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Meeting	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
Time/Day/Date	6.30 pm on Wednesday, 6 August 2025
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 4 June 2025.	<b>3 - 6</b>
<b>4. COMMITTEE WORK PLAN</b>	
To note the Committee's work plan	<b>7 - 8</b>
<b>5. STATEMENT OF ACCOUNTS UPDATE</b>	
The report of the Strategic Director of Resources	<b>9 - 12</b>
<b>6. TREASURY MANAGEMENT UPDATE REPORT - QUARTER 1</b>	
The report of the Head of Finance	<b>13 - 28</b>
<b>7. INTERNAL AUDIT PROGRESS REPORT</b>	
The report of the Audit Manager	<b>29 - 84</b>
<b>8. ANNUAL AUDIT OPINION</b>	
The report of the Audit Manager	<b>85 - 98</b>

<b>9.</b>	<b>MANAGEMENT RESPONSE TO ANNUAL AUDIT OPINIONS</b>	
	The report of the Strategic Director of Resources	<b>99 - 112</b>
<b>10.</b>	<b>REVIEW OF CORPORATE GOVERNANCE POLICIES</b>	
	The report of the Strategic Director of Resources	<b>113 - 204</b>
<b>11.</b>	<b>CORPORATE RISK UPDATE</b>	
	The report of the Strategic Director of Resources	<b>205 - 240</b>
<b>12.</b>	<b>STANDARDS AND ETHICS REPORT - QUARTER 1</b>	
	The report of the Head of Legal and Support Services and Monitoring Officer	<b>241 - 248</b>
<b>13.</b>	<b>LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN REVIEW LETTER</b>	
	The report of the Head of Legal and Support Services and Monitoring Officer	<b>249 - 254</b>

Circulation:

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

MINUTES of a meeting of the AUDIT AND GOVERNANCE COMMITTEE held in the Abbey Room, Stenson House, London Road, Coalville, LE67 3FN on WEDNESDAY, 4 JUNE 2025

Present: Councillor R Sutton (Chair)

Councillors P Moulton, D Everitt, D Cooper, R Johnson, G Rogers, J G Simmons, Hutchinson, Montgomery and A Wilson

In Attendance: Councillors

Officers: Mr A Barton, Ms K Beavis, Mrs A Crouch, Ms K Hiller, Mrs R Wallace, Ms H Panter, Ms B Leonard and Ms E Lant

External Audit:

## **72. APOLOGIES FOR ABSENCE**

Apologies were received from Councillor R Boam and Councillor N Smith.

## **73. DECLARATION OF INTERESTS**

There were no interests declared.

## **74. MINUTES**

Consideration was given to the minutes of the meeting held on 23 April 2025.

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

RESOLVED THAT:

The minutes of the meeting held on 23 April 2025 be confirmed as accurate records of proceedings.

## **75. COMMITTEE WORK PLAN**

Consideration was given to the inclusion of any items on the work programme.

The Head of Finance informed the Committee that there will be an addition of two extra meetings to approve accounts from 2023/24 and 2024/25.

It was agreed, at the suggestion of a member, that the Head of Finance would work with External Auditors to provide a progress plan.

The work plan was noted.

## **76. EXTERNAL AUDIT PLAN 2024/25**

The Head of Finance presented the report and introduced the Audit Director for Azets.

A discussion followed. In response to a member, it was explained to the Committee that the plan was to achieve a full, clean, unmodified unqualified opinion by 2027-28 which required a lot of work. The Audit Director and Key Audit Partner would provide regular updates on progress and areas where assurance has been achieved. It was also likely that before 2027-28, disclaimed or modified opinions would still be likely. This timeline was chosen because of local government reorganisation which would ensure the Council had sufficient assurance before then.

A member expressed keenness for the Committee to assist in improving assurance and asked how the Committee could achieve this. The Audit Director for Azets recommended that the Committee built a detailed understanding of how management have responded and managed these problems. This included identifying root causes, resolutions, monitoring, managing time frames effectively and what the processes were, in relation to these, involved. It was also suggested that the Committee could work to understand the full extent of ongoing Council work, look for gaps to seek assurance on and potentially request a root cause analysis in response to a query from a member with regard to the implementation and procurement of the financial software.

Value for money was discussed by the Committee. The Audit Director and Key Audit Partner explained that they would be receiving financial statements for 2023/24 and 2024/25 over the summer and intend to report both years on the 30 November with the plan to continue to do so on that date annually.

The Committee were also informed that fees for the auditing work were set by the Public Sector Audit Appointments and that they were working through discussions with Auditors and Councils around the fee plans to address concerns from both sides. The Committee would be further updated when there was more information.

The report was noted and Members were thanked for their comments.

## **77. STATEMENT OF ACCOUNTS 2023/24 UPDATE**

The report was presented by the Head of Finance.

A discussion followed. It was agreed that the Head of Finance would circulate, once available, an update regarding funding from the Ministry of Housing, Communities and Local Government to support clearing the backlog and restoring audit assurance. The Head of Finance informed the Committee that there had been progression working with Embridge by meeting fortnightly to resolve Unit 4 queries; and would provide the Committee with a written response.

It was established between the Committee and the Head of Finance that questions from the Committee regarding this item would be sent by email to the Head of Finance in between meetings with further updates provided at the next meeting. The Head of Finance also agreed to provide the Committee a summary of the project plan so the Committee could view the progress being made.

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

**RECOMMENDED THAT:**

The Committee recognises and endorses the steps being taken by the Director of Resources to resolve the delays to the publication of these accounts.



Members were thanked for their comments and the update to the Statement of Accounts for 2023/24 was noted.

## **78. FOLLOW UP TO OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS**

Updates to outstanding Internal Audit recommendations were provided by the Strategic Director of Communities and the Head of Human Resources and Organisation Development.

A discussion followed the update from the Strategic Director of Communities. Concerns were expressed about a lack of response and the timeliness of implementation for asbestos-related improvement, but members were assured by the update and the progress made to ensure the Council were managing asbestos effectively on an operational level. In addition, the Strategic Director of Communities had put in place a more robust process to keep on top of Audit trackers.

It was explained that due to current data being fragmented, officers had decided to resurvey all properties and build a new digital, accessible system which will include regular resurveys.

Staffing concerns were raised. The Strategic Director of Communities informed the Committee that recently the service had now in place a fully recruited housing management team and new repairs management; in particular some of the new recruits were external candidates that may bring new views on service progression.

It was explained to the Committee that asbestos in homes was in secure locations and was safe if undisturbed, and the Council managed asbestos in situ which was the recommended approach. Tenants receive asbestos information packs on tenancy commencement or swap. If a property was sold, the new owner received the information pack, but the Council had no control over changes of ownership beyond that point.

The Strategic Director of Communities was thanked for the update and the chair introduced the Head of Human Resources and Organisation Development who provided an update.

Concerns were raised about internal audit recommendations going back a long time. It was explained by the Audit manager that owners of audit recommendations could choose to accept risks and not implement recommendations, but that would be clearly communicated to the Audit Committee.

Members enquired about apprenticeships in the Council. The Head of Human Resources and Organisation Development informed the Committee that there were 4 internal and 2-3 external apprentices, with the plan to implement succession planning for hard-to-fill roles and external funding was being explored to employ more.

In response to a member asking what assurances could be given to employees during the process of devolution, the Head of Human Resources and Organisation Development explained that although assurances couldn't be given, the Council were updating candidate packs, providing FAQs to hiring managers and most roles were unlikely to be affected by the local government reorganisation.

The Head of Human Resources and Organisation Development informed the Committee that development of a new recruitment dashboard was being undertaken to provide better oversight to managers and the Corporate Leadership Team.

A member sought assurance regarding pensions to which the Head of Human Resources and Organisation Development informed the Committee that there were no confirmed plans of changes being made to the Local Government Pension Scheme (LGPS). The LGPS was highlighted as being attractive to applicants, with contributions of 27-28%, and that changes to this would likely impact recruitment and retention but this was highly unlikely.

The Head of Human Resources and Organisation Development was thanked for the update and members were thanked for their comments.

## **79. INTERNAL AUDIT STRATEGY**

The report was presented by the Audit Team Manager.

A discussion followed. Concerns were raised about perceived internal weaknesses; but assurance was given that these were potential risks, not current issues and that the Corporate Leadership Team (CLT) was supportive of Internal Audit.

Another concern was that there may be a culture of tolerance toward delayed recommendation implementation. It was clarified by the Audit Team Manager that there may have been a problem in the past, but the strategy contained performance indicators that were reliant on CLT and managers, which included the implementation of recommendations.

Recommendation extensions were reviewed and approved by CLT and there were new performance targets aimed to improve implementation rates. In addition to that, the Committee was informed of new processes in development to help the Committee respond to recommendation extensions, with the plan to include that in a training package for all members.

It was moved by Councillor P Moulton, seconded by Councillor J Simmons and

RECOMMENDED THAT:

The Committee approve the Internal Audit Strategy 2025/26 – 2027/28.

## **80. TREASURY MANAGEMENT STEWARDSHIP REPORT 2024/25**

The report was presented by the Head of Finance.

Following the report, a member commented that the Council's use of Treasury Management Advisors had resulted in a good performance and therefore a good approach.

In response to a question, the Head of Finance explained to the Committee that a reduction in short-term investments and an increase in cash and cash equivalents was due to classification differences in types of investments.

The report was noted, and Members were thanked for their comments.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 8.30 pm

**AUDIT AND GOVERNANCE COMMITTEE – WORK PROGRAMME** (as at 29/07/25)

Issue	Report Author	Meeting at which will be reported
<b>November 2025</b>		
Draft Accounting Policies 2024/25 To present the Draft Accounting Policies 2024/25 to members for approval	Anna Crouch, Head of Finance	12 November 2025
Treasury Management Update Report - Quarter 2	Anna Crouch, Head of Finance	12 November 2025
Internal Audit Progress Report	Kerry Beavis, Audit Manager	12 November 2025
Review of Corporate Governance Policies - Information Governance Framework	Emma Lant	12 November 2025
Draft Accounting Policies 2025/26	Anna Crouch, Head of Finance	12 November 2025
Corporate Risk Update	Paul Stone, Strategic Director of Resources (Section 151 Officer)	12 November 2025
Standards and Ethics Report - Quarter 2	Emma Lant	12 November 2025
Annual Review of the Code of Conduct Complaints Arrangements	Emma Lant	12 November 2025
<b>February 2026</b>		
Internal Audit Progress Report	Kerry Beavis, Audit Manager	4 February 2026
Treasury Management Update Report - Quarter 3	Anna Crouch, Head of Finance	4 February 2026
Corporate Risk Update	Paul Stone, Strategic Director of Resources (Section 151 Officer)	4 February 2026
Standards and Ethics Report - Quarter 3	Emma Lant	4 February 2026
Annual Review of the Council's Constitution	Emma Lant	4 February 2026
Annual IT Health Check Report	Sam Outama, ICT Team Manager	4 February 2026

Issue	Details	Report Author	Meeting at which will be reported
<b>April 2026</b>			
Internal Audit Progress Report		Kerry Beavis, Audit Manager	29 April 2026
Internal Audit Annual Plan		Kerry Beavis, Audit Manager	29 April 2026
Internal Audit Charter		Kerry Beavis, Audit Manager	29 April 2026
Internal Audit Strategy		Kerry Beavis, Audit Manager	29 April 2026
Corporate Risk Update		Paul Stone, Strategic Director of Resources (Section 151 Officer)	29 April 2026
Audit and Governance Committee Annual Report		Paul Stone, Strategic Director of Resources (Section 151 Officer)	29 April 2026
Standards and Ethics Report - Quarter 4		Emma Lant	29 April 2026
∞ SIRO (Senior Information Risk Officer) Annual Report		Laurent Flinders, Information Governance Officer	29 April 2026
Draft Member Code of Conduct Annual Report		Emma Lant	29 April 2026
<b>June 2026</b>			
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

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 6  
AUGUST 2025



Title of Report		STATEMENT OF ACCOUNTS UPDATE	
Presented by		Paul Stone Director of Resources	
Background Papers		<a href="#">Statement of Accounts 2023/24 Update - Audit and Governance Committee 4 June 2025</a>	Public Report: Yes
Financial Implications		There are no financial implications arising from this report.	
		Signed off by the Section 151 Officer: Yes	
Legal Implications		The Accounts and Audit Regulations 2015, along with their subsequent amendments, set out detailed requirements for the preparation, approval, and publication of financial statements by local authorities and other relevant bodies in England.	
		Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications		There are no staffing or corporate implications arising from this report.	
		Signed off by the Head of Paid Service: Yes	
Purpose of Report		To provide the Committee with an update in respect of the process and timetable for completion of the Statement of Accounts 2023/24 and 2024/25.	
Recommendations		THAT AUDIT AND GOVERNANCE COMMITTEE NOTESTHE UPDATE.	

## 1.0 BACKGROUND

- 1.1 At its meeting on 4 June 2025, the Committee received a report in respect of the approach to finalising the Statement of Accounts 2023/24. The report highlighted the steps being taken to progress completion of the accounts.
- 1.2 Following this meeting, the Chair of the Audit and Governance Committee corresponded with the Section 151 Officer to request additional clarification regarding the matters raised in paragraph 1.1. A comprehensive response was subsequently circulated to Committee Members via email on 11 July 2025 outlining the ongoing efforts of the appointed project manager overseeing finance systems enhancements,

the continued collaboration with Embridge—the finance system implementation partner—and a considered evaluation of the risks associated with restoring assurance.

## **2.0 PROGRESS UPDATE**

- 2.1 Since the Committee meeting held on 4 June 2025, the Finance Team has continued to demonstrate a high level of diligence and commitment in progressing essential activities associated with the closure of the accounts. Over the intervening period, the team has prioritised and successfully completed a number of key reconciliations, which form the foundation of robust financial reporting. In addition to these reconciliations, several other fundamental preparatory processes have been undertaken to ensure the accuracy and completeness of the financial statements.
- 2.2 To further strengthen these efforts, Mazars has been appointed to undertake reconciliation work in direct support of the Finance Team. Their involvement has been instrumental in ensuring that the required tasks remain on schedule and are completed to a high standard. In addition to contributing to the timely delivery of the accounts, the engagement of Mazars provides an independent layer of support, enhancing both the robustness of the reconciliation process and the overall assurance around the financial statements.
- 2.3 The preparatory work carried out has been thorough and methodical, with an emphasis on ensuring that all underlying records and supporting documentation are up to date and in line with statutory requirements. This meticulous approach has not only strengthened the overall control environment but has also contributed to reducing the risk of errors or omissions in the accounts.
- 2.4 As a direct consequence of these collective efforts, the Finance Team is now in a position to commence the detailed and technical work required to prepare a comprehensive draft version of the Statement of Accounts. This next phase will involve the integration of all reconciled figures, the preparation of associated disclosures, and the undertaking of further quality assurance checks to ensure that the draft Statement of Accounts meets the highest standards of accuracy and compliance.
- 2.5 The following table sets out the anticipated timeline for finalising the Statement of Accounts for 2023/24.

<b>Milestone</b>	<b>Date / Period</b>	<b>Description</b>
Preparation of Statement of Accounts by Finance Team	25 July – 15 August 2025	Finance Team to prepare the draft Statement of Accounts 2023/24, integrating reconciled figures and disclosures.
Quality Checking and Review	15 August 2025 – 30 August 2025	Statement of Accounts reviewed by S151 Officer and Deputy Section 151 Officer for quality assurance and compliance.
Submission to External Auditor	31 August 2025	Draft Statement of Accounts 2023/24 submitted to the external auditor for review.
External Audit Fieldwork	September – October 2025	External auditor undertakes detailed fieldwork and review of the Statement of Accounts.

### **Statement of Accounts 2024/25**

- 2.6 Upon the completion of the Statement of Accounts 2023/24, the finance team will promptly commence work on preparing the Statement of Accounts for 2024/25. A key focus in this next phase will be the initiation of critical reconciliations, ensuring that all financial data is accurately captured and verified at the earliest opportunity. In order to support the timely completion of these reconciliations, the Council will, once again, give due consideration to engaging Mazars, should their involvement be deemed beneficial to maintaining the pace and accuracy required for meeting statutory deadlines.
- 2.7 The Statement of Accounts for 2024/25 will be finalised and submitted to the external auditor, Azets, by the end of November 2025. Azets will then undertake their audit fieldwork and provide their formal opinion ahead of the statutory backstop date of 27 February 2026.
- 2.8 At the Committee meeting on 4 June 2025, Azets presented their Audit Plan 2024/25 which stated that there will be probable disclaimed opinions for both 2023/24 and 2024/25. Their report went on to confirm its approach to building back assurance.
- 2.9 The Director of Resources will provide updates on its Statement of Accounts progress at each Audit and Governance Committee meeting. The Committee's Workplan will be updated accordingly.
- 2.10 By meeting the statutory backstop date of February 2026, the Council will effectively realign itself with the statutory reporting timetable. This achievement will mark a notable milestone in the Council's ongoing commitment to robust financial reporting and sound financial management, reinforcing the principles of transparency and good governance.
- 2.11 Both the 2023/24 and 204/25 Statement of Accounts will be presented to the Audit and Governance Committee in February 2026 when Azets will have provided an opinion on both Statements.

<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:	The Council has responded to Government consultations in respect of backstop dates and the recent consultation in respect of the Government's Local Audit Strategy.
Risks:	<ul style="list-style-type: none"> <li>- Loss of public trust and confidence in the Council's financial management and governance.</li> <li>- Reduced transparency and accountability to the Council's stakeholders, including taxpayers, service users, creditors, grant providers and regulators.</li> <li>- Increased scrutiny and intervention from external bodies, such as the Department for Levelling Up, Housing and Communities and Local Government, the National Audit Office, the Local Government Association and the Public Sector Audit Appointments.</li> <li>- Potential legal challenges or claims from aggrieved parties who may rely on the accuracy and timeliness of the financial information in the Statement of Accounts.</li> <li>- Additional costs and resources required to resolve the audit issues and complete the audit process.</li> </ul>
Officer Contact	Paul Stone Director of Resources <a href="mailto:paul.stone@nwleicestershire.gov.uk">paul.stone@nwleicestershire.gov.uk</a>



## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

## AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 6 AUGUST 2025

<b>Title of Report</b>	<b>TREASURY MANAGEMENT UPDATE REPORT - QUARTER 1</b>	
<b>Presented by</b>	Anna Crouch Head of Finance	
<b>Background Papers</b>	<b>Audit and Governance Committee –</b>  <a href="#"><u>Treasury Management Strategy 2025/26</u></a> <b>5 February 2025</b> <a href="#"><u>Treasury Management Update Report - Quarter 3 2024/25</u></a> <b>20 November 2024</b> <a href="#"><u>Treasury Management Update Report – Quarter 2</u></a>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	There are no financial implications as a direct result of this report.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	There are no legal implications as a direct result of this report.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	There are no staffing or corporate implications as a direct result of this report.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To inform the Committee of the Council's Treasury Management Activity for the period April to June 2025.	
<b>Recommendations</b>	<b>THAT THE COMMITTEE NOTES THE TREASURY MANAGEMENT 2025-26 QUARTER 1 ACTIVITY REPORT (APPENDIX 1).</b>	

## 1. BACKGROUND

- 1.1. Treasury Management activity is underpinned by the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code), which requires local authorities to produce Prudential Indicators and a Treasury Management Strategy Statement annually on the likely financing and investment activity. The Treasury Management Strategy was approved by Council on 20 February 2025.
- 1.2. As a minimum, the Code requires that the Council approves reports on the performance of the Treasury Management function at least twice per year (mid-year and at year end). The Council goes beyond this requirement by issuing quarterly reports to the Audit and Governance Committee which provide additional updates and includes the new requirement in the 2021 Code, mandatory from 1 April 2023, of quarterly reporting of the treasury management prudential indicators.
- 1.3. Appendix A is the quarter one report for the financial year 2025/26 designed to inform the Committee of the Council's treasury activity and enable scrutiny of activity and performance.

## 2. SUMMARY

- 2.1 In compliance with the requirements of the CIPFA Code, Appendix A provides the Committee with a summary report of the Treasury Management activity for the period April 2025 to June 2025. A prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	The Treasury Strategies and Prudential Indicators help the Council achieve all its priorities: <ul style="list-style-type: none"> <li>- Planning and Regeneration</li> <li>- Communities and Housing</li> <li>- Clean, Green and Zero Carbon</li> <li>- A Well-Run Council.</li> </ul>
Policy Considerations:	Not applicable.
Safeguarding:	Not applicable.
Equalities/Diversity:	Not applicable.
Customer Impact:	Not applicable.
Economic and Social Impact:	Not applicable.
Environment, Climate Change and Zero Carbon	The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing. Where practical, when making investment decisions ESG will be considered and counterparties with integrated ESG policies and commitments to carbon reduction.
Consultation/Community/Tenant Engagement:	Not applicable.
Risks:	Borrowing and investment both carry an element of risk. This risk is mitigated through the adoption of the Treasury and Investment Strategies, compliance with the CIPFA Code of Treasury Management and the retention of Treasury Management advisors (Arlingclose) to proffer expert advice.
Officer Contact	Anna Crouch Head of Finance <a href="mailto:anna.crouch@nwleicestershire.gov.uk">anna.crouch@nwleicestershire.gov.uk</a>

## Treasury Management Activity Quarter 1 Report 2025/26

### 1. Introduction

- 1.1 The Council has adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports.
- 1.2 The Council goes beyond this requirement by issuing quarterly reports to the Audit and Governance Committee which provide additional updates and includes the new requirement in the 2021 Code, mandatory from 1 April 2023, of quarterly reporting of the treasury management prudential indicators.
- 1.3 This report is for the first quarter (April to June) of the financial year 2025/26.
- 1.4 The Council's treasury management strategy for 2025/26 was approved at the Council meeting on 20 February 2025. The Council has invested substantial sums of money and is, therefore, exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.

### 2. External Context (provided by Arlingclose)

- 2.1 Economic background: The quarter started to significant financial market volatility as United States (US) President Donald Trump announced a wide range of 'reciprocal' trade tariffs in early April, causing equity markets to decline sharply which was subsequently followed by bond markets as investors were increasingly concerned about US fiscal policy. As the UK was included in these increased tariffs, equity and bond markets here were similarly affected by the uncertainty and investor concerns.
- 2.2 President Trump subsequently implemented a 90-day pause on most of the tariffs previously announced, which has been generally positive for both equity and bond markets since, but heightened uncertainty and volatility remained a feature over the period.
- 2.3 UK headline consumer price inflation (CPI) increased over the quarter, rising from an annual rate of 2.6% in March to 3.4% in May, well above the Bank of England's 2% target. The core measure of inflation also increased, from 3.4% to 3.5% over the same period. May's inflation figures were generally lower than in the previous month, however, when CPI was 3.5% and core CPI 3.8%. Services inflation was 4.7% in May, a decline from 5.4% in the previous month.
- 2.4 Data released during the period showed the UK economy expanded by 0.7% in the first quarter of the calendar year, following three previous quarters of weaker growth. However, monthly Gross Domestic Product (GDP) data showed a contraction of 0.3% in April, suggesting growth in the second quarter of the calendar year is unlikely to be as strong as the first.
- 2.5 Labour market data appeared to show a softening in employment conditions as weaker earnings growth was reported for the period February to April 2025, in what would be welcome news to Bank of England (BoE) policymakers. Regular earnings (excluding bonuses) was 5.2% three month/year to year while total earnings was 5.3%. Both the employment and unemployment rates increased, while the economic inactivity rate and number of vacancies

fell.

- 2.6 Having started the financial year at 4.5%, the Bank of England's (BoE) Monetary Policy Committee (MPC) cut the Bank Rate to 4.25% in May. The 5-4 vote was split with the majority wanting a 25bps cut, two members voting to hold rates at 4.5% and two voting for a 50bps reduction. At the June 2025 MPC meeting, the committee voted by a majority of 6-3 to keep rates on hold. The three dissenters wanted an immediate reduction to 4%. This dovish tilt (an accommodative stance towards inflation which is more likely to keep interest rates low) by the Committee is expected to continue and financial market expectations are that the next cut will be in August, in line with the publication of the next quarterly Monetary Policy Report (MPR).
- 2.7 The May version of the MPR highlighted the BoE's view that disinflation in domestic inflation and wage pressures were generally continuing and that a small margin of excess supply had opened in the UK economy, which would help inflation to fall to the Bank's 2% over the medium term. While near-term GDP growth was predicted to be higher than previously forecast in the second quarter of calendar 2025, growth in the same period the following year was trimmed back, partly due to ongoing global trade developments.
- 2.8 Arlingclose, the Council's treasury adviser, maintained its central view that the Bank Rate would continue to fall, and that the BoE would focus more on weak GDP growth rather than stickier and above-target inflation. Two more cuts to Bank Rate are expected during 2025, taking the main policy rate to 3.75%, however, the balance of risks is deemed to be to the downside as weak consumer sentiment and business confidence and investment impact economic growth.
- 2.9 Despite the uncertainty around US trade policy and repeated calls for action from the US President, the US Federal Reserve held interest rates steady for the period, maintaining the Fed Funds Rate at 4.25%-4.50%. The decision in June was the fourth consecutive month where no changes were made to the main interest rate and came despite forecasts from Fed policymakers that compared to a few months ago they now expected lower growth, higher unemployment and higher inflation.
- 2.10 The European Central Bank (ECB) cut rates in June, reducing its main refinancing rate from 2.25% to 2.0%, and representing the eighth cut in just over a year. ECB noted heightened uncertainty in the near-term from trade and that stronger economic growth in the first quarter of the calendar may weaken. Inflation in the region rose to 2.0% in June, up from an eight-month low of 1.9% in the previous month but in line with the ECB's target. Inflation is expected to stay broadly around the 2% target over the next year or so.
- 2.11 **Financial markets:** After the sharp declines seen early in the quarter, sentiment in financial markets showed signs of improvement during the period, but bond and equity markets remained volatile. Early in the period bond yields fell, but then uncertainty from the impact of US trade policy caused bonds to sell-off but from the middle of May onwards, yields have steadily declined, but volatility continues. Equity markets sold off sharply in April but have since gained back most of the previous declines, with investors seemingly remaining bullish in the face of ongoing uncertainty.
- 2.12 Over the quarter, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.49% having hit 4.82% early in April and falling to 4.45% by the end of the same month. While the 20-year gilt started at 5.18%, fell to 5.02% a few days later before jumping to 5.31% within a week, and then ending the period at 5.16%. The Sterling Overnight Rate (SONIA) averaged 4.31% over the quarter to 30<sup>th</sup> June.

- 2.13 **Credit review:** Arlingclose maintained its advised recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at six months. The other banks remain on 100 days.
- 2.14 During the quarter, Fitch upgraded NatWest Group and related entities to AA- from A+ due to the generally stronger business profile. Fitch also placed Clydesdale Bank's long-term A- rating on Rating Watch Positive.
- 2.15 Moody's downgraded the long term rating on the US sovereign to Aa1 in May and also affirmed OP Corporate's rating at Aa3.
- 2.16 Credit default swap (CDS) prices on UK banks spiked in early April following the US trade tariff announcements. They have since generally trended downwards and ended the quarter at levels broadly in line with those in the first quarter of the calendar year and throughout most of 2024.
- 2.17 European banks' CDS prices followed a fairly similar pattern, albeit some German banks are modestly higher compared to the previous quarter. Trade tensions between Canada and the US caused Canadian bank CDS prices to rise over the quarter and remain elevated compared to earlier in 2025 and in 2024, while Singaporean and Australian lenders CDS rose initially in April but have since trended downwards, albeit are modestly higher than in previous recent periods.
- 2.18 Overall, at the end of the period CDS prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.
- 2.19 Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Council's counterparty list recommended by Arlingclose remain under constant review.

### 3. **Local Context**

- 3.1 On 30 June 2025, the Council had net borrowing of £13.51m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

**Table 1: Balance Sheet Summary**

	<b>31.3.25 Estimated £m</b>	<b>31.3.26 Estimated £m</b>
General Fund CFR	34.83	33.67
HRA CFR	54.72	55.31
<b>Total CFR</b>	<b>89.55</b>	<b>88.98</b>
External borrowing	55.08	59.51
Internal borrowing	34.47	29.47
<b>Total Borrowing</b>	<b>89.55</b>	<b>88.98</b>

\* Revised Estimate following publication of 2022/23 Statement of Accounts

- 3.2 The treasury management position at 30 June 2025 and the change over the three months is as shown in Table 2 below.

**Table 2: Treasury Management Summary**

	<b>31.3.25 Balance £m</b>	<b>Movement £m</b>	<b>30.06.25 Balance £m</b>	<b>30.06.25 Rate %</b>
Long-term borrowing	53.84	0.00	53.84	3.52%
Short-term borrowing	1.30	-0.63	0.67	2.24%
<b>Total borrowing</b>	<b>55.13</b>	<b>-0.63</b>	<b>54.51</b>	<b>3.49%</b>
Long-term investments	0.00	0.00	0.00	0.00%
Short-term investments	25.00	-8.50	16.50	5.11%
Cash and cash equivalents	5.00	19.50	24.50	3.26%
<b>Total investments</b>	<b>30.00</b>	<b>11.00</b>	<b>41.00</b>	<b>4.00%</b>
<b>Net borrowing</b>	<b>25.13</b>	<b>-11.63</b>	<b>13.51</b>	

#### **4. Borrowing**

- 4.1 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Council.
- 4.2 Public Works Loan Board (PWLB) loans are no longer available to local authorities planning to buy investment assets primarily for yield and the Council intends to avoid this activity to retain its access to PWLB loans.
- 4.3 The Council currently holds £8.9m in commercial investments that were purchased prior to the change in the CIPFA Prudential Code. These commercial investments are primarily for local regeneration and growth with a secondary objective of financial return. Before undertaking further additional borrowing the Council will review the options for exiting these investments.
- 4.4 As shown in table 1, the Council has internally borrowed £29.47m. This internal borrowing foregoes a potential interest income rate of 4.66%. Current one-year external borrowing rates with the PWLB (Certainty Rate) are 4.50% as at 30 June. An additional rate for Housing Revenue Account (HRA) specific borrowing has been implemented from June 2023 which is 0.4% lower than standard PWLB rates.
- 4.5 Whilst the current average interest rate is higher than the PWLB certainty rate, this is due mainly to two short-term investments at an average rate of 5.7%. Once these mature in August the average rate is likely to fall significantly. It is, therefore, appropriate to remain internally borrowed at this point.

#### **5 Borrowing Strategy and Activity**

- 5.1 As outlined in the treasury strategy, the Council's chief objective when borrowing has been to strike an appropriate risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective. The Council's borrowing strategy continues to address the key issue of affordability without compromising

the longer-term stability of the debt portfolio.

- 5.2 The PWLB certainty rate for 10-year maturity loans was 5.46% at the beginning of the period and 5.32% at the end. The lowest available 10-year maturity rate was 5.21% and the highest was 5.61%. Rates for 20-year maturity loans ranged from 5.72% to 6.18% during the period, and 50-year maturity loans ranged from 5.45% to 5.95%.
- 5.3 The cost of short-term borrowing from other local authorities was around 4.5% in late March 2025. With further Bank of England base rate cuts anticipated to the end of 2025, rates have started to decrease slightly, although some higher rates are available for longer-term agreements.
- 5.4 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Council has no new plans to borrow to invest primarily for financial return.
- 5.5 On 30 June 2025, the Council held £55.1m of loans, the same as the previous reported position. There have been no principal repayments. A breakdown of outstanding loans is shown below in table 3.

**Table 3: Borrowing Position**

	<b>31.3.25 Balance £m</b>	<b>Net Movement £m</b>	<b>30.06.25 Balance £m</b>	<b>30.06.25 Weighted Average Rate %</b>	<b>30.06.25 Weighted Average Maturity (years)</b>
Public Works Loan Board	51.1	0.0	51.1	3.43%	13.91
Banks (fixed-term)	3.9	0.0	3.9	0.35%	2.10
Local authorities (long-term)	0.1	0.0	0.1	3.14%	0.01
Local authorities (short-term)	0.0	0.0	0.0	0.0%	0.00
<b>Total borrowing</b>	<b>55.1</b>	<b>0.0</b>	<b>55.1</b>	<b>3.49%</b>	<b>16.01</b>

- 5.6 There remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Council will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.

## **6. Treasury Investment Activity**

- 6.1 CIPFA revised Treasury Management (TM) Code defines treasury management investments as those which arise from the Council's cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.
- 6.2 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment

balances have ranged between £28.96m and £47.63m due to timing differences between income and expenditure. The investment position is shown in table 4 below.

**Table 4: Treasury Investment Position**

	<b>31.3.25</b>	<b>Net</b>	<b>30.06.25</b>	<b>30.06.25</b>	<b>30.06.25</b>
	<b>Balance</b>	<b>Movement</b>	<b>Balance</b>	<b>Income Return</b>	<b>Weighted</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>%</b>	<b>Average Maturity</b>
					<b>days</b>
Banks & building societies (unsecured)	0.0	0.0	0.0	0.0%	0.0
Government (incl. local authorities)	10.0	6.5	16.5	5.11%	57.7
Money Market Funds	19.5	5.0	24.5	4.26%	0.5
<b>Total investments</b>	<b>29.5</b>	<b>11.5</b>	<b>41.0</b>	<b>4.66%</b>	<b>58.25</b>

- 6.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 6.4 As demonstrated by the liability benchmark in this report, the Council expects to be a long-term investor and treasury investments therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.
- 6.5 The Bank Rate reduced from 4.75% to 4.50% in February 2025 and again to 4.25% in May 2025 with short term interest rates largely being around these levels. The rates on Debt Management Account Deposit Facility ( DMADF) deposits ranged between 4.46% and 4.20% and money market rates between [4.59% and 4.19%] during the quarter. Arlingclose, our advisors, are predicting two further reductions of 25 base points in Bank of England rates within the calendar year 2025.
- 6.6 The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below. It should be noted that during the first quarter of 2025/26 financial year, the Council's Investment rate of return was higher than its peers within the benchmarking group of 122 Local Authorities and 47 Non-Metropolitan District Authorities. This is to be welcomed.

**Table 5: Investment Benchmarking – Treasury investments managed in-house**

	<b>Credit Score</b>	<b>Credit Rating</b>	<b>Bail-in Exposure</b>	<b>Weighted Average Maturity (days)</b>	<b>Rate of Return %</b>
30/06/2025	4.72	A+	60%	8	4.58%



Similar LAs	4.51	A+	62%	11	4.36%
All LAs	4.56	A+	62%	12	4.36%

- 6.7 The Council has budgeted £444,082 in interest income from investments after deductions in 2025/26. The actual income received by 30 June 2025 was £474,583. The forecasted income to 31 March 2026 was £1.73m.
- 6.8 Interest rates can and have been extremely volatile over the financial year and are likely to be similarly volatile in the upcoming months. Therefore, for the purpose of budget setting these forecasts are reduced by 20% to ensure that there is not an overreliance placed on interest return for creating a balanced budget.
- 6.9 The updated forecast of £1.73m will be split between the General Fund (GF) and HRA. This split will be 92.33% to the GF and 7.67% to HRA. The percentage split is worked using the investment balances for both funds throughout the year as a percentage of the overall investment fund. This is subject to change.
- 6.10 Interest forecasts are notoriously difficult to predict and are subject to change particularly in an unstable interest rate environment and constantly changing economic environment.

## **7. Non-Treasury Investments**

- 7.1 The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and/or for commercial purposes (made primarily for financial return).
- 7.2 Investment Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) and Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.
- 7.3 The Council held £8.9m of investments made for commercial purposes. This consisted entirely of directly owned property and land. A full list of the Council's non-treasury investments is available in the Investment Strategy 2025-26 document. These investments are forecast to generate £410,000 in investment income in 2025/26 for the Council after taking account of direct costs.
- 7.4 The main purpose of these investments is regeneration of the local area rather than investment income. All commercial investments are located within the district.

## **8. Treasury Performance**

- 8.1 The Council measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship with benchmark interest rates.
- 8.2 As discussed in section 6.8, investment interest income during the reporting period was £474,583 after deductions. The Council's Investment interest return percentage on 30 June 2025 was 4.58%. For comparison purposes the Daily Sterling Overnight Index Average (SONIA) which is used for benchmarking purposes was 4.58%. For similar local authorities the most recent benchmarking data, which is from 30 June 2025 showed an investment return of 4.36%. This is

shown in Appendix 1.

