Statement of Accounts 2023/24 and 2024/25 with the external auditors, Azets, of 31 August 2025 and 30 November 2025 respectively.~~
- [The Statement of Accounts 2023/24 and 2024/25 were signed off on 12 March 2026.](#)
- The Council is liaising actively with officials from Government in order to negotiate a 'cliff edge' funding loss over the medium term.
- The Council responded to the Fair Funding Review 2.0 Consultation, details of which were reported to Cabinet in September 2025.
- Work is ongoing with S151 Officers across the county to consider the financial implications of moving to Local Government Reorganisation. The group meets on a regular basis.
- In response to recent delayed payment of invoices to some suppliers, the Council has implemented temporary resource. The implementation of an automated invoice payment system in September 2025 will speed up the payment of invoices. Where appropriate, the Council is working with suppliers to ensure prompt payment.
- The Council has an internal Steering Group in place to oversee enhancements to the Unit4 system.

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	<ul style="list-style-type: none"> <li>• Priorities have been identified for Unit4 enhancements and work has been ongoing with the implementation partner to implement necessary changes.</li> <li>• A dedicated temporary Project Manager has been employed to oversee system enhancements</li> <li>• The support contract for the Unit4 system has been renewed with a new supplier.</li> <li>• Statement of Accounts 2024/25 published on 15 January 2026</li> <li>• Provisional Finance Settlement 2026/27 provides a three year finance settlement. The Council can set a balanced budget for each of the next three financial years whilst also building reserves to support one-off investment.</li> </ul>		
<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li>• Address internal control weaknesses identified in a range of finance audits</li> <li>• Action Plan developed to address financial management weaknesses which is monitored by the Finance Leadership Team</li> <li>• Unit 4 to be developed to provide timely and accurate budget monitoring for all key stakeholders. Project manager with Unit 4 experience employed to address outstanding issues with priorities identified.</li> </ul>	<b>Delivery timescales</b>	April 2027
		<b>Reason for delay in delivery</b>	
<b>Comments and progress on actions</b>	<b>Stable</b> A project board oversees the financial systems work.		

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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR3  144	<p><del>The employment market provides unsustainable employment base for the needs of the organisation.</del></p> <p><u>People (employment) Related risks</u></p> <p><b><u>Risk and consequences</u></b></p> <p>The Council is exposed to strategic and operational risks due to an unsustainable external employment market that fails to meet its workforce needs. Limited availability of skilled candidates, increased competition, and shifting labour market dynamics hinder recruitment and retention efforts.</p> <ul style="list-style-type: none"> <li>• <b><u>Trade Union Disputes &amp; Industrial Action</u></b>- Risk of industrial unrest due to employee relations issues. Could disrupt services if not well-managed.</li> <li>• <b><u>Equal Pay and Pay Equity</u></b>- Potential breaches of the Equality Act leading to financial liabilities, tribunal claims, and reputational damage.</li> <li>• <b><u>Work-Related Stress</u></b> High risk of mental health-related absence, legal claims, decreased productivity, and reputational impact.</li> <li>• <b><u>Sickness Absence Not Being Managed</u></b> Leads to operational disruption, higher costs, potential discrimination risks, and missed early-intervention opportunities.</li> <li>• <b><u>Performance Not Being Managed</u></b> Increases legal risks, reduces productivity, harms team morale, and results in missed development opportunities.</li> <li>• <b><u>Misconduct Not Being Proactively Managed</u></b> Risk that poor behaviour escalates, causing operational disruption, reputational damage, legal claims, and cultural decline.</li> </ul>	2	4	8	Treat	Head of HR and OD	2	2	4

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- **Recruitment Challenges-** risk if posts not filled, reduced service delivery capacity, increased reliance on agency staff, higher employment costs, and challenges in maintaining statutory and strategic commitments
- **Turnover-** Increased turnover due to LGR

**Consequences**

This may lead to prolonged vacancies, reduced service delivery capacity, increased reliance on agency staff, higher employment costs, and challenges in maintaining statutory and strategic commitments

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

**Existing Controls**

- Advance planning to mitigate this risk;
- 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 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.
- 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.
- 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 2024.
- Early engagement and consultation with recognised trade unions to build trust and transparency.
- Dispute resolution mechanisms, including use of ACAS or internal mediation, to resolve issues before escalation .
- Contingency planning to maintain essential services during industrial action (e.g., reallocation of duties, temporary staffing within legal limits) .
- Clear communication with staff and union representatives about the implications and legal boundaries of industrial action