- 8.3 Since the beginning of the reporting period the Council, as per forecast, has paid £38,000 in interest on borrowing. The weighted average interest rate on borrowing is 3.49%. For comparison purposes the current PWLB Maturity Loan rate for new 10-year loans is 5.52%. The Council's average rate therefore represents a good rate of borrowing in the current environment.
- 8.4 During the 2025/26 financial year, the Council is forecasting pay back of £1.29m in principal on its PWLB loans. The £1.29m is for the annuity loans whereby regular payments are made throughout the lifetime of the loan. There is no intention to borrow to replace these loans as the Council currently has the resources to absorb this.
- 8.5 The Council is forecast to undertake new borrowing of £1.9m for the HRA in the 2025/26 financial year, however, none has so far been undertaken. There has therefore been an equal increase in the internal borrowing.
- 8.6 On 10 April 2024, amended legislation and revised statutory guidance were published on Minimum Revenue Provision (MRP). Most of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7 May 2024 sufficient MRP must be charged so that the outstanding CFR in respect of the loan is no higher than the principal outstanding, less the Expected Credit Loss (ECL) charge for that loan. No capital loans have been given since May 2024.
- 8.7 The regulations also require that local authorities cannot exclude any amount of their CFR from their MRP calculation unless by an exception set out in law. Capital receipts cannot be used to directly replace, in whole or part, the prudent charge to revenue for MRP (there are specific exceptions for capital loans and leased assets).

## **9. Compliance**

- 9.1 The Director of Resources (S151 Officer) reports that all treasury management activities undertaken during the quarter complied fully with the CIPFA Code of Practice.
- 9.2 Compliance with the Authorised Limit and Operational Boundary for external debt is demonstrated in table 6 below.

**Table 6: Debt and the Authorised Limit and Operational Boundary**

	<b>2025/26 Maximum Debt Q1</b>	<b>30.06.25 Actual £m</b>	<b>2025/26 Operational Boundary £m</b>	<b>2025/26 Authorised Limit £m</b>	<b>Complied?</b>
Borrowing	55.1	55.1	90.8	100.8	<b>YES</b>

- 9.3 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. However, there were no days in the reporting period in which the operational boundary was breached.

**Table 7: Investment Limits**

	Q1	30.06.25	2025/26	Complied?
The UK Government	11.5	14.5	Unlimited	YES
Local authorities & other government entities	10	10	60	YES
Secured investments	0	0	60	YES
Banks (unsecured)	2.2	0	60	YES
Building societies (unsecured)	0	0	5	YES
Registered providers (unsecured)	0	0	12.5	YES
Money market funds	25	24.5	60	YES
Strategic pooled funds	0	0	25	YES
Real estate investment trusts	0	0	12.5	YES
Other investments	0	0	2.5	YES
<b>Total</b>	<b>48.7</b>	<b>49.0</b>		

## 10. **Treasury Management Prudential Indicators**

- 10.1 The Council measures and manages its exposures to treasury management risks using the following indicators.
- 10.2 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

**Table 8: Security**

	31.3.25 Actual	30.06.25 Actual	2025/26 Target	Complied?
Portfolio average credit rating	A+	A+	A-	YES

- 10.3 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing. Due to recent changes in Treasury Officers, a very prudent approach has been taken to cashflow forecasts as set out in table 9 below.

**Table 9: Liquidity**

		<b>30.06.25 Actual £m</b>	<b>2025/26 Target £m</b>	<b>Complied?</b>
Total cash available within 3 months	90	31.0	2.5	<b>YES</b>

- 10.4 **Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests is shown in table 10 below.

**Table 10: Interest Rate Exposures**

<b>Interest rate risk indicator</b>	<b>30.06.25 Actual</b>	<b>2025/26 Limit</b>	<b>Complied?</b>
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	306,195	600,000	<b>YES</b>
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	-306,195	-600,000	<b>YES</b>

- 10.5 The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new rates. Due to all of our investments maturing in year and the majority of the Council's borrowing maturing in later years this means that it would benefit from an increase in Interest rates (as investments can be replaced with higher rates but not borrowing) but are negatively impacted by a decrease in interest rates for the same reason.
- 10.6 This is demonstrated in the above figures which show a positive return from an increase and a negative return from a decrease in interest rates. Both impacts are within reasonable limits for the revenue budget. The Council also takes further precautions by reducing its interest forecast by a risk adjusted amount of 20% as discussed in paragraph 6.9.
- 10.7 For context, the changes in interest rates during the quarter were as set out table 11 below:

**Table 11: Interest Rate Changes**

<b>Context - Interest Rate changes</b>	<b>31/3/2025</b>	<b>30/06/2025</b>
Bank Rate	4.75%	4.25%
1-year PWLB certainty rate, maturity loans	5.02%	4.50%
5-year PWLB certainty rate, maturity loans	5.17%	4.76%
10-year PWLB certainty rate, maturity loans	5.62%	5.32%
20-year PWLB certainty rate, maturity loans	6.11%	5.89%

50-year PWLB certainty rate, maturity loans	5.87%	5.69%
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- 10.8 **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. [This indicator covers the risk of replacement loans being unavailable, not interest rate risk.] The upper and lower limits on the maturity structure of all borrowing were as set out in table 12 below:

**Table 12: Maturity Structure of Debt**

	31.03.26 Actual £m	31.03.26 Forecast %	Lower Limit	Upper Limit	Complied ?
Under 12 months	1.3	1.16%	0%	70%	YES
12 months and within 24 months	0.6	2.32%	0%	30%	YES
24 months and within 5 years	1.8	4.44%	0%	30%	YES
5 years and within 10 years	0.6	3.31%	0%	30%	YES
10 years and within 20 years	43.8	78.57%	0%	90%	YES
20 years and above	5.7	10.21%	0%	30%	YES
Totals	<b>53.8</b>	<b>100%</b>			

- 10.9 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.
- 10.10 **Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were as set out in table 13 below:

**Table 13: Long Term Investments**

	2025/26	2026/27	2027/28	No Fixed Date
Actual principal invested beyond year end	£0	£0	£0	£0
Limit on principal invested beyond year end	£60m	£10m	£10m	£10m
<b>Complied?</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>

- 10.11 **Liability Benchmark:** This indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a

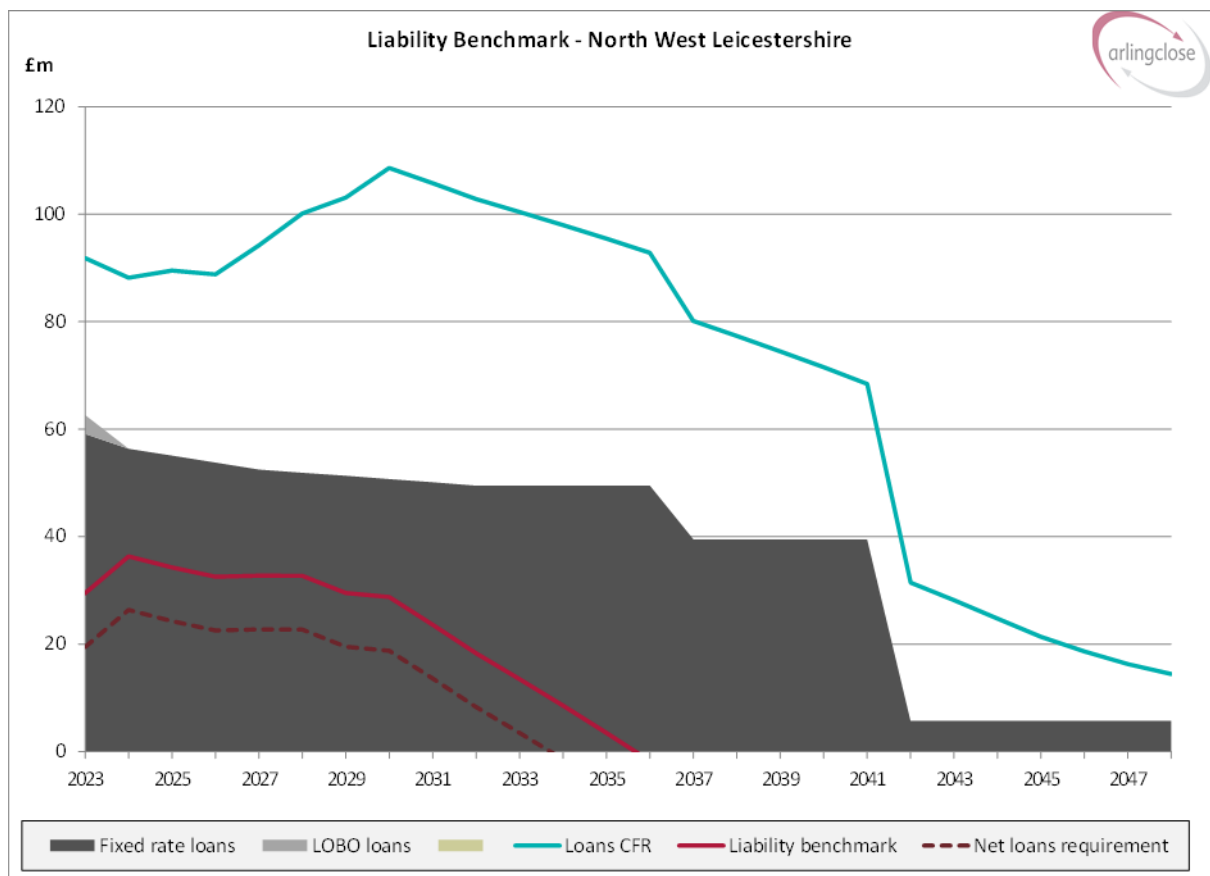
long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £10m required to manage day-to-day cash flow.

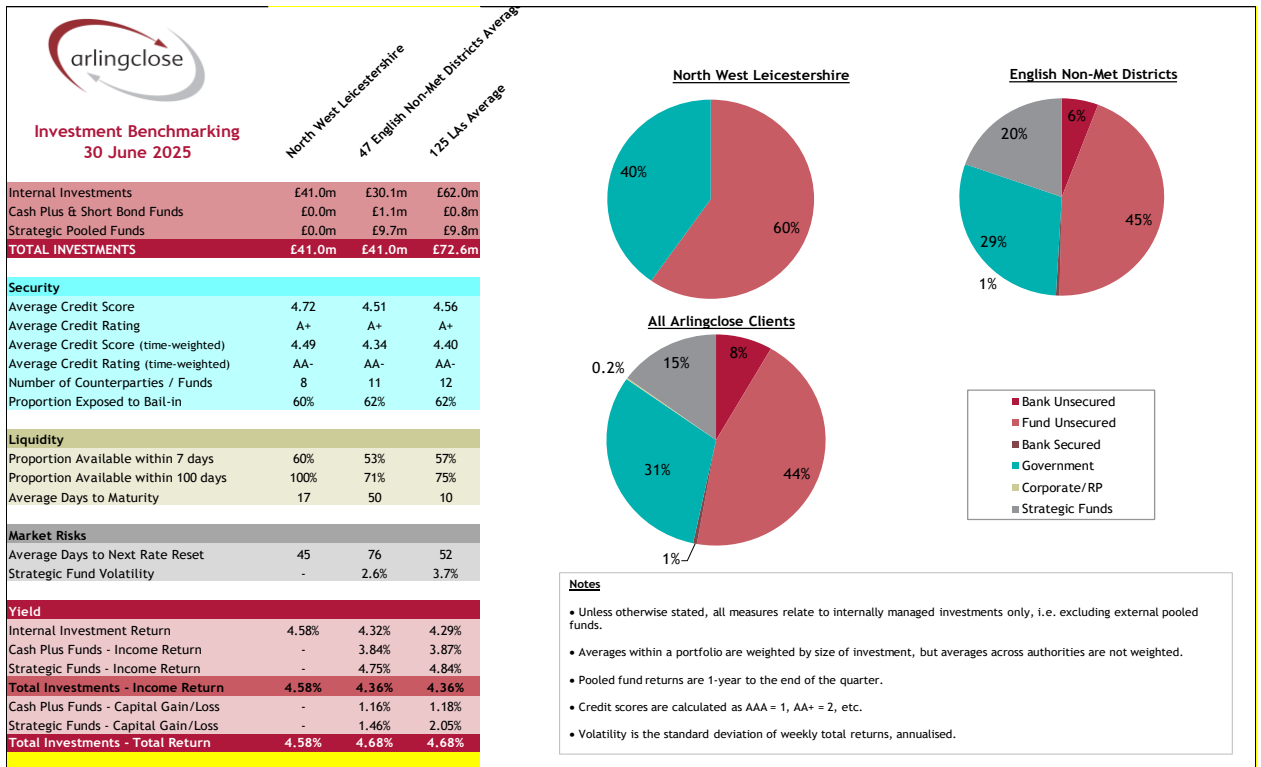
**Table 14: Liability Benchmark**

	<b>*31.3.25 Forecast</b>	<b>31.3.26 Forecast</b>	<b>31.3.27 Forecast</b>	<b>31.3.28 Forecast</b>
Loans CFR	89.5	88.8	94.2	100.1
Less: Balance sheet resources	-65.2	-66.3	-71.5	-77.4
<b>Net loans requirement</b>	<b>24.3</b>	<b>22.5</b>	<b>22.7</b>	<b>22.7</b>
Plus: Liquidity allowance	10	10	10	10
<b>Liability benchmark</b>	<b>34.3</b>	<b>32.5</b>	<b>32.7</b>	<b>32.7</b>
<b>Existing external borrowing</b>	<b>-55.1</b>	<b>-53.8</b>	<b>-52.5</b>	<b>-51.9</b>

\*The 31.3.25 position is an estimate due to statement of accounts not yet being published

- 10.12 The Liability Benchmark shows the underlying need to borrow (Loans CFR) in the blue line at the top of the graph, the grey shaded area as existing loans and the strong red line as the requirement for external borrowing. The long-term liability benchmark assumes no capital expenditure funded by borrowing after the 2029/30 financial year. Reserves and working capital are assumed to increase by inflation of 2.5% per annum. This is shown in the chart below together with the maturity profile of the Council's existing borrowing. The graph shows that borrowing is expected to remain above the liability benchmark in the long-term. This means that the Council is very unlikely to need to borrow and will expect to see investment balances remaining in the long term. If appropriate the Council may be able to consider early repayment of some loans.







## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 6  
AUGUST 2025

Title of Report	INTERNAL AUDIT PROGRESS REPORT	
<b>Presented by</b>	Kerry Beavis Audit Manager	
<b>Background Papers</b>	<a href="#">Global Internal Audit Standards</a>  <a href="#">Internal Audit Plan 2025/26</a>	<b>Public Report: Yes</b>  <b>Appendix 2 is exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972</b>
<b>Financial Implications</b>	None.	
	<b>Signed off by the 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>	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 REPORT.</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 requires 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 April 2025 to 30 June 2025 (Q1) is attached at appendix 1.

## 3.0 FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications with this report.

Policies and other considerations, as appropriate	
Council Priorities:	An effective audit service supports all council priorities.
Policy Considerations:	N/A.
Safeguarding:	There are no specific safeguarding risks associated with this report.
Equalities/Diversity:	N/A.
Customer Impact:	N/A.
Economic and Social Impact:	N/A.
Environment, Climate Change and Zero Carbon	N/A.
Consultation/Community/Tenant Engagement:	The report was reviewed by the Corporate Leadership Team on 25 June 2025.
Risks:	There are no specific risks associated with this report, however, if the Audit and Governance Committee did not receive periodic reports from Internal Audit there would be a risk of not conforming with the Global Internal Audit Standards in the 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 Q1**

## **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 up to 30 June 2025.

## **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 five final audit reports issued since the last quarterly update.

Summaries of the reports are detailed in Appendix B

- 2.2 Due to the number of outstanding audit recommendations for the key financial systems it was agreed not to carry out any audits in this area during 2024/25. A review of the recommendations made during the 2023/24 audits was carried out and those that also have an impact on 2024/25 were updated to detail this. The Director of Resources has produced an action plan to address all 26 outstanding recommendations. Updates on the progress against the action plan will be reported to Audit and Governance Committee within the quarterly progress reports.

The action plan is detailed in Appendix C

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

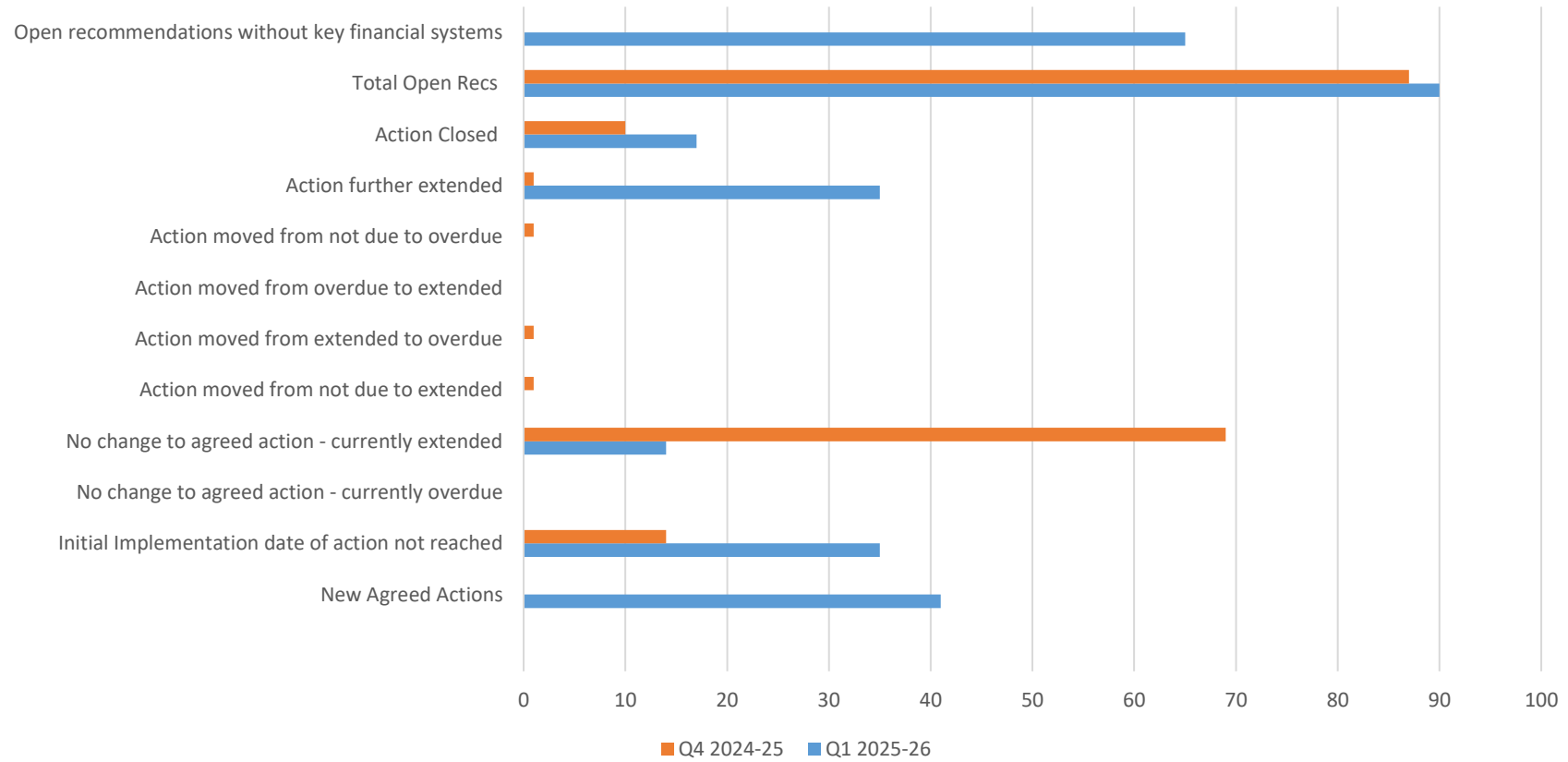
- 3.1. Progress against the agreed Internal Audit performance targets is documented in Appendix E.

## **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 the action plan.

Year	Not Due		Extended		Overdue		Total Closed		
	High	Medium	High	Medium	High	Medium	Critical	High	Medium
21/22	-	-	2	1	-	-	-	30	21
22/23	-	-	3	2	-	-	-	24	23
23/24	1	1	25	16	3	1	3	54	53
24/25	18	11	-	-	-	-	-	9	11

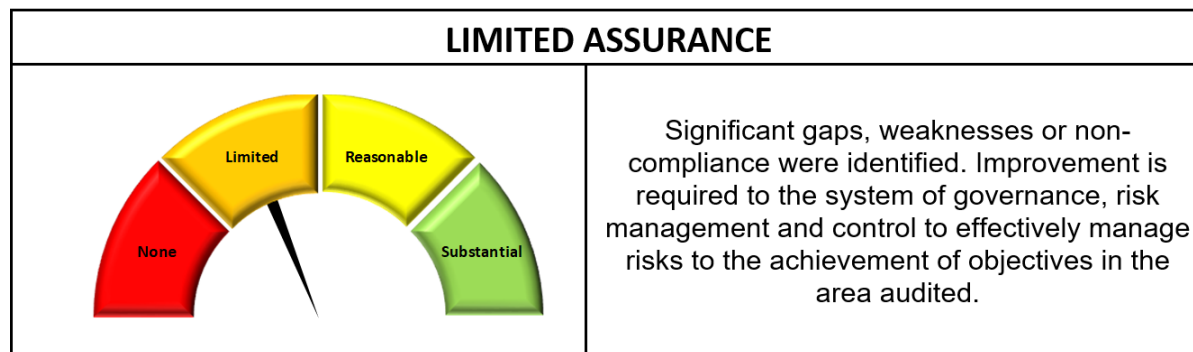
### Comparison of movement of actions between 2024/25 quarter 4 and 2025/26 quarter 1



## 2025/26 AUDIT PLAN AS AT 30 JUNE 2025

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
Former Tenant Arrears	Audit	5		Q1,2,3,4						
Right to Buy	Audit	10		Q3						
Damp and Mould	Audit	15		Q4						
Warmer Homes Grant	Grant Assurance	10	0.5	In progress						
Housing Regulator	Audit	25		Q3/Q4						
Tenant Association Accounts		3	4	Complete						
Fleet Management & O' Licence	Audit/ Review	6		Q3						
Leisure Centres Contracts	Audit	15	1	In progress						
Port Health	Audit	15		Q2						
Food Waste Project	Advisory/ Assurance	8	1	In progress						
Burial Services	Audit	10		Q2						
Key financial systems	Audit	55		Q2,3,4						
Committee Admin and Reporting	Audit	15		Q3						
Planning Development Management	Audit	15		Q3						
Local Nutrient Mitigation Fund Grant	Grant Assurance	5		Q2						
Regeneration Projects	Audit	40		Q1,2,3,4						
UKSPF	Grant Assurance	4		Q3						
Regeneration Projects	Advisory	20	1	In progress						
Culture & Ethics	Audit	15		Q2/3/4						
Project Support	Advisory	10	5	As required						
Data Protection	Audit	20		Q2						
Absence Management	Audit	15		Q3						
Health and Safety	Audit	15	5	In progress						
Business Planning and Performance	Audit	10		Q3						

Climate Change	Advisory	4		Q1,2,3,4						
Procurement & Contract Management	Audit	20		Q2						
Trade Waste	Audit	15	6	In progress						
IT Business Continuity	IT Audit Contractor	10		TBA						
IT Change Control	IT Audit Contractor	10		TBA						
<b>Outstanding from 2024/25</b>										
Housing Compliance	Audit	28	26	Complete	Limited	-	6	1	-	
Housing Contract Management	Audit	24	23	Complete	Limited	-	9	5	-	
Housing Materials	Audit	12	12	In progress						Addition to plan
Key Financial Systems on	Audit	55	10	Complete						It has been agreed that no audits of the key financial systems would be carried out due to the number of outstanding recommendations from the previous year's audits. A review of the closed key financial systems recommendations has been carried out to confirm if the controls have remained in place for 2024/25, where this has not occurred the recommendations have been re-opened for 2024/25. Finance has agreed to review all recommendations and put in place an action plan detailing when and how the outstanding recommendations will be implemented. This action plan will be reported to Audit and Governance Committee within the quarterly progress reports.
IT Audit – IT Security Management	IT Audit Contractor	10	12	Complete	Limited	-	7	7	-	
IT Audit – Unit 4 Application Review	IT Audit Contractor	10	12	Awaiting Management Responses	Limited					
Complaints	Audit	12	13	Complete	Reasonable	-	-	2	-	
UKSPF	Audit	8	8	In progress						
Housing Decarbonisation Grant	Grant Assurance	5	5	In progress						
Rent Accounting	Audit	5	10	Complete	Reasonable	-	1	3	-	

**SUMMARY OF FINAL AUDIT REPORTS ISSUED DURING 2025/26 Q1****Housing Compliance 2024/25****Key Findings**

36 Areas of positive assurance identified during the audit:

- External contractors have been appointed to conduct compliance inspections for Council housing assets.

The main areas identified for improvement are:

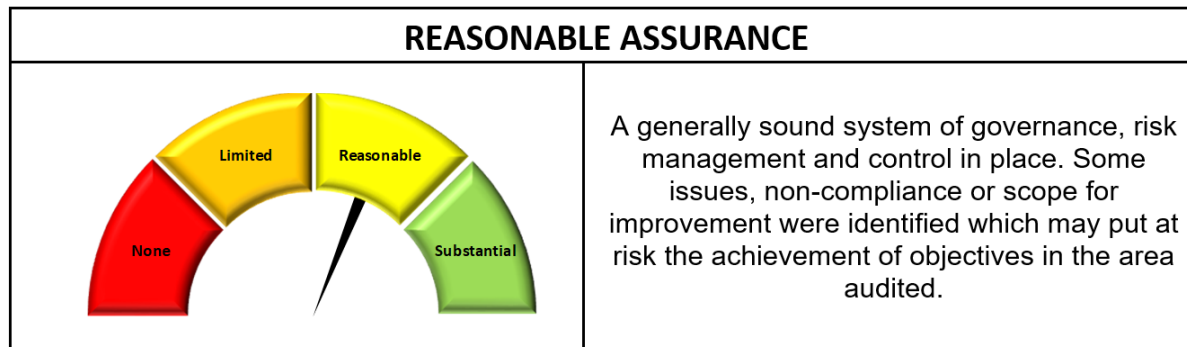
- Ensuring Compliance policies and procedures are in place which meet the requirements of the Housing Regulator.
- Contract management – hold regular contract meetings which are minuted, ensure receipt of performance information from contractors as agreed.
- Gas Safety compliance.



Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>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.</p> <p>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).</p>	High	<p>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.</p>	Assets and Compliance Team Manager	<p>Timetable of review is:</p> <p>December 2025</p> <ul style="list-style-type: none"> <li>• Lift Safety</li> <li>• Legionella and water</li> </ul> <p>March 2026</p> <ul style="list-style-type: none"> <li>• Gas Servicing</li> <li>• Electrical Testing</li> <li>• Fire Safety Management systems</li> </ul>
<p>2. The process for gas safety inspections, including where no access can be gained, must be documented and include the timeliness of when reminders and legal action should be taken. Additionally, to ensure that the Council is legislatively compliant, a sound process to manage and monitor gas safety inspections must be implemented.</p> <p>As Legal Services also have responsibility for an element of the process, officers must ensure that input and agreement from them is also obtained.</p>	High	<p>Work is ongoing to further manage the process of escalation of no access properties. This is joint across Assets, Housing Management and Legal teams. A trial process with a legal case is ongoing to ensure approach is valid and best approach. Once the new process is agreed it will be documented fully.</p>	Assets and Compliance Team Manager and Business Safety and Tenant Engagement Team Manager	December 2025
<p>3. The use of specialist software to record compliance inspections should be pursued. Using specialist software would enable inspections to be effectively managed and provide reports / alerts to inspections becoming due and following up of actions resulting from inspections.</p>	Medium	<p>A review of the data held will be undertaken and kept up to date as a single record by compliance type.</p> <p>The business will consider the ability and cost effectiveness of a move to the CAFM system, but</p>	Assets and Compliance Team Manager	<p>December 2025</p> <p>No Date set</p>

		we are unable to set a date for this at the present time.		
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	December 2025
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.	Responsive Repairs Team Manager	December 2025
6. The Legionella monitoring spreadsheet should be updated with the results of inspections carried out since October 2024.	Medium	Legionella monitoring is held on the contractor portal and is not double entered on our systems. The portal is the definitive record of inspections. An action list will be taken from the portal and updated with receipted and completed works dates, but replication of the data will not be undertaken.	Assets and Compliance Team Manager	September 2025
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	See recommendation 1.

## CORPORATE COMPLAINTS



### Key Findings

Areas of positive assurance identified during the audit:

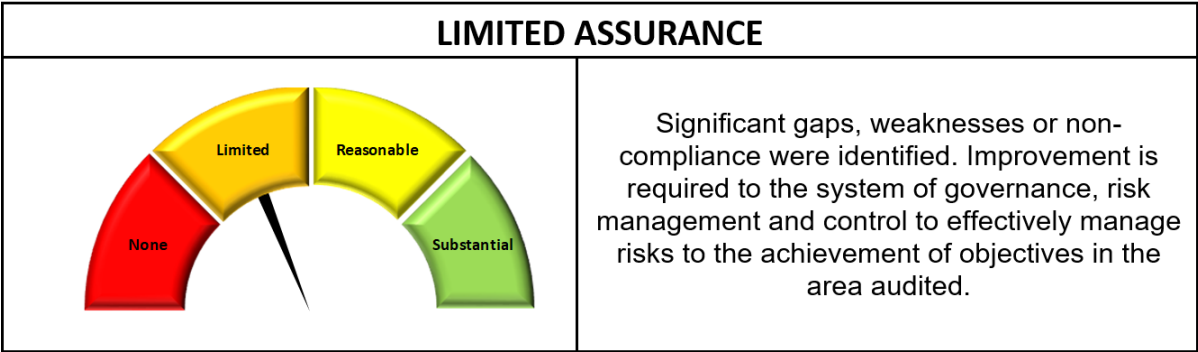
- There is a Complaints Policy in place which is compliant with the Ombudsman Codes.
- Guidance on complaints handling is up to date and available to staff.
- Information relating to the complaints process is published and customers are signposted to the relevant procedure where appropriate.
- Mandatory complaints training is in place for all staff and completion of the training is monitored.
- All complaints are managed and recorded consistently through the House on the Hill system.
- Complaints that are deemed unreasonable are handled in accordance with the relevant policy and procedures.
- Ombudsman complaints are handled in line with policy and the Complaint Handling Codes.
- Performance is appropriately monitored and reported to senior managers and members.
- System access is adequately controlled.

The main areas identified for improvement are:

- Policies are approved in accordance with the executive functions of the authority.
- Reasons for extending response times are clearly communicated to complainants.
- Responses are issued within the timescales set out in the policy and codes.
- Lessons learnt are reported to Senior Management.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Officers are reminded of the need to advise the Feedback Officer of any extension required, with reasons, in a timely manner, to ensure the Council meets the requirements of the Ombudsmans' Codes.	Medium	Communication will be issued to all managers and Directors to confirm that extensions will not be applied if the Feedback Team is not advised of reasons why.	Customer Services Team Manager.	Implemented.
2. Monitoring processes are put in place to ensure lessons learnt are captured in all complaint cases that are upheld. This will ensure that going forward the Council can reduce the number of complaints and provide a better customer experience.	Medium	A report has been set up to identify complaints that are upheld complaints where no lesson learnt have been given so this can be monitored by the Customer Services Manager and managers can be challenged. In conjunction with recommendation 1, a reminder to this effect will be added to the email to managers and Directors.	Customer Services Team Manager.	Implemented.

# IT SECURITY MANAGEMENT



## Key Findings

Areas of positive assurance identified during the audit:

- An Information Security Policy was approved by Cabinet in September 2024. There is, though, some confusion with regard ownership of the policy, between Legal and Support Services and IT, and there is a need to enhance the policy to cover some other key issues.
- IT manage access to the network and all applications centrally and the Human Resources section ensure all new employees receive information regarding their security responsibilities.
- IT has also, over the last few years, introduced a formal process to ensure reviews of users are completed by superusers/system administrators. There is though, a need to ensure the roles (access levels) defined for applications are also proactively managed.
- A document security incident management procedure exists.

The main areas identified for improvement are:

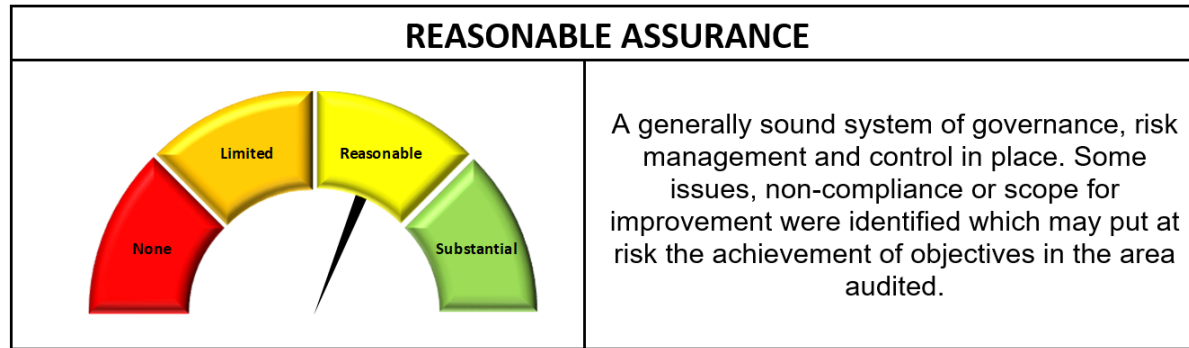
- Ownership, and content, of the Information Security Policy needs to be addressed.
- To ensure that all interested stakeholders are involved in further policy reviews and changes.
- An internal strategy document is drafted regarding Information (IT) Security.
- The outputs from the IT Security group meetings should be shared with all interested stakeholders.
- The role of the designated ADMINS in service areas should be documented.
- Steps need to be taken to address some of the issues identified with IT Applications reviewed within the service areas and IT.
- Physical security weaknesses, regarding use of key PIN's and the BT room at Whitwick Business Centre, should be addressed.
- Action should be taken regarding the internal data breach system (House on the Hill (HOTH)) to ensure use, including testing, is managed accordingly.

- Some documented procedures need to be developed for IT related user reviews.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Steps should be taken to resolve the ownership of the Information Security Policy.	Medium	The ownership of the policy will sit with the ICT Team Manager but support in updating will be provided by the Data Protection Officer.	ICT Team Manager	November 2025
2. Steps should be taken to fully review the content of the Information Security Policy for adequacy and completeness.	High	A review of the policy will be carried out by the ICT Team Manager with input from the Data Protection Officer and updated, where necessary, to include any additional points they deem appropriate.	ICT Team Manager	November 2025
3. Further reviews of the core policy should include the sign off of all core stakeholders.	Medium	Any relevant officers/ services will be consulted, as needed, during the review process.	ICT Team Manager	November 2025
4. A "strategy" document for information security, that includes key tasks / timescales and resources required, should be prepared.	Medium	A relevant strategy/ action plan will be developed to support the IT security requirements of ICT.	ICT Team Manager	December 2025
5. The full role / responsibilities for the designated ADMINS regarding Information (IT) security, and related tasks, should be documented.	Medium	A spreadsheet is in place for the yearly app checks. There is a tab that details the admins which will be expanded to detail the roles. This will then be communicated to all Admins.	ICT Team Manager	Implemented
6. The IT Manager, going forward, should establish a mechanism to include other key stakeholders in the outcomes of the IT security group's work, findings and actions agreed.	Medium	TOR's finalised. DPO and IT Manager have a quarterly catch-up meeting now to discuss IT security. Minutes from the IT Security group will be circulated to IA Manager and the DPO.	ICT Team Manager	Implemented
7. Documented procedures should be drawn up relating to the tasks completed for the annual review completed by IT.	Medium	A further tab will be added to the spreadsheet detailing the procedures to follow for the annual review.	ICT Project Officer	Implemented
8. The IT Manager should take steps to ensure that applications are secured in line with best practice and agreed organisational policy.	High	A procedure note will be written to advise system admins of their responsibilities regarding security within systems and advise of IT responsibility to ensure it is clear and officers take responsibility as necessary. There is also a task to have individual meetings with system admin across the authority to ensure they fully understand their responsibilities.	ICT Team Manager	Implemented

9. The IT Manager should ensure the PIN combination is periodically changed or in the event a member of ICT leaves or changes their duties. Additional staff should be reminded to ensure PIN's in use are not revealed when used.	High	Implemented. PIN code has now been changed and going forward will be changed every 6 months.	ICT Team Manager	Implemented
10. The IT Manager, and other key stakeholders, should ensure access to the BT room are adequate to protect all equipment from any unauthorised access.	High	Implemented	ICT Team Manager	Implemented
11. Cable cabinets in the BT room should be made secure.	High	Implemented	ICT Team Manager	Implemented
12. Access logs should be introduced to record work undertaken for key IT equipment locations.	Medium	Implemented. A third-party access form is completed for access to the server rooms. All staff accessing the server rooms must raise a ticket on the HOTH system.	ICT Team Manager	Implemented
13. The Data Protection Officer must ensure the integrity of the current internal data breach system (House on the Hill (HOTH)) is reviewed and managed accordingly. The IT Manager should assist as necessary.	High	An internal procedure document will be produced for the users of the system to set out what the required housekeeping settings should be, that only the Data Protection Officer has authority to amend those settings and how any testing on the system will be carried out. The procedure will be shared with all any other officers that have access to the system.  As part of the procedure, the Data Protection Officer will review the settings on an annual basis to ensure there have been no unapproved changes.	Data Protection Officer	Implemented
14. Testing should NOT be completed in the "LIVE" environment.	High	There is no test environment for HOTH. The above detailed procedure will include how testing will be carried out, including provision for all testing data to be logged in a separate document and for actual test records held within HOTH to be deleted.	Data Protection Officer	Implemented

## RENT ACCOUNTING



### Key Findings

Areas of positive assurance identified during the audit:

- 44
- Collection rates are regularly monitored for both rental income and arrears
  - There is a robust process for ensuring that annual and new rents are set in line with the Rents Policy and appropriately uploaded to the system.
  - Current tenant rent arrears are being appropriately monitored and actioned.
  - Suspense accounts are regularly reviewed, and items are promptly investigated.
  - Access controls to the housing rents system are appropriate for the user requirements and ensure that the integrity of the system is maintained

The main areas identified for improvement are:

- Former Tenant Arrears are not being appropriately monitored and actioned.
- Accounts in credit are not being appropriately monitored and managed.



Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
Process and procedure notes for Rent Accounting should be reviewed and updated to reflect current working practice.	Medium	Agreed – The work has already commenced.	Housing Strategy and Systems Team Manager	December 2025
Former tenant rent arrears should be actioned appropriately and in line with the Housing Income Management policy.	Medium	Agreed	Housing Strategy and Systems Team Manager	March 2026
Agreements that are made with former tenants in regard to rent arrears should be fully documented within the housing management system (QL)	Medium	Agreed	Housing Strategy and Systems Team Manager	March 2026
Steps are taken to ensure that accounts that are in credit are managed and monitored in accordance with the agreed process.	High	Agreed – Although there is a manual process in place within housing management this is to be replaced with a new process by the end of July. The aim of the new process is to ensure that the accounts in credit will be reviewed and monitored regularly.	Housing Strategy and Systems Team Manager/ Housing Management Team Manager	September 2025

# Key Financial System Action Plan

## Policies and Procedures

Category	Finding	Detailed Action Plan	Responsible Officer	Implementation Date	Progress update
46 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.	Financial Services Team Manager	June 2026	

		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.			
47	Main Accounting	<p>Training was not provided to budget holders</p> <p>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.</p> <p>Distribute updated manuals and guidance documents to all key stakeholders.</p> <p>Progress will be measured by confirming that 100% of identified officers have completed the required training 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.</p>	Finance Team Manager	December 2025	

### **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.	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	Head of Finance	August 2025	

		<p>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>			
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#### **Reporting - UNIT4**

48	Category	Finding	Detailed Action Plan	Responsible Officer	Implementation Date	Progress Update
	Creditors	No standard system report available to show officer who raised a PO and officer who authorised. Report should highlighted 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. 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</p>	Financial Services Team Manager	December 2025	

49		<p>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 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>	Financial Services Team Manager	December 2025	

		<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>			
<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> <p>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</p>	Finance Services Team Manager/Procurement Officer	December 2025	

		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. 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>	Finance Services Team Manager	March 2026	

		<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>				
52	<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 progress throughout implementation and adjust actions as required to ensure effective adoption.	Finance Services Team Manager	March 2026	
	<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.	Finance Team Manager	June 2026	



		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.				
53	Main Accounting	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	
	Main Accounting	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	

## Performance - KPI's

Category	Finding	Detailed Action Plan	Responsible Officer	Implementation Date	Progress Update
Creditors / Debtors	No KPI's for supplier payments and income collection. No performance monitoring /reporting.	<p>A comprehensive review of current payment and income collection processes will be conducted to identify relevant performance metrics.</p> <p>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 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>	Financial Services Team Manager	December 2025	

		The objective is to ensure transparency, accountability, and enhanced financial management through systematic measurement and regular performance review.			
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### Miscellaneous

Category	Finding	Detailed Action Plan	Responsible Officer	Implementation Date	Progress Update
55	Creditors	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
	Creditors	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	Financial Services Team Manager/Procurement Officer	September 2025

		<p>£500 are accurately and consistently included in the published documentation.</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>			
<p><b>Debtors</b></p> <p>56</p>	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</p>	Financial Services Team Manager	September 2026	

process, and alignment with the Council's values.

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.

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.

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.

## EXTENDED RECOMMENDATIONS

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	CLT Lead	Due Date	1st Follow up comments	Extension Date	Second Follow up comments	Extension Date	Further Management update	Further extension date
2022/23	Payroll	2. A regular review of the iTrent audit log is carried out by an independent officer to ensure functions are appropriate to the officer.	High	Agree – appropriate audit log to be sourced, possibly reviewed by Senior HR Advisors.	Head of HR and Organisational Development.	Head of HR & OD	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	Jul-24	Jul 24 – No response received		Nov-24 Due to staffing changes it has not been possible to implement this recommendation. Apr-25 Head of HR to obtain a log report from Midland HR and then a review will be carried out on a regular basis.	<del>Apr-25</del> Jul-25
2022/23	Payroll	7. A full review of user access is carried out, in particular System Administrator access should be reviewed, and the number reduced.	High	Agree – access to be reviewed and removed where no longer required.	Head of HR and Organisational Development	Head of HR & OD	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	Jul-24	Jul 24 – No response received		Nov-24 Due to staffing changes it has not been possible to implement this recommendation. Apr-25 Head of HR to obtain an access report from Midland HR and following this a full review of access will be carried out.	<del>Apr-25</del> Jul-25
2022/23 58	Payroll	9. Consideration should be given to ICT undertaking the System Administration role within iTrent. This would assist with the separation of duties, referred to in recommendation 1.	Medium	Agree – will discuss transfer of responsibilities with IT Manager.	Head of HR and Organisational Development	Head of HR & OD	Dec-23	Dec 23 – Not implemented due to resourcing issues/ staff leaving. Will further discuss with Director of Finance and Head of Finance.	Jul-24	Jul 24 – No response received		Nov-24 Due to staffing changes it has not been possible to implement this recommendation. Apr-25 Head of HR to discuss with the IT Manager in conjunction with recommendation 7	<del>Apr-25</del> Jul-25

2023/24	Workforce Planning	<p>1.The Council should develop a Workforce Planning Strategy, supported by an action plan, that clearly sets out the desired approach and methodology to workforce planning along with roles and responsibilities across the Council. The Strategy should also include details of how the Council will react to any significant external factors such as emerging risks, changes in legislation, opportunities and staff satisfaction that could impact the resourcing structure or pressures across the organisation.</p> <p>Once developed the Strategy should be formally approved and communicated as appropriate, with the action plan becoming a live document that is appropriately reviewed, managed, monitored, and updated.</p>	High	Agreed. A Work Force Planning Strategy will be developed.	Head of HR and Organisational Development	Chief Executive	CLT September 2024 Followed by consultation Approval by Cabinet November 2024	Oct 24 – Plan due to be reviewed by CLT in Nov and will then will require relevant committee approval.	Jan-25	Nov 24 - Due to the committee approval process this recommendation is required to be further extended.	Apr-25	Mar-25 - Due to changes in Head of Service it has been advised that this needs to be extended to provide the new Head of Service an opportunity to update and review if required.	Oct-25
2023/24	Workforce Planning	2.The partners that the Council is working with need to be documented in either the Workforce Planning Strategy or supporting documentation	High	Agreed as per the recommendation.	Head of HR and Organisational Development	Chief Executive	CLT September 2024 Followed by consultation Approval by Cabinet November 2024	Oct 24 – Request for extension. Plan due to be reviewed by CLT in Nov and will then require approval.	Jan-25	Nov 24 - Due to the committee approval process this recommendation is required to be further extended.	Apr-25	Mar-25 - Due to changes in Head of Service it has been advised that this needs to be extended to provide the new Head of Service an opportunity to update and review if required.	Oct-25

2023/24	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  Training dates will be advised following the review.	Oct 24 – Head of OD & HR to discuss with H&S Manager and to arrange relevant corporate training. Extended to Mar-25 in CLT.	Mar-25	Mar-25 - 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		
2023/24 8	Procurement and Contracts	3.The contract register should be reviewed and updated on a regular basis to ensure compliance with the Local Government Transparency Code. Responsibility for updating the contracts register should be relevantly assigned.	High	Agreed. This is currently in train. If the full information is not available, will publish and add full detail at a later date.	Procurement Officer	Director of Resources	Jun-24	June 24 – The data continues to be compiled. It is intended that the register will be published on the Council's website by the end of July.	Aug-24	July 24 - Currently reviewing how the software available can be utilised to ensure that the register is relevantly published.	Sep-24	Oct 24 – Extended as not yet in position to publish contracts register. Third party appointed to assist with procurement support. Dec-24 - Extended due to further work being required. Mar-25 - Meetings are being undertaken with V4, Heads of Service and Team Managers, but meetings are ongoing. After correspondence with V4, it is believed that the contract register will be ready for publishing in April/May therefore an extension is requested to May 2025. April 25- Extension requested to June 2025.	<del>Dec-24</del> <del>Mar-25</del> Jun-25
2023/24	Capital Programme Management	1. The Capital Governance procedures and forms are reviewed, updated as required are made available to all relevant staff.	Medium	Agreed.	Head of Finance	Director of Resources	Dec-24	Dec-24 - Standard report template produced. Considered part implemented.	Feb-25	Mar-25 - It has been agreed that to eliminate duplication the project office forms will be used for this, however this has meant that the forms will need to be amended.	Sep-25		



2023/24	Capital Programme Management	2. Officers are provided with training in respect of financial management and the capital governance process, commensurate to their role.	Medium	Agreed.	Head of Finance	Director of Resources	Mar-25	Mar-25 - It has been agreed that to eliminate duplication the project office forms will be used for this, however this has meant that the forms will need to be amended.	Sep-25				
2023/24	Capital Programme Management	3. The virement procedure and approval process for capital schemes is clarified to ensure that virements are clearly documented and approved.	Medium	Agreed. Updates to Unit4 will help to create relevant workflow. However, the process needs to be communicated. Will review the Financial Procedures Rules, specifically sections A24 – A28 to align with the approach of the development and active pool approach.	Head of Finance and Capital Accountant	Director of Resources	Feb-25	Feb-25 - No response received Mar-25 - Extension agreed to Sep-25	Sep-25				
2023/24	Capital Programme Management	4. The documented procedure and request form are published and made available to all relevant staff.	Medium	Agreed.	Head of Finance	Director of Resources	Mar-25	Feb-25 - No response received Mar-25 - Extension agreed to Sep-25	Sep-25				
2023/24	Capital Programme Management	5. Consideration is given to reviewing the virement scheme requirements as set out in Financial Procedure Rules, and approval levels to ensure that they are appropriate and prevent the use of cumulative transactions to circumvent Financial Procedure Rules.	Medium	Agreed.	Head of Finance and Capital Accountant	Director of Resources	Feb-25	Feb-25 - No response received Mar-25 - Extension agreed to Sep-25	Sep-25				
2023/24	Capital Programme Management	9. A full review of the capital expenditure to date for all capital projects is completed and reported to the Capital Strategy Group as soon as accurate information is available.	High	Agreed. Focus is on updating Unit 4 which focuses on revenue monitoring. Capital monitoring functionality is available and will be considered at a later date to support improved monitoring.	Head of Finance	Director of Resources	Sep-24	Sept 24 - Report is planned to be presented to Capital Strategy Group at end of September.	Oct-24	Oct-2024 No Response on evidence requested		Nov 24 - Work has been carried out in identifying the expenditure on capital projects but further work is required to ensure that all expenditure is captured within Unit 4. This will be completed as part of the close down process.	<del>Mar-25</del> Dec 25

2022/23	ASB	2. The performance indicators are reviewed and where appropriate new indicators added to measure performance against the incremental approach.	Medium	Review the indicators in line with the review of the ASB policy. With the intention to make the indicators for community safety and housing the same.	Housing Management Team Manager.	Head of Housing	Mar-24	March 23: New set of indicators within the policy. Extension to ensure that these are fully embedded and reported following the approval of the Policy at Cabinet	Jul-24	Jul 24 – Information provided does not detail any ASB performance indicators.		Nov-24 New service standards have been introduced but currently, due to the system used, it is not possible to report on performance. A new system is due to be implemented in April 2025 and it is hoped that this will have the capacity to accurately report performance.	Dec-25
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>	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.	<del>Mar-24</del> <del>Sept-24</del> <del>Mar-25</del> Sept-25
2023/24	Planned maintenance	4. The procedures and system parameters are reviewed to ensure orders and variations are appropriately costed and authorised.	High	An action plan will be put in place to address issues, but these actions will not be able to be addressed until a full complement of Senior Management Team is in place.	Asset Manager	Head of Housing	Apr-25	Mar 25 - Due to there not being a full complement of managers in post this will be extended to March 2026. This will provide the team the opportunity to review and embed new and updated processes.	Mar-26				
2023/24	Planned maintenance	6. Procedures and processes are put in place to ensure relevant inspections are completed, documentation is retained, and completion is evidenced on the housing management system (QL).	High	Post inspections are now being carried out by the asset team.  Asbestos information is currently being addressed with the contractor to enable relevant users to access the information. This will be reviewed once a full complement of Senior Management Team is in place.	Asset Manager	Head of Housing	Apr-25	Mar 25 - Due to there not being a full complement of managers in post this will be extended to March 2026. This will provide the team the opportunity to review and embed new and updated processes.	Mar-26				

2023/24	Planned maintenance	7. Processes are put in place to ensure certificates are obtained upon completion and are filed appropriately for future reference.	High	The reconciliation will, going forward, be carried out by the financial Asset Management Support Officer (AMSO). The process has been confirmed as – the in-house team complete compliance via a tablet. Contractors send through compliance certificates which are uploaded to the MRI software system with relevant reference number. Audit to review in three months to ensure process is now working.	Support Services Manager	Head of Housing	Oct-24	Oct-24 No response on evidence requested.		Dec-24 - Audit testing highlighted controls are not in place for all types of certification, this has been due to resource issue. To ensure that the process is followed for all certificates an extension is required.	Mar-25	Mar-25 Due to current manual intervention required this still is not being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation.	Mar-26
2023/24	Planned maintenance	8. Processes are put in place to ensure snagging works are identified, recorded and monitored to ensure remedial works are completed.	High	Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.	Asset Manager	Head of Housing	Apr-25	Mar-25 Due to current manual intervention required this still is not 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 is not 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 is not 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 65	Responsive Repairs	7. Regular monitoring of orders, follow on work, and variations is undertaken to ensure orders are issued, progressed, follow on work scheduled, variations promptly approved, and orders completed.	High	An extensive amount of work has been done since the audit and all numbers have been reduced. Regular monitoring has now been introduced and Audit is requested to re visit this recommendation with the service in Q4 to provide assurance on this identified control weakness.	Building Safety and Tenant Involvement Team Manager	Head of Housing	Q4 2024/25	Feb-25 - Extension requested due to staff absences and team changes.	May-25	Mar-25 - A review of the recommendation has been carried out by the new Team Manager and this has led to the creation of follow-on "work pots" in QL. As a full cleanse is still required an extension to September 2025 is needed.	Sep-25		

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

2023/24	Responsive Repairs	12. The signing off of the work completed by the QS is documented on the order within the housing management system (QL).	Medium	These processes will be put in place once a substantive management and operational team is in place within the service, and contractors are embedded.	Building Safety and Tenant Involvement Team Manager	Head of Housing	Apr-25	Mar-25 The process will be reviewed when a QS is in post.	Dec-25				
2023/24	Responsive Repairs	13. Orders are changed to a history status when the contractor has been paid to prevent duplicate payment and ensure QL is accurate and up to date.	Medium	Work is ongoing with finance on overall process review. As part of the procedures work (elsewhere covered on this audit) it will also address this. The Service is seeking to automate this process between the finance and Housing systems. Historic jobs will be closed.	Building Safety and Tenant Involvement Team Manager	Head of Housing	Apr-25	Mar-25 The process has been overhauled and invoices are being put through QL. Consolidated invoices are not being processed. Audit to test in April 25 when the process is fully embedded.	Apr-25	May-25 - Audit is in the process of undertaking testing. Jun-25 - Extension agreed to enable Quantity Surveyor posts to be filled and allowing time for the processes to be fully embedded	Dec-25		
2023/24	Responsive Repairs	14. A payment mechanism is agreed with contractors and is put in place for the processing of consolidated invoices, ensuring a timely, consistent approach.	Medium	The service is re-contracting all major suppliers. During this process the management of batch payments and invoicing has been addressed. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Building Safety and Tenant Involvement Team Manager	Head of Housing	Q4 2024/25	Feb-25 - Extension requested due to staff absences and team changes. This will be fully discussed with the Asset Management Team to ensure that there is a consistent process across the teams.	Apr-25	May-25 - Audit is in the process of undertaking testing. Jun-25 - Extension agreed to enable Quantity Surveyor posts to be filled and allowing time for the processes to be fully embedded	Dec-25		
2023/24	Responsive Repairs	15. Payment Certificates are signed by the Contract Administrator before payment is made.	High	The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.	Building Safety and Tenant Involvement Team Manager	Head of Housing	Q4 2024/25	Feb-25 - Extension requested due to staff absences and team changes. Payment certificates were not used consistently within the Housing teams but are now being implemented. Audit to test June 2025.	Jun-25	Jun-25 - Extension agreed to enable Quantity Surveyor posts to be filled and allowing time for the processes to be fully embedded	Dec-25		

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



2023/24	Responsive Repairs	22. Processes are reviewed, and appropriate controls are put in place to identify, accurately cost, document, and recover recharges to tenants. In conjunction with the above, management consider introducing a minimum recharge limit and explore the capabilities of the Aareon Versa Mobile System to streamline the process.	Medium	In April 24, a new policy regarding repairs approaches was adopted. This includes an improved management of recharges for works related to repairs. Other aspects of this recommendation will be addressed via the review of our reporting and management of rent accounts.	Housing Strategy and Systems Team Manager	Head of Housing	Mar-25	Mar-25 Due to staffing changes an extension to this is required.	Sep-25					
2023/24	Asbestos Management	3.The Council should conduct an assessment to identify all areas of non-compliance of statutory duties in relation to Asbestos Management. Following this an action plan should be put in place to ensure that the non-compliance is addressed. Assessments should then be scheduled at regular intervals to ensure ongoing compliance.	High	The Asset Management team holds reports to cover compliance of over 95% of the domestic stock and 100% of communal to comply with CAR2012. The Asset Management team has assessed where non-compliance is occurring and, in the majority, falls down to lack of resources that are managed or influenced by the following – • Two managers absent on long term sick leave. • Failing to recruit to three team crucial posts. • One post being carried out by an unqualified member of staff. Due to the lack of resources, the data received day to day, operational admin and data management is not being completed to a sufficient standard. Minimal admin is undertaken, and other staff resources are being utilised to pick up the short fall. Quality assurance is at risk due to insufficient administration of the asbestos data and as a consequence puts operatives, contractors, staff and other end users at risk. Failure to manage properly exposes NWLDC to prosecution from the	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	

				Regulator, HSE and leading to unlimited fines. The service is continually trying to actively recruit, however, to reduce/ remove the risks associated with the control issues identified, the Housing Asset Management team is currently reviewing options available to them which include outsourcing the control and quality assurance of the asbestos data that is relied on.									
2023/24	Asbestos Management	5.Asbestos surveys should be uploaded to QL / MRI within a reasonable period of time following receipt of the survey.	High	This is a known issue that can only be resolved by adequate resourcing and addressing the issues detailed in the response to recommendation 3 above. The Tersus portal will be used initially to reduce the risks.	Compliance Team Leader – when appointed	Head of Housing	Nov-24	Nov-24 No response		Dec- 24 No response		Jan-25 - Resources and staffing has prevented full implementation. Mar-25 Following the completion of new surveys these will be uploaded to the appropriate software and, linked to QL.	<del>Apr-25</del> Mar-26
2023/24	Asbestos Management	6.There should be a central record containing details of asbestos surveys, the results of the surveys and any action to be taken. The record should be used to enable effective monitoring of actions required. Responsibility for ensuring the record is maintained and actions completed should be assigned.	High	Whilst there are various locations for data held, Asset Management have been working on reducing data depositories to MRI, QL or the contractor portal. A central record is being developed to stream line how these are maintained so there is adequate visibility to all users of the data held. 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.	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					
2023/24	Asbestos Management	10. Advice should be sought from the Procurement Team/ Director of Resources regarding overspends against contract values and any action to be taken.	High	Central finance systems are difficult to extract and interrogate financial expenditure and budgets to effectively manage contracts.  Training sessions have been identified and are being rolled out.  Asbestos removal is contractually administered by the Repairs Team Manager – which has been vacant for a considerable time.	Asset Team Manager / Asset Manager/ Commercial services Team Manager / Repairs Team Manager / Finance	Head of Housing	Dec-24	Dec-24 - No response		Jan-25 - The current contract is due to expire in June 2025 and has been adjusted to cater for increased expenditure and will go out as an open procedure to achieve better VFM.	Jun-25	Jun- 25 The new contract is not yet in place, expected July 2025. Extension to confirm that contract and spend in being managed?	Sept-25	

2023/24	Asbestos Management	12.For each of the asbestos contracts financial information should be produced and presented to management for both monitoring and discussion at contract management meetings.	High	This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements. Adequate resourcing is also essential in capturing this data set. Agree in principal but, until Unit 4 is fully operational this will not be possible to implement.	Asset Manager	Head of Housing	Mar-25	Mar-25 This is currently reliant on Unit 4 information which is not readily available.	Sep-25					
2023/24	Fleet Management	2.A management and monitoring process is introduced to reduce the occurrence of non-compliance with the Operating Licence regulations.	High	A full review O Licence has been completed and all non-compliance has been identified. A manual recording process has now been implemented to ensure compliance going forward. A standard monitoring process is to be introduced and evidence to ensure continued compliance.	Transport Manager	Head of Community Services	Apr-25	May-25 As yet there has been no standard monitoring process in place. It is intended to submit a report to the Fleet Management and Driver Compliance Delivery team on a monthly basis. Extension requested to embed the process.	Jul-25					
2023/24	Fleet Management	12.Regular refresher training for completion of daily vehicle checks should be put in place. This could form part of the Councils mandatory training programme.	Medium	Refresher training programme to be developed incorporating vehicle checks on all fleet vehicles. Discussions will be held with HR to add the training programme into mandatory training requirement (job specific).	Transport Manager	Head of Community Services	Feb-25	Feb-25 - No response received.		Mar-25 - Extend to June 2025.	Jun-25	Jun-25 Progress has been made but further work is required, and also a discussion regarding including this on skillgate. Further extension requested until Sept-25	Sep-25	

2023/24	Fleet Management	19. In year stock takes of motor stores and clothing should be introduced. The results of stock takes should be provided to management and explanation provided in support of any discrepancies. All parts used are recorded against a relevant job. Fuel usage is appropriately reviewed and managed.	High	<p>Stock Management will be reviewed on a quarterly basis.</p> <p>In conjunction with audit a review of monitoring fuel usage will be carried out.</p>	Transport Manager	Head of Community Services	<p>Dec-24</p> <p>Apr-25</p>	Dec-24 - Not yet implemented, extended to first review March 2025 and 2nd in June 2025.	<p>Mar-25</p> <p>Jun-25</p>	<p>Jun-25 There have been delays in implementing the recommendation due to staff absences, therefore this will require an extension until July 2025</p>	Jul-25		
2021/22	Corporate Estates Management	2 A performance monitoring and reporting framework is introduced which includes contractor and legislative compliance performance monitoring and periodic reporting to the Statutory Duty Group and, where necessary, the Corporate Leadership Team.	High	Overlapping with the audit we have begun the introduction of a performance monitoring framework, utilising a RAG system. This will be reported through to CLT. It would be beneficial to include properties not managed by property services into this report.	Head of Economic Regeneration	Head of Economic Regeneration	<p>Oct-22</p>	Update - consultants have been employed to develop a Corporate Asset Management Toolkit. This will cover frequency of inspections and recording of compliance	Jul-23	<p>Jul-23 – Good progress is being made but consultants still engaged.</p>	Dec-23	<p>Dec-23 Contractor performance is currently being monitored via the Statutory Duty Group. Further improvements are expected to be delivered by the council adopting a digital Asset Management System to work alongside the Asset Management Toolkit currently being prepared. Work to identify Asset Management Systems is with implementation and onboarding likely to take 6 months.</p> <p>Nov-24 The Statutory Duty Group standing agenda includes an item where all services are invited to discuss support contracts with the intention of providing early warning of contracts about to end and new contracts that are being procured. The item also allows discussion and noting of any poor performance by contractors.</p> <p>The CAFM system, will enable data fields to be introduced within the system for all matters that the Council is required (and if additional -choose) to monitor in terms of compliance. The system will be able to capture any KPI that have been attached compliance related contracts and to record data that evidences accordance or otherwise with those KPI.</p> <p>This will allow for the introduction of a metric based rather than subjective assessment and management of compliance type contracts.</p>	<p>Oct-24</p> <p>Sept 25</p>

												<p>The CAFM system is to be operational by 1/4/2025. Data input over a number of quarters will be required in order to provide evidence that KPIs are being monitored and managed. The system will enable the Council to fully evidence that this audit recommendation has been complied with by the end of September 2025 (to allow two quarters of data to be collected post introduction of the CAFM system)</p>	
2021/22	Corporate Estates Management	4 The process for recording and monitoring issues through the compliance tracker is fully implemented and a reporting framework is put in place, to ensure that any remedial actions or works required are identified and tracked to fruition in a timely manner	Medium	Agreed – for the property services managed properties. This may take longer to fully implement if we follow a corporate landlord model. If not then there will not be assurance for all properties.	Head of Economic Regeneration	Head of Economic Regeneration	Oct-22	Update - consultants have been employed to develop a Corporate Asset Management Toolkit. This will cover frequency of inspections and recording of compliance.	Jul-23	Jul-23 – Good progress is being made but consultants still engaged.	Dec-23	<p>As per recommendation 2:</p> <p>Dec-23 Contractor performance is currently being monitored via the Statutory Duty Group. Further improvements are expected to be delivered by the council adopting a digital Asset Management System to work alongside the Asset Management Toolkit currently being prepared. Work to identify Asset Management Systems is with implementation and onboarding likely to take 6 months.</p> <p>Nov-24 The CAFM system being procured contains a compliance module which allows both officers and contractors to upload compliance reports, reinspection dates and logs of remedial actions with “to complete by” dates. The system then provides alerts to nominated officers when remedial actions are required and reminders when overdue.</p> <p>Managers with access to the system will via the dashboard be able to identify how many remedial actions are overdue at any time and to identify who has been allocated responsibility for dealing with the remedial action.</p> <p>This module will provide for close monitoring of remedials.</p> <p>The CAFM system will be operational by 1/4/2025 and it will be possible to monitor the number of remedial actions that are overdue once all users and managers have been trained and are comfortable</p>	Oct-24 Jul-25

												interrogating the system (allow three months) therefore it should be possible to demonstrate compliance with this recommendation by 1/7/2025		
75	2021/22	Corporate Estates Management	6 A comprehensive record of all assets and statutory inspections/ checks that are required by the Council is introduced These records should cover all services and be monitored and reported against on a regular basis to ensure testing/ checks have taken place as required. Note: This recommendation was made in the Health and Safety Audit, undertaken in February 2021 (due for implementation in June 2021) and as yet has not been implemented.	High	Not all of these assets are owned by the authority. The scope of the contracts need to be known and recorded and performance monitored against this. Where assets are owned by the authority these will be detailed as required.	Head of Economic Regeneration	Head of Economic Regeneration	Mar-23	Extended to align with other recommendations	Jul-23	Jul-23 – Good progress is being made but consultants still engaged.	Dec-23	<p>The digital Asset Management System will automatically schedule inspections at the required frequency. It is expected that a decision on which Asset Management system is to be adopted will be taken by 31/3/2023 with implementation and onboarding likely to take 6 months thereafter.</p> <p>Nov-24 This recommendation effectively goes hand in hand with number 2 above. The Performance Monitoring is carried out against the comprehensive record of checks and inspections.</p> <p>A comprehensive list of checks and inspections has been established through the compliance toolkit work completed earlier in 2024 by EXI. This recommendation has yet to be complied with, however, as the compliance records are not kept in one place, against a comprehensive (single) asset register. The CAFM system to be operational from April 2025 will provide the single asset list, the single point of recording and the ability to check compliance metrics.</p> <p>Once the system is operational records of inspections will be able to be uploaded but we will require a number of periods of data gathering in order to prove compliance with this audit recommendation. Sufficient evidence will be available by 1/10/2025 (2 quarters post CAFM becoming operational).</p>	Oct-24 Oct-25

2023/24	Asbestos Management	11.Following receipt of the Schedule of Rates from Tersus Consultancy, invoices from the start of the contract should be reviewed to confirm that the Council has been correctly invoiced.	High	<p>This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements.</p> <p>Adequate resourcing is also essential in capturing this data set.</p> <p>The planned structure for the service includes provision to enable this process.</p> <p>This issue may have been due to the agency contractor not having site of the framework rates.</p> <p>A review will be carried out</p>	Asset Manager	Head of Housing		Mar-25	Mar-25 There is a SOR in place with Tersus and audit are currently in the process of testing to ensure that charges are correct.	Apr-25	Apr-25 Testing has been carried out by audit which has highlighted that, although there is a schedule of rates in place, there are inconsistencies in how these are being applied and therefore it was not possible to confirm if the Council had been correctly invoiced.		Jun-25 Awaiting further information to carry out additional testing as initial follow-up testing indicated invoicing was incorrect.	Jul-25
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## 2025/26 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 18/06/2025	Comments
Quarterly Progress Reports to Management Team and Audit and Standards Committee	On track	
Follow up testing completed in month agreed in final report	On track	
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		Annual opinion report for 2024/25 is due to be reported at Audit and Governance Committee in August 2025
95% Customer Satisfaction with the Internal Audit Service		There have not been any satisfaction surveys issued during 2025/26 to date
Compliance with Global Internal Audit Standards in the Public Sector		For 2025/26, measurement will be achieved via internal processes (see separate indicator), and full assessment by external independent assessor in November/ December.
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> <li>Management Debriefs are scheduled within two weeks of field work being completed.</li> <li>*Management Responses are received within two weeks of the debrief meeting.</li> <li>Draft audit reports are issued within one week of receipt of full management responses</li> <li>Final audit reports are issued within one week of draft audit reports.</li> <li>*, **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.</li> </ul>		

*\*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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Likely to contain exempt information under paragraph(s) 3 of  
Part 1 of Schedule 12A of the Local Government Act 1972.

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## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 6  
AUGUST 2025



Title of Report	ANNUAL AUDIT OPINION	
Presented by	Kerry Beavis Audit Manager	
Background Papers	<a href="#">Public Sector Internal Audit Standards</a>	Public Report: Yes
Financial Implications	None arising from this report.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	None arising from this report.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	None arising from this report.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	<p>To present the annual internal audit opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control.</p> <p>This is required by the Public Sector Internal Audit Standards and should be used to inform the Annual Governance Statement.</p>	
Recommendations	<b>THAT THE AUDIT AND GOVERNANCE COMMITTEE NOTES THIS REPORT AND COMMENTS AS APPROPRIATE.</b>	

## 1.0 BACKGROUND

- 1.1 As set out in the Public Sector Internal Audit Standard (PSIAS) 2450, the Chief Audit Executive (Audit Manager) must provide an annual report to the board (Audit and Governance Committee) timed to support the Annual Governance Statement. This report and opinion should be considered as part of the evidence supporting the Annual Governance Statement.

<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:	The Director of Resources has been consulted.
Risks:	Non-compliance with the Public Sector Internal Audit Standards.
Officer Contact	Kerry Beavis Audit Manager Kerry.beavis@nwleicestershire.gov.uk



# **INTERNAL AUDIT SHARED SERVICE**

**North West Leicestershire District Council**

**Internal Audit Annual Report 2024/25**

## INTRODUCTION

- 1.1 This is the annual report of the Chief Audit Executive (Audit Manager) as required by the Public Sector Internal Audit Standards (PSIAS). It covers the period 1 April 2024 to 31 March 2025 for North West Leicestershire District Council.
- 1.2 This report includes the Audit Manager's annual opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is formulated by taking in to account the following –
- All audits completed during the year.
  - Any follow up actions taken in respect of audits from previous periods.
  - High priority recommendations not accepted by management or acted upon and any associated risks.
  - The effect of any significant changes in the Council's objectives, activities or systems.
  - Matters arising from previous reports to the Audit and Governance Committee.
  - Whether any limitations have been placed on the scope of Internal Audit (there have not been any).
  - The extent to which resources constraints may impinge upon the Internal Audit Manager's ability to meet the full audit needs of the Council.
  - What proportion of the Council's audit need has been covered to date.
  - The results of work performed by other assurance providers including the work of the External Auditors.
- 1.3 This report also includes:
- A summary of internal audit work carried out during 2024/25 which supports the opinion.
  - Issues relevant to the preparation of the Annual Governance Statement.
  - Internal Audit's Quality Assurance and Improvement Programme (QAIP).
  - A statement on conformance with the Public Sector Internal Audit Standards.

## 2. CHIEF AUDIT EXECUTIVE (AUDIT MANAGER) OPINION 2024/25

- 2.1 Resources both within the Internal Audit team and the areas audited have continued to cause difficulties during 2024/25, with audits being delayed or taking longer to complete due to availability of staff.

Internal audit continued to provide the additional support required for assurance on grants.

- 2.2 In line with the Public Sector Internal Audit Standards, Internal Audit has worked flexibly throughout the year whilst still ensuring a sufficient, although reduced, level of audit coverage to allow me to give an opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control (the control environment). In giving this opinion, it should be noted that assurance cannot be absolute.



- 2.3 For the 12 months ended 31 March 2025, I am only able to give **limited assurance** on the overall control environment. To be consistent with our Internal Audit opinion definitions, this means that significant gaps, weaknesses, or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the areas audited. As this is not a positive assurance overall it is expected that a corporate management action plan will be put in place to respond to this annual opinion.
- 2.4 My opinion is based on the following:
- All internal audit work undertaken during the year, this includes advisory work as well as assurance and supports the view on internal control arrangements.
  - Follow up audit work in respect of audit recommendations.
  - My knowledge of the Council's governance and risk management structure and processes.
- 2.5 There have been no impairments to the independence of internal auditors during the year.
- 2.6 It is acknowledged that there has been a significant focus on improving the governance across all areas of the Council, with a revised governance toolkit, governance training, and a full review of the Council's approach to risk management. The impact on these initiatives cannot be commented on within this report as audits were not carried out within these areas during 2024/25. These improvements should have an impact on the audits due to be carried out during 2025/26.

### 3. SUMMARY OF INTERNAL AUDIT WORK DURING 2024/25

- 3.1 The risk based internal audit plan for 2024/25 was presented and approved by the Audit and Governance Committee on 24 April 2024. Progress against this plan has been reported to Audit and Governance Committee throughout the year as part of the quarterly Internal Audit progress reports.
- 3.2 A summary of the audit opinions given in 2024/25 is detailed in Table 1 below. The opinion for individual audits is included in Appendix A for information, along with a comparison of the work delivered against the audit plan.

Table 1

Opinion	Definition	Number
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited	0
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited	4
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	4

No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited	-
Total number of audit reports		8

- 3.3 Three of the Council's key financial systems (Benefits, Business Rates and Council Tax) are provided by the Leicestershire Revenues and Benefits Partnership. The internal audit service at the Partnership was provided by Mazars, there have been no audits reported for this service for the year 2024/25.
- 3.4 Internal Audit follows up progress against recommendations in line with the timescales agreed at the time of issuing reports. The Corporate Leadership Team is updated monthly on the progress of the recommendations and Audit and Governance Committee is updated on the Council's progress against the recommendations as part of the quarterly Internal Audit progress reports, as well as giving details of ongoing or overdue recommendations. A summary of the recommendation tracking results for 2024/25 is included at Appendix B.