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146	<ul style="list-style-type: none"> <li>• <u>Equal pay audits, transparent pay structures, communication of pay policies, action plans for pay equity</u></li> <li>• <del>Develop a</del> Action plans <b>developed</b> to address gender or ethnicity pay gaps</li> <li>• <del>Regularly updating</del> HR policies and procedures <b>regularly updated</b> in line with new <b>laws/legislation</b>.</li> <li>• <del>Training m</del> Managers and leaders <b>trained</b> on legislative changes</li> <li>• <del>Ongoing monitoring of</del> Legislative developments <b>monitored on an ongoing basis</b>.</li> <li>• <del>Conducting s</del> Stress risk assessments <b>conducted</b>.</li> <li>• <u>Referrals to Occupational Health and use of Employee Assistance Programmes.</u></li> <li>• <del>Reviewing W</del> workloads <b>reviewed</b> and early-intervention mechanisms <b>put in place</b>.</li> <li>• <u>Clear sickness absence policy and procedures.</u></li> <li>• <del>Training m</del> Managers <b>trained</b> in early-intervention and return-to-work processes.</li> <li>• <del>Monitoring a</del> Absence trends <b>monitored</b> to identify underlying issues.</li> <li>• <del>Ensuring e</del> Compliance with policy, discrimination law, and reasonable adjustments.</li> <li>• <u>Consistent application of performance management frameworks.</u></li> <li>• <u>Regular one-to-one meetings and feedback cycles.</u></li> <li>• <u>Clear documentation of concerns, support plans and outcomes.</u></li> <li>• <del>Managers</del> <b>trained</b> <del>ing</del> to ensure fair, unbiased processes.</li> <li>• <u>Clear disciplinary policy and procedures followed consistently.</u></li> <li>• <u>Early intervention to prevent escalation.</u></li> <li>• <u>Thorough and timely investigations.</u></li> <li>• <del>Managers</del> <b>trained</b> <del>ing</del> on conduct expectations and legal risks.</li> <li>• <b>Streamlined end-to-end recruitment processes to reduce time-to-hire.</b></li> <li>• <u>New agency request process to reduce reliance on agency workers and ensure permanent recruitment takes place.</u></li> <li>• <u>Strengthened employer branding and targeted attraction campaigns.</u></li> <li>• <u>Fair and transparent selection processes with proper documentation.</u></li> <li>• <del>Workforce planning and skills forecasting to anticipate demand.</del></li> <li>• <del>New agency request process to reduce reliance on agency workers and ensure permanent recruitment takes place.</del></li> <li>• <del>Utilising s</del> <b>Specialist agencies utilised</b> for hard to fill roles</li> <li>• <del>Managers b</del> <b>Bite size briefing sessions for managers</b> – weekly on a range of topics</li> <li>• <u>Regular HR clinics between HR and managers to discuss concerns</u></li> <li>• <u>Refreshed team leaders and staff forums</u></li> <li>• <u>Monthly policy working group with trade unions.</u></li> <li>• <u>Working with pathways to planning for hard to fill roles, including graduate schemes and support with hard to fill roles.</u></li> </ul>
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147	Planned mitigating actions	<ul style="list-style-type: none"> <li>• <del>Constantly reviewing its advertising strategies.</del></li> <li>• <del>Specialist journals and their associated websites are also used depending on the role.</del></li> <li>• <del>Social media is also used for advertising roles.</del></li> <li>• <del>Retention project underway with LGA to support and encourage retention</del></li> <li>• <del>—</del></li> <li>• <del>Recruitment Refresh which includes:               <ul style="list-style-type: none"> <li>○ <del>Reviewing and updating our application form and interview process</del></li> <li>○ <del>Setting up HR clinics</del></li> <li>○ <del>Improving the content on our website and social media channels regarding recruitment and promoting NWLDC as an employer</del></li> </ul> </del></li> <li>○ <del>Updating our r</del>Recruitment policy <del>updated</del> and <del>creating guidelines for managers</del>s guidelines being created</li> <li>○ <del>Additional wellbeing support introduced, including an improved employee assistance programme, c</del>Counselling and <del>p</del>Physio support</li> <li>○ <del>Refreshed NWL L</del>eaders' programme.</li> <li>○ <del>Updating e</del>Capability procedure <del>updated.</del></li> <li>○</li> </ul>	Delivery timescales	April 2026
			Reason for delay in delivery	
Comments and progress on actions	<b>Stable</b>			

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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR4  148	<p><b>Personal data breach</b></p> <p><b>Risk</b> 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.</p> <p><b>Consequences</b> Monetary penalties from Information Commissioners Office (ICO), adverse publicity, private litigation and personal criminal liability of officers.</p>	4	3	12	Treat	Head of Legal and Support Services	2	2	4
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>• Policies and procedures are in place and rolled out to all staff</li> <li>• 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.</li> <li>• The Council has a dedicated Senior Information Risk Officer (SIRO) and Data Protection Officer (DPO).</li> <li>• Quarterly meetings with Information Governance team and SIRO</li> <li>• Annual SIRO report considered by Audit and Governance Committee in April 2025 – 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.</li> <li>• Training on information governance and data protection was delivered to the Corporate Leadership Team and Extended Leadership Team in November 2024 as part of the Corporate Governance training programme.</li> </ul>								
	<ul style="list-style-type: none"> <li>• Information Governance Team to cooperate with the supervisory authority and monitor compliance with Data Protection laws.</li> </ul>				<b>Delivery timescales</b>	Ongoing			

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<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li>• Quarterly meetings with Information Governance team and SIRO to continue</li> <li>• Annual SIRO report 2025/26 to be taken to Audit and Governance Committee in April 2026</li> <li>• Information Governance Framework will be reviewed in 2025/26 alongside other corporate governance policies.</li> <li>• Corporate Governance training programme in November 2025 to include an update on information governance and data protection</li> </ul>	<b>Reason for delay in delivery</b>	
<b>Comments and progress on actions</b>	<b>Stable</b>		

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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR5  150	<p><b>Procurement and management of contracts</b></p> <p><b>Risk</b>            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. Insufficient resources to monitor and implement contractual arrangements.</p> <p>The Council fails to meet the requirements of the Procurement Act 2023.</p> <p><b>Consequences</b>            Council liable to incur additional costs, contract overrun, litigation and potential health &amp; 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
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>• Oversight board structure in place to oversee major project work and compliance group now in place to oversee these elements of contracted work.</li> <li>• Corporate procurement support and legal team to support where necessary on contract management.</li> <li>• Review of procurement compliance undertaken leading to enhanced contract register and updated strategy</li> <li>• Processes have been reviewed and procurement templates revised.</li> <li>• V4 have been employed as the Council's Procurement partner to provide day-to-day advice and support.</li> <li>• A refreshed Procurement Strategy was approved by Cabinet on 25 March 2025.</li> <li>• Contract Procedure Rules updated and approved by Council in February 2025 to reflect the Procurement Act 2023.</li> <li>• Procurement Officer and V4 meet quarterly with Directors to discuss pipeline projects</li> <li>• A suite of procurement training has taken place throughout 2025 to ensure officers are aware of the changes to processes as a result of the introduction of the Procurement Act 2023.</li> </ul>								

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<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li>• Procurement toolkit to be produced to cover majority of lower value procurements with high value and complex procurements to be supported by specialised function.</li> <li>• Implement wider procurement response outside of financial to determine the competency of a contractor to undertake work – Health and Safety (H&amp;S) competency, training, quality, environmental etc</li> <li>• Review of the Contract Procedure Rules as part of the constitution review to address any changes required since they have been operating in practice</li> <li>• Contract management training for relevant officers to be delivered</li> <li>• <a href="#">Housing Revenue Account (HRA)</a> Procurement Officer to be recruited to support the service in the development of housing contracts</li> </ul>	<b>Delivery timescales</b>	December 2025
<b>Comments and progress on actions</b>	<b>Stable</b>		

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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR6	<p><b>Emergency response</b></p> <p><b>Risk</b>            Failure to respond to an emergency event in an appropriate manner. Lack of planning, training and exercising of Emergency plans.</p> <p><b>Consequences</b>            General public at risk of harm or unable to access relevant services (e.g. emergency accommodation or rest centre).</p>	3	3	9	Treat	Head of Human Resources and Organisation Development	2	2	4
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<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>• Business continuity plans have been reviewed and updated at Head of Service level as part of the 2025/26 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.</li> <li>• The LRF partnership arrangement with all Leicestershire and Rutland authorities provides resilience during civil emergency situations.</li> <li>• 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. <a href="#">COVID experience shows capability and ability to perform.</a></li> <li>• LRF delivered training to the Corporate Leadership Team <a href="#">and Extended Leadership Team</a> in 2024/25</li> <li>• Senior managers attend LRF situational based training.</li> <li>• ICO's and FLM's issued with guidance documentation to support their roles.</li> <li>• Continual development training and updates provided by Local Resilience Forum</li> </ul>								
					<b>Delivery timescales</b>	Ongoing			