#### 4. ISSUES RELEVANT TO THE PREPARATION OF THE ANNUAL GOVERNANCE STATEMENT

- 4.1 The Internal Audit team has issued four audit reports with limited assurance during 2024/25, additionally, due to the number of outstanding recommendations from 2023/24 relating to the key financial controls, a decision was made not to carry out further audits in this area but to review the recommendations and confirm if they were also relevant to the financial year 2024/25, this was due to the majority of the recommendations not being able to be implemented related to the issues with the financial system, Unit 4. These should be considered when preparing the Annual Governance Statement:
- **Housing Compliance**  
The main areas identified for improvement were the updating of policies and procedures to meet the requirements of the Housing Regulator, contract management, and gas safety compliance.
  - **Housing Contract Management**  
The main areas identified for improvement were key procedures require documenting, contract management and performance, documentation and approval of variations, and the introduction of prepayment checks and approvals prior to payment.
  - **IT Security Management**  
The main areas identified for improvement were content of the Information Security Policy, role of the designated admins in service areas, use of live data systems for testing.
  - **Unit 4 Application Review**  
The main areas identified for improvement included issues relating to application security controls, development and use of reports, and housekeeping processes.

There were no audit reports issued without any assurance during 2024/25.

A number of high priority recommendations were made in respect of other audit reviews undertaken, however, as they tend to relate to specific systems and/or process within a service area, I do not consider it necessary to include them in the Annual Governance Statement.

The Section 151 Officer receives all Internal Audit reports issued therefore they are also able to make their own assessment when completing the Annual Governance Statement should they be of a different opinion.

## **5. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME (QAIP) FOR INTERNAL AUDIT**

- 5.1 The Public Sector Internal Audit Standards (PSIAS) require the QAIP to include internal and external assessments (see Appendix C for more detail).
- 5.2 The internal assessments applicable to 2024/25 include the following:
- Monthly performance review meetings attended by the Audit Manager and the Head of Legal and Support Services as well as regular meetings with the Director of Resources (S151 Officer).
  - Customer satisfaction surveys were sent out to all Team Managers and/or Team Leaders who had an audit in their service area. Only one survey has been received during 2024/25.
  - Quarterly progress reports to the Corporate Leadership Team and Audit and Governance Committee which include monitoring of activity and performance.
- 5.3 The PSIAS require external assessments to be conducted at least once every five years. In December 2020 the shared internal audit service had an external quality assessment, and the full report was presented to Audit and Governance Committee on 20 January 2021.
- 5.4 It was the assessor's opinion that Internal Audit at Blaby, Charnwood and North West Leicestershire Councils **conforms with the PSIAS**.
- 5.5 In addition to delivering the annual audit plan and opinion, Internal Audit have added value in the following ways:
- Providing assurance on various grants during the year.
  - Providing ad-hoc advice throughout the year to a wide range of services to help ensure that internal controls are maintained or strengthened.
  - The continued delivery of a successful shared service to Blaby District Council and Charnwood Borough Council. This adds value to all Councils as the audit team shares learning, expertise and best practice.

**6. CONFORMANCE WITH THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

- 6.1 The external assessment conducted in December 2020 concluded that there were no significant gaps in compliance.
- 6.2 I can confirm that during 2024/25 the Internal Audit Shared Service conformed to the Public Sector Internal Audit Standards.

## RESULTS OF INDIVIDUAL AUDIT ASSIGNMENTS AGAINST THE 2024/25 AUDIT PLAN

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
Housing Compliance	Audit	28	26	Completed	Limited	-	6	1	-	
Housing Contract Management	Audit	36	14	Completed	Limited	-	9	5	-	
Housing Materials	Audit	10	1	In progress						Addition to plan
Choice Based Lettings	Audit	7	12	Completed	Reasonable	-	2	2	1	
Tree Stock Management	Advisory	8	3	Completed	N/A					
Waste Services	Advisory	6	1.5	Completed	N/A					
Commercial Waste	Audit	14		Postponed	N/A					
Insurance	Audit	8	15	Completed	Reasonable	-	3	1		
VAT & Benefits in Kind	Audit	10	-	Cancelled	N/A					Cancelled due to other additions to the plan.
Key Financial Systems	Audit	55	5	Completed	N/A					See details in section 4 above.
Regeneration Projects	Consultancy	20	22	Completed	N/A					
Rent Accounting	Audit	5		Completed	Reasonable	-	1	3	-	
IT Audit – IT Security Management	IT Audit Contractor	10		Completed	Limited	-	7	7	-	
IT Audit – Unit 4 Application Review	IT Audit Contractor	10		Awaiting Management Responses	Limited	-	8	10	2	
Net Zero	Advisory	8	1	Completed	N/A	-	-	-	-	Changed to advisory to support the work carried out by Unipart.
Driver Checks	Advisory	6	13	Completed	N/A					
Transformation Projects	Advisory	3	0.5	Completed	N/A					
Complaints	Audit	12	2	Completed	Reasonable	-	-	2	1	

UKSPF	Audit	8	2	In progress					
Procurement & Contract Management	Audit	12	-	Cancelled	N/A				Cancelled until 2025/26 due to the delay in the changes in legislation.
TA Accounts	Assurance	-	8.5	Completed	N/A				
Housing Decarbonisation Grant	Grant Assurance	5	3	Completed	N/A				
UKSPF	Advisory	-	5	Completed	N/A				Addition to plan
Corporate Property Projects	Advisory	-	1.5	Completed	N/A				Addition to plan
Grant sign-off	Assurance	-	1	Completed	N/A				

**Recommendations key – see Appendix B**

## SUMMARY OF INTERNAL AUDIT RECOMMENDATIONS FOLLOW UP 2024/25

Internal Audit follows up progress against critical, high, and medium priority recommendations in line with the timescales agreed at the time of issuing reports. The progress of recommendations is reported to the Corporate Leadership Team monthly and any overdue and extended recommendations are highlighted to Audit Committee.

The table below shows the progress against recommendations made by Internal Audit during 2024/25. The reason that there is such a high number of recommendations in progress or not yet due is due to the timings of the audit, with some audits not yet being finalised, and the agreed implementation dates not then being until 2025/26, these will continue to be reported to Audit Committee.

Recommendation Priority	Recommendations Made	Recommendations Implemented	Recommendations Outstanding (In Progress or Not Yet Due)	Recommendations Overdue
Critical	-	-	-	-
High	36	9	27	-
Medium	31	11	20	-
Total	67	20	47	-

Level	Definition
Critical	Recommendations which are of a very serious nature and could have a critical impact on the Council, for example to address a breach in law or regulation that could result in material fines/consequences.
High	Recommendations which are fundamental to the system and require urgent attention to avoid exposure to significant risks.
Medium	Recommendations which, although not fundamental to the system, provide scope for improvements to be made.
Low/Advisory	Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed. Issues concerning potential opportunities for management to improve the operational efficiency and/or effectiveness of the system.

## QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2024-25

Activity	PSIAS	Result/comments	Frequency
External Quality Assessment	1310	December 2020 Assessment - no significant gaps in compliance.	Every 5 years.
Annual Declaration of Interests	1130	Forms completed in April 2024, this includes Code of Ethics and Principles.	Annual
Customer satisfaction surveys	1311	One received for 2024/25. Positive satisfaction.	After each audit
Performance indicators reported in progress reports	1311	Performance indicators included in all quarterly reports to corporate leadership team and Audit Committees.	Quarterly
Improvement actions/continuous improvement	1311	An internal action plan produced for 2024/25 detailing improvement actions which included rolling review of the internal audit service to ensure compliance with standards.	Ongoing
Review of all audit engagements and reports	1311, 2340	All audit engagements and reports are reviewed by the audit manager to ensure compliance with PSIAS in terms of meeting audit objectives and quality.	Every audit
Monthly performance reporting and meetings	1311	Monthly performance meetings with Head of Legal and Support Services (Monitoring Officer) and the Director of Resources (S151 Officer). Reporting lines changed during November 2024 and monthly performance meetings are now held with the Director of Resources (S151 Officer) only.	Monthly
Annual review of internal audit charter	1000	Shared Service Charter update was postponed until March 2025 to ensure that it reflected the new Global Internal Audit Standards. The new Charter was presented to Audit and Governance Committee in April 2025. Annual review will now take place in March for approval in April.	Annual



Performance and development review process for staff and training and development records.	1200	All review meetings with the team have taken place and the training and development recorded within system for all training and development identified and completed. Officers recording their CPD in line with their professional body requirements do not need to duplicate records.	Bi- annual review meetings
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## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 6  
AUGUST 2025

<b>Title of Report</b>	<b>MANAGEMENT RESPONSE TO ANNUAL AUDIT OPINION 2024/25</b>	
<b>Presented by</b>	Paul Stone Director of Resources	
<b>Background Papers</b>	Management Response to Internal Audit Opinion 2023/24 – Audit & Governance Committee 7 August 2024. <a href="#">NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL</a>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	There are no direct financial implications to be considered.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	There are no direct legal implications arising from this report.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	There are no direct staffing or corporate implications arising from this report.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	This report provides details of the Management Response to Internal Audit Opinion 2024/25.	
<b>Recommendations</b>	<b>THAT THE COMMITTEE NOTES THE MANAGEMENT RESPONSE TO THE ANNUAL AUDIT OPINION 2024/25.</b>	

**1.0 BACKGROUND**

- 1.1 In accordance with the Public Sector Internal Audit Standards (PSIAS) the Chief Audit Executive (the Internal Audit Manager at North West Leicestershire District Council) is required to produce an annual report. The report covering the financial year 2024/25 is set out on a separate item on the Committee's agenda.
- 1.2 The Opinion covers the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The draft Internal Audit Annual Opinion for 2024/25 is 'Limited Assurance'.

1.3 This marks the third consecutive year of 'Limited Assurance', presenting an opportunity for continued enhancement. Reflecting on the last two years, the Council has implemented numerous initiatives to address these challenges. There has also been a renewed focus on governance and risk management, with further information provided in section 2.0 below.

1.4 Before considering the management response to this year's opinion, the Committees attention is drawn to the progress on the action plan in response to the 2023/24 opinion. The action plan is attached to this report at Appendix One. Significant progress has been made in a number of areas identified on the action plan including:

- Approval of additional resource for Internal Audit
- Continued focus on the Internal Audit function
- Appointment of two independent Audit Committee Members
- Governance training completed for senior officers
- Regular meetings between internal and external auditors

## **2.0 MANAGEMENT RESPONSE AND ACTIONS**

2.1 The assurance provided by the internal audit function is an important part of the overall corporate governance framework of the Council. The Council is committed to improving the effectiveness of internal audit to optimise assurance. It is recognised this will require process, procedural and, most importantly, cultural change across the Council to provide the appropriate level of assurance.

2.2 It is disappointing that the Internal Audit Opinion fails to recognise the actions taken in response to other areas of assurance, governance and risk management which are detailed as follows:

- In November 2024, the Council organised dedicated governance training sessions for both the Corporate Leadership Team and the Extended Leadership Team. These sessions addressed key areas such as information governance, risk management, contracting good practice and report writing. The training sought to strengthen the practical skills of senior leaders and support the Council's broader efforts to drive continuous improvement in governance and assurance.
- In addition to the governance training initiatives highlighted above, the Council's Section 151 officer and monitoring officer, together with the Leisure Services Team Manager, collaborated to record an "in session with" video. This session explained important decision-making and governance topics in clear terms, with the goal of making them easier to understand and applying useful ideas across the organisation. The video served both as a resource for staff development and as a means of reinforcing a culture of transparency.
- The recent LGA peer review also noted the Council's proactive steps to raise the profile of good governance across the organisation since June 2024. In particular, the review highlighted the introduction of mandatory governance training for all managers, alongside the comprehensive training programme delivered in November 2024. These initiatives were commended for embedding greater awareness of core governance responsibilities and for fostering a culture of consistent, organisation-wide standards. The peer review concluded that these measures have contributed to a stronger foundation for effective decision-making and accountability at every level of the Council.

- Membership of the Corporate Risk Group has recently been reviewed to ensure that it is fully representative of the Council's diverse functions and priorities. Following this review, the group welcomed new members, further enhancing its ability to offer balanced oversight and expert perspectives across all key service areas. In addition, the Corporate Leadership Team regularly review the Corporate Risk Register providing valuable input. This refreshed membership reflects the Council's commitment to robust risk management.
- Members of the Audit and Governance Committee have also benefited from a programme of regular training delivered throughout the year. Notably, in January 2025, a dedicated refresher session was held to revisit the core responsibilities and statutory role of the Committee. This ongoing commitment to training ensures that Members remain well-equipped to provide effective oversight and assurance, and supports the Council's continued emphasis on strong governance practice. There are also focused sessions dedicated to reinforcing the Code of Conduct and clarifying member/officer protocols that have been arranged for upcoming months.
- Throughout the year, the Corporate Leadership Team has convened dedicated audit meetings, with the Internal Audit Manager in attendance, to specifically review and track progress against outstanding audit recommendations. These sessions have provided a focused forum for discussing barriers to implementation, agreeing on remedial actions, and reaffirming the Council's commitment to continuous improvement and effective internal controls.
- The Section 151 Officer has ensured that the Audit and Governance Committee remains fully apprised of the status and progression of the Statement of Accounts for both 2023/24 and 2024/25. Regular updates have been provided to keep members informed of key milestones, challenges, and anticipated timelines for completion. In parallel, comprehensive reports have been presented to the Committee detailing progress against the planned enhancements to the Council's financial system, Unit4.
- A comprehensive policy list has been implemented. Each policy within this register has a clearly designated owner responsible for its ongoing relevance and effectiveness. A formal process has been established for regular review cycles, during which policy owners assess and update their respective policies to reflect legislative changes, organisational priorities, and best practice standards. This approach ensures that all Council policies remain current, consistent, and fit for purpose.
- The Council has also developed comprehensive guidance for staff which outlines the procedures to be followed when making key decisions and provides clear criteria for identifying projects of significant strategic importance. It details the requirement for such projects to be subject to oversight by a relevant internal steering group, ensuring that appropriate checks and balances are in place.
- To further embed these improvements and ensure clarity of purpose across all leadership and oversight structures, the terms of reference for the Corporate Leadership Team, Extended Leadership Team, and internal steering groups have been comprehensively updated. These revisions define clear roles, accountabilities, and decision-making frameworks, reflecting current priorities and best practice standards.

- Representatives from Internal Audit have been invited to participate as members of relevant project groups, including those overseeing regeneration programmes. This direct involvement enables Internal Audit to provide expert guidance during the project lifecycle, offer early assurance on controls, and strengthen alignment with the Council's governance and risk management frameworks.
- The Council has also introduced newly developed Contract Procedure Rules. These updated rules are aligned with the latest legislation as well as recognised good practice, and have been carefully drafted to ensure they are user-friendly and straightforward for officers to implement. By streamlining the procedures and clarifying the steps required, the Council is supporting officers in navigating procurement processes with greater confidence.
- The Council has delivered targeted contract management training to officers involved in procurement and contract oversight. Recognising the varying levels of experience and responsibility across the organisation, more in-depth training options are currently being explored and developed for those officers requiring enhanced expertise in this area. This tiered approach ensures all staff have access to the knowledge and skills necessary for effective contract management, while providing additional support and development opportunities for those in roles with more complex contract portfolios.
- A suite of standardised forms and templates has been established. These include forms for logging data breaches, which ensure that incidents are recorded quickly and comprehensively, enabling prompt investigation and remedial action in line with statutory requirements. Dedicated forms are also utilised for the signing and sealing of official documents, providing clear records of authorisation and ensuring compliance with internal controls. In addition, a structured process is in place for officers to formally request legal advice, with requests documented and tracked to guarantee transparency, consistency, and an effective audit trail.
- Regular meetings between statutory officers—including the Section 151 Officer, Monitoring Officer, and Head of Paid Service—have been convened to specifically consider and address concerns relating to governance.
- A governance toolkit has been established to support officers in understanding and adhering to the relevant provisions of the Council's constitution. This toolkit serves as an accessible resource, offering practical guidance, explanatory notes, and illustrative case studies to clarify procedural requirements and good governance principles. It provides step-by-step instructions for navigating key constitutional processes, helping officers to fulfil their responsibilities with confidence and ensuring consistent application of governance standards across the organisation.
- The service planning process has also been refined to enhance collaboration and ensure robust scrutiny at the earliest stages. Plans are now initially reviewed by relevant support services, enabling subject matter experts to provide input and identify any cross-cutting considerations before plans progress further.

2.3 It is important to recognise that these comprehensive measures already reflect significant and positive momentum across the Council. Notably, there are numerous examples where officers have proactively considered and enhanced processes, demonstrating an encouraging shift towards continuous improvement in governance, transparency, and accountability. While the full impact of these changes will continue

to unfold over time, the Council is confident that its culture is evolving in the right direction.

- 2.4 Embedding new ways of working and ensuring they become second nature is supported by the sustained commitment and enthusiasm of staff, regular reinforcement, and open communication. With strong leadership and a shared sense of purpose, these ongoing efforts are fostering meaningful and lasting cultural change, ensuring that improvements are not only implemented but embraced throughout the Council.

### **3.0 PLANNED ACTIONS**

- 3.1 To further reinforce this commitment, the Council's Corporate Leadership Team will continue to prioritise the resolution of outstanding internal audit recommendations. Dedicated quarterly sessions will continue to review progress, address any barriers to implementation, and ensure ongoing accountability at all senior management levels. Outstanding recommendations are established as a standing item on the Corporate Leadership Team (CLT) agenda.
- 3.2 In agreement with the Internal Audit Manager, it is recognised that, in certain instances, a recommendation made may be consciously tolerated and not actioned. Where this approach is adopted, the justification and associated risks will be clearly documented and, where appropriate, reflected within the relevant departmental and Corporate Risk Register. This ensures transparency and maintains alignment with the Council's risk management framework.
- 3.3 An action plan has been developed specifically to address outstanding recommendations relating to key financial systems. Implementation of these actions is underway and is being progressed in tandem with the broader programme of enhancements to the Council's financial systems. This coordinated approach is designed to ensure that improvements in financial controls are integrated with system upgrades, thereby reinforcing the overall integrity and effectiveness of the Council's financial management.
- 3.4 As in previous years, there will be a continued focus on governance training for both the Corporate Leadership Team and the Extended Leadership Team. Dedicated sessions are scheduled for November 2025, aimed at strengthening collective understanding of governance responsibilities and reinforcing a culture of robust oversight across the organisation. These training initiatives are designed to complement broader improvement efforts and support the ongoing development of effective leadership at all levels.
- 3.5 Where appropriate, officers will attend meetings of the Audit and Governance Committee to present updates and respond directly to questions raised by committee members. To provide clarity and consistency in this process, a protocol has been developed in consultation with the Chair and Vice Chair of the Committee.
- 3.6 The Internal Audit Manager will collaborate closely with Heads of Service to develop and refine responses to internal audit recommendations, thereby strengthening both accountability and tailored action across departments. As part of the Council's ongoing commitment to governance enhancement, the S151 officer will deliver targeted training during the scheduled November 2025 governance sessions. This training will specifically address how to respond effectively to internal audit recommendations, with a particular emphasis on formulating SMART (Specific, Measurable, Achievable, Relevant, Time-bound) actions to drive meaningful and demonstrable improvements.

- 3.7 The Council recognises the value of fostering wider involvement of the Corporate Leadership Team in the drafting of the Annual Governance Statement which has been recommended in the recently refreshed guidance issued by the Chartered Institute of Public Finance and Accountancy. By actively engaging a broader cross-section of senior leaders in this process, the Council ensures that the statement draws on a diverse range of perspectives, operational insights, and departmental experiences.

#### **4.0 Summary**

- 4.1 The above highlights the Council's ongoing efforts to embed a culture of continuous improvement, governance, transparency, and accountability. Staff engagement, strong leadership, and open communication are recognised as essential in driving and sustaining these changes.

- 4.2 Key planned actions include:

- Continued prioritisation of unresolved internal audit recommendations by the Corporate Leadership Team, with quarterly review sessions to monitor progress and ensure senior management accountability.
- Clear documentation and risk assessment for audit recommendations that are consciously not actioned, maintaining transparency and alignment with risk management frameworks.
- Development and implementation of a targeted action plan to address outstanding recommendations related to key financial systems, coordinated alongside broader system enhancements.
- Ongoing governance training for senior leadership, with dedicated sessions scheduled for November 2025, to strengthen understanding and oversight responsibilities.
- Establishment of a protocol for officers to update and engage with the Audit and Governance Committee, ensuring clarity and consistency in communication.
- Close collaboration between the Internal Audit Manager and Heads of Service to tailor responses to audit recommendations and strengthen accountability in each department.
- Targeted training to be delivered by the S151 officer on formulating effective, SMART actions in response to internal audit recommendations, as part of the November 2025 governance training.

- 4.3 The Council believes these steps are helping to build lasting improvements in how it works, making the Council stronger and better at managing risks and following good governance practices.



<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	- A Well-Run Council
Policy Considerations:	Not applicable.
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:	In developing the Action Plan there has been engagement with Statutory Officers, the Corporate Leadership Team and the Internal Audit Manager.
Risks:	The Council's governance arrangements are a critical part of its operations to ensure decision making is robust and effective. Internal audit is an important part of these governance arrangements. There are a number of risks to the Council if it does not have a properly functioning internal audit function. These potential risks include reputation, poor decision making, fraud, lack of control and inadequate assurance.
Officer Contact	Paul Stone Director of Resources <a href="mailto:paul.stone@nwleicestershire.gov.uk">paul.stone@nwleicestershire.gov.uk</a>

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

Action	Timeline for Delivery	Responsible Officer	Comments
Heads of Service to attend Audit and Governance meetings to respond to queries in respect of 'limited assurance' or 'no assurance' opinions.	Ongoing	Statutory Officers	<p><b>ONGOING</b></p> <p>Officers attended the Audit and Governance Committee on 7 and 22 August 2024, with a particular focus on Housing.</p> <p>At the Audit and Governance meeting on 5 February 2025, Members sought further detail in respect of asbestos and recruitment and retention. At the Committee meeting in April 2025, a written response was provided, however, Members requested that the Director of Communities and the Head of HR and Organisational Development attend the June 2025 meeting. Both attended the meeting and responded to questions accordingly.</p>
Additional resource for Internal Audit	February 2025	Internal Audit Manager	<p><b>COMPLETED</b></p> <p>Council approved the budget as part of the General Fund Budget Report 2025/25 approved on 20 February 2025.</p>
Further information to be provided by Internal Audit to show the direction of travel on audit recommendations.	September 2024	Internal Audit Manager	<p><b>COMPLETED</b></p> <p>A chart of recommendation movement is now included within all monthly recommendation reports to CLT and all quarterly progress reports to both CLT and Audit and Governance Committee.</p>
<p>Continued focus on the Internal Audit function. This includes:</p> <ul style="list-style-type: none"> <li>Dedicated monthly Corporate Leadership Team (CLT) meeting to focus on audit recommendations.</li> <li>Requests for extension of audit deadlines to be made at the CLT meeting.</li> <li>Statutory Officers to request separate meetings with Directors/Heads of Service for any areas of concern.</li> <li>CLT to discuss the annual audit plan in draft in March each year.</li> <li>Directors to discuss progress against audit recommendations at performance meetings.</li> <li>Internal Audit to provide further detail/training on the work of Internal Audit to CLT</li> <li>Internal Audit Manager to provide details of how she arrives at the audit opinion for each report</li> </ul>	December 2024	Statutory Officers	<p><b>COMPLETED</b></p> <p>There have been regularly dedicated monthly meetings of the Corporate Leadership Team to focus on progress against the internal audit recommendations.</p> <p>Statutory officers meet monthly and have requested further information on specific areas of concern.</p> <p>Audit recommendations appear as standing items on Team/Directorate meeting agendas.</p> <p>Annual audit plan is discussed in March each year.</p> <p>Audit Manager had a dedicated CLT session to discuss and detail the work of the internal audit function and processes.</p> <p>Discussions have been held regarding how the opinion for each audit have been arrived at. Additionally, there is now an overview in the audit report, for limited assurance reports, detailing why the assurance is such.</p>

Acknowledgement of good work by services within audit reports.	December 2024	Internal Audit Manager	<b>COMPLETED</b> This is recognised in the key findings section of the audit report but as the report is by exception only not all good work is included.
Appointment of an independent Audit Committee Member.	December 2024	Director of Resources	<b>COMPLETED</b> Two independent members have been appointed subject to approval by Audit and Governance Committee at its meeting on 23 April 2025.
A suite of governance training has been arranged for November 2024.	November 2024	Head of Legal and Support Services	<b>COMPLETED</b> A suite of training sessions was delivered to team managers, Heads of Service and Directors during November 2024 covering topics such as

#### Appendix One

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

Review the current intranet presence and accessibility for Internal Audit	December 2024	Internal Audit Manager	<b>COMPLETED</b> A new intranet is due from April 2025, IA has templated everything in preparation for this.
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Management Actions in Response to Annual Internal Audit Opinion 2024/25

Action	Timeline for Delivery	Responsible Officer	Comments
Corporate Leadership Team (CLT) to continue prioritising the resolution of outstanding internal audit recommendations, with dedicated quarterly sessions to review progress and address barriers.	Ongoing; Quarterly Reviews	Corporate Leadership Team	
Where recommendations are consciously tolerated (not actioned), ensure justification and associated risks are documented and reflected within departmental/Corporate Risk Registers.	Ongoing; Quarterly Reviews	Corporate Leadership Team	
Develop and implement an action plan to address outstanding recommendations on key financial systems, progressing in tandem with financial systems enhancements.	Ongoing	Head of Finance	Work is ongoing alongside current system enhancements.
Continue focus on governance training for both Corporate and Extended Leadership Teams, with dedicated sessions scheduled for November 2025.	November 2025	Director of Resources/Head of Legal and Support Services	
Officers to attend Audit and Governance Committee meetings to present updates and respond directly to member questions, following a newly developed protocol.	Ongoing	Director of Resources	
Internal Audit Manager to work closely with Heads of Service to develop and refine responses to audit recommendations. S151 officer to deliver targeted training during November 2025 governance sessions, focusing on SMART actions.	Ongoing; Targeted training in November 2025	Internal Audit Manager; Heads of Service; S151 Officer	

Foster wider involvement of the Corporate Leadership Team in drafting the Annual Governance Statement, in line with Chartered Institute of Public Finance and Accountancy guidance.	Annually, during Annual Governance Statement drafting cycle	Corporate Leadership Team	
<b>Brought forward from 2023/24 Action Plan</b>			
Business/Service Plan process and associated templates to be updated to include Internal Audit Plan as a consideration (as part of wider support service engagement)	December 2024	Head of HR and Organisational Development	Still to be implemented.
Engage internal audit as part of Business/Service Plan process	December 2024	Directors/Heads of Service	Still to be implemented.
Consider if managers' Job Description need to be updated to reflect importance of assurance.	December 2024	Head of HR and Organisational Development	Still to be implemented.



## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 6  
AUGUST 2025

Title of Report	REVIEW OF CORPORATE GOVERNANCE POLICIES	
Presented by	Paul Stone Director of Strategic Resources	
Background Papers	None	Public Report: Yes
Financial Implications	There are no financial implications to be considered.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	The policies are reviewed annually to ensure any updates in the law are noted so that the Council acts in accordance with the law.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	The suite of Corporate Governance Policies is regularly reviewed to ensure the Council operates effectively, in line with the appropriate standards.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To receive the Committee's comments on the Council's annual review of the Corporate Governance Policies ahead of Cabinet.	
Recommendations	<b>THAT THE AUDIT AND GOVERNANCE COMMITTEE PROVIDES ANY COMMENTS IT MAY HAVE FOR CONSIDERATION BY CABINET WHEN IT MEETS TO CONSIDER THE POLICIES ON 23 SEPTEMBER 2025.</b>	

**1.0 BACKGROUND**

1.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. In discharging this responsibility, the Council has in place arrangements for the governance of its affairs and staff.

1.2 The following documents constitute the Council's suite of Corporate Policies:

Policy	Last Reviewed
Anti-Fraud and Corruption Policy	2024
Anti-Money Laundering Policy	2024
Confidential Reporting (Whistleblowing) Policy	2024
Risk Management Policy	2024

RIPA Policy	2024
Local Code of Corporate Governance	2024
Information Governance Framework	2024
Data Protection Policy	2024
Information Security Policy	2024
Information Rights Policy	2024
Records Management Policy	2024

1.3 An annual review of the suite of policies has been undertaken and the revised draft policies are appended to this report. The Committee's views are sought ahead of consideration of the policies at Cabinet on 23 September 2025.

1.4 The Committee may recall that last year the Council adopted a new Information Governance Framework (the "Framework"), which incorporated four policies in relation to Data Protection, Information Rights, Information Security and Records Management. Underneath the policies sits a suite of guidance and procedures for use by officers within the Council to ensure compliance with the policies within the Framework. As the Framework has been in place for nearly a year, a more thorough review has been undertaken to assess whether the balance is right between requirements contained in policies and information contained in guidance. That review has taken longer than expected, as it involves cross-working between various services, including Information Governance and IT. Considering this, the review of these policies will be brought back to this Committee in November 2025 and then taken onto Cabinet at its next available meeting. It is intended that in future years, the Framework and associated policies will fall back within the Annual Corporate Governance Policies review.

## 2.0 POLICY REVIEW

2.1 Save for those in red text, the policies outlined in paragraph 1.2 have been reviewed by the relevant officers responsible for them.

2.2 The main changes to each policy are summarised below.

### **Anti-Fraud and Corruption Policy**

There have been no changes in legislation that affect this policy since the previous review. Therefore, only minor amendments have been made including updates to names referenced within the policy.

### **Anti-Money Laundering Policy**

There have been no changes in legislation that affect this policy since the previous review. Therefore, there have not been any amendments made to the policy following this review.

### **Confidential Reporting (Whistleblowing Policy)**

There have been no changes in legislation that affect this policy since the previous review. Therefore, only minor amendments have been made including updates to names, contact details and the Council's address.

## **Risk Management Policy**

There have been no changes in legislation that affect this policy since the previous review. Therefore, there have not been any amendments made to the policy following this review.

## **RIPA Policy**

There have been no changes in legislation that affect this policy since the previous review. Therefore, there have not been any amendments made to the policy following this review.

## **Local Code of Corporate Governance**

There have been no changes in legislation that affect this policy since the previous review. Therefore, only minor amendments have been made to the formatting of the document.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	A Well-Run Council.
Policy Considerations:	As detailed within the report.
Safeguarding:	Whistleblowing, surveillance using RIPA and Protecting people's data are all considered to be safeguarding our communities
Equalities/Diversity:	The opportunity for whistleblowing helps to ensure any risk of inequality or lack of diversity can be highlighted.
Customer Impact:	Anti-fraud, anti-money laundering and corruption will protect the customer from financial impact.
Economic and Social Impact:	Anti-fraud, anti-money laundering and corruption will protect the customer from any negative economic impacts.
Environment, Climate Change and Zero Carbon	N/A.
Consultation/Community/Tenant Engagement:	N/A.
Risks:	As part of its Corporate Governance arrangements, the Council must ensure that Risk management is considered and satisfactorily covered in any report put before elected Members for a decision or action. The purpose of this report is to set out the review undertaken by Corporate Governance Policy authors and detail the changes made. As part of this, the Risk Management Policy is reviewed annually.
Officer Contact	Paul Stone Strategic Director of Resources  Paul.stone@nwleicestershire.gov.uk

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## RISK MANAGEMENT POLICY

Item	Details
Reference:	Corporate Management – 1 - RMP
Status:	Draft
Originator:	Andy Barton
Owner:	Paul Stone
Version No:	8.0
Date:	

**Key policy details**

## Approvals

Item	Date of Approval	Version No.
Consulted with	N/a	
Reviewed by Audit and Governance Committee	7 August 2024	7.0
Approved by Cabinet	24 September 2024	7.0
Reviewed by Audit and Governance Committee		8.0

## Policy Location

This policy can be found on the Council's website and on the Sharepoint page under current policies tab.

## Equality Impact Assessment (EIA)

Completed by	Completion date
Paul Stone	13 June 2024

## Revision history

Version Control	Revision Date	Summary of Changes
8.0	16 June 2025	No changes.

## Policy Review Plans

This policy is subject to a scheduled review once every year or earlier if there is a change in legislation or local policy that requires it.

## Distribution

Title	Date of Issue	Version No.
Audit and Governance Committee	6 August 2025	8.0
Cabinet	23 September 2025	8.0
Available on NWL website		8.0

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## **1. INTRODUCTION**

1.1 The Council has adopted the principles of risk management in order to meet the following objectives:

- to protect the health, safety and welfare of its employees and the communities it serves.
- to protect its property, assets and other resources.
- to protect the services it provides; to maintain its reputation and good standing in the wider community; and
- to deliver its overall objectives and priorities.

## **2. RISK MANAGEMENT STRUCTURE**

2.1 Risk Management is co-ordinated corporately by the Health and Safety Officer and through the Corporate Risk Management Group (RMG) chaired by Director of Resources. It also refers and reports to Corporate Leadership Team on a quarterly basis, thereby reaching all services in the Council and ensuring senior management oversight and involvement. Progress on Corporate Risk Management is reported to Members through performance reports to the Audit and Governance Committee, at least quarterly. The Corporate Portfolio Holder is the Cabinet member with overall responsibility for risk management.

2.2 The RMG consists of delegates from various council services, each bringing valuable insights to the Council's risk management strategy and the continual evaluation of the Corporate Risk Register.

2.3 Risk management is embedded in the culture of the Council through:

- the continued adoption of the Council's risk management policy statement.
- a nominated officer lead, currently the Director of Resources.
- the RMG and Corporate Leadership Team accountability.
- an established uniform procedure for the identification, analysis, management and monitoring of risk.
- training and briefings in conjunction with appropriate third parties; and
- regular monitoring and reporting through the corporate performance management system and control mechanisms.
- Briefings and workshops held with Audit and Governance Committee Members.

2.4 The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal Audit play a vital role in advising the Council that these arrangements are in place and operating effectively. Each year the Council's Audit Manager produces a risk-based annual Audit Plan. This is informed by a risk assessment which includes a review of corporate and service risk registers, and consultation with key stakeholders and senior management. The Plan is developed to deliver a programme of internal audits to provide independent assurance to senior management and Members. Internal audit undertakes a risk based approach for individual assignments and gives a rating of the level of assurance that is awarded within



each system / business area. This demonstrates the extent to which controls are operating effectively to ensure that significant risks to the achievement of the Council's priorities are being addressed.