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Planned mitigating actions	Reason for delay in delivery
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	<p><b>Cyber-attack</b></p> <p><b>Risk</b>            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</p> <p><b>Consequences</b>            Business as usual" would not be possible. Cost of repelling cyber threat and enhancing security features.</p>	4	4	16	Treat	Head of ICT	2	2	4
154									
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>The Council receives security and cyber-attack feeds daily from various sources including LGA (local government association), NCSC (National Cyber Security Centre), EWARPG (East Midlands Warning, Advise and Reporting Group), ACD (Active Cyber Défense) early warning system, this helps us remain on the front foot when it comes to being alerted to potential vulnerabilities and cyber-attacks.</li> <li>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.</li> <li>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 20254 the Council had 0 critical, 5 high, 645 medium and 31 Low issues. These have been remediated with only 32 medium risks remaining. The Council has also passed our Public Services Network (PSN) accreditation for 24/25 and working on 25/26 renewal, due in April 26Dec-2025.</li> <li>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. The quarterly results from these phishing campaigns shows that we are moving in the direction when it comes to user security awareness and education.</li> <li>Quarterly Cyber security awareness training held for staff and new starters, to protect staff at home and in the office.</li> <li>Yearly mandatory information security training conducted for all staff on the Skills gate training system.</li> <li>New business systems are run in remote fully resilient data centres and existing systems are being progressively migrated to cloud computing centres</li> <li>Diversity of environments used to avoid single point of failure risk, with backups now in the cloud, for Office 365 and storage data.</li> <li>Improved business recovery arrangements have been implemented to minimise recovery time.</li> </ul>								

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	<ul style="list-style-type: none"> <li>• Accreditation to Cyber Essentials and the Public Services Network.</li> <li>• Latest audit / assessments all confirm secure environment with reasonable assurance. Some formalisations of processes required and review of backups restoration window.</li> <li>• 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 36 medium and 92 Low Vulnerabilities, which the Council is working to mitigate using the tool which it has been purchased.</li> <li>• 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. One remediation is due for completion in December.</li> <li>• 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, and we are starting the 2<sup>nd</sup> phase of the CAF framework assurance.</li> <li>• Backups are now stored in the cloud as "offline backups", this is for all Council data and Office 365 tenancy</li> <li>• Active Directory (AD) password complexity has increased from eight characters to 12 characters. This makes it harder for password to be cracked</li> <li>• Replacement of firewalls now in place providing NEXGEN protection</li> <li>• Password protection now implemented 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.</li> <li>• Internal audit recommendations one remaining to be completed by Dec</li> <li>• IT risk register has been updated to capture specific cyber risks and mitigations.</li> </ul>		
<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li>• Need a list of business-critical systems in order of restoration priority, in conjunction with CLT</li> <li>• Introduction of Microsoft Co-Pilot AI, AI governance controls, and guard rails required before implementation of AI</li> <li>• Review AI threat landscape and attack vector</li> </ul>	<b>Delivery timescales</b>	Ongoing
<b>Comments and progress on actions</b>	<p><b>Stable</b></p> <p>Development of Cyber Security Strategy document as per external audit recommendation completed</p> <p>Good progress on keeping staff and the business secure.</p>		

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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR8	<p><b>Project Management Processes</b></p> <p><b>Risk</b>            Projects are poorly managed. Failure of proposed projects could result in failure to achieve overall objectives. Inefficient use / waste of resources.</p> <p><b>Consequences</b>            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</p>	2	3	6	Treat	Director of Resources	2	2	4
156									
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>• Greater use of professional project managers for key projects.</li> <li>• Work ongoing to address project methodologies deployed across the Council.</li> <li>• Greater use of external / non-subject board members.</li> <li>• Board structure covering all major projects in place.</li> <li>• 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.</li> <li>• Scrutiny of quarterly monitoring reports on capital expenditure.</li> <li>• Deploying Internal Audit to audit individual projects and assess project management effectiveness.</li> <li>• Scrutiny of risk registers or project management framework of individual projects by Corporate Risk Group.</li> <li>• Project management guidance has been developed and published, as well as a suite of templates</li> <li>• Guidance has been developed to ensure that projects report to the appropriate boards or steering groups.</li> <li>• Project Management Training was delivered to key officers in September 2024.</li> </ul>								

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<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li>• A schedule of all projects across the Council has been developed and will be monitored by the Transformation Steering Group</li> <li>• E-learning module is being developed</li> <li>• Key communication to all staff on the decision-making process across the organisation</li> <li>• A range of internal steering groups are in place for major projects/initiatives</li> <li>• Review of contractor selection and management to ensure competency</li> </ul>	<b>Delivery timescales</b>	April 2026
		<b>Reason for delay in delivery</b>	
<b>Comments and progress on actions</b>	<b>Stable</b>		