### **3. AIMS OF THE POLICY**

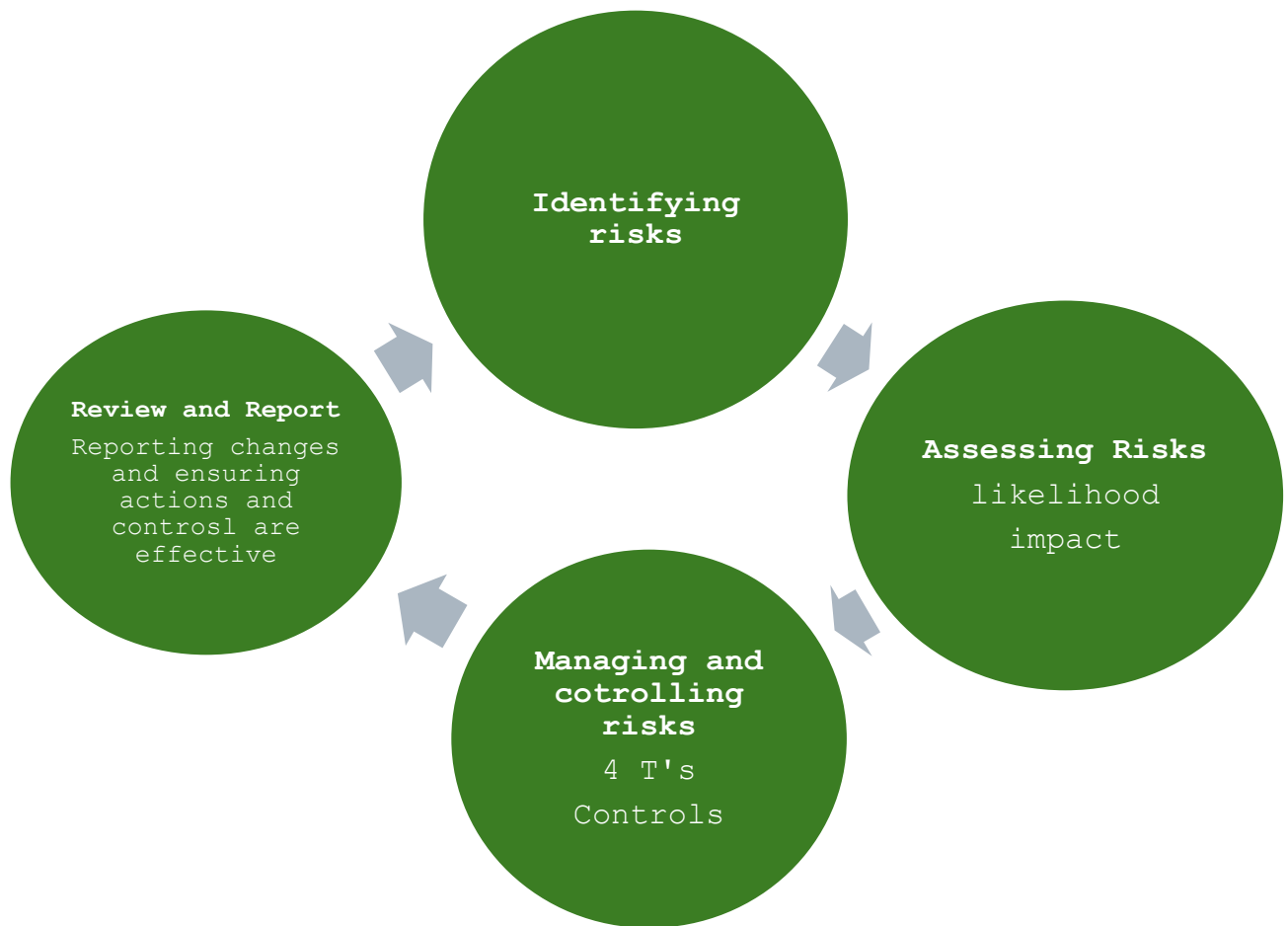
- 3.1 The Council will strive to maintain its diverse range of services to the community and visitors to the North West Leicestershire area. It will protect and continue to provide these services by ensuring that its assets, both tangible and intangible, are protected against loss and damage. The Council is committed to a programme of risk management to ensure its ambitions for the community can be fulfilled through:

*“The identification, analysis, management and financial control of those risks which can most impact on the Council’s ability to pursue its approved delivery plan”.*

- 3.2 The Council is committed to using risk management to maintain and improve the quality of its own services as well as any contribution by partnerships through its community leadership role. The Risk Management Policy has the following aims and objectives:

- to continue to embed risk management into the culture of the Council.
- to promote the recognition of risk within the Council’s defined corporate aims and objectives.
- continue to raise risk awareness within the Council and its partners.
- to manage risk in accordance with best practice.
- to comply with legislation and guidance.
- to improve safety and increase safety awareness.
- to protect Council property, services and public reputation.
- to reduce disruption to services by having effective contingency or recovery plans in place to deal with incidents when they occur.
- to minimise injury, damage, loss and inconvenience to residents, staff, service users, assets, etc arising from or connected with the delivery of Council services.
- to review robust frameworks and procedures for the identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice.
- to maximise value for money.
- The CMG will consistently conduct reviews of the Risk Management Policy and the associated processes through the Council's Corporate Leadership Team (CLT) to confirm their ongoing applicability and effectiveness for the Council. This annual review will also assess performance against the aims and objectives set out above. CLT will be accountable to Members for the effective management of risk within the Council. This will be achieved through the quarterly reporting of corporate risks to Audit and Governance Committee.

#### 4. RISK MANAGEMENT POLICY



4.1 The overall objective of the Council's Risk Management Policy is to ensure that risks to the Council's objectives, services, employees, partnerships and contractors are identified, recorded, amended, prioritised and then addressed by being treated, tolerated, transferred or terminated. The Policy incorporates:

(a) Identification / Consideration of Risks

- Identifies corporate and operational risks, assesses the risks for likelihood and impact, identifies mitigating controls and allocates responsibility for the mitigating controls.
- Requires the consideration of risk within all service plans and reviews and the regular review of existing risks as identified in the risk register.
- Requires, reports supporting strategic policy decisions and project initiation documents, to include a risk assessment.

- Externally horizon scans for impending risks that may impact the Council, communicate the risk to the appropriate risk owner so they can assess for likelihood and impact, identify mitigating controls and allocate responsibility for the mitigating controls.

(b) Development Delivery

- Allocates responsibility for embedding risk management to a senior officer and Member, to jointly champion.
- Embeds risk management into; strategic planning, financial planning, policy making and review, and performance management.
- Requires that an update report arising from the work of the RMG is presented to Corporate Leadership Team for discussion and information on a quarterly basis.
- Develops arrangements to monitor and measure performance of risk management activities against the Council's strategic aims and priorities.
- Considers risks in relation to significant partnerships, which requires assurances to be obtained about the management of those risks.

(c) Member Involvement / Responsibility

- Quarterly reports will be produced for Audit and Governance Committee on the management of business risks together with recommendation of appropriate actions.
- Reporting to Cabinet and Portfolio members where necessary.

(d) Training / Awareness

- Requires relevant training and toolkits to be given to appropriate staff to enable them to take responsibility for managing risks within their environment.
- Requires the maintenance of documented procedures for the control of risk and the provision of suitable information, training and supervision.
- Develops appropriate procedures and guidelines.
- Considers positive risks (opportunities) and negative risks (threats).
- Facilitates risk management awareness training for all members.

(e) Review

- Maintains and reviews a register of corporate business risks linking them to strategic business objectives and assigning ownership for each risk.
- Requires an annual review of the risk management process, including a report to CLT, localised Risk Registers where necessary and quarterly reporting to the Audit and Governance Committee.

- In the case of new or changing strategic risks, reports to Audit and Governance Committee through the quarterly performance reporting process.
- Requires each team / department to review their individual Risk Registers as and when required (but no less than quarterly) managed by the respective CLT member.

(f) Business Continuity

- Develops contingency plans in areas where there is a potential for an occurrence having a catastrophic effect on the delivery of the Council's services.

(g) Insurance

- Ensures the appropriate officer responsible for insurance is notified of any new risks.
- Ensures adequate records are maintained and retained to support the Council's defence against disputed insurance claims.

(h) Controlling the Risks

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 "4 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 the Council stops 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 the Council aims to reduce the likelihood of the threat materialising or else reduce the resultant impact through introducing relevant controls and continuity strategies.

## 5. RISK APPETITE

- 5.1 The Council's risk appetite guides how much risk it is willing to seek or accept to achieve its objectives. The Council recognises it will need to take risks, both in its ordinary business and to achieve the priorities set out in the Council Delivery Plan. Good risk management ensures the Council makes well informed decisions, and understands the associated risks. By ensuring that the Council properly respond to risks it will be more likely to achieve its priorities. It also provides control and a high level of due diligence consistent with the Council's responsibilities in managing public money.
- 5.2 The Council recognises effective risk management considers not just threats but also opportunities. So, the Council's approach to risk is to seek the right opportunities and, where possible, minimise threats. By encouraging managed risk taking and considering all of the available options the Council seeks a balance between caution and innovation.
- 5.3 The Council's risk appetite reflects its current position; encouraging managed risk taking for minor to moderate level risks but controlling more closely those risks that come

further up the scale. The Council's appetite for risk will vary over time depending on its ambitions and priorities and the environment it works in. Resources are aligned to priorities and arrangements are in place to monitor and mitigate risks to acceptable levels.

- 5.4 Beyond the Council's risk appetite is its risk tolerance. This sets the level of risk that is unacceptable, whatever opportunities might follow. In such instances the Council will aim to reduce the risk to a level that is within its appetite. Whilst appetite may be lower, tolerance levels may be higher, and the Council recognises that it is not possible or necessarily desirable to eliminate some of the risks inherent in its activities. In some instances, acceptance of risk within the public sector is necessary due to the nature of services, constraints within operating environment and a limited ability to directly influence where risks are shared across sectors.
- 5.5 The Council illustrates its risk appetite and tolerance in its grading of risks within the risk register. Risks that are red represents the outer limit of the Council's risk appetite, and those amber or green indicates the tolerance. Where risks are identified as red, the Council will seek to reduce these risks through the 4 T's identified above. The Council is unlikely to take risks that will cause a significant negative consequence for its objectives, and only would consider doing so where this is a clear and overarching need to do so.

## **6. CORPORATE RISK MANAGEMENT GROUP**

- 6.1 The Corporate Risk Management Group is made up of technical experts and corporate leads from the Council's Service Areas. Members of the Group act as "champions" for risk within their services and the Group provides a link into the CLT.
- 6.2 The role of the Group is to maintain a formal framework that will assist with the management of risk and business continuity, by developing the corporate lead and advising CLT on the expected outcome. The objectives of the Group are:
- to assess and advise on the reduction of prevailing risks within the Council's services, to the benefit of staff and the public.
  - to discuss, agree and recommend as appropriate, on matters relating to corporate risk policy.
  - to make reports and recommendations to CLT.
  - to discuss operational risks insofar as they relate to matters of cross-directorate interest.
  - to oversee the implementation of the Council's Risk Management Policy, and to promote a holistic approach to its ongoing management.
  - to promote good risk management practices with the aim of reducing potential liabilities.
  - to consider and identify new risks, and ideas / schemes for risk reduction.
  - to provide a forum to discussion on risk management issues.

These will be achieved through the following:

- using the Council's Risk Management reporting system.
- monitoring the Risk Management Policy.
- reviewing the Council's risk register and associated action plans, acting as a forum for examining and rating risks and making recommendations to CLT.
- developing a comprehensive performance framework for risk management, and developing and using key indicators capable of showing improvements in risk management and providing early warning of risk.
- supporting the development and review of internal standards and procedures regarding significant risk areas.
- supporting the development and implementation of relevant training, awareness and education programmes.
- supporting the development and implementation of adequate, relevant and effective reporting, communication and information dissemination systems with managers and staff.
- supporting the effective monitoring and review of near misses, untoward incidents and accidents, legal and insurance claims and verifying that appropriate management action has been taken promptly to minimise the risk of future occurrence.
- supporting the review of the risk register and action plans to ensure that appropriate management action is taken appropriately to tolerate, treat, transfer or terminate the risk.
- monitoring compliance with legal and statutory duties.
- providing progress reports to CLT and members, drawing to their attention significant business risks.
- encouraging localised Risk Registers to be created where necessary, as well as supporting dynamic risk assessment.

## **7. PROCEDURES**

- 7.1 The Council will adopt uniform procedures for the identification, analysis, management and monitoring of risk. These will be embodied in a formal risk management framework, which will be subject to annual review by the Audit and Governance Committee, following consideration by CLT.

The approved framework is set out in Appendix A to this Policy document.

## **8. FUNDING FOR RISK MANAGEMENT**

- 8.1 The annual Service and Financial Planning process will include a review of operational risks and consider the allocation of funds for risk management initiatives as part of the annual budget process. If additional funds are required approval will be sought initially from CLT.

## **9. BENEFITS OF EFFECTIVE RISK MANAGEMENT**

9.1 Effective risk management will deliver a number of tangible and intangible benefits to Individual services and to the Council as a whole, for example:

### Improved Strategic Management

- Greater ability to deliver against objectives and targets
- Increased likelihood of change initiatives being delivered effectively
- Improved reputation, hence support for regeneration
- Increased confidence to take controlled risks

### Improved Operational Managements

- Reduced interruptions to service delivery: fewer surprises!
- Reduced managerial time spent dealing with the consequences of a risk event occurring
- Improved health and safety of employees and others affected by the Council's activities
- Compliance with legislation and regulations

### Improved Financial Management

- Better informed financial decision-making
- Enhanced financial control
- Reduced financial costs associated with losses due to service interruption, litigations, etc.
- Improved containment of insurance premiums Improved Customer Service
- Minimal service disruption to customers and a positive external image

## **10. CURRENT CHALLENGES FACING THE COUNCIL**

10.1 The Council provides a range of services to the residents of North West Leicestershire and the environment within which it operates is always evolving and changing. The current key challenges facing the Council include:

- Ensuring financial sustainability over the medium term.
- Ensuring business continuity and information technology security arrangements are futureproof.
- Working with partners to establishing the East Midlands Freeport
- Keeping abreast of Government policy changes, for example the requirements of the Office for Local Government.
- Continually developing compliance and assurance frameworks to ensure robust decision making.

- Recruiting to and retaining key positions across the Council.



## APPENDIX A

### RISK MANAGEMENT FRAMEWORK

#### **(A) What is the framework?**

This framework promotes a set of uniform risk management procedures through which directorates will identify, analyse, monitor and manage the risks faced by the Council.

For the purposes of the framework, risk management is defined as *“the identification, analysis, management and financial control of those risks that can impact on the Council’s ability to deliver its services and priorities.”*

Risk management is, therefore, concerned with better decision making, through a clear understanding of all associated risks before final decisions are made by either members or officers. When risks are properly identified, analysed and prioritised it is possible to formulate action plans that propose management actions to reduce risk or deal adequately with the consequences of the risks should they occur. The underlying aim is to treat, terminate or transfer risk to bring them to an acceptable manageable level within the Council, monitor tolerated risk, ensuring services to the public can be maintained, and that the Council’s priorities can be fulfilled.

Risk management, therefore, supports the Council’s service planning process by positively identifying the key issues that could affect the delivery of the service objectives.

#### **(B) Why does the Council need to consider risk management as part of its service planning?**

All organisations must deal with risks, whatever their nature. As a general principle the Council will seek to reduce or control all risks that have the potential to:

- harm individuals.
- affect the quality-of-service delivery or delivery of the council’s priorities.
- have a high potential of occurrence.
- would affect public confidence.
- would have an adverse effect on the council’s public image.
- would have significant financial consequences.
- have a potential for litigation in line with exposure detailed below.

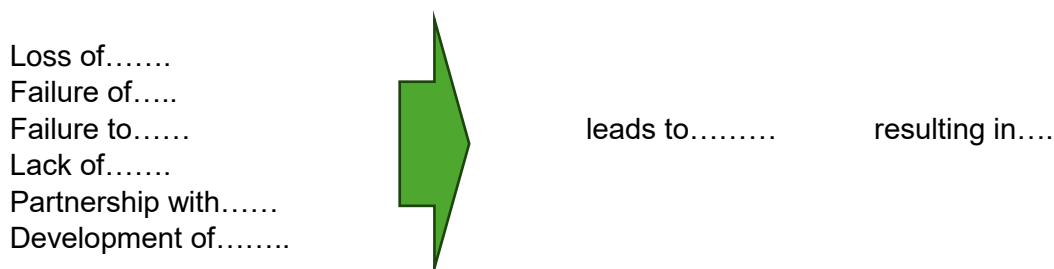
Risk Management cannot, therefore, be considered in isolation but needs to be an integral part of decision-making and service planning processes of the Council. Risk management must be fully embedded in:

- service planning,
- performance management,
- best value,
- committee reports.

### (C) Identifying and assessing risk

In identifying risks, it is important to consider what could prevent or hinder the Council from achieving its objectives. There are three parts to a risk – an **event** that has a **consequence** that leads to an **impact** on the Council's objectives.

Typical risk phrasing could be:



You will also need to identify whether the risk is:

- **Strategic:** risks that are significant in size and duration and will impact on the reputation and performance

of the Council as a whole and in particular on its ability to deliver its four strategic priorities.

- **Corporate:** risks to corporate systems or processes that underpin the organisation's overall governance,

operation and ability to deliver services.

- **Partnership:** risks to a partnership meeting its objectives or delivering agreed services/projects.

- **Operational:** risks specific to the delivery of individual services/service performance/project.

Once risks have been identified, an assessment of their significance is required. This requires a robust and transparent scoring mechanism to be used uniformly across Council directorates.

Scoring should be a group exercise including managers and frontline employees. This is because people's perceptions vary and this can have an effect on scoring the risk. Employees who experience a risk every day can become complacent and fail to see how serious it may actually be, whilst a group will usually see the wider impact.

A decision on risk ownership is also required. The owner should be at management level and be responsible for ensuring that controls identified to manage the risk are in place and that they are effective. Delegation of responsibility for particular actions to other employees is acceptable, but overall control of risk must remain with management.

Tables 1 and 2 below set out a scoring mechanism for assessing the likelihood and the impact of exposure to risk.

**Table 1 - 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

**Table 2 - 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> <p>Potential for a complaint litigation possible. Breaches of regulations / standards.</p>

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

**(D) Prioritisation of risk**

Table 3 brings together in a matrix the likelihood and impact of risk.

**Table 3 - a risk matrix**

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

Based on this matrix, the Council must decide on the level of risk it is prepared to accept as part of its ongoing operations. Any risk above the agreed level should be considered unacceptable and will therefore need to be managed. The risks in the above matrix fall into three zones; red, amber and green. Table 4 sets out the Council's intended response to these risks.

**Table 4 - intended responses to risk**

<b>Red</b>	Controls and/or mitigating actions are required to reduce the risk to an acceptable level. Effort should be focused on reducing the risk of any items appearing in this zone, hence moving them to the amber or green zone.
<b>Amber</b>	Risks will require ongoing monitoring to ensure they do not move into the red zone. Depending on the resources required to address the red risks, it may be appropriate to develop controls/mitigating actions to control these risks.
<b>Green</b>	Existing controls and/or mitigating actions are sufficient and may be excessive. More resource committed to reduce these risks is likely to be wasted. Consideration should be given to relaxing the level of control to release resources for mitigating higher level risks.

(E) Format of the risk register

Ref	Risk description	Inherent Risk			Risk Respo nse	Risk Owner	Residual Risk		
		Likelihood	Impact	Severity score			Likelihood	Impact	Severity
CR1	<b>Name of Risk</b>  <b>Risk</b>  <b>Consequence</b>	4	3	12	Treat		3	2	6
Existing Controls	<ul style="list-style-type: none"><li></li></ul>								
Planned mitigating actions					Delivery timescales				
Comments and progress on actions									

## **(F) Roles of Officers**

The Council's work is delivered largely through its officers. Set out below is a summary of the roles of different groups of officers in the risk management process:

**Lead officer** – to oversee the overall risk management process and ensuring reporting to Audit and Governance Committee, Cabinet and if necessary, Council. Keep this Risk Management Policy under annual review.

**CLT Members** – to instil the importance of Risk Management as set out in this policy, to ensure that risk registers etc as set out in this policy are addressed in their areas of responsibility, and to take part in the overall management of risk across the Council.

**Head of Human Resources and Organisational delivery** – to address training needs related to the management of risk as they arise through Team Management plans and the coverage of risk training plan for the organisation as a whole.

**Project sponsors** – to ensure the projects under their sponsorship comply with the Risk Management Policy.

**Team Managers** – to ensure risk management is instilled into Team Plans as they are developed and ensure that risk management is taken forward as part of the operation of their respective areas of control.

**Members of Corporate Risk Management Group** – to act as champions of risk in their service areas, and deliver the objectives of the group as set out in this policy.

**All staff** – to ensure that they are aware of risk management, the corporate policy regarding risk, and identify, report or manage risk as appropriate within their control.

## **(G) Roles of Members**

**Audit and Governance Committee** The role in addressing outstanding internal audit recommendations is multifaceted and crucial for the integrity of an organisation's governance and risk management frameworks. By actively pursuing the resolution of outstanding recommendations, audit committee members help to strengthen the organization's controls and risk management practices.

The Corporate Risk Register is reviewed by CLT on a quarterly basis. Where the discussion reveals that one or more of the criteria outlined below is met, then the relevant Director or Head of Service may be invited to an upcoming Audit and Governance Committee to discuss in more detail if needed.

Criteria for inviting the Director or Head of Service to the Audit and Governance Committee:

- There has been limited progress on the implementation of mitigating actions, over at least two successive quarters
- There is a deteriorating direction of travel, with either increased likelihood / impact of the risk.
- There are significant or emerging likely impacts from a budget perspective, reputational view, or a failure to meet statutory requirements in the area of risk.
- The risk has been considered by the Corporate Risk Management Group and is recommended for review by Audit and Governance Committee.

- There is a forecasted change in the context of the risk (i.e. national policy changes), which requires a review of the likelihood and impact; alongside a challenge on the effectiveness of any current controls.





# ANTI-FRAUD AND CORRUPTION POLICY

Item	Details
Reference:	Internal Audit – 1 – AF&CP
Status:	<b>Draft</b>
Originator:	Kerry Beavis
Owner:	Kerry Beavis
Version No:	2.8
Date:	

## Key policy details

### Approvals

Item	Date of Approval	Version No.
Consulted with	N/A	N/A
Reviewed by Audit and Governance Committee		2.8
Approved by Cabinet		2.8

The policy owner has the authority to make the following minor changes without approval

N/A

### Policy Location

This policy can be found on the Council's website and the SharePoint page.

### Equality Impact Assessment (EIA)

Completed by	Completion date
Kerry Beavis	30 July 2024

### Revision history

Version Control	Revision Date	Summary of Changes
2.1	September 2015	
2.2	October 2019	
2.3	May 2020	
2.4	June 2021	
2.5	June 2022	
2.6	June 2023	Minor amendments – name and job title changes.
2.7	July 2024	Minor amendments – name change
2.8	July 2025	Minor amendments – name change

### Policy Review Plans

This policy is subject to a scheduled review annually or earlier if there is a change in legislation or local policy that requires it.

## Distribution

Title	Date of Issue
Audit and Governance Committee	
Cabinet	
Available on NWL website	

	Contents
1.	Introduction
2.	Scope
3.	Definitions
4.	Culture
5.	Responsibilities
6.	Prevention and deterrence
7.	Detection and investigation
8.	Raising concerns
Appendix A	

# ANTI-FRAUD AND CORRUPTION POLICY

## 1. INTRODUCTION

- 1.1 North West Leicestershire District Council has a duty to ensure that it safeguards the public money that it is responsible for. The Council expects the highest standards of conduct and integrity from all that have dealings with it including staff, members, contractors, volunteers and the public. It is committed to the elimination of fraud and corruption and to ensuring that all activities are conducted ethically, honestly and to the highest standard of openness and accountability so as to protect public safety and public money.
- 1.2 All suspicions or concerns of fraudulent or corrupt practice will be investigated. There will be no distinction made in investigation and action between cases that generate financial benefits and those that do not. Any investigations will not compromise the Council's commitment to Equal Opportunities or the requirements of the Human Rights Act or any other relevant statutory provision.

## 2. SCOPE

- 2.1 This policy provides an overview of the measures designed to combat any attempted fraudulent or corrupt act, whether attempted internally or externally. The policy is designed to:
- encourage prevention;
  - promote detection;
  - ensure effective investigation where suspected fraud or corruption has occurred;
  - prosecute offenders where appropriate; and
  - recover losses in all instances of fraud or financial irregularity where possible.

## 3. DEFINITIONS

### 3.1 Fraud

The Fraud Act 2006 is legislation that has been introduced in order to provide absolute clarity on the subject of fraud. Section 1 of the Act introduced a new general offence of fraud and three ways of committing it:

- fraud by false representation;
- fraud by failing to disclose information; and
- fraud by abuse of position.

Fraud by false representation requires:

- dishonesty;
- an intent to make gain or cause loss; and
- the person makes the representation knowing that it is or might be untrue or misleading.

Fraud by failing to disclose information requires:

- dishonesty;
- an intent to make gain or cause loss; and
- failure to disclose information where there is a legal duty to disclose.

Fraud by abuse of position requires:

- dishonesty;
- an intent to make gain or cause loss; and
- abuse of a position where one is expected to safeguard another person's financial interests.

### 3.2 Corruption

Corruption is a form of dishonesty or criminal activity undertaken by a person or organisation entrusted with a position of authority, often to acquire illicit benefit.

### 3.3 Bribery

Broadly the Bribery Act 2010 defines bribery as giving or receiving a financial or other advantage in connection with the “improper performance” of a position of trust, or a function that is expected to be performed impartially or in good faith.

### 3.4 Money Laundering

Money laundering describes offences involving the integration of the proceeds of crime, or terrorist funds, into the mainstream economy. Whilst the risk of money laundering to the Council is relatively low and the provision of The Money Laundering Regulations 2007 do not strictly apply to the Council, the Council has adopted an Anti-Money Laundering policy as good practice. This policy supports staff in complying with the money laundering provisions included within the Proceeds of Crime Act 2002 and the Terrorism Act 2000.

## 4. **CULTURE**

- 4.1 The Council has determined that the culture and tone of the organisation will be one of honesty and opposition to fraud and corruption. The Council will not tolerate malpractice or wrongdoing in the provision of its services and is prepared to take vigorous action to stamp out any instances of this kind of activity. The fight against fraud and corruption can only be truly effective where these acts are seen as anti-social unacceptable behaviour and whistle blowing is perceived as a public-spirited action.
- 4.2 The prevention/detection of fraud/corruption and the protection of public money are responsibilities of everyone, both internal and external to the organisation. The Council's elected members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will wherever possible be treated in confidence. The public also has a role to play in this process and should inform the Council if they feel that fraud/corruption may have occurred. The Nolan Committee on Standards in Public Life set out the seven guiding principles (Appendix A) that apply to people who serve the public.
- 4.3 Concerns must be raised when members, employees or the public reasonably believe that one or more of the following has occurred or is in the process of occurring or is likely to occur:

- a criminal offence;
  - a failure to comply with a statutory or legal obligation;
  - improper or unauthorised use of public or other official funds;
  - a miscarriage of justice;
  - maladministration, misconduct or malpractice;
  - endangering an individual's health and/or safety;
  - damage to the environment; and
  - deliberate concealment of any of the above.
- 4.4 The Council will ensure that any allegations received in any way, including by anonymous letter or telephone call, will be taken seriously and investigated in an appropriate manner. The Council has a [Confidential Report \(Whistleblowing\) policy](#) that sets out the approach to these types of allegation in more detail.
- 4.5 The Council will take action against those who defraud the Council or who are corrupt or where there has been financial malpractice. There is a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees raising malicious allegations) may be dealt with as a disciplinary matter.
- 4.6 Where fraud or corruption has occurred due to a breakdown in the Council's systems or procedures, the relevant Head of Service will ensure that appropriate improvements in systems of control are implemented in order to prevent re-occurrence.

## **5. RESPONSIBILITIES**

### **5.1 Responsibilities of Elected Members**

As elected representatives, all members of the Council have a duty to protect the Council and public money from any acts of fraud and corruption. This is done through existing practice, compliance with the Members' Code of Conduct, the Council's Constitution including Financial Regulations and Standing Orders and relevant legislation.

### **5.2 Responsibilities of the Monitoring Officer**

The Monitoring Officer is responsible for ensuring that all decisions made by the Council are within the law. The Monitoring Officer's key role is to promote and maintain high standards of conduct throughout the Council by developing, enforcing and reporting appropriate governance arrangements including codes of conduct and other standards policies.

### **5.3 Responsibilities of the Section 151 Officer**

The Director of Resources has been designated as the statutory officer responsible for financial matters as defined by s151 of the Local Government Act 1972. The legislation requires that every local authority in England and Wales should 'make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has the responsibility for the administration of those affairs'.

Under the Director of Resources responsibilities, 'proper administration' encompasses all aspects of local authority financial management including:

- compliance with the statutory requirements for accounting and internal audit;
- managing the financial affairs of the Council;
- the proper exercise of a wide range of delegated powers both formal and informal;
- the recognition of the fiduciary responsibility owed to local tax payers.

Under these statutory responsibilities the Section 151 Officer contributes to the antifraud and corruption framework of the Council.

#### **5.4 Responsibilities of Employees**

Each employee is governed in their work by the Council's Standing Orders and Financial Regulations, and other codes on conduct and policies (Employee Code of Conduct, Health and Safety Policy, ICT and Cyber Security Policy). Included in the Employee Code of Conduct are guidelines on Gifts and Hospitality, and advice on professional and personal conduct and conflicts of interest. These are issued to all employees when they join the Council. Appropriate disciplinary procedures will be invoked where there is a breach of policy.

Employees are responsible for ensuring that they follow instructions given to them by management, particularly in relation to the safekeeping of the assets of the Council.

Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with management.

#### **5.5 Role of the Leicestershire Revenues and Benefits Partnership Fraud Investigation Team**

The Fraud Team based at the Leicestershire Revenues and Benefits Partnership is responsible for the investigation of all revenues and benefit related alleged/suspected fraud cases. Due to the specialised nature of these investigations, a separate sanctions policy has been developed that covers all aspects of the investigation process.

#### **5.6 Role of the External Auditors**

Independent external audit is an essential safeguard of the stewardship of public money. This is currently carried out by Azets through specific reviews that are designed to test (amongst other things) the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud and corruption. It is not the external auditor's function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity and will act without undue delay if grounds for suspicion come to their notice.

#### **5.7 Role of the Public**

This policy, although primarily aimed at those within or associated with the Council, enables concerns raised by the public to be investigated, as appropriate, by the relevant person in a proper manner.

#### **5.8 Conflicts of Interest**

Both elected members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning and land issues etc. Effective role separation will ensure decisions made are seen to be based on impartial advice and avoid questions about improper disclosure of confidential information.

## **6. PREVENTION AND DETERRENCE**

### **6.1 Responsibilities of the Corporate Leadership Team (CLT)**

Managers at all levels are responsible for the communication and implementation of this policy. They are also responsible for ensuring that their employees are aware of the Council's policies and procedures relating to financial management and conduct and that the requirements are being met. Managers are expected to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities. Special arrangements may be applied from time to time for example where employees are responsible for cash handling or are in charge of financial systems and systems that generate payments, for example payroll or the Council Tax system. These procedures should be supported by relevant training.

Management has responsibility for the prevention of fraud and corruption within all departments. It is essential that managers understand the importance of soundly designed systems which meet key control objectives and minimise opportunities for fraud and corruption. They are responsible for assessing the potential for fraud and corruption within their own department's activities and for implementing appropriate strategies to minimise this risk.

The Council recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts and agency staff. The Council's formal recruitment procedures contain appropriate safeguards in the form of written references, the verification of qualifications held and employment history. Disclosure and Barring Service (DBS) checks are undertaken for employees working with or who may have contact with children and vulnerable adults.

### **6.2 Role of Internal Audit**

Internal Audit plays a preventative role in trying to ensure that systems and procedures are in place to prevent and deter fraud and corruption. Internal Audit may be requested to investigate cases of suspected financial irregularity, fraud or corruption, except Benefit fraud investigations and Single Person Discount fraud, in accordance with agreed procedures. Within the Financial Procedures Rules in the Constitution, representatives of Internal Audit have the authority to:

- enter any Council owned or occupied premises or land at all 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 deem 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.

Internal Audit liaises with management to recommend changes in procedures to reduce risks and prevent losses to the Authority.

### 6.3 **Working with Others and Sharing Information**

The Council is committed to working and co-operating with other organisations to prevent fraud and corruption and protect public funds. The Council may use personal information and data-matching techniques to detect and prevent fraud, and ensure public money is targeted and spent in the most appropriate and cost-effective way. In order to achieve this, information may be shared with other bodies for auditing or administering public funds including the Cabinet Office, the Department of Work and Pensions, other local authorities, National Anti-Fraud Network, HM Revenues and Customs, and the Police.

### 6.4 **National Fraud Initiative (NFI)**

The Council participates in the National Fraud Initiative (NFI). This requires public bodies to submit a number of data sets, for example payroll, Council Tax, and accounts payable (but not limited to these) which is then matched to data held by other public bodies. Any positive matches (e.g. an employee on the payroll in receipt of housing benefit) are investigated.

### 6.5 **Data Sharing**

In the interests of protecting the public purse and the prevention and detection of fraud, members of staff are actively encouraged to report any instances of fraud. We have published fair processing notices on our website and also display this information in our public areas, notifying members of the public that we will share information held between departments and other third-party organisations as appropriate in order to prevent and detect crime.

### 6.6 **Training and Awareness**

The successful prevention of fraud is dependent on risk awareness, the effectiveness of training and the responsiveness of staff throughout the Council. The Council recognises that the continuing success of this policy and its general credibility will depend in part on the effectiveness of training and awareness for members and employees and will therefore take appropriate action to raise awareness levels.

### 6.7 **Disciplinary Action**

The Council's Disciplinary Procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees. Theft, fraud and corruption are serious offences which may constitute gross misconduct against the Council and employees will face disciplinary action if there is evidence that they have been involved in these activities, including benefit fraud. Disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual case.

Members will face appropriate action under this policy if they are found to have been involved in theft, fraud or corruption against the Authority. Action will be taken in addition to, or instead of criminal proceedings, depending on the circumstances of each individual case but in a consistent manner. If the matter is a breach of the Members' Code of Conduct then it will be dealt with under the arrangements agreed by the Council in accordance with the Localism Act 2011.

#### **6.8 Prosecution**

In terms of proceedings, the Council will endeavour to take action in relevant cases to deter others from committing offences against the Council. Any prosecution will be in accordance with the principles contained within The Code for Crown Prosecutors.

#### **6.9 Publicity**

The Council will optimise the publicity opportunities associated with anti-fraud and corruption activity within the Council. Wherever possible, where the Council has suffered a financial loss action will be taken to pursue the recovery of the loss.

All anti-fraud and corruption activities, including the update of this policy, will be publicised in order to make employees and the public aware of the Council's commitment to taking action on fraud and corruption when it occurs.

### **7. DETECTION AND INVESTIGATION**

#### **7.1** Although audits may detect fraud and corruption as a result of the work that they are undertaking, the responsibility of the detection of financial irregularities primarily rests with management. Included within the audit plans are reviews of system controls including financial controls and specific fraud and corruption tests, spot checks and unannounced visits.

In addition to Internal Audit, there are numerous systems and management controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that aids detection. In some cases frauds are discovered by chance or 'tip-off' and the Council will ensure that such information is properly dealt with within its Confidential Reporting (Whistleblowing) policy.

The Council is committed to the investigation of all instances of actual, attempted and suspected fraud committed by employees, members, consultants, suppliers and other third parties and the recovery of funds and assets lost through fraud.

Any suspected fraud, corruption or other irregularity should be reported to Internal Audit. The Audit Manager will decide on the appropriate course of action to ensure that any investigation is carried out in accordance with Council policies and procedures, key investigation legislation and best practice. This will ensure that investigations do not jeopardise any potential disciplinary action or criminal sanctions.

Action could include:

- investigation carried out by Internal Audit staff;
- joint investigation with Internal Audit and relevant directorate management;
- directorate staff carry out investigation and Internal Audit provide advice and guidance;
- referral to the Police.

The responsibility for investigating potential fraud, corruption and other financial irregularities within the Council lies mainly (although not exclusively) with the Internal Audit section.

## 8. RAISING CONCERNS

- 8.1 All suspected or apparent fraud or financial irregularities must be raised, in the first instance, directly with the manager or if necessary in accordance with the Council's [Confidential Reporting \(Whistleblowing\) Policy](#). Advice and guidance on how to pursue matters of concern may be obtained from the Council's nominated contact points who are:

- Chief Executive: [allison.thomas@nwleicestershire.gov.uk](mailto:allison.thomas@nwleicestershire.gov.uk)  
Telephone 01530 454500
- Monitoring Officer: [kate.hiller@nwleicestershire.gov.uk](mailto:kate.hiller@nwleicestershire.gov.uk)  
Telephone 01530 454379
- Section 151 Officer: [paul.stone@nwleicestershire.gov.uk](mailto:paul.stone@nwleicestershire.gov.uk)  
Telephone 01530 454495
- Audit Manager: [kerry.beavis@nwleicestershire.gov.uk](mailto:kerry.beavis@nwleicestershire.gov.uk)  
Telephone 01530 454728

# APPENDIX A

## THE SEVEN PRINCIPLES OF PUBLIC LIFE

### **Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisation that might influence them in the performance of their official duties.

### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **Openness**

Holders of public office should be as open as possible about all the decisions and action that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

*Committee on Standards in Public Life - The Nolan Report (1995)*



# ANTI-MONEY LAUNDERING POLICY

Item	Details
Reference:	Internal Audit – 2 - AML
Status:	<b>Draft</b>
Originator:	Kerry Beavis
Owner:	Kerry Beavis
Version No:	2.7
Date:	

## Key policy details

### Approvals

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Consulted with	N/A	
Reviewed by Audit and Governance Committee		2.7
Approved by Cabinet		2.7

The policy owner has the authority to make the following minor changes without approval

N/A

### Policy Location

This policy can be found on the Council's website and on the SharePoint page.

### Equality Impact Assessment (EIA)

Completed by	Completion date
Kerry Beavis	30 July 2024

### Revision history

Version Control	Revision Date	Summary of Changes
2.1	September 2015	
2.2	May 2020	
2.3	June 2021	
2.4	June 2022	
2.5	June 2023	Minor amendments - name changes.
2.6	July 2024	Minor amendments - name changes.
2.7	July 2025	No changes

### Policy Review Plans

This policy is subject to a scheduled review once annually or earlier if there is a change in legislation or local policy that requires it.