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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR9  158	<p><b>Ultra vires decisions/Local authority failure</b></p> <p><b>Risk</b>            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><b>Consequences</b>            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
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>• Constitution reviewed annually –<del>24/25 review completed, last reviewed 2025/26</del> and <del>Constitution</del> approved at Council in Feb 256.</li> <li>• Legal advice provided to officers and legal implications considered in reports to members as appropriate.</li> <li>• Statutory Officer checks take place on reports to Council, Cabinet, Scrutiny, Licensing, Planning and Audit and Governance Committees</li> <li>• Advice provided to members by the MO/Dep MO as needed on matters being considered by Council/Committees.</li> <li>• Policies and procedures in place, governance processes are documented and in operation, ongoing assessments and reviews are performed.</li> <li>• Completion of the Annual Governance Statement.</li> <li>• Corporate governance training on decision making provided in 20235 to CLT/ELT, <u>as part of the mandatory training programme, and on report writing process in 2024</u></li> <li>• 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.</li> </ul>								

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	<ul style="list-style-type: none"> <li>• “Golden triangle” of Statutory Officers is in place with monthly meetings of Statutory Officers taking place</li> <li>• Recognised in case study by the LGA for having good governance in place</li> <li>• LGA Peer Review completed June 2024</li> <li>• <del>Internal audits of finance functions completed.</del>—Finance Leadership Team meet regularly to track recommendations.</li> <li>• Where specific regulatory regimens are in place additional oversight and control implemented – e.g. Housing Improvement Board</li> <li>• The Council has completed the Office for Local Government Best Value Self-Assessment and is performing well against the measures.</li> <li>• <del>Corporate Governance Training delivered to Managers in November 2024</del></li> <li>• “in session” video in respect of Governance/decision-making recorded and shared with staff in January 2025.</li> <li>• Governance toolkit for officers updated with guidance on decision-making and internal governance processes</li> </ul>		
<b>Planned mitigating actions</b>  159	<ul style="list-style-type: none"> <li>• <del>Annual review of Constitution 2025/26 has commenced</del></li> <li>• Legal advice provided to officers and legal implications considered in reports to members as appropriate.</li> <li>• Statutory Officer checks to take place on reports to Council, Cabinet, Scrutiny, Licensing, Planning and A and G Committees</li> <li>• Guidance and training to be provided to report authors</li> <li>• <del>Corporate Governance Training to be provided to Managers in November 2025</del></li> <li>• Report authors' guide to be refreshed and rolled out for officers</li> <li>• <del>Programme of governance training, including detailed training on decision-making to be delivered to relevant staff in 2025/26</del></li> <li>• Member training programme being developed and delivered to members, including in relation to specific roles e.g. Audit and Governance Committee members</li> </ul>	<b>Delivery timescales</b> Ongoing	
<b>Comments and progress on actions</b>	<b>Stable</b>		

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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR10  160	<p><b>Fraud</b></p> <p><b>Risk</b> Council is subject to serious fraud, corruption or theft. Lack of checks and balances within financial regulations. Poor budget / contract management. Poor monitoring of / adherence to financial systems. Changes in working practises causing unintended risk/exposure.</p> <p><b>Consequences</b> Financial, reputational and political damage to Council.</p>	4	3	12	Treat	Strategic Director of Resources, Heads of Service and all Team Managers.	2	3	6
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>A policy framework that includes Anti-Fraud and Corruption Policy, Confidential Reporting (Whistleblowing) Policy and Anti-Money Laundering Policy. Policies refreshed annually. Approved by Cabinet in September 2025.</li> <li>The Internal Audit annual planning process takes into account high risk areas, which considers fraud risks. Fraud risks are considered as part of specific audits and, if detected, additional work will be directed towards the identification of consequent fraud or other irregularities. The Council is also subject to External Audit. Internal control and governance arrangements such as segregation of duties, schemes of delegation, bank reconciliations of fund movements, and verification processes.</li> <li>Participation and strengthening of involvement in National Fraud Initiative (mandatory)</li> <li>Information on how to report fraud is on the website including relevant links.</li> <li>A Fraud module is available on Skillgate and is refreshed every two years.</li> </ul>								
<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li>Fraud discussions and promotion of Fraud policies to be included by internal audit when attending team meetings.</li> </ul>			<b>Delivery timescales</b>	Ongoing				
				<b>Reason for delay in delivery</b>					