### Distribution

Title	Date of Issue
Audit and Governance Committee	

Cabinet	
NWL Website	

	<b>Contents</b>
1.	Introduction
2.	Scope of the policy
3.	Definition of money laundering
4.	Requirements of the money laundering legislation
5.	The money laundering reporting officer (MLRO)
6.	Client identification procedures
7.	Reporting procedure for suspicions of money laundering
8.	Consideration of the disclosure by the money laundering reporting officer
9.	Training

## **ANTI-MONEY LAUNDERING POLICY**

### **1. INTRODUCTION**

- 1.1 The Council is committed to the highest possible standards of conduct and has, therefore, put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements. Although local authorities are not directly covered by the requirements of the Money Laundering and Terrorist Financing (Amendment) Regulations 2023, they are bound by the Proceeds of Crime Act 2002 and the Terrorism Act 2006, both of which place a number of duties and responsibilities on local authorities and employees and members of the same, in order that they do not find themselves subject to criminal prosecution.

### **2. SCOPE OF THE POLICY**

- 2.1 This policy applies to all employees, whether permanent or temporary, and members of the Council. Its aim is to enable employees and members to respond to a concern they have during their dealings for the Council. Individuals who may have a concern relating to a matter outside work should contact the Police.

### **3. DEFINITION OF MONEY LAUNDERING**

- 3.1 Money laundering is a term designed to cover a number of offences. These offences relate to the improper handling of funds that are the proceeds of criminal acts, or terrorist acts, so that they appear to come from a legitimate source. It relates to both the activities of organised crime but also to those who benefit financially from dishonest activities such as receiving stolen goods. The Proceeds of Crime Act 2002 (POCA), as amended by the Serious Organised Crime and Police Act 2005, creates a range of criminal offences arising from dealing with proceeds of crime.

The four main offences that may be committed under money laundering legislation are:

- concealing, disguising, converting, transferring or removing criminal property from anywhere in the UK;
- entering into or becoming concerned in an arrangement which a person knows, or suspects facilitates, the acquisition, retention, use or control of criminal property by or on behalf of another person;
- acquiring, using or possessing criminal property.\*
- entering into or being concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property\*\* by concealment, removal, transfer or in any other way.

It is also an offence to attempt, conspire or incite to commit any of the above offences and to aid, abet, counsel, or procure the commission of any of the above offences.

\* Criminal property is something which constitutes a person's benefit from criminal conduct or represents such benefit; it is not limited to money and there is no minimum amount.

\*\* Terrorist property includes money or other property likely to be used for terrorism,



proceeds of terrorist acts, and proceeds of acts carried out for the purposes of terrorism.

There are also two 'third party' offences:

- failing to disclose information relating to money laundering offences (in respect of both criminal property and terrorist property) where there is reasonable grounds for knowledge or suspicion \*\*\*; and,
- tipping off or informing someone who is, or is suspected of, being involved in money laundering activities, in such a way as to reduce the likelihood of or prejudice an investigation.

\*\*\* It is important to note that whilst the disclosure obligations and tipping off offences in relation to criminal property will not always strictly apply to local authorities all individuals and businesses have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from terrorism, proceeds of acts carried out for the purposes of terrorism or likely to be used for terrorism, where that information has come to them in the course of their business or employment.

3.2 The Terrorism Act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purpose of terrorism or resulting from acts of terrorism.

3.3 Although the term 'money laundering' is generally used to describe the activities of organised crime for most people it will involve a suspicion that someone they know, or know of, is benefiting financially from dishonest activities.

3.4 Potentially very heavy penalties (unlimited fines and imprisonment up to fourteen years) can be handed down to those who are convicted of one of the offences above.

## **4. REQUIREMENTS OF THE MONEY LAUNDERING LEGISLATION**

4.1 The main requirements of the legislation are to:

- appoint a money laundering reporting officer;
- maintain client identification procedures in certain circumstances;
- implement a procedure to enable the reporting of suspicions of money laundering;
- maintain record keeping procedures.

## **5. THE MONEY LAUNDERING REPORTING OFFICER (MLRO)**

5.1 The Council has designated the Section 151 Officer as the Money Laundering Reporting Officer (MLRO). He can be contacted on 01530 454495 or at [paul.stone@nwleicestershire.gov.uk](mailto:paul.stone@nwleicestershire.gov.uk).

In the absence of the MLRO or instances where it is suspected that the MLRO themselves are involved in suspicious transactions, concerns should be raised with the Deputy Section 151 Officer, who can be contacted on 01530 454492 or at [anna.crouch@nwleicestershire.gov.uk](mailto:anna.crouch@nwleicestershire.gov.uk).

## **6. CLIENT IDENTIFICATION PROCEDURES**

- 6.1 Although not a legal requirement, the Council has developed formal client identification procedures which must be followed when Council land or property is being sold. These procedures require individuals and, if appropriate, companies to provide proof of identity and current address.

If satisfactory evidence is not obtained at the outset of a matter, then the transaction must not be progressed and a disclosure report, available on the intranet, must be submitted to the Money Laundering Reporting Officer.

All personal data collected must be kept in compliance with the Data Protection Act 2018.

## **7. REPORTING PROCEDURE FOR SUSPICIONS OF MONEY LAUNDERING**

- 7.1 Where you know or suspect that money laundering activity is taking/has taken place or become concerned that your involvement in a matter may amount to a prohibited act under the Act, you must disclose this as soon as practicable to the MLRO. The disclosure should be within 'hours' of the information coming to your attention, not weeks or months.
- 7.2 Your disclosure should be made to the MLRO using the disclosure form, available on the intranet.

The report must include as much detail as possible including:

- full details of the person involved;
- full details of the nature of their/your involvement;
- the types of money laundering activity involved;
- the dates of such activities;
- whether the transactions have happened, are ongoing or are imminent;
- where they took place;
- how they are undertaken;
- the (likely) amount of money/assets involved; and
- why, exactly, you are suspicious.

Along with any other available information to enable the MLRO to make a sound judgement as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable them to prepare their report to the National Crime Agency (NCA), where appropriate. You should also enclose copies of any relevant supporting documentation.

If you are concerned that your involvement in the transaction would amount to a prohibited act under sections 327-329 of the Proceeds of Crime Act 2002, then your report must include all relevant details, as you will need consent from the NCA, via the MLRO, to take any further part in the transaction – this is the case even if the client gives instructions for the matter to proceed before such consent is given. You should therefore make it clear in the report if such consent is required and whether there are any deadlines for giving such consent should be clarified e.g. a completion date or court deadline.

- 7.3 Once you have reported the matter to the MLRO you must follow any directions they may give you. You must NOT make any further enquiries into the matter yourself; any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLRO who will refer the matter on to the NCA if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.
- 7.4 Similarly, at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if the NCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise, you may commit a criminal offence of 'tipping off'.
- 7.5 Do not, therefore, make any reference on a client file, to a report having been made to the MLRO - should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

## **8. CONSIDERATION OF THE DISCLOSURE BY THE MONEY LAUNDERING REPORTING OFFICER**

- 8.1 Upon receipt of a disclosure report, the MLRO must note the date of receipt on their section of the report and acknowledge receipt of it. They should also advise you of the timescale within which they expect to respond to you.
- 8.2 The MLRO will consider the report and any other available internal information they think is relevant, e.g.

- reviewing other transaction patterns and volumes;
- the length of any business relationship involved;
- the number of any one-off transactions and linked one-off transactions;
- any identification evidence held;

and undertake such other reasonable enquiries they think appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCA is required (such enquiries being made in such a way as to avoid any appearance of tipping of those involved). The MLRO may also need to discuss the report with you.

- 8.3 Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether:
- there is an actual or suspected money laundering taking place; or
  - whether there are reasonable grounds to know or suspect that this is the case; and
  - whether they need to seek consent from the NCA for a particular transaction to proceed.
- 8.4 Where the MLRO does so conclude, then they must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless they have a reasonable excuse of non-disclosure to the NCA (for example, if you are a lawyer and you wish to claim legal professional privilege for not

disclosing the information).

- 8.5 Where the MLRO suspects money laundering but has a reasonable excuse for nondisclosure, then they must note the report accordingly, they can then immediately give their consent for any ongoing or imminent transactions to proceed. In cases where legal professional privilege may apply, the MLRO must liaise with the Council's Monitoring Officer to decide whether there is a reasonable excuse for not reporting the matter to the NCA.
- 8.6 Where consent is required from the NCA for a transaction to proceed, then the transaction(s) in question, must not be undertaken or completed until the NCA has given specific consent, or there is deemed consent through the expiration of the relevant time limits in which the NCA must respond, and no response has been received.
- 8.7 Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then they shall mark the report accordingly and give their consent for any ongoing or imminent transaction(s) to proceed.
- 8.8 All disclosure reports referred to the MLRO and reports made by them to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.
- 8.9 The MLRO commits a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and does not disclose this as soon as practicable to the NCA.

## **9. TRAINING**

- 9.1 Officers considered likely to be exposed to suspicious situations, will be made aware of these by their senior officer and provided with appropriate training.
- 9.2 Additionally, all employees and members will be familiarised with the legal and regulatory requirements relating to money laundering and how they affect both the Council and themselves.
- 9.3 Notwithstanding the paragraphs above, it is duty of officers and members to report all suspicious transactions whether they have received their training or not.



# CONFIDENTIAL REPORTING (WHISTLEBLOWING) POLICY

Item	Details
Reference:	Internal Audit – 3 - CR
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Owner:	Kerry Beavis
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### Approvals

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The policy owner has the authority to make the following minor changes without approval

N/A

### Policy Location

This policy can be found on Council's website and on the Sharepoint page.

### Equality Impact Assessment (EIA)

Completed by	Completion date
Kerry Beavis	30 July 2024

### Revision history

Version Control	Revision Date	Summary of Changes
2.1	May 2020	
2.2	June 2021	
2.3	June 2022	
2.4	June 2023	
2.5	July 2024	Minor amendments, including name changes and updates to the external audit firm and the Council's address.
2.6	July 2025	Minor changes – name change

### Policy Review Plans

This policy is subject to a scheduled review annually or earlier if there is a change in legislation or local policy that requires it.

### Distribution

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Audit and Governance Committee		2.6
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## CONFIDENTIAL REPORTING (WHISTLEBLOWING) POLICY

“North West Leicestershire District Council is committed to the prevention, deterrence, detection and investigation of fraud, corruption, and malpractice in all forms. It encourages employees and members of the Council and its contractors who have serious concerns about any aspect of its work, including matters of health and safety, to voice those concerns.”

### 1. INTRODUCTION

- 1.1 The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we expect employees, members and others that we deal with, who have serious concerns about any aspect of the Council's work to come forward and voice those concerns. This Confidential Reporting Policy is intended to encourage and enable employees, members, contractors, or suppliers to raise serious concerns **within** the Council rather than overlooking a problem or “blowing the whistle” outside.
- 1.2 This Policy provides guidance on the way in which concerns may be raised.  
  
This Policy also sets out how matters can be taken further if a person remains dissatisfied with the Council's response to any concerns raised.
- 1.3 Employees, members, contractors, and suppliers are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council, or they perceive that it could harm their chances of future business or their career prospects. They may also fear harassment or victimisation. In such circumstances individuals may consider it to be easier to ignore the concern rather than report what may only be a suspicion of malpractice. This Policy document makes it clear that individuals raising concerns will do so without fear of victimisation, subsequent discrimination, or disadvantage.
- 1.4 It is recognised that, where concerns are raised, most cases will have to proceed on a confidential basis. The Council will do everything it can to protect the confidentiality of those individuals' raising concerns. However, there may be times when the person making the complaint can be identified due to the nature of the allegation made and, in such cases, it will not be possible to keep the identity of the complainant confidential. In addition, there may be times when the Council will believe it is appropriate to let the subject of a complaint know who made any allegation.
- 1.5 The Council recognises that individuals raising concerns, termed “qualifying disclosures” under the Public Interest Disclosure Act 1998 are entitled to protection under that Act and/or this Policy and may be eligible to compensation if they subsequently suffer victimisation, discrimination, or disadvantage. Under the Enterprise and Regulatory Reform Act 2013, any disclosure using the Whistleblowing Policy, within reasonable belief of the worker making the disclosure will only be protected if it is made in the public interest. It must also show one or more of the following:
  - (a) that a criminal offence has been committed, is being committed or is likely to be committed,
  - (b) that a person has failed, is failing or is likely to fail to comply with any



- legal obligation to which he is subject,
- (c) that a miscarriage of justice has occurred, is occurring or is likely to occur,
- (d) that the health or safety of any individual has been, is being or is likely to be endangered,
- (e) that the environment has been, is being or is likely to be damaged, or
- (f) that information tending to show any matter falling within any one of the preceding paragraphs has been, is being or is likely to be deliberately concealed.

1.6 This policy is designed for workers. Workers include:

- Employees;
- Agency workers;
- People that are training with an employer;
- Self-employed workers, if supervised or working on site.

1.7 The procedures outlined in this Policy **are in addition to** the Council's complaints procedures and other statutory reporting procedures applying to some divisions.

1.8 This Policy has been discussed with the relevant trade unions and has their support.

1.9 The principles of this Policy also apply to concerns of the general public.

## **2. AIMS AND SCOPE OF THE POLICY**

2.1 This Policy aims to:

- encourage workers to feel confident in raising concerns that are in the public interest and to question and act upon concerns;
- provide avenues for workers to raise those concerns and receive feedback on any action taken;
- ensure that workers receive a response to their concerns and that they are aware of how to pursue matters if they are not satisfied;
- reassure workers that they will be protected from the risk of reprisals or victimisation if they have a reasonable belief that they have made any disclosure in good faith.

2.2 If Council employees have concerns relating to their employment with the organisation, these should be raised under the Council's Grievance Policy. This Policy is intended to cover major concerns that fall outside the scope of other policies and procedures. As stated in paragraph 1.5, these include:

- conduct which is an offence or a breach of law,
- disclosures related to miscarriages of justice,
- health and safety risks, including risks to the public as well as other employees,
- damage to the environment,
- the unauthorised use of public funds,
- possible fraud and corruption,
- sexual or physical abuse of clients, or
- other unethical conduct.

### **3. SAFEGUARDS - HARASSMENT OR VICTIMISATION**

- 3.1 The Council is committed to good practice and high standards and aims to be supportive of employees and others using this policy.
- 3.2 The Council recognises that the decision to report a concern can be a difficult one to make. Workers are legally entitled to protection from unfair treatment if:
- (a) they honestly think what they are reporting is true,
  - (b) they believe that they are telling the right person,
  - (c) they believe that raising concerns is in the public interest.

Put simply, if an individual is acting in good faith when raising any concerns, they should have nothing to fear because they will be doing their duty to their employer, and/or the Council and those for whom the Council provides a service. In the event that the concerns raised are substantiated, they will be ensuring that bad practice / unethical behaviour / illegal conduct is curtailed.

- 3.3 The Council will not tolerate any harassment or victimisation (including informal pressures) against individuals who raise concerns in good faith under this Policy and will take appropriate action to protect those who raise a concern in good faith and, where necessary, will take action against those subjecting any complainant to harassment, victimisation or any other pressures as a result of raising concerns.
- 3.4 Any investigation into allegations of matters listed in paragraph 2.2 of this Policy will not influence, or be influenced by, any disciplinary, redundancy or similar procedures which may already affect either the person raising the concerns or the individual(s) who are the subject of those concerns.

### **4. CONFIDENTIALITY**

- 4.1 All attempts will be made to ensure any concerns raised will be treated in confidence and to protect the identity of the person making the complaint where they so wish. The Council cannot ensure confidentiality where the individual has themselves informed others of any alleged concerns.
- 4.2 In addition, there may be times when the identity of the person making the complaint is clear due to the nature of any allegations made. In such cases, the Council cannot take any steps to protect the individual's identity. The individual will, however, still be entitled to the same protection against harassment, victimisation, and other pressures as if their identity remained confidential.
- 4.3 In a small number of cases, the Council may find it is appropriate to disclose the identity of the individual raising the concern to the person who is the subject of any complaint. It will, however, inform them of this before doing so. Again, they will receive the same protection against harassment, victimisation, and other pressures as if their identity had remained confidential.
- 4.4 It should be noted that, whilst every effort will be made to protect an individual's identity, the Council may, at an appropriate time ask them to come forward as a witness. If they do become a witness in any case, they will be entitled to the same

protection against harassment, victimisation, and other pressures that they are entitled to when making the initial complaint under this Policy.

## **5. ANONYMOUS ALLEGATIONS**

- 5.1 This Policy aims to protect those raising concerns and, therefore, it is hoped that any person raising concerns will do so in their own name whenever possible.
- 5.2 Whilst any concern will be taken seriously, those expressed anonymously will carry less weight but will be given consideration by the Council; an investigation into the matters raised will be investigated at the discretion of the Council.
- 5.3 In exercising this discretion, the factors to be taken into account will include:
- the nature and seriousness of the issues raised,
  - the apparent credibility of the concern, and
  - the probable likelihood of being able to confirm the allegation from attributable sources.
- 5.4 If the Council does not know who has made an allegation, it will not be possible for the Council to offer reassurance and protection to the individual.

## **6. UNTRUE ALLEGATIONS**

- 6.1 If an allegation is made in good faith but is not confirmed following an investigation by the Council, no action will be taken against the person making the allegation. This should encourage those who have concerns to raise them in the appropriate manner without fear of any reprisals.
- 6.2 If, however, an allegation is made frivolously, maliciously or for personal gain, disciplinary action may be taken against the person making that allegation where appropriate.

## **7. HOW TO RAISE A CONCERN**

- 7.1 Advice and guidance on how to pursue matters of concern may be obtained from the Council's nominated contact points who are:
- Chief Executive:  
[allison.thomas@nwleicestershire.gov.uk](mailto:allison.thomas@nwleicestershire.gov.uk)  
Telephone 01530454500
  - Monitoring Officer:  
[kate.hiller@nwleicestershire.gov.uk](mailto:kate.hiller@nwleicestershire.gov.uk)  
Telephone 01530 454379
  - Section 151 Officer:  
[paul.stone@nwleicestershire.gov.uk](mailto:paul.stone@nwleicestershire.gov.uk)  
Telephone 01530 454495
  - Audit Manager:  
[kerry.beavis@nwleicestershire.gov.uk](mailto:kerry.beavis@nwleicestershire.gov.uk)  
Telephone 01530 454378

- 7.2 Concerns may be raised verbally or in writing, to any of the above-named individuals. If raising a concern in writing, it should be addressed to the named individual at the:

Whitwick Business Centre  
Whitwick Business Park  
Stenson Road  
Coalville  
Leicestershire  
LE67 3FJ

Clearly mark the envelope “Confidential”.

Alternatively, any concerns can be raised with North West Leicestershire District Council’s external auditors:

Azets

6<sup>th</sup> Floor  
Bank House  
Cherry Street  
Birmingham  
B2 5AL

- 7.3 Concerns can be raised in the following ways –

- A written report using the following format:
  - the background and history of the concern (giving relevant dates);
  - the reason why the situation is of particular concern.
- A verbal report of any concerns identified by contacting one of the officers named at paragraph 7.1 above to arrange a mutually convenient appointment. When arranging an appointment, it would be helpful to refer to raising a matter under the Confidential Reporting Policy.
  - When making a verbal report set out the facts using the same format identified at paragraph 7.3 above.

- 7.5 The earlier concerns are raised the easier it is for the Council to investigate and take any relevant action.

- 7.7 When raising a concern, the individual will not be expected to prove beyond doubt the truth of an allegation but will need to demonstrate to the person contacted that there are reasonable grounds for concern.

- 7.8 An individual may wish to consider discussing their concern with a colleague or trade union representative first and may find it easier to raise the matter if two (or more) share any concerns.

- 7.9 The individual wishing to raise a concern may invite a trade union representative, professional association representative or a member of staff to be present during

any meetings or interviews in connection with the concerns raised, any meetings may be arranged off-site if appropriate.

- 7.10 If an individual feels unable to raise concerns directly with the Council, they should report the matter to a “prescribed person”. This will ensure that their legal rights are protected. The list of prescribed persons can change and so up to date information can be obtained by accessing an online brochure entitled;

“Whistleblowing: list of prescribed people and bodies”  
available at [www.gov.uk](http://www.gov.uk)

## **8. HOW THE COUNCIL WILL RESPOND**

- 8.1 The Council will respond to concerns but within the constraints of maintaining confidentiality or observing any legal restrictions. In any event, a confidential record of the steps taken will be kept in accordance with the Data Protection Act 2018.
- 8.2 The Council may also ask to meet with the individual raising the concern in order to gain further information. Do not forget that testing out concerns is not the same as either accepting or rejecting them. It is sometimes necessary to test out any concerns raised in order to identify how strong any evidence may be.
- 8.3 Where appropriate, the matters raised may be:

- investigated internally,
- referred to the police,
- referred to the external auditor,
- made the subject of an independent enquiry.

Following any of the action above, a concern may be upheld or may be dismissed.

- 8.4 In order to protect individuals and those accused of misdeeds or possible malpractice, the Council will undertake initial enquiries to decide whether an investigation is appropriate and, if so, what form it should take. In most cases, it is anticipated that these initial enquiries will be completed within ten working days of an allegation being made. The overriding principle, which the Council will have in mind when deciding what steps to take, is whether the matter falls within the public interest. Any concerns or allegations which fall within the scope of any other specific procedures (for example, misconduct or discrimination issues) will normally be referred to the relevant service area for consideration under those procedures.
- 8.5 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted.
- 8.6 Within seven working days of a concern being raised, the nominated contact will write to the individual raising the concern:
- acknowledging that the concern has been received,
  - indicating how the Council propose to deal with the matter,
  - give an estimate of how long it will take to provide a final response,
  - advising whether any initial enquiries have been made,

- providing information on staff support mechanisms, and
- advising whether further investigations will take place and if not, why not.

8.7 The amount of contact between the officers considering the issues and the individual will depend on the nature of the matters raised, the potential difficulties involved, and the clarity of the information provided. If necessary, the Council will seek further information from the individual.

8.8 The Council will take steps to minimise any difficulties the individual may experience as a result of raising a concern. For instance, if they are required to give evidence in criminal or disciplinary proceedings the Council will arrange for them to receive advice about the procedure.

8.9 The Council accepts that an individual needs to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform the individual of the outcome of any investigation.

## **9. THE RESPONSIBLE OFFICER**

9.1 The Chief Executive has overall responsibility for the maintenance and operation of this Policy. That officer maintains a record of concerns raised and the outcomes (but in a form which does not endanger confidentiality) and will immediately notify the Monitoring Officer and Section 151 Officer of all issues raised under this Policy and will report as necessary to the Council.

## **10. HOW THE MATTER CAN BE TAKEN FURTHER**

10.1 This Policy is intended to provide individuals with an avenue within the Council to raise concerns. The Council hopes the individual will be satisfied with any action taken. If not, and they feel it is right to take the matter outside the Council, the following are possible contactpoints:

- one of the “prescribed persons”
- trade union
- local Citizens Advice Bureau
- relevant professional bodies or regulatory organisations
- a relevant voluntary organisation (Public Concern at Work - 020 7404 6609)
- the Police.

10.2 If the matter is taken outside the Council, the individual should ensure that they do not disclose confidential information. Check with one of the Council’s nominated contact points about that (see 7.1).



**LOCAL  
CODE OF  
CORPORATE GOVERNANCE**

Item	Details
Reference:	LCCG -01
Status:	Draft
Originator:	Tracy Bingham
Owner:	Anna Crouch
Version No:	8
Date:	30 June 2025

## Key policy details

### Approvals

Item	Date of Approval	Version No.
Consulted with	N/A	
Reviewed by Audit and Governance Committee		
Approved by Cabinet		

The policy owner has the authority to make the following minor changes without approval.

- Minor amendments as a result of changes in national policy and changes to local priorities

### Policy Location

This policy can be found on the Council's website.

### Equality Impact Assessment (EIA)

Completed by	Completion date
Anna Crouch	12 August 2024

### Revision history

Version Control	Revision Date	Summary of Changes
1	2009	
2	October 2017	
3	May 2020	
4	June 2021	
5	May 2022	
6	July 2023	New section on the current challenges facing the Council. Changes to formatting
7	July 2024	Changes to formatting
8	July 2025	Changes to formatting

### Policy Review Plans

This policy is subject to a scheduled review once a year or earlier if there is a change in legislation or local policy that requires it.

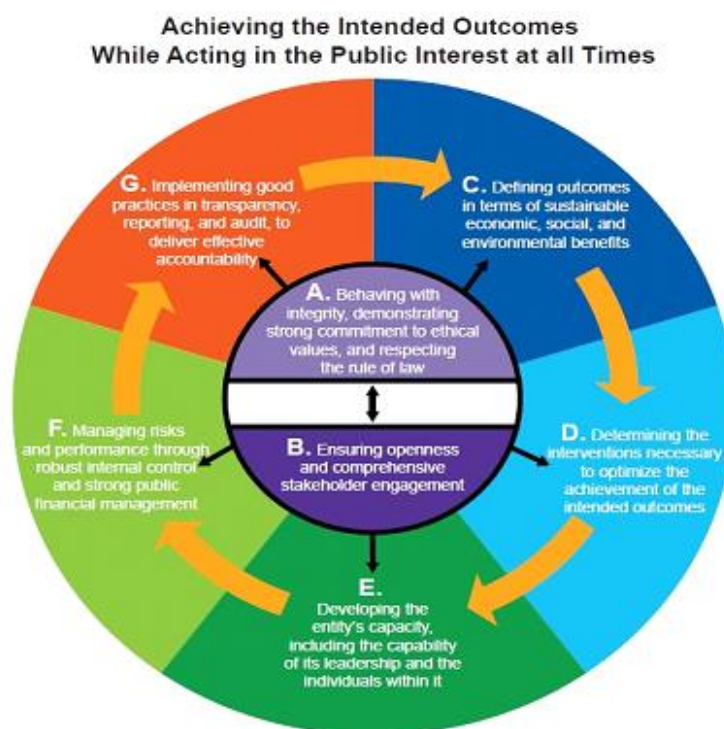


## Distribution

Title	Date of Issue	Version No.
Audit and Governance Committee	06/08/25	8
Cabinet		
Website updated		

## 1. INTRODUCTION

- 1.1 In 2014, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the International Federation of Accountants (IFAC) collaborated to produce The International Framework: Good Governance in the Public Sector. The International Framework defines governance as comprising the arrangements put in place to ensure that intended outcomes for stakeholders are defined and achieved. It states that in order to deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.
- 1.2 CIPFA, in association with the Society of Local Authority Chief Executives (SOLACE), has published their Framework entitled 'Delivering Good Governance in Local Government 2016'.
- 1.3 The diagram below illustrates<sup>1</sup> the core principles of good governance in the public sector and how they relate to each other: Principles A and B permeates implementation of principles C to G.



<sup>1</sup> Delivering Good Governance in Local Government 2016

- 1.4 In North West Leicestershire, good governance is about how the Council ensures that it is doing the right things, in the right way and for the benefit of the communities it serves. The starting place for good governance is having shared values and culture and a framework of overarching strategic policies and objectives underpinned by robust systems and processes for delivering these.
- 1.5 By ensuring good governance is in place, the Council will ensure it has high standards of management, strong performance, the effective use of resources and good outcomes which in turn will lead to increased public trust.

- 1.6 The Council is committed to the seven core principles of good practice contained in the CIPFA framework and will test its governance arrangements against this framework and report annually (via its annual assurance review and Annual Governance Statement).
- 1.7 These seven core principles, also known as the Nolan Principles - The Seven Principles of Public Life, apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the Civil Service, local government, the police, courts and probation services, non-departmental public bodies (NDPBs), and in the health, education, social and care services. A link to the Government website setting out the principles is below:

[The Seven Principles of Public Life - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/the-seven-principles-of-public-life)

## **2 SUMMARY OF COMMITMENT**

- 2.1 By adopting this Local Code of Corporate Governance, we are responding to the CIPFA/SOLACE Joint Working Group Guidance and Framework entitled 'Delivering Good Governance in Local Government'.
- 2.2 In doing so the Council will:
- Accept the core principles set out in section 3 below as the basis for its Corporate Governance arrangements.
  - Publish an Annual Governance Assurance Statement with the Council's Statement of Accounts.
  - Draw up Action Plans of improvements to corporate governance arrangements, such plans to be monitored by the Audit and Governance Committee.

## **3 FUNDAMENTAL PRINCIPLES OF CORPORATE GOVERNANCE**

- 3.1 Set out in this document is the Council's proposed Local Code of Corporate Governance which is based on the seven core principles (as set out in the illustration above) adopted for local government from the report of the Independent Commission of Good Governance in Public Services.

<b>Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of rule</b>	
<b>Sub-Principle</b>	<b>The Council is committed to:</b>
<b>Behaving with Integrity</b>	<ul style="list-style-type: none"> <li>• Ensuring members and officers behave with integrity and lead as a culture where acting in the public interest is visible and consistently demonstrated thereby protecting the reputation of the organisation.</li> <li>• Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (The Nolan Principles).</li> <li>• Leading by example and using these standard operating principles or values as a framework for decision making and other actions.</li> <li>• Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure they are operating effectively.</li> </ul>
<b>Demonstrating strong commitment and ethical values</b>	<ul style="list-style-type: none"> <li>• Seeking to establish, monitor and maintain the organisation's ethical standards and performance.</li> <li>• Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.</li> <li>• Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.</li> <li>• Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.</li> </ul>
<b>Respecting the rule of law</b>	<ul style="list-style-type: none"> <li>• Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.</li> <li>• Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.</li> <li>• Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.</li> <li>• Dealing with breaches of legal and regulatory provisions effectively and ensuring corruption and misuse of power are dealt with effectively.</li> </ul>

<b>Principle B – Ensuring Openness and comprehensive stakeholder engagement</b>	
<b>Sub-Principle</b>	<b>The Council is committed to:</b>
<b>Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness</b>	<ul style="list-style-type: none"> <li>• Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.</li> <li>• Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.</li> <li>• Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.</li> </ul>
<b>Engaging comprehensively with institutional stakeholders</b>	<ul style="list-style-type: none"> <li>• Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.</li> <li>• Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.</li> <li>• Ensuring that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.</li> </ul>
<b>Engaging stakeholders effectively, including individual citizens and service users</b>	<ul style="list-style-type: none"> <li>• Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.</li> <li>• Ensuring that communication methods are effective, and that members and officers are clear about their roles with regard to community engagement.</li> <li>• Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.</li> <li>• Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.</li> <li>• Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.</li> <li>• Taking account of the interests of future generations of taxpayers and service users.</li> </ul>

<b>Principle C – Defining outcomes in terms of sustainable economic, social, and environmental benefits</b>	
<b>Sub-Principle</b>	<b>The Council is committed to:</b>
<b>Defining outcomes</b>	<ul style="list-style-type: none"> <li>• Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions.</li> <li>• Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.</li> <li>• Delivering defined outcomes on a sustainable basis within the resources that will be available.</li> <li>• Identifying and managing risks to the achievement of outcomes.</li> <li>• Managing service user expectations effectively with regard to determining priorities and making the best use of the resources available.</li> </ul>
<b>Sustainable economic, social and environmental benefits</b>	<ul style="list-style-type: none"> <li>• Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.</li> <li>• Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints.</li> <li>• Ensuring fair access to services.</li> <li>• Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.</li> </ul>

<b>Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes</b>	
<b>Sub-Principle</b>	<b>The Council is committed to:</b>
<b>Determining interventions</b>	<ul style="list-style-type: none"> <li>• Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore, ensuring best value is achieved however services are provided.</li> <li>• Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.</li> </ul>
<b>Planning interventions</b>	<ul style="list-style-type: none"> <li>• Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.</li> <li>• Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.</li> <li>• Considering and monitoring risks facing each partner when working collaboratively including shared risks.</li> <li>• Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances.</li> <li>• Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.</li> <li>• Ensuring capacity exists to generate the information required to review service quality regularly.</li> <li>• Preparing budgets in accordance with organisational objectives, strategies and the medium-term financial plan Informing medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.</li> </ul>
<b>Optimising achievement of intended outcomes</b>	<ul style="list-style-type: none"> <li>• Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints.</li> <li>• Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.</li> <li>• Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.</li> <li>• Ensuring the achievement of 'social value' through service planning and commissioning.</li> </ul>

<b>Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it</b>	
<b>Sub-Principle</b>	<b>The Council is committed to:</b>
<b>Developing the entity’s capacity</b>	<ul style="list-style-type: none"> <li>• Reviewing operations, performance use of assets on a regular basis to ensure their continuing effectiveness.</li> <li>• Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the Council’s resources are allocated so that outcomes are achieved effectively and efficiently.</li> <li>• Recognising the benefits of partnerships and collaborative working where added value can be achieved.</li> <li>• Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.</li> </ul>
<b>Developing the capability of the entity’s leadership and other individuals</b>	<ul style="list-style-type: none"> <li>• Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.</li> <li>• Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.</li> <li>• Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the Council in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other’s authority.</li> <li>• Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> <li>○ ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.</li> <li>○ ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.</li> <li>○ ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.</li> </ul> </li> <li>• Ensuring that there are structures in place to encourage public participation.</li> <li>• Taking steps to consider the leadership’s own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.</li> <li>• Holding staff to account through regular performance reviews which take account of training or development needs Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.</li> </ul>



<b>Principle F – Managing risks and performance through robust internal control and strong public financial management</b>	
<b>Sub-Principle</b>	<b>The Council is committed to:</b>
<b>Managing Risk</b>	<ul style="list-style-type: none"> <li>• Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.</li> <li>• Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.</li> <li>• Ensuring that responsibilities for managing individual risks are clearly allocated.</li> </ul>
<b>Managing Performance</b>	<ul style="list-style-type: none"> <li>• Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.</li> <li>• Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook.</li> <li>• Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (OR, for a committee system).</li> <li>• Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.</li> <li>• Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.</li> <li>• Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements ).</li> </ul>
<b>Robust internal control</b>	<ul style="list-style-type: none"> <li>• Aligning the risk management strategy and policies on internal control with achieving the objectives.</li> <li>• Evaluating and monitoring the Council's risk management and internal control on a regular basis.</li> <li>• Ensuring effective counter fraud and anti-corruption arrangements are in place.</li> <li>• Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.</li> <li>• Ensuring an effective audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon.</li> </ul>

<b>Managing Data</b>	<ul style="list-style-type: none"> <li>• Ensuring effective arrangements are in place for the safe collections, storage, use and sharing of data, including processes to safeguard personal data.</li> <li>• Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.</li> <li>• Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.</li> </ul>
<b>Strong Public Finance Management</b>	<ul style="list-style-type: none"> <li>• Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operation performance.</li> <li>• Ensuring well-developed financial management is integral at all levels of planning control and control, including management of financial risks and controls</li> </ul>

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

<b>Sub-Principle</b>	<b>The Council is committed to:</b>
<b>Implementing good practice in transparency</b>	<ul style="list-style-type: none"> <li>• Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.</li> <li>• Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.</li> </ul>
<b>Implementing good practice in reporting</b>	<ul style="list-style-type: none"> <li>• Reporting at least annually on performance, value for money and the stewardship of its resources.</li> <li>• Ensuring members and senior management own the results.</li> <li>• Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (Annual Governance Statement).</li> <li>• Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.</li> <li>• Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.</li> </ul>
<b>Assurance and effective accountability</b>	<ul style="list-style-type: none"> <li>• Ensuring that recommendations for corrective action made by external audit are acted upon.</li> <li>• Ensuring an effective internal audit service with direct access to Audit and Governance Committee members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon.</li> <li>• Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.</li> <li>• Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.</li> <li>• Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.</li> </ul>

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# CORPORATE POLICY AND PROCEDURE ON THE REGULATION OF INVESTIGATORY POWERS ACT 2000 AND THE INVESTIGATOR POWERS ACT 2016

Item	Details
Reference:	Internal Audit – 4 – RIPA
Status:	<b>Draft</b>
Originator:	Internal Audit Manager
Owner:	Internal Audit Manager
Version No:	1.6
Date:	

## Key policy details

### Approvals

Item	Date of Approval	Version No.
Reviewed by Audit and Governance Committee		1.6
Approved by Cabinet		1.6

The policy owner has the authority to make the following minor changes without approval:

None

### Policy Location

This policy can be found on the Council's website and the Sharepoint page under current policies tab.

### Equality Impact Assessment (EIA)

Completed by	Completion date
Kerryn Woollett	3 July 2024

### Revision history

Version Control	Revision Date	Summary of Changes
1.1	May 2020	
1.2	June 2021	
1.3	June 2022	No changes
1.4	June 2023	Change job title "Head of Legal and Commercial Services" to "Head of Legal and Support Services". Change Authorising Officers (para 8.6) to include Heads of Service to reflect change in constitution.
1.5	July 2024	Change to date Home Office Codes of Practice last published.
1.6	July 2025	No changes

### Policy Review Plans

This policy is subject to a scheduled review once every year or earlier if there is a change in legislation or local policy that requires it.

### Distribution

Title	Date of Issue	Version No.
Audit and Governance Committee		1.6
Cabinet		1.6
Available on NWL website		1.6

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## CORPORATE POLICY AND PROCEDURE ON THE REGULATION OF INVESTIGATORY POWERS ACT 2000 AND THE INVESTIGATORY POWERS ACT 2016

### 1. INTRODUCTION

- 1.1 The Regulation of Investigatory Powers Act 2000 (RIPA) is concerned with the regulation of surveillance and other intelligence gathering by public authorities in the conduct of their legitimate business.
- 1.2 The Investigatory Powers Act 2016 (IPA) sets out the extent to which certain investigatory powers may be used to interfere with privacy. In particular about the interception of communications, equipment interference and the acquisition and retention of **communications data**.
- 1.3 Section 6 of the Human Rights Act 1998 provides that it is unlawful for a public authority to act in a way which is incompatible with a European Convention right. Article 8 of the European Convention on Human Rights says that everyone has the right to respect for their private and family life, their home and their correspondence.
- 1.4 The use of surveillance and other intelligence gathering techniques may amount to an interference with rights protected by Article 8 of the European Convention on Human Rights and could amount to a violation of those rights unless the interference is in accordance with the law.
- 1.5 The aim of RIPA and the IPA is to provide a balance between preserving people's right to privacy and enabling enforcement agencies to gather evidence for effective enforcement action. RIPA provides a statutory framework for the authorisation of certain types of **covert** intelligence gathering which is consistent with the Human Rights Act 1998 and the European Convention on Human Rights. Similarly, the IPA provides a statutory framework for the lawful interception and use of **communications data**.
- 1.6 The Council has approved a policy for tackling fraud and corruption. In limited circumstances the Council may wish to use surveillance techniques or **communications data** for the purpose of enforcing this policy or other of its statutory functions. The requirements of RIPA and the IPA are most likely to apply to those sections of the Council with enforcement / investigatory functions.
- 1.7 Section 27 of RIPA provides that conduct authorised under RIPA will be "lawful for all purposes." This means a person authorised under RIPA is entitled to engage in the conduct which has been authorised under RIPA and the Council will be protected from challenges to both the gathering of, and the subsequent use of, covertly obtained information enabling the Council to show that it has acted lawfully.
- 1.8 RIPA also provides a statutory mechanism for authorising the use of a "**covert human intelligence source**", e.g. undercover agents.
- 1.9 The IPA permits access to **communications data** in specific circumstances.
- 1.10 Non-compliance with RIPA or the IPA may result in:
  - 1.10.1 evidence being disallowed by the courts;
  - 1.10.2 a complaint to the Investigatory Powers Commissioner's Office;



- 1.10.3 a complaint to the Local Government and Social Care Ombudsman; and/or
- 1.10.4 the Council being ordered to pay compensation.

It is essential therefore that the Council's policies and procedures, as set out in this document, are followed. A flowchart of the procedures to be followed is at Appendix 1.

## 2. TYPES OF SURVEILLANCE

- 2.1 Surveillance includes monitoring, observing, listening to persons, watching or following their movements, listening to their conversations and other such activities or communications. It also includes recording any of the aforementioned activities.
- 2.2 Surveillance may be "**overt**" or "**covert**".
- 2.3 Surveillance will be "**overt**" if the act of surveillance is not calculated to be hidden from view, even if the motives of the person undertaking the surveillance remain concealed.
- 2.4 Most of the surveillance carried out by the Council is done overtly – there is nothing secretive, clandestine or hidden about it. In many cases, officers will be behaving in the same way as a normal member of the public, and/or will be going about Council business openly. Similarly, surveillance will be **overt** if the subject has been told it will happen (e.g. where a noisy householder is warned that noise will be recorded if it continues).
- 2.5 Surveillance is "**covert**" if, and only if, it is carried out in a manner that is calculated to ensure that persons who are subject to the surveillance are unaware that it is or may be taking place. RIPA regulates two types of **covert** surveillance.
- 2.6 The first type of **covert** surveillance is "**directed surveillance**". "**Directed surveillance**" means surveillance that is:
  - 2.6.1 **covert**;
  - 2.6.2 not intrusive;
  - 2.6.3 undertaken for the purposes of a specific investigation or specific operation;
  - 2.6.4 undertaken in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); and
  - 2.6.5 undertaken otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under RIPA to be sought for the carrying out of the surveillance.
- 2.7 RIPA states that "**private information**" includes any information relating to a person's private or family life. The Home Office Covert Surveillance and Property Interference Revised Code of Practice (latest edition at time of writing was February 2024) states that as a result, "**private information**" is capable of including any aspect of a person's private or personal relationship with others, such as family (which should be treated as extending beyond the formal relationships created by marriage or civil partnership) and professional or business relationships.

- 2.8 RIPA sets out a number of grounds on which an authorisation for **directed surveillance** can be considered necessary. In the case of a Local Authority, only one of these grounds is applicable, that ground is that **directed surveillance** is necessary “for the purpose of preventing or detecting crime or of preventing disorder”.
- 2.9 The fact that **covert** surveillance occurs in a public place or on business premises does not mean that it cannot result in the obtaining of private information about a person. Prolonged surveillance targeted on a single person will usually result in the obtaining of private information about that person as well as others that he or she comes into contact or associates with.
- 2.10 An example of **directed surveillance** would be when officers follow a person over a period of time to find out whether they are working at the same time as claiming benefit. Similarly, although town centre CCTV cameras will not normally require a RIPA authorisation, if a camera is directed in such a way as to observe a particular individual, this would amount to **directed surveillance** and an authorisation would be required.
- 2.11 The second type of **covert** surveillance is “**intrusive surveillance**”. Surveillance is intrusive if, and only if, it is **covert** surveillance that is carried out in relation to anything taking place on any residential premises or in any private vehicle and involves the presence of an individual on the premises or in the vehicle or is carried out by means of a surveillance device.
- 2.12 A Local Authority cannot carry out **intrusive surveillance** under RIPA. **Intrusive surveillance** can only be carried out by the police and other law enforcement agencies.

### 3. CONDUCT AND USE OF COVERT HUMAN INTELLIGENCE SOURCES

- 3.1 A person is a **Covert Human Intelligence Source (CHIS)** if he or she establishes or maintains a personal or other relationship with another person in order to covertly obtain or disclose information.
- 3.2 RIPA sets out special rules relating to the management and use of information supplied by a **CHIS** and a duty of care is owed to the **CHIS** in how the information is used.
- 3.3 The conduct or use of a **CHIS** requires prior authorisation. Again, the ground on which a **CHIS** may be used by a Local Authority is “for the purpose of preventing or detecting crime or of preventing disorder.”
- 3.4 A RIPA authorisation may not be required in circumstances where members of the public volunteer information to the Council as part of their normal civic responsibilities, however, this will depend on how the information has been obtained. If the person has obtained the information as an ‘insider’ i.e. in the course of a personal or other relationship or “as a result of the existence of such a relationship” then the person is likely to be a **CHIS**, even if the relationship was not formed or maintained for that purpose.
- 3.5 If the person has obtained the information as an outside observer then he or she is not a **CHIS**.
- 3.6 Where contact numbers are set up by the Council to receive information then it is unlikely that persons reporting information will be **CHISs** and similarly, people who complain about anti- social behaviour, and are asked to keep a diary, will not normally be **CHISs** because they are not being required to establish or maintain a relationship for a **covert**

purpose.

### **Juvenile CHISs**

- 3.7 Special safeguards apply to the use or conduct of juveniles, that is, those under 18 years old, as a **CHIS**. On no occasion should the use or conduct of a **CHIS** under 16 years of age be authorised to give information against their parents or any person who has parental responsibility for them. In other cases, authorisations should not be granted unless the special provisions, contained within the Regulation of Investigatory Powers (Juveniles) Order 2000 (as amended), are satisfied.
- 3.8 Authorisations for juvenile sources should be granted by those listed in the table at Annex A of the Home Office Covert Human Intelligence Sources Revised Code of Practice (latest edition at time of writing was December 2022). In this Council, only the Chief Executive may authorise the use of a juvenile or vulnerable individual as a CHIS. The duration of such an authorisation is four months from the time of grant or renewal (instead of twelve months), and the authorisation should be subject to at least monthly review. For the purpose of these rules, the age test is applied at the time of the grant or renewal of the authorisation.

## **4. OPEN SOURCE (ONLINE) COVERT ACTIVITY**

- 4.1 The use of the internet may be required to gather information during an operation, which may amount to **directed surveillance**. The Home Office Covert Surveillance and Property Interference Revised Code of Practice (latest edition at time of writing was February 2024) advises that simple reconnaissance of websites, that is, preliminary examination with a view to establishing whether a site or its contents are of interest, is unlikely to interfere with a person's reasonably held expectation of privacy and therefore is not likely to require a **directed surveillance** authorisation. However, where there is an intention to use the internet as part of an investigation and private information is likely to be obtained, a RIPA authorisation should be considered. When conducting an investigation which involves the use of the internet factors to consider are:
- officers must not create a false identity in order to "befriend" individuals on social networks without an authorisation under RIPA;
  - officers viewing an individual's public profile on a social network should do so only to the minimum degree necessary and proportionate in order to obtain evidence to support or refute the suspicions or allegations under investigation;
  - repeated viewing of open profiles on social networks to gather evidence or to monitor an individual's status, must only take place once a RIPA authorisation has been granted and approved by a Magistrate; and
  - officers should be aware that it may not be possible to verify the accuracy of information on social networks and, if such information is to be used as evidence, take reasonable steps to ensure its validity.
- 4.2 Further, where an investigator may need to communicate covertly online, for example, contacting individuals using social media websites without disclosing his or her identity, a **CHIS** authorisation should be considered.

## 5. USE OF PERSONAL DEVICES FOR BUSINESS USE

- 5.1 Use of a personal device to access the internet or social media for business use, for example, as part of investigation, is still captured by RIPA. Consequently, officers are advised not to use personal devices for business use, particularly using a personal device to access the internet and social media for business use.

## 6. THE COUNCIL OWNED DRONE

- 6.1 Use of a drone has the potential to capture **private information**. **Collateral intrusion** is also highly likely when using a drone. Therefore, consideration should be given to whether a RIPA authorisation is required. A drone can be a very useful tool to use in an investigation, however, if there is the potential to gather **personal information** the subject of the investigation and/or the landowner will either need to be notified of the use of the drone (such that any use of the drone is not covert) or a RIPA authorisation will be needed. If the drone is to be flown over a residential area or highly populated area, where the potential for **collateral intrusion** is high, notification that the drone will be used will be published on the Council's website prior to the flight.

## 7. LOCAL AUTHORITY DIRECTED SURVEILLANCE CRIME THRESHOLD

- 7.1 A **Crime Threshold** applies to the authorisation of **directed surveillance** by Local Authorities under RIPA (see article 7A of the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010). This **Crime Threshold** does not apply to the authorisation of a **CHIS** by a Local Authority.
- 7.2 Local Authorities can only authorise use of **directed surveillance** under RIPA for the purpose of preventing or detecting criminal offences or disorder associated with criminal offences that are:
- 7.2.1 punishable, whether on summary conviction or on indictment, by a maximum term of at least six months imprisonment; or
- 7.2.2 relate to the underage sale of alcohol or tobacco.
- 7.3 If the **Crime Threshold** is not met, though surveillance is still required, a Non-RIPA form should be completed. A Non-RIPA form requires the applicant officer to consider necessity and proportionality as per a RIPA authorisation, however, there is no requirement for approval by a Justice of the Peace.

## 8. AUTHORISATION PROCESS - DIRECTED SURVEILLANCE AND USE OF A CHIS

### Stage 1 - Request for Authorisation

- 8.1 **Directed surveillance** or the use of a **CHIS** can only be authorised by a Local Authority if the authorisation is *necessary* for the purpose of preventing or detecting crime or preventing disorder and the authorised surveillance is *proportionate* to what is sought to be achieved by carrying the surveillance out. When authorising the use of a **CHIS** arrangements also need to be in place for management of the **CHIS** and to ensure the security and welfare of the **CHIS**.
- 8.2 For **directed surveillance** or the use of a **CHIS**, only the approved RIPA forms, available on the Home Office website (<https://www.gov.uk/government/collections/ripa-forms--2>) may be used. Any other form will be rejected by the Authorising Officer. The applicant officer should complete the appropriate form

providing as much detail as possible then submit to the appropriate Authorising Officer for authorisation.

- 8.3 If in doubt about the process to be followed or the information required in the form, an applicant officer should always seek the advice of the Head of Legal and Support Services or the Audit Manager before applying for an authorisation under RIPA.
- 8.4 The applicant officer will be responsible for ensuring that copies of all forms are forwarded to the Audit Manager within seven days of issue. As a control measure the Audit Manager will supply the applicant officer with a referenced copy of the authorisation which they should keep in their department in secure storage. Officers should ensure that material passing between them is sent in such a way that it cannot be read or intercepted by other people.

## **Stage 2 - Considering an Application for Authorisation**

- 8.5 **Directed surveillance** or use of a **CHIS** can only be lawfully carried out if properly authorised and carried out in strict accordance with the terms of the authorisation.
- 8.6 The Secretary of State has specified by statutory instrument (the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010)) that, for any district council in England, Directors, Heads of Service or Service Managers or equivalent are designated persons for the purpose of s.28 and s.29 of RIPA, that is, they may act as Authorising Officers for the purpose of authorising applications for **directed surveillance** or the use of a **CHIS**. In this Council, the Chief Executive, the Directors and Heads of Service are designated to act as Authorising Officers under the Constitution (Part 2, Sec G4, Para 1.5).
- 8.7 Before signing a form seeking authorisation, the Authorising Officer must have regard to this Policy and Procedure, to any relevant Code of Practice, to any advice from the Head of Legal and Support Services or the Audit Manager and to any other relevant guidance.
- 8.8 The Authorising Officer must also satisfy himself / herself that the surveillance proposed in the application is:
  - 8.8.1 *in accordance with the law*;
  - 8.8.2 *necessary* in the circumstances of the particular case on the ground of preventing or detecting crime or preventing disorder; and
  - 8.8.3 *proportionate* to what it seeks to achieve.
- 8.9 In considering whether or not the proposed surveillance is proportionate, the Authorising Officer will need to consider:
  - 8.9.1 The seriousness of the crime or disorder which the surveillance seeks to detect and weigh this against the type and extent of surveillance proposed. For minor offences, it may be that surveillance is never proportionate; and

- 8.9.2 whether there are other more non- intrusive ways of achieving the desired outcome. If there are none, the Authorising Officer will need to consider whether the proposed surveillance is no more than necessary to achieve the objective, as the least intrusive method will be considered proportionate by the courts.
- 8.10 The Authorising Officer will also need to take into account the risk of intrusion into the privacy of persons other than the specified subject of the surveillance. This is known as “**collateral intrusion**”. Measures must be taken whenever practicable to avoid or minimise, so far as practicable, **collateral intrusion**.
- 8.11 When authorising the conduct or use of a **CHIS** the Authorising Officer must also be satisfied that appropriate arrangements are in place for the management and oversight of the **CHIS**. This must address health and safety issues through a risk assessment. The Authorising Officer must also have regard to any adverse impact on community confidence that may result from the use or conduct of the information obtained.
- 8.12 The authorisation does not take effect until a Justice of the Peace has made an order approving the grant of the authorisation.

### **Stage 3 - Judicial Approval**

- 8.13 If the Authorising Officer is satisfied that the surveillance is *necessary* and *proportionate*, they will instruct Legal Services to seek approval from a Justice of the Peace sitting at the Magistrates’ Court.
- 8.14 Legal Services will request a hearing date from the Court. The time taken to obtain a hearing date from the Court will need to be taken into account when scheduling any proposed surveillance.
- 8.15 Urgent approvals should not be necessary.
- 8.16 If the approval is urgent and cannot be handled the next working day then the applicant officer should:
- 8.16.1 phone the Court’s out of hours legal staff contact. You will be asked about the basic facts and urgency of the authorisation. If the police are involved in the investigation you will need to address why the police cannot authorise the application.
- 8.16.2 If urgency is agreed, then arrangements will be made for a suitable Magistrate to consider the application. You will be told where to attend and give evidence.
- 8.16.3 Attend the hearing as directed with two copies of the signed RIPA authorisation form.
- 8.17 At the hearing the Council will provide the Court with a copy of the authorisation signed by the Authorising Officer, together with any supporting documents relevant to the matter showing the necessity and proportionality of the authorisation and which contain all the information relied upon. Also included will be a summary of the circumstances of the case.
- 8.18 The hearing will be in private heard by a single Justice of the Peace (Magistrate / District Judge) who will read and consider the application.
- 8.19 On reviewing the papers and hearing the application the Justice of the Peace will determine whether they are satisfied that there were, at the time the authorisation was granted, and continue to be reasonable grounds for believing that the authorisation is

*necessary and proportionate*. In addition, they must also be satisfied that the Authorising Officer had the relevant authority to authorise the Council's own internal authorisation prior to it passing to the Court.

- 8.20 For authorisations for the use of a **CHIS** the Justice of the Peace will also need to be satisfied that there were and are reasonable grounds for believing appropriate arrangements are in place for the management and oversight of the **CHIS**.
- 8.21 The Justice of the Peace may ask questions of the Council in order to satisfy themselves of the necessity and proportionality of the request.
- 8.22 In considering the application the Justice of the Peace may decide to:
  - 8.22.1 grant an Order approving the authorisation or renewal. The authorisation or renewal will then take effect and the Local Authority may proceed to use surveillance in accordance with the authorisation;
  - 8.22.2 refuse to approve the authorisation or renewal. The RIPA authorisation will not take effect and the Local Authority may not use the proposed surveillance. Where an application has been refused the Council may wish to consider the reasons for that refusal. For example, a technical error in the form may be remedied without the need to go through the internal authorisation process again. The Council may then wish to reapply for judicial approval once those errors have been remedied;
  - 8.22.3 refuse to approve the grant or renewal and quash the authorisation or notice. A Justice of the Peace must not exercise its power to quash an authorisation unless the applicant (the Council) has had at least two business days' notice from the date of the refusal in which to make representations.

#### **Stage 4 - Duration and Review**

- 8.23 If the Justice of the Peace approves the authorisation, the authorisation will last, in the case of **directed surveillance**, a period of three months and, in the case of a **CHIS**, a period of 12 months.
- 8.24 Authorising Officers must then conduct regular reviews of authorisations granted in order to assess the need for the surveillance to continue. Reviews should be conducted on a monthly basis as a minimum. The Authorising Officer may decide that reviews should be conducted more frequently, particularly where a high level of collateral intrusion is likely.
- 8.25 A review involves consultation with the applicant officer and any other persons involved in the surveillance. The applicant officer must give sufficient information about the surveillance and any information obtained by the surveillance for the Authorising Officer to be satisfied that the authorised surveillance should continue. Applicant officers should be pro-active in preparing reports to assist Authorising Officers carry out reviews.

## Stage 5 – Renewals

- 8.26 If it appears that the surveillance will continue to be *necessary* and *proportionate* beyond the three-month period for **directed surveillance** or 12 months for use of a **CHIS**, the authorisation must be renewed.
- 8.27 An application for renewal should be made by the applicant officer by completing the appropriate form which is available from the Home Office website (<https://www.gov.uk/government/collections/ripa-forms--2>). This form should then be submitted to the Authorising Officer who must then consider the matter afresh, including taking into account the benefits of the surveillance to date and any collateral intrusion that has occurred.
- 8.28 The Authorising Officer must be satisfied that it is *necessary* and *proportionate* for the authorisation to continue and that the **Crime Threshold** continues to be met. The authorisation for renewal must then be approved by a Justice of the Peace for it to take effect.
- 8.29 An authorisation may be renewed and approved before the initial authorisation ceases to have effect but the renewal takes effect from the time at which the authorisation would have expired. If necessary, a renewal can be granted more than once.

## Stage 6 - Cancellations

- 8.30 The Authorising Officer who granted or last renewed the authorisation must cancel the authorisation if the grounds for granting (or renewing) no longer apply or if the authorisation is no longer *necessary* or *proportionate*.
- 8.31 An authorisation can be cancelled on the initiative of the Authorising Officer following a periodic review or after receiving an application for cancellation from the applicant officer. Forms for the cancellation of **directed surveillance** and use of a **CHIS** are available on the Home Office website.

(<https://www.gov.uk/government/collections/ripa-forms--2>)

## 9. COMMUNICATIONS DATA

- 9.1 The term “**communications data**” includes the “who”, “when”, “where”, and “how” of a communication but not the content i.e. what was said or written. It includes the way in which, and by what method, a person or thing communicates with another person or thing. It excludes anything within a communication including text, audio and video that reveals the meaning, other than inferred meaning, of the communication.
- 9.2 It can include the address to which a letter is sent, the time and duration of a communication, the telephone number or e-mail address of the originator and recipient, and the location of the device from which the communication was made. It covers electronic communications including internet access, internet telephony, instant messaging and the use of applications. It also includes postal services.
- 9.3 The acquisition of **communications data** is permitted under Part 3 of the IPA and will be a justifiable interference with an individual’s human rights under the European Convention on Human Rights only if the conduct being authorised or required to take place is *necessary* for the purposes of a specific investigation or operation, *proportionate* and *in accordance with law*.
- 9.4 Training should be made available to all those who participate in the acquisition and



disclosure of **communications data**.

- 9.5 The Home Office has published the “Communications Data Code of Practice” (latest edition at time of writing was November 2018). This code should be readily available to persons involved in the acquisition of **communications data** under the IPA and persons exercising any functions to which this code relates must have regard to the code.
- 9.6 The IPA stipulates that conduct to be authorised must be *necessary* for one or more of the purposes set out in the IPA. For Local Authorities this purpose is “for the applicable crime purpose” which means:
- 9.6.1 where the **communications data** is wholly or partly events data (events data covers information about time-bound events taking place across a telecommunication system at a time interval, for example, information tracing the origin or destination of a communication that is, or has been, in transmission), the purpose of preventing or detecting serious crime; or
- 9.6.2 in any other case, the purpose of preventing or detecting crime or of preventing disorder.
- 9.7 “Serious Crime” means:
- 9.7.1 an offence for which an adult is capable of being sentenced to one year or more in prison;
- 9.7.2 any offence involving violence, resulting in a substantial financial gain or involving conduct by a large group of persons in pursuit of a common goal;
- 9.7.3 any offence committed by a body corporate;
- 9.7.4 any offence which involves the sending of a communication or a breach of privacy; or
- 9.7.5 an offence which involves, as an integral part of it, or the sending of a communication or breach of a person’s privacy.
- 9.8 A Local Authority may not make an application that requires the processing or disclosure of internet connection records for any purpose.

## **10. AUTHORISATION PROCESS - COMMUNICATIONS DATA**

- 10.1 Acquisition of **communications data** under the IPA involves four roles:
- 10.1.1 The Applicant Officer - The applicant officer is a person involved in conducting or assisting an investigation or operation within a relevant public authority who makes an application in writing or electronically for the acquisition of **communications data**;
- 10.1.2 The Single Point of Contact (SPoC) - The SPoC is an individual trained to facilitate the lawful acquisition of **communications data** and effective co-operation between a public authority, the Office for Communications Data Authorisations (OCDA) and telecommunications operators and postal operators. To become accredited an individual must complete a course of training appropriate for the role of a SPoC and have been issued the relevant SPoC unique identifier. The Home Office provides authentication services to enable telecommunications operators and postal operators to validate SPoC credentials;

- 10.1.3 The Senior Responsible Officer - Within every relevant public authority there should be a Senior Responsible Officer. The Senior Responsible Officer must be of a senior rank in a public authority. This must be at least the same rank as the designated senior officer specified in Schedule 4 of the IPA. Where no designated senior officer is specified the rank of the senior responsible officer must be agreed with the Home Office; and
- 10.1.4 The Authorising Individual - **Communications data** applications can be authorised by three separate categories of individual depending on the circumstances of the specific case. The Authorising Individual for Local Authorities is the authorising officer in the OCDA. Section 60A of the IPA confers power on the IPC to authorise certain applications for **communications data**. In practice the IPC will delegate these functions to his staff. These staff will sit in a body which is known as the OCDA.
- 10.2 An authorisation provides for persons within a public authority to engage in conduct relating to a postal service or telecommunication system, or to data derived from such a telecommunication system, to obtain **communications data**. The following types of conduct may be authorised:
- 10.2.1 conduct to acquire **communications data** - which may include the public authority obtaining **communications data** themselves or asking any person believed to be in possession of or capable of obtaining the **communications data** to obtain and disclose it; and/or
- 10.2.2 the giving of a notice - allowing the public authority to require by a notice a telecommunications operator to obtain and disclose the required data.

### **Stage 1 - Making an Application**

- 10.3 Before public authorities can acquire **communications data**, authorisation must be given by an Authorising Individual. An application for that authorisation must include an explanation of the necessity of the application.
- 10.4 Necessity should be a short explanation of the investigation or operation, the person and the **communications data** and how these three link together. The application must establish the link between the three aspects to be able to demonstrate the acquisition of **communications data** is necessary for the statutory purpose specified.
- 10.5 When granting an authorisation, the authorising individual must also believe that conduct to be proportionate to what is sought to be achieved by obtaining the specified **communications data** – that the conduct is no more than is required in the circumstances. This involves balancing the extent of the interference with an individual's rights and freedoms against a specific benefit to the investigation or operation being undertaken by a relevant public authority in the public interest.
- 10.6 As well as consideration of the rights of the individual whose data is to be acquired consideration must also be given to any actual or potential infringement of the privacy and other rights of individuals who are not the subject of the investigation or operation.
- 10.7 The applicant officer will complete an application form setting out for consideration the necessity and proportionality of a specific requirement for acquiring **communications data**.
- 10.8 The application should record subsequently whether it was authorised by an authorising individual and when that decision was made. Applications should be retained by the public authority and be accessible to the SPoC.

## **Stage - 2 Consultation with the Single Point of Contact**

- 10.9 A SPoC must be consulted on all Local Authority applications before they are authorised.
- 10.10 Amongst other things the SPoC will:
- 10.10.1 assess whether the acquisition of specific **communications data** from a telecommunications operator or postal operator is reasonably practicable or whether the specific data required is inextricably linked to other data; and
  - 10.10.2 advise applicants on the most appropriate methodology for acquisition of data where the data sought engages a number of telecommunications operators or postal operators.
- 10.11 The National Anti-Fraud Network ('NAFN') is hosted by Tameside Metropolitan Borough Council.
- 10.12 In accordance with section 73 of the IPA, all Local Authorities who wish to acquire **communications data** under the IPA must be party to a collaboration agreement. In practice this means they will be required to become members of NAFN and use NAFN's shared SPoC services. Applicant officers within Local Authorities are therefore required to consult a NAFN SPoC throughout the application process. The accredited SPoCs at NAFN will scrutinise the applications independently. They will provide advice to the Local Authority ensuring it acts in an informed and lawful manner.
- 10.13 In addition to being considered by a NAFN SPoC, the local authority making the application must ensure someone of at least the rank of the senior responsible officer in the local authority is aware the application is being made before it is submitted to an authorising officer in OCDA. The local authority senior responsible officer must be satisfied that the officer(s) verifying the application is (are) of an appropriate rank and must inform NAFN of such nominations. In this Council the Chief Executive is the Senior Responsible Officer and the officers notified to the NAFN (notified in March 2019) as able to verify applications are the Head of Legal and Support Services and the Audit Manager.
- 10.14 NAFN will be responsible for submitting the application to OCDA on behalf of the local authority.

## **Stage 3 - Authorisation of Applications**

- 10.15 The (OCDA) performs this function on behalf of the IPC. An authorising officer in OCDA can authorises requests from Local Authorities.
- 10.16 The authorising individual is responsible for considering and, where appropriate, authorising an application for **communications data**. It is their responsibility to consider the application and record their considerations at the time, in writing or electronically in order to show that they have understood the need for the application and considered necessity and proportionality to a standard that will withstand scrutiny. Comments should be tailored to a specific application as this best demonstrates the application has been properly considered.

- 10.17 If the authorising individual believes the acquisition of **communications data** meets the requirements set out in the IPA and is necessary and proportionate in the specific circumstances, an authorisation will be granted. If the authorising individual does not consider the criteria for obtaining the data have been met the application should be rejected and/or referred back to the SPoC and the applicant officer.

#### **Stage 4 - Refusal to Grant an Authorisation**

- 10.18 Where a request is refused by an authorising officer in OCDA, the public authority has three options:

10.18.1 not proceed with the request;

10.18.2 resubmit the application with a revised justification and/or a revised course of conduct to acquire **communications data**; or

10.18.3 resubmit the application with the same justification and same course of conduct seeking a review of the decision by OCDA. A public authority may only resubmit an application on the same grounds to OCDA where the senior responsible officer or a person of equivalent grade in the public authority has agreed to this course of action. OCDA will provide guidance on its process for reviewing such decisions.

#### **Stage 5 - Duration of Authorisations and Notices**

- 10.19 An authorisation becomes valid on the date upon which the authorisation is granted. It is then valid for a maximum of one month. This means the conduct authorised should have been commenced, which may include the giving of a notice, within that month.

- 10.20 Any notice given under an authorisation remains in force until complied with or until the authorisation under which it was given is cancelled.

- 10.21 All authorisations should refer to the acquisition or disclosure of data relating to a specific date(s) or period(s). Any period should be clearly indicated in the authorisation. The start date and end date should be given, and where a precise start and end time are relevant these must be specified.

- 10.22 Where an authorisation relates to the acquisition or obtaining of specific data that will or may be generated in the future, the future period is restricted to no more than one month from the date upon which the authorisation was granted.

- 10.23 Authorising individuals should specify the shortest possible period of time for any authorisation. To do otherwise would impact on the proportionality of the authorisation and impose an unnecessary burden upon the relevant telecommunications operator(s) or postal operator(s).

#### **Stage 6 - Renewal of Authorisations**

- 10.24 Any valid authorisation may be renewed for a period of up to one month by the grant of a further authorisation. A renewed authorisation takes effect upon the expiry of the authorisation it is renewing.

- 10.25 Renewal may be appropriate where there is a continuing requirement to acquire or obtain data that will or may be generated in the future. The reasons for seeking renewal

should be set out by the applicant officer in an addendum to the application upon which the authorisation being renewed was granted.

10.26 Where an authorising individual is granting a further authorisation to renew an earlier authorisation, they should:

10.26.1 Consider the reasons why it is necessary and proportionate to continue with the acquisition of the data being generated; and

10.26.2 Record the date and, when appropriate to do so, the time when the authorisation is renewed.

### **Stage 7 - Cancellations**

10.27 An authorisation may be cancelled at any time by the Local Authority or OCDA and must be cancelled if, at any time after the granting of the authorisation, it is no longer necessary for a statutory purpose or the conduct required by the authorisation is no longer proportionate to what was sought to be achieved.

10.28 In practice, it is likely to be the public authority that is first aware that the authorisation is no longer necessary or proportionate. In such cases the SPoC (having been contacted by the applicant officer, where appropriate) must cease the authorised conduct.

10.29 A notice given under an authorisation (and any requirement imposed by a notice) is cancelled if the authorisation is cancelled but is not affected by the authorisation ceasing to have effect at the end of one month period of validity.

## **11. CENTRAL CO-ORDINATION**

11.1 The Chief Executive will be the Senior Responsible Officer for the overall implementation of RIPA and the IPA.

11.2 The Head of Legal and Support Services will be responsible for:

11.2.1 giving advice and assistance to all staff concerned with the operation of RIPA and the IPA;

11.2.2 arranging training for all staff concerned with the operation of RIPA and the IPA; and

11.2.3 maintaining and keeping up to date this corporate policy and procedure.

11.3 The Audit Manager will be responsible for:

11.3.1 maintaining a central and up to date record of all authorisations;

11.3.2 along with the Head of Legal and Support Services, giving advice and assistance to all staff concerned with the operation of RIPA and the IPA; and

11.3.3 allocating reference numbers to authorisations.

## **12. WORKING WITH OTHER AGENCIES**

- 12.1 When another agency has been instructed on behalf of the Council to undertake any action under RIPA, this Council will be responsible for obtaining a RIPA authorisation and therefore this Policy and Procedure must be used. The other agency must then be given explicit instructions on what actions it may undertake and how these actions are to be undertaken.
- 12.2 When another agency (e.g. Police, HMRC, etc):
  - 12.2.1 wish to use the Council's resources (e.g. CCTV surveillance systems) for RIPA purposes, that agency must use its own RIPA procedures and, before any officer agrees to allow the Council's resources to be used for the other agency's purposes he or she must obtain a copy of that agency's RIPA form, a copy of which must be passed to the Audit Manager for inclusion on the central register;
  - 12.2.2 wish to use the Council's premises for their own RIPA action, and is expressly seeking assistance from the Council, the request should normally be granted unless there are security or other good operational or managerial reasons as to why the Council's premises should not be used for the other agency's activities. Suitable insurance or other appropriate indemnities may need to be sought. In such cases, the Council's own RIPA forms should not be used as the Council is only assisting and not involved in the RIPA activity of the other agency.

## **13. OTHER SOURCES OF INFORMATION**

- 13.1 The Home Office has issued Codes of Practice on **directed surveillance**, **CHISs** and **communications data**. These Codes of Practice supplement this policy and procedure document and should be used as a source of reference by all officers whose task it is to apply the provisions of RIPA and the IPA and their subordinate legislation.

## **14. RECORDS MANAGEMENT**

- 14.1 The Council must keep a detailed record of all authorisations, judicial approvals, reviews, renewals, cancellations and rejections in the relevant services. A central record of all authorisation forms, whether authorised or rejected, will be maintained and monitored by the Audit Manager.
- 14.2 All Authorising Officers must send all original applications for authorisation to the Audit Manager. Each document will be given a unique reference number, the original will be placed on the central record and a copy will be returned to the applicant officer.
- 14.3 Copies of all other forms used and the judicial approval form must be sent to the Audit Manager bearing the reference number previously given to the application to which it refers.

### **Service Records**

- 14.4 Each service must keep a written record of all authorisations issued to it, and any judicial approvals granted, to include the following:
  - 14.4.1 a copy of the application and a copy of the authorisation together with any supplementary documentation and notification of the approval given by the Authorising Officer;
  - 14.4.2 a record of the period over which the operation has taken place;

- 14.4.3 the frequency of reviews prescribed by the Authorising Officer;
- 14.4.4 a record of the result of each review;
- 14.4.5 a copy of any renewal of an authorisation and any supporting documentation submitted when the renewal was requested;
- 14.4.6 the date and time when any instruction was given by the Authorising Officer, including cancellation of such authorisation;
- 14.4.7 a copy of the order approving or otherwise the grant or renewal of an authorisation from a Justice of the Peace; and
- 14.4.8 the required date of destruction and when this was completed.

#### **Central Record Maintained by the Audit Manager**

- 14.5 A central record of all authorisation forms, whether authorised or rejected, is kept by the Audit Manager. The central record must be readily available for inspection on request by the Investigatory Powers Commissioner.
- 14.6 The central record must be updated whenever an authorisation is granted, reviewed, renewed or cancelled. Records will be reviewed after a period of 6 years from the date on which the relevant criminal or civil proceedings file is closed for archive and deleted when no longer necessary.
- 14.7 The central record must contain the following information:
  - 14.7.1 the type of authorisation;
  - 14.7.2 the date on which the authorisation was given;
  - 14.7.3 name / rank of the Authorising Officer;
  - 14.7.4 details of attendances at the Magistrates' Court to include date of attendances at court, the determining Justice of the Peace, the decision of the Justice of the Peace and the time and date of that decision;
  - 14.7.5 the unique reference number (URN) of the investigation / operation. This will be issued by the Audit Manager when a new application is entered in the Central Record. The applicant officer will be informed accordingly and should use the same URN when requesting a renewal or cancellation;
  - 14.7.6 the title of the investigation / operation, including a brief description and names of the subjects, if known;
  - 14.7.7 if the authorisation was renewed, when it was renewed and who authorised the renewal, including the name and rank / grade of the Authorising Officer;
  - 14.7.8 whether the investigation / operation is likely to result in the obtaining of **confidential information** (information is confidential if it is held subject to an express or implied undertaking to hold it in confidence or it is subject to a restriction on disclosure or an obligation of confidentiality contained in existing legislation. Examples might include consultations between a health professional and a patient, information from a patient's medical records; or matters subject to legal privilege);

- 14.7.9 if the authorisation was reviewed, when it was reviewed and who authorised the review, including the name and rank / grade of the Authorising Officer;
- 14.7.10 the date and time that the authorisation was cancelled.
- 14.8 It should also contain a comments section enabling oversight remarks to be included for analytical purposes.
- 14.9 The Audit Manager co-ordinating RIPA and IPA applications ensures that there is an awareness of the investigations taking place. This would also serve to highlight any unauthorised **covert** surveillance being conducted.