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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR13  161	<p><b>Political Administration</b></p> <p><b>Risk</b> 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. <a href="#">The Council is subject to LGR in 2028.</a></p> <p><b>Consequences</b> Financial, reputational and political damage to the Council. Slower decision making.</p>	3	3	9	Treat	Chief Executive	2	3	6
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>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.</li> <li>The Strategy Group meets fortnightly to review and steer strategic initiatives. Core membership includes the Leader, Deputy Leader, and Chief Executive, with other alliance members invited as needed. The Chief Executive also holds regular meetings with opposition members to ensure broader engagement.</li> <li>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. Monthly Statutory Officer meetings</li> <li>Scrutiny protocol developed and being trialled to improve relationship between Cabinet and Scrutiny now that the Scrutiny Committees are chaired by opposition members</li> </ul>								
<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li><a href="#">Council allocated £2m in 2026/7 budget to resource LGR work/ programmes</a></li> <li>Continued engagement with all groups/members.</li> <li>Advice provided to members on Constitution to enable members to undertake their roles.</li> </ul>			<b>Delivery timescales</b>	ongoing				
				<b>Reason for delay in delivery</b>					

**CORPORATE RISK REGISTER**  
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<b>Comments and progress on actions</b>	<b>Stable</b>
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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR15	<p><b>Climate Change/Zero Carbon Delivery</b></p> <p><b>Risk</b>            Inability to deliver programme due to resource / financial / operational / procedural process. Inability to gain action by partners</p> <p><b>Consequences</b>            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.</p>	3	4	12	Treat	Head of Community Services	2	2	4
163									
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>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 Council Delivery 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.</li> </ul>								
<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li>Work is ongoing to understand the costs of zero carbon delivery which in turn will help to understand the risks.</li> </ul>								
					<b>Delivery timescales</b>	April 2026			
					<b>Reason for delay in delivery</b>				

**CORPORATE RISK REGISTER**  
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<b>Comments and progress on actions</b>	<b>Stable</b>
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**CORPORATE RISK REGISTER**  
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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR16  165	<p><b>Changes in national priorities and legislative/regulatory change</b></p> <p><b>Risk</b>            Changes in national priorities given the new Government elected in July 2024. This could include changes in delivery of statutory services. Changes in Legislation (e.g., Employment Rights Bill 2024). <a href="#">The Council is subject to LGR in 2028.</a></p> <p><b>Consequences</b>            Council may not have the necessary resources to deliver on key projects. Projects may adversely affect local residents.</p> <p>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.</p>	3	3	9	Treat	Chief Executive	2	2	4
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>Briefings to officers on relevant changes</li> <li>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</li> <li>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</li> <li>Members are briefed and debate has taken place at the full Council meeting in respect of LGR</li> <li>Staff have been provided with regular updates and a staff hub has been established to share information as LGR proposals are developed.</li> <li>The Council <del>promoted</del> <a href="#">is public consultation via</a> the North, City, South website, where residents <del>can</del> <a href="#">could</a> review the proposals and provide feedback. The consultation period <del>runs</del> <a href="#">ran</a> from 9 June to 20 July 2025.</li> <li><a href="#">The Council, working with the other districts and borough councils and Rutland County Council, submitted its North, City, South proposal by the Government's deadline of 28 November.</a></li> </ul>								

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	<ul style="list-style-type: none"> <li>• <a href="#">The Government consultation on three proposals for Leicestershire, Leicester and Rutland concluded on 26 March. Final decisions are due in July 2026.</a></li> <li>• Performance Team to provide regular updates <a href="#">to Corporate Leadership Team</a> on progress in respect of the Local Government Outcome Framework (LGOF) as these progress and are finalised and to facilitate benchmarking/<del>self-assessment</del> against the agreed metrics.</li> <li>• HR team undertake regular CPD to identify the impact of changes to legislation on policy and Practice</li> </ul>		
<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li>• Circulation of relevant briefings to key officers on proposed/new legislation</li> <li>• Effective business continuity planning</li> <li>• Regular updates to Members on developments and potential changes in legislation</li> <li>• Coordination and sharing of information with other local authorities through various networks and forums</li> <li>• <a href="#">Continued staff, member and stakeholder engagement on LGR as proposals develop.</a></li> <li>• <a href="#">Shadow Project Management arrangements have been put in place by the 10 Leicestershire and Rutland Councils to prepare for LGR. These will be reviewed from July when a decision on the LGR geography is known. A list of "no regret" activities is being worked through at the request of government.</a></li> <li>• <a href="#">£2m has been set aside in the 2026/7 budget to prepare for LGR.</a></li> </ul>	<b>Delivery timescales</b>	Ongoing
		<b>Reason for delay in delivery</b>	
<b>Comments and progress on actions</b>	<b>Stable</b>		

**CORPORATE RISK REGISTER**  
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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR17  167	<p><b>Housing Landlord Function</b></p> <p><b>Risk</b> That the Council fails to deliver services in compliance with the new regulatory standards and the longer-term arrangements for the service.</p> <p><b>Consequences</b> Loss of control of service provision, loss of function, unlimited fines, reputational and political risk.</p>	3	4	12	Treat	Head of Housing	2	3	6
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>Control over the major areas of compliance exist in general sense – achieved through system control, process and evidenced through auditing processes and self-assessment</li> <li>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</li> <li>High level of external oversight and reporting to regulatory bodies – including engagement with the same on regular basis</li> <li>Adherence to policy and improvement of policy in line with new guidance and process from regulator</li> <li>Comprehensive Audit Plan for service in place</li> <li>Increased member oversight via Housing Improvement Board</li> <li><del>Self Assessment against new housing standards completed</del> <a href="#">Regulator of Social Housing Inspection concluded a C2 grading, the outcome being an Improvement Strategy scheduled to be adopted by Cabinet in May 2026. -and outcome fed into revised Improvement Plan</a></li> <li><a href="#">Monthly progress meetings with the Regulator of Social Housing</a></li> </ul>								
<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li>Housing Improvement Plan in place and regularly reviewed 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</li> </ul>				<b>Delivery timescales</b>	<a href="#">April 2028<del>6</del> – completion of improvement strategy</a>			
					<b>Reason for delay in delivery</b>				

**CORPORATE RISK REGISTER**  
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- Engagement of external bodies to assist with third party view and development of detailed plans in areas of focus featured in the Improvement Plan.
- [Monthly oversight of the Housing Improvement Plan by the Regulator of Social Housing](#)



**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
CR18  169	<p><b>Health and Safety</b></p> <p><b>Risk:</b>            The Council fails to comply with health and safety legislation and does not adequately manage associated risks in the delivery of its services, including risks to employees, service users, contractors, and the public. This includes failure to identify, assess, and mitigate hazards such as unsafe working environments, inadequate training, poor incident reporting, lack of emergency preparedness, and insufficient monitoring of compliance across departments."</p> <p><b>Consequences</b></p> <p>Legal Action: Risk of fines, prosecution, and imprisonment for serious breaches.            Financial Loss: Increased insurance costs, compensation claims, and service disruption.            Reputational Damage: Loss of public trust and negative media attention.            Human Impact: Potential injury, illness, or death affecting staff, contractors, and the public.            Operational Risk: Enforcement notices, reduced productivity, and possible service shutdowns.            Leadership Accountability: Senior staff may face disqualification or personal liability.</p>	3	4	12	Treat	Head of HR and Organisational Development	2	3	6

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<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>• Corporate Health and safety policy in place and reviewed annually.</li> <li>• Supporting policies, Fire, Legionella, Asbestos, Lone Working, Managing Violent persons (PVP) in place.</li> <li>• Teams undertake risk assessments and record on the SHE Assure system to identify and implement controls to reduce risk.</li> <li>• Health and safety training programme implemented with further development progressing.</li> <li>• Health and safety discussion forms part of regular meetings with CLT, Management Teams, JTUCC and Union safety reps.</li> <li>• CLT members have received Health and safety Leadership training</li> <li>• Health Surveillance (Noise and hand arm vibration)</li> </ul>		
<b>Planned mitigating actions</b>  170	<ul style="list-style-type: none"> <li>• Further development of a <u>Hand&amp;S</u> management system in line with ISO 45001             <ul style="list-style-type: none"> <li>• Introduction of <u>Hand&amp;S</u> guidance notes and introduction of H&amp;S page as a single point to access H&amp;S information.</li> </ul> </li> <li>• Social media campaign planned to highlight that the Council will not tolerate threatening behaviour</li> <li>• Consideration of body cams for front line staff where appropriate</li> <li>• Consideration of call recording on all telephony platforms</li> <li>• Structural alteration to the Customer Centre where areas of risk have been identified</li> <li>• <u>Overarching corporate review of policies relating to these areas.</u></li> <li>• <u>The Council has secured Royal Society for the Prevention of Accidents (RoSPA) Gold Accreditation. The award shows that the Council has the highest standards in accident prevention, and in keeping staff, customers, clients and contractors safe in the workplace. Through the application process, the Council demonstrated how it has enhanced its health and safety standards by encouraging reflecting practice and continuously learning.</u></li> </ul>	<b>Delivery timescales</b>	<ul style="list-style-type: none"> <li>• April 2026</li> <li>•</li> </ul>
<b>Comments and progress on actions</b>	<b>Stable</b>		
	<b>Reason for delay in delivery</b>		

**CORPORATE RISK REGISTER**  
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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR20  171	<p><b>Local Plan</b></p> <p><b>Risk</b></p> <p>The preparation and implementation of the Local Plan may face significant delays and challenges due to a combination of factors including loss of staff, insufficient capacity, 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.</p> <p><b>Consequences</b></p> <p>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.</p>	3	4	12		Head of Planning and Infrastructure	2	3	6
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>Local Plan Project Board oversees preparation of Local Plan and meets quarterly.</li> <li>Risk register reviewed at Project Board meetings.</li> <li>Portfolio Holder and Shadow Portfolio Holder briefed on a monthly basis.</li> <li>Key pieces of evidence commissioned or in process of being commissioned.</li> </ul>								
<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li><del>Additional capacity to be sought using</del> <u>has been secured utilising the</u> grant provided by government <u>in 2024/25.</u> <del>This is working well.</del></li> <li><u>Local Plan Implementation Funding 2026 – This further government funding, £36,585, has been provided to support Local Planning Authorities that are progressing a local plan in the legacy plan-making system and who intend to submit their plan for examination by 31 December 2026.</u></li> </ul>				<b>Delivery timescales</b>	April – December 2026			
					<b>Reason for delay in delivery</b>				

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- In the absence of a Planning Policy Team Manager, the Council has engaged planning consultancy Hyas to provide additional support and capacity to the Planning Policy team to enable submission of the Local Plan by December 2026 and this is working well.
- A programme for agreeing the draft Local Plan (Regulation 19) for consultation has been agreed – Local Plan Committee 4 June 2026, Cabinet 11 June 2026, Council 17 June 2026.
- Consultation on the Regulation 19 Plan from July to September 2026 and submission for examination by the end of December 2026.

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<b>Comments and progress on actions</b>	<b>New</b>
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Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR21	<p><b>Driver and fleet compliance</b></p> <p><b>Risk</b>            Non-compliance with DVSA, Health and Safety at Work Act, and corporate manslaughter legislation.            Failure to meet conditions of the O-Licence including vehicle safety, driver hours, and record-keeping.</p> <p><b>Risk</b></p> <p><b>Consequences</b>            Fines, licence revocations, criminal charges, and director liability.</p>	4	4	16	Treat	Chief Executive/Director of Communities	4	4	16
<b>Existing Controls</b>	<ul style="list-style-type: none"> <li>• New starter checks to include DVLA check from Oct 2025</li> <li>• Maintenance and servicing of vehicles</li> <li>• Health and wellbeing (including eyesight) is monitored in waste</li> <li>• Transport manager in post</li> </ul>								
<b>Planned mitigating actions</b>	<ul style="list-style-type: none"> <li>• Monitoring of driver behaviour</li> <li>• Organisation wide monitoring of health and wellbeing</li> <li>• Driver training</li> <li>• New driver policy under development and following approval process</li> <li>• Driver handbook under development and following approval process</li> <li>• <u>Additional resource secured for Project manager capacity to review systems, processes and procedures.</u></li> </ul>			<b>Delivery timescales</b>	Ongoing				
				<b>Reason for delay in delivery</b>					
<b>Comments and progress on actions</b>	<p><b>Stable</b></p> <p>Reviewed 2/3/26 at Fleet Management and Driver Compliance Project Team – no change to ratings</p>								

**CORPORATE RISK REGISTER**  
**MARCH 2026**

**Assessing the likelihood of exposure**

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

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**Assessing the impact of exposure**

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

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	Potential for a complaint litigation possible. Breaches of regulations / standards.
<b>3. Serious</b>	Loss of a critical service for one week or more with significant impact on the general public and partner organisations. Service objectives of the directorate of a critical nature are not met. Non-statutory duties are not achieved. Permanent injury to an employee or member of the public Financial loss over £100,000. Adverse national or regional media attention - national newspaper report. Litigation to be expected. Breaches of law punishable by fine.
<b>4. Major</b>	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. Strategic priorities of a critical nature are not met. Statutory duties are not achieved. Death of an employee or member of the public. Financial loss over £1m. Adverse national media attention - national televised news report. Litigation almost certain and difficult to defend. Breaches of law punishable by imprisonment.

**Risk matrix**

		<b>Likelihood</b>
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**CORPORATE RISK REGISTER**  
**MARCH 2026**

		1	2	3	4
<b>Impact</b>	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4

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.

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