### **Retention and Destruction of Material**

- 14.10 Departments must ensure that arrangements are in place for the handling, storage and destruction of material obtained through the use of **covert** surveillance, a CHIS and/or the acquisition of communications data which accord with the Council's Information Management Policy. Records will be reviewed after a period of 6 years from the date on which the relevant criminal or civil proceedings file is closed for archive and must be destroyed as soon as they are no longer necessary. **Confidential material must be destroyed as soon as it is no longer necessary.** It must not be retained or copied unless it is necessary for a specified purpose. Where there is doubt, advice must be sought from the Head of Legal and Support Services or the Senior Responsible Officer.

## **15. REVISION HISTORY**

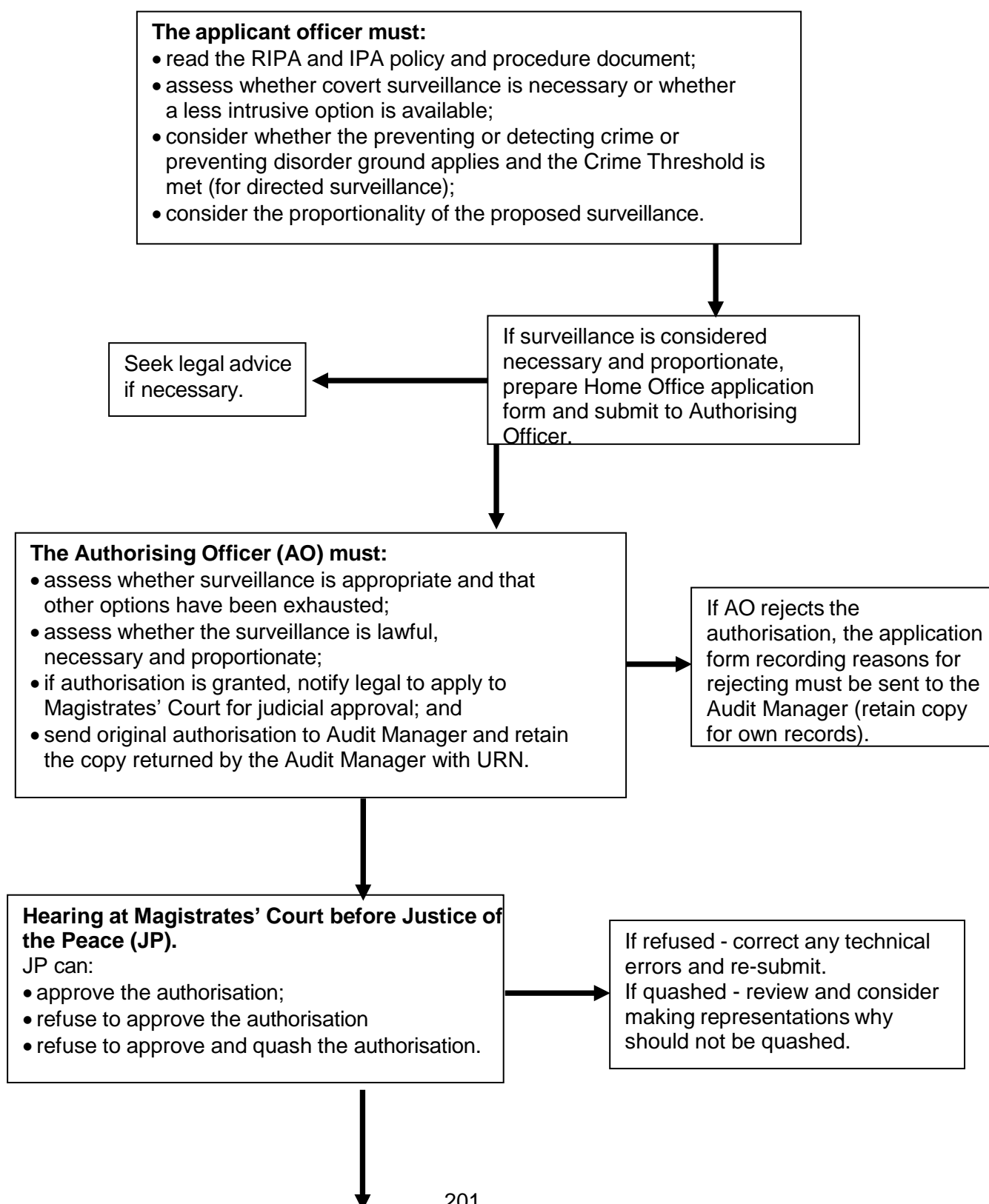
<b>Date</b>	<b>Action</b>
December 2006	ASG Revised
May 2009	ASG Reviewed
June 2010	AW Reviewed and updated
March 2012	ASG Revised
October 2012	HO Guidance issued
September 2013	RH Reviewed and updated
October 2015	DMG Reviewed and updated
9 December 2015	Approved by Audit and Governance Committee
12 January 2016	Approved by Council

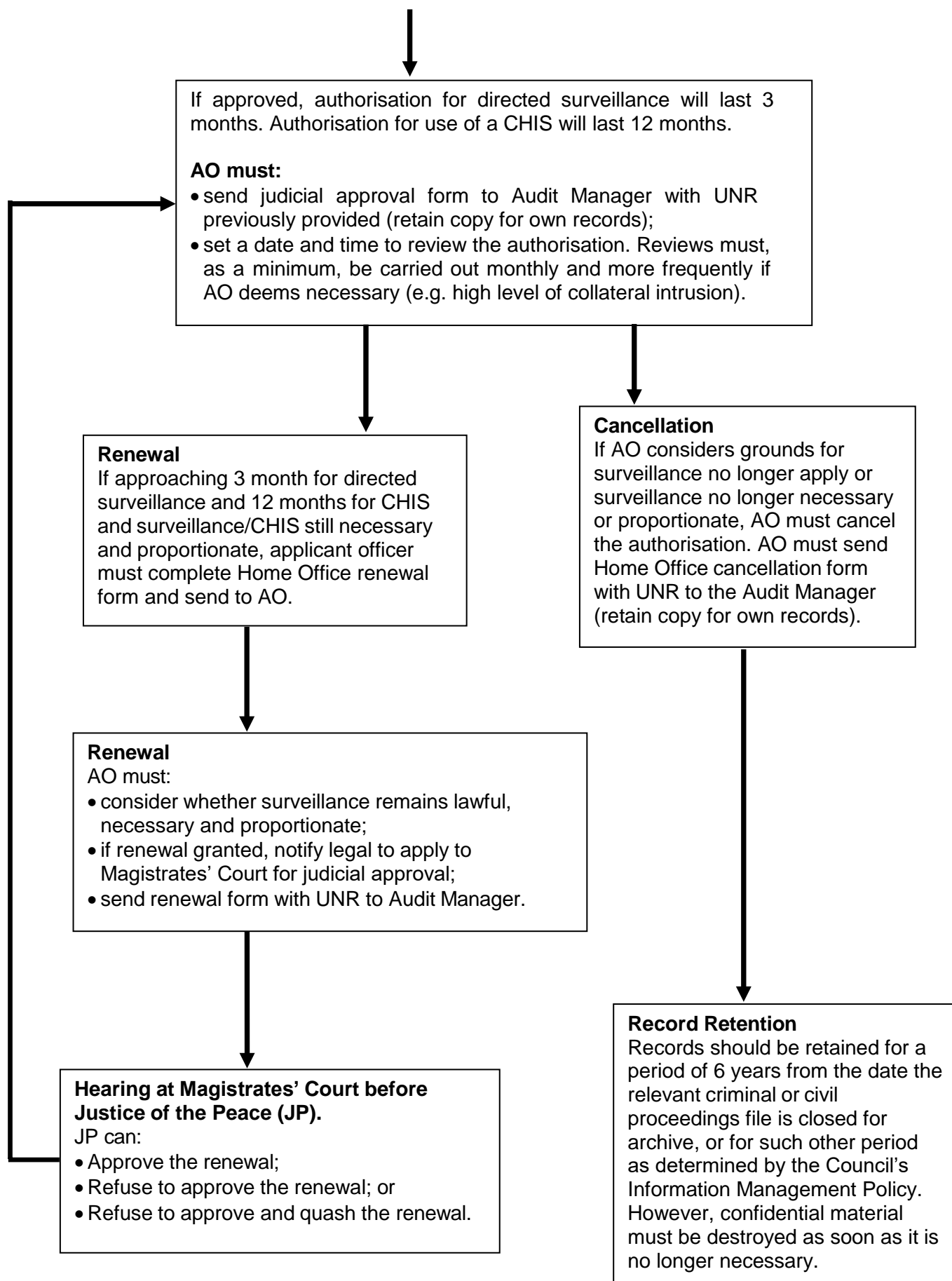


## APPENDIX 1

### RIPA - AUTHORISATION OF DIRECTED SURVEILLANCE / USE OF A CHIS PROCEDURE

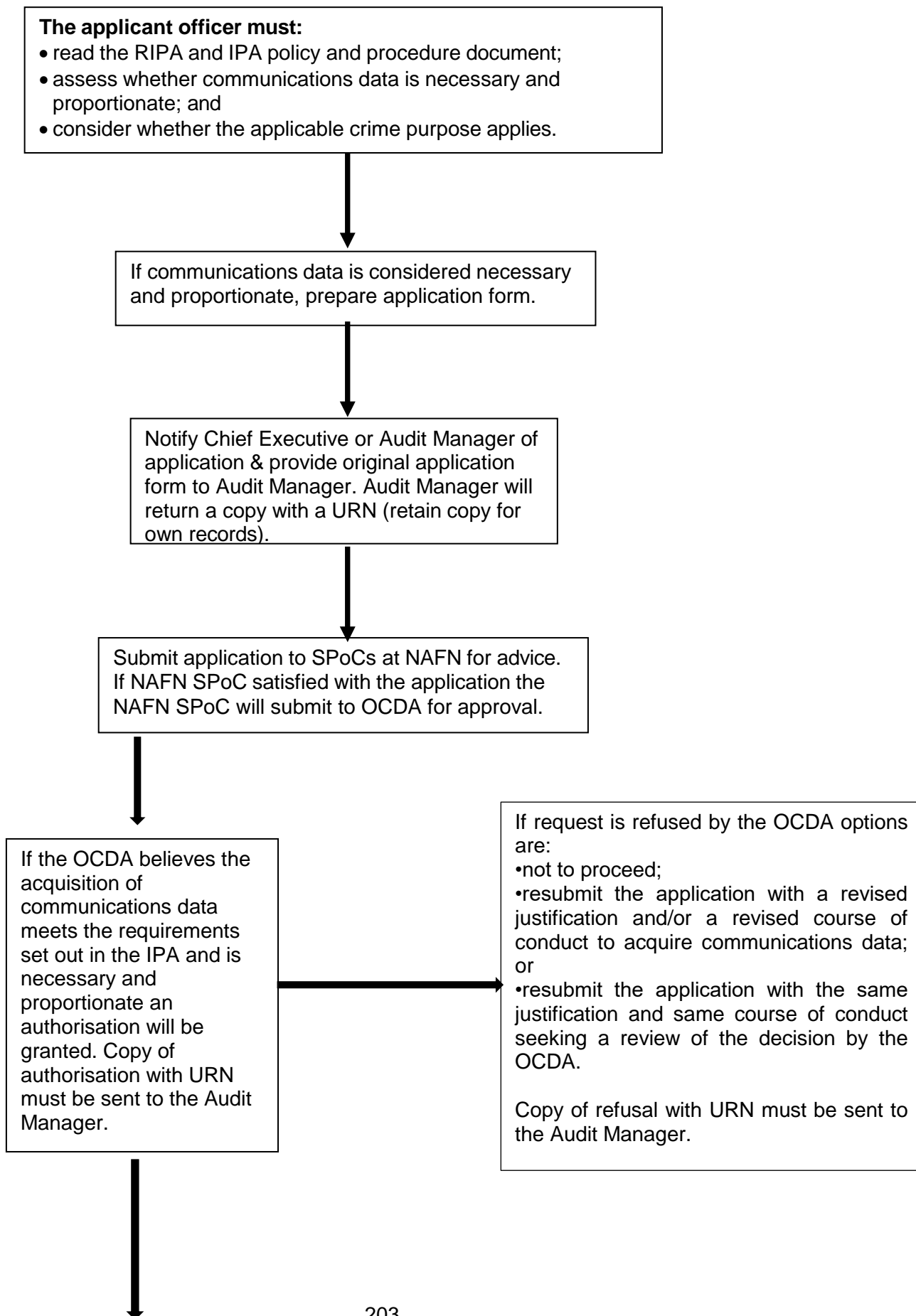
(Note: Note: Only the Chief Executive may authorise the use of a juvenile or vulnerable individual as a CHIS)

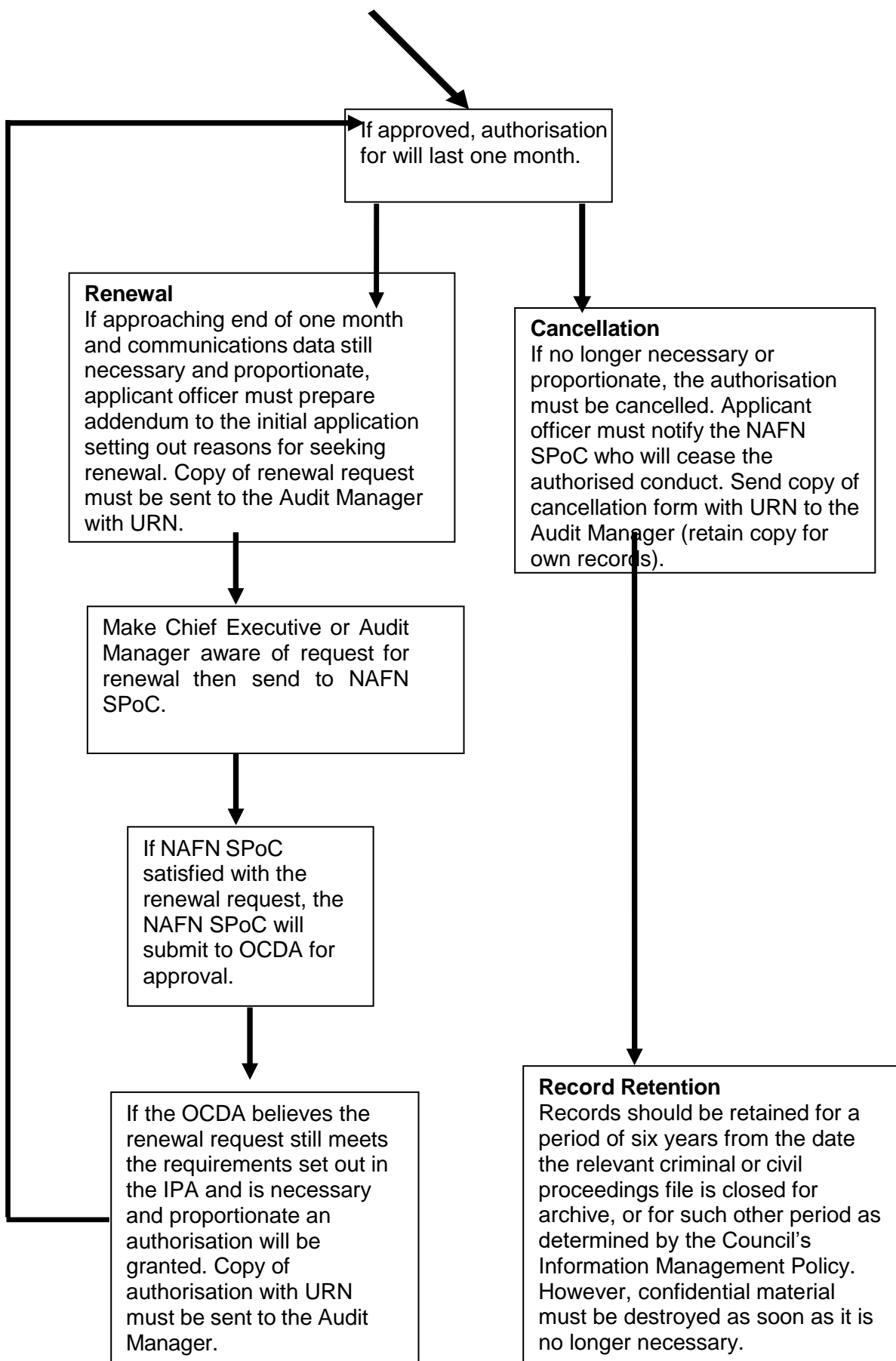




## APPENDIX 1

### IPA - COMMUNICATIONS DATA AUTHORISATION PROCESS





## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 6  
AUGUST 2025



<b>Title of Report</b>	<b>CORPORATE RISK UPDATE</b>	
<b>Presented by</b>	Paul Stone Director of Resources	
<b>Background Papers</b>	<a href="#"><u>Corporate Risk Update - Audit and Governance Committee 23 April 2025</u></a>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	There are no financial implications to be considered.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	There are no legal implications to be considered.	
	<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 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 at the last meeting of the officer Corporate Risk Group on 23 April 2025. In line with the Risk Management Policy, members of this Committee are to receive periodic updates on risks monitored through the Corporate Risk Register.

## 2.0 RISK REGISTER

- 2.1 The updated Risk Register can be found at Appendix 1. Of note are updates in respect of:
- Reference CR2 – recognition of recent Government consultations in respect of business rates retention and the Fair Funding Review

- Reference CR4 – a suite of governance training for senior officers has been scheduled for November 2025
  - Reference CR9 – as well as continued focus on governance arrangements and training for officers, a Member Training Programme has been developed.
  - Reference CR16 – recognition of consultation activity which has taken place during June/July 2025
- 2.2 Out of the 17 active risks, one is red, ten are amber and six are green. There have been some narrative changes, and these are shown as tracked changes (red text).
- 2.3 The Director of Resources acts as the lead for corporate risk and is satisfied that the main risks posed to the organisation have been captured within the risk register and that control measures to mitigate these risks are appropriate. The report is based on an update in July 2025, any further update on significant changes in risk will be provided at the meeting.
- 2.4 The Audit and Governance Committee is asked to review and note this risk update and provide any feedback they wish to be considered by the Corporate Risk Group at its next meeting.

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

# CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk Score			Likelihood	Impact	Risk Score
CR1	<p><b>Safeguarding</b></p> <p><b>Risk</b></p> <p>Death/serious harm to a vulnerable person receiving a Council service and safeguarding compliance is not followed.</p> <p><b>Consequence</b></p> <p>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
207									
Existing Controls	<ul style="list-style-type: none"> <li>An identified Corporate Leads: Head of Community Services and Head of HR and Organisational Development</li> <li>An identified team responsible for Safeguarding (Community Safety) with responsibility embedded into Team Leader role and <u>Community Safety Officer- Safeguarding Lead</u> an officer <del>(Child &amp; Adults at risk Officer)</del>.</li> <li>An agreed Safeguarding Policy refreshed as <del>required</del><u>required. Updated in 2024, refreshed in 2025</u></li> <li>An identified group of Designated Safeguarding Officers (DSO's) <u>and Safeguarding Service advisors</u>.</li> <li><del>An annual mandatory</del> training programme <del>to ensure new for</del> DSOs <del>and service advisors are well informed and trained every three years and quarterly team meetings, updates and training</del></li> <li>A mandatory <u>online</u> training programme is in place <del>for all staff, for all staff</del> 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 <u>weekly</u> case management review meeting by Environmental Health <u>and</u> Community Safety <u>Team Managers</u> <del>Team</del> <u>and Community Safety Team</u> Leader to ensure all cases progressed <u>with the Safeguarding lead officer</u>.</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> </ul>								

## CORPORATE RISK REGISTER

### APRIL 2025

Planned mitigating actions	<ul style="list-style-type: none"><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><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 <a href="#">in 2024/2025</a></li><li>• Review of the performance indicators for the safeguarding referral service has been implemented</li></ul>		
		Delivery timescales	Ongoing
		Reason for delay in delivery	
Comments and progress on actions	Stable		



# CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR2	<p><b>Management of Council finances</b></p> <p><b>Risk</b></p> <p>Reduced funding from Government. Increased demand for services, coupled with high inflation and pay awards has led to a funding gap over the medium term. Government plans reduction in business rates share to the Council. Changes to the local authority financial settlement. Economic downturn / recession. Commercial opportunities not progressed. Changing rent policies. The new Food Waste collections to be introduced in 2025/26 has a risk of insufficient revenue funding from Government being provided.</p> <p><u>The Council's consultations in respect of Business Rates Retention, loss of the New Homes Bonus and the Fair Funding Review issued in 2025, suggest that the Council may face significant losses in terms of business rates growth.</u></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	3	6
Existing Controls	<ul style="list-style-type: none"> <li>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.</li> <li><u>Audit and Governance Committee has 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 4 June 2025.</u></li> </ul>								

## CORPORATE RISK REGISTER

APRIL 2025

210

Planned  
mitigating  
actions

- 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 Council is liaising actively with officials from Government in order to negate a 'cliff edge' funding loss over the medium term.
- |  |                              |            |
|--|------------------------------|------------|
| <ul style="list-style-type: none"> <li>• Compliance with CIPFA and accounting codes in meeting the revised backstop dates to ensure that the closure of the 2024/25 Statement of Accounts aligns with the statutory deadline.</li> <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> | Delivery timescales          | April 2027 |
|  | Reason for delay in delivery |            |

## CORPORATE RISK REGISTER

### APRIL 2025

	<ul style="list-style-type: none"><li>• <u>MTFP to be further developed to include sensitivity analysis and presented to Cabinet in November 2025</u></li><li>• <u>Additional third party support has been sourced to assist with key reconciliations to support the closedown process.</u></li></ul>		
Comments and progress on actions  211	<p><b>Stable</b></p> <p><del>Internal audits of financial systems have been completed including accountancy and budget control, creditors, debtors, capital, procurement and treasury management. Actions have been developed to address weaknesses. Over 50% of internal audit recommendations from the recent limited assurance reports in respect of finance have now been implemented., with 25% on track for delivery and the remaining 25% are not yet due for delivery.</del></p> <p><del>Additional interim resource to ensure that the Statement of Accounts and statutory returns are published or completed, moving the Council towards a pre-Covid business as usual operation in meeting its statutory requirements.</del></p> <p><del>Additional third-party resource to address issues identified with the Council's financial system (Unit4) with a focus on budget monitoring activity. A project board oversees the financial systems work.</del></p> <p><u>The closure of the Statement of Accounts 2023/24 is currently on track.</u></p> <p>Budget setting for 2026/27 has commenced with a focus on identifying savings over the medium term.</p>		

CORPORATE RISK REGISTER

APRIL 2025

212 Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR3	<p><b>The employment market provides unsustainable employment base for the needs of the organisation.</b></p> <p><b>Risk</b> The Council has insufficient resources due to being unable to fill vacancies or recruitment is challenging for a variety of reasons meaning recruitment fails. Failure to horizon scan and interpret future needs in crucial roles. Changes to income or financial climate. Inability to recruit to vacancies/retain staff globally or in specialist areas.</p> <p><b>Consequences</b> 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.</p>	3	4	12	Treat	Head of HR and OD	3	2	6

# CORPORATE RISK REGISTER

APRIL 2025

	Use of external resources at a significantly higher cost								
213	Existing Controls	<ul style="list-style-type: none"> <li>• Advance planning to mitigate this risk;</li> <li>• 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 <u>2024-2025</u> and aiming for Gold accreditation in 2025<u>8</u>. New focus on apprenticeships development to allow the Council to 'grow our own' and to tackle ageing workforce distribution.</li> <li>• 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.</li> <li>• 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.</li> <li>• The Council can offer a package of additional benefits to enhance the recruitment offer.</li> <li>• Mitigations in place for variety of staffing related aspects - e.g. mental health awareness, overall wellbeing work etc.</li> <li>• The Council has developed innovative partnering relationships with other sectors including the private sector to make posts uniquely attractive.</li> <li>• The Council's recruitments processes have been reviewed to make the process easier.</li> </ul>							
213	Planned mitigating actions	<ul style="list-style-type: none"> <li>• Constantly reviewing its advertising strategies.</li> <li>• Specialist journals and their associated websites are also used depending on the role.</li> <li>• Social media is also used for advertising roles.</li> <li>• 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.</li> <li>• 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 <u>which was considered by Corporate Leadership Team in May 2025</u>.</li> <li>• Recruitment Refresh which includes: <ul style="list-style-type: none"> <li>○ Reviewing and updating our application form and interview process</li> <li>○ Setting up HR clinics</li> <li>○ Improving the content on our website and social media channels regarding recruitment and promoting NWLDC as an employer</li> <li>○ Updating our recruitment policy and creating guidelines for managers</li> </ul> </li> </ul>				Delivery timescales		April 202 <u>6</u> <u>5</u>	
								Reason for delay in delivery	

CORPORATE RISK REGISTER

APRIL 2025

	<div></div> <div></div>		
Comments and progress on actions	Stable		

## CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR4	<p><b>Personal data breach</b></p> <p><b>Risk</b></p> <p>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></p> <p>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
215									
Existing Controls	<ul style="list-style-type: none"><li>• Policies and procedures are in place and rolled out</li><li>• The Information Governance polices 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 <u>2024-2025</u> – 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 <u>Information-information Governance-governance and data protection</u> was delivered to the Corporate Leadership Team and Extended Leadership Team in November 2024 <u>as part of the Corporate Governance training programme</u>.</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>			Delivery timescales		Ongoing			

CORPORATE RISK REGISTER  
APRIL 2025

Planned mitigating actions	<ul style="list-style-type: none"><li>Quarterly meetings with Information Governance team and SIRO to continue</li><li>Annual SIRO report <del>2024</del><u>2025/25-26</u> to be taken to Audit and Governance Committee in April <del>2025</del><u>2026</u></li><li><u>Information Governance Framework will be reviewed in 2025/26 alongside other corporate governance policies.</u></li><li><u>Corporate Governance training programme in November 2025 to include an update on information governance and data protection</u></li></ul>	Reason for delay in delivery	
Comments and progress on actions	Stable		



## CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR5	<p><b>Procurement and management of contracts</b></p> <p><b>Risk</b></p> <p>Contracts have not been adequately secured and administered. This can lead to a range of issues, including suboptimal terms, potential legal disputes, and financial losses. Legal and procurement teams are not consulted when contractors are engaged. Procurement procedures are not followed. The Council contributes to modern slavery via its contracts and supplies. Insufficient resources to monitor and implement contractual arrangements .</p> <p>The Council fails to the meet the requirements of the Procurement Act 2023.</p> <p><b>Consequences</b></p> <p>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
217									
<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>• <del>A suite of procurement training is scheduled throughout 2025 to ensure officers are aware of the changes to processes as a result of the introduction of the Procurement Act 2023.</del></li> <li>• Processes have been reviewed and procurement templates revised.</li> <li>• V4 has <del>ve</del> 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> </ul>								

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Planned mitigating actions	<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>V4 are continuing to work with services to ensure an accurate contracts register is published and maintained.</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><u>Review of the Contract Procedure Rules as part of the Ceonstitution review to address any changes required since they have been operating in practice</u></li> <li><u>A suite of procurement training is scheduled throughout 2025 to ensure officers are aware of the changes to processes as a result of the introduction of the Procurement Act 2023. There is specific contract management training scheduled for July 2025.</u></li> <li></li> </ul>	Delivery timescales	December 2025
		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
CR6	<b>Emergency response</b>  <b>Risk</b> Failure to respond to an emergency event in an appropriate manner. Lack of planning, training and exercising of Emergency plans.  <b>Consequences</b> General public at risk of harm or unable to access relevant services (e.g. emergency accommodation or rest centre).	4	4	16	Treat	Head of Human Resources and Organisation Development	4	2	8
219									
Existing Controls	<ul style="list-style-type: none"> <li>Business continuity plans have been reviewed and updated at Head of Service level as part of the 2024/25 business plans process. LRF and Council emergency plans and arrangements are being constantly updated and have been used during recent storm flooding events that have affected the district in late 2023 and early 2024. Exercises also take place at regional and national level for a variety of emergency planning scenarios.</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. COVID experience shows capability and ability to perform.</li> <li>LRF delivered training to the Corporate Leadership Team in 2024</li> <li>Senior managers attend LRF training.</li> <li>ICO's and FLM's issued with guidance documentation to support their roles <u>as well as refresher training</u>.</li> </ul>								
Planned mitigating actions				Delivery timescales		Ongoing			
				Reason for delay in delivery					

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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 220	<p><b>Cyber-attack</b></p> <p><b>Risk</b></p> <p>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></p> <p>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
Existing Controls	<ul style="list-style-type: none"> <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 2024, the Council had 0 critical, 5 high, 15 medium and 31 Low issues. These are currently being worked on for remediation. The Council has also passed our Public Services Network (PSN) accreditation for 24/25 and working on 25/26 renewal.</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.</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 Skillsgate 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, moving away from tapes.</li> <li>Improved business recovery arrangements have been implemented to minimise recovery time.</li> </ul>								

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Planned mitigating actions	<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 47 medium and 102 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. Three remediations due for completion in December have been completed.</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 <del>we are starting</del> the 2<sup>nd</sup> phase of the CAF framework assurance <u>has commenced</u>.</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 have been completed</li></ul>		
	<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></ul>	Delivery timescales	Ongoing
		Reason for delay in delivery	
Comments and progress on actions	<b>Stable</b> Good progress on keeping staff and the business secure.		

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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></p> <p>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></p> <p>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>	3	3	9	Treat	Director of Resources	2	2	4
222									
Existing Controls	<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><u>Deploying Internal Audit to audit individual projects and assess project management effectiveness.</u></li> <li><del>Utilising Internal Audit to conduct audits of individual projects or project management more widely.</del> . Scrutiny of risk registers or project management framework of individual projects by <u>Risk Scrutiny Group</u><u>Corporate Risk Group</u>.</li> <li>Project management guidance has been developed and published, as well as a suite of templates</li> <li><del>List of Council-wide projects developed and to be monitored by the Transformation Steering Group</del><u>Guidance has been developed to ensure that projects report to the appropriate boards or steering groups.</u></li> <li>Project Management Training was delivered to key officers in September 2024.</li> </ul>								

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Planned mitigating actions	<ul style="list-style-type: none"><li>A schedule of all projects across the Council has been developed and will be monitored <del>by the Transformation Steering Group</del> <u>by the appropriate board or steering group.</u></li><li>E-learning module is being developed</li></ul>	Delivery timescales	April 202 <u>6</u> <del>5</del>
		Reason for delay in delivery	
Comments and progress on actions	Stable		

## 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
CR9	<p><b>Ultra vires decisions/Local authority failure</b></p> <p><b>Risk</b></p> <p>Council makes ultra vires (beyond the Council's powers and functions) decisions or those which it does not have the correct permissions to undertake. Staff / Members proceeding without established governance arrangements. Failure to consult with Legal / Monitoring Officer.</p> <p>There is greater focus from Government and regulators on the local government sector. There is a risk of an impact of an adverse external assessment on the Council. If this risk materialised it could impact on service delivery, performance levels, governance, reputation and decision-making arrangements. Greater focus on the local government sector from Government and regulators following high profile council 'failures'.</p> <p><b>Consequences</b></p> <p>Potential challenge to decision/litigation against the Council, resulting in increased costs / compensation. Financial, reputational, legal and political damage to the Council.</p>	4	3	12	Treat	Head of Legal and Support Services	1	4	4
224									
Existing Controls	<ul style="list-style-type: none"> <li>Constitution reviewed annually – 24/25 review completed, and Constitution approved at Council in February 25.</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, <u>Scrutiny</u>, Licensing, Planning and Audit and Governance Committees</li> <li>Advice provided to members by the <u>Monitoring Officer (MO)</u>/Deputy 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 2023 to <u>Corporate Leadership Team and Team Managers</u>LT/ELT_ and on report writing <u>process</u> in 2024</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. <del>The Council is aware of the creation of the Office for Local Government and is actively working to understand the implications/requirements for the Council.</del></li> </ul>								



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	<ul style="list-style-type: none"> <li>• “Golden triangle” of Statutory Officers is in place with <u>a regular monthly</u> 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>• Internal audits of finance functions completed. 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>• Corporate Governance Training delivered to Managers in November 2024</li> <li>• “in session” video in respect of Governance/decision-making recorded and shared with staff in January 2025.</li> <li>•</li> </ul>		
Planned mitigating actions	<ul style="list-style-type: none"> <li>• Annual review of Constitution 2025/26</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, <u>Scrutiny</u>, Licensing, Planning and A and G Committees</li> <li>• Guidance and training to be provided to report authors</li> <li>• Corporate Governance Training to be provided to Managers in November 2025</li> <li>• Report authors guide to be refreshed and rolled out for officers</li> <li>• <u>Detailed Programme of governance training, including detailed</u> training on decision-making to be delivered to relevant staff in 2025/26</li> <li>• <u>Member training programme being developed and delivered to members, including in relation to specific roles e.g. Audit and Governance Committee members</u></li> </ul>	Delivery timescales	Ongoing
		Reason for delay in delivery	
Comments and progress on actions	Stable		

## 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
CR10	<b>Fraud</b>  <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.  <b>Consequences</b>  Financial, reputational and political damage to Council.	4	3	12	Treat	Strategic Director of Resources, Heads of Service and all Team Managers.	2	3	6
226									
Existing Controls	<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 2024.</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 with testing designed to detect fraud where possible. 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 <del>is an annual mandatory module for all staff</del><u>will be a requirement to refresh the training every two years.</u></li></ul>								
Planned mitigating actions	<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>			Delivery timescales	Ongoing				
				Reason for delay in delivery					

## 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
CR13	<b>Political Administration</b>  <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.  <b>Consequences</b>  Financial, reputational and political damage to the Council. Slower decision making.	3	3	9	Treat	Chief Executive	2	3	6
227									
Existing Controls	<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><u>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 monthly meetings with the opposition leader of the opposition and deputy members to ensure broader engagement.</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. Monthly Statutory Officer meetings</li></ul>								
Planned mitigating actions	<ul style="list-style-type: none"><li>Continued engagement with all groups/members.</li><li>Advice provided to members on Constitution to enable members to undertake their roles.</li><li></li></ul>			Delivery timescales	ongoing				
				Reason for delay in delivery					

CORPORATE RISK REGISTER  
APRIL 2025

Comments and progress on actions	Stable
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## CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR15	<b>Climate Change/Zero Carbon Delivery</b>  <b>Risk</b>  Inability to deliver programme due to resource / financial / operational / procedural process. Inability to gain action by partners  <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.	3	4	12	Treat	Head of Community Services	2	2	4
229									
Existing Controls	<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 <del>Corporate Plan</del><u>Council Delivery Plan</u> 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>								
Planned mitigating actions	<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>			Delivery timescales	April 2026				
				Reason for delay in delivery					
Comments and progress on actions	Stable								

## 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	<p><b>Changes in national priorities and legislative/regulatory change</b></p> <p><b>Risk</b></p> <p>Changes in national priorities given the new Government elected in July 2024. This could include changes in delivery of statutory services.</p> <p><b>Consequences</b></p> <p>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
230									
Existing Controls	<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><u>The Council is promoting public consultation the North, City, South website, where residents can review the proposals and provide feedback. The consultation period runs form 9 June to 20 July 2025.</u></li> </ul>								
	<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> </ul>			Delivery timescales		Ongoing			

## CORPORATE RISK REGISTER

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Planned mitigating actions	<ul style="list-style-type: none"> <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>Continued staff, member and stakeholder engagement on LGR as proposals develop.</li> </ul>	Reason for delay in delivery	
Comments and progress on actions	Stable		

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR17	<b>Housing Landlord Function</b>  <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.  <b>Consequences</b> Loss of control of service provision , loss of function, unlimited fines, reputational and political risk.	3	4	12	Treat	Head of Housing	2	3	6
Existing Controls	<ul style="list-style-type: none"> <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> </ul>								

CORPORATE RISK REGISTER

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	<ul style="list-style-type: none"> <li>Self Assessment against new housing standards completed and outcome fed into revised Improvement Plan</li> </ul>		
Planned mitigating actions	<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> <li>Engagement of external bodies to assist with third party view and development of detailed plans in areas of focus featured in the Improvement Plan.</li> <li><u>The Council will be subject to an inspection by the Social Housing Regulator on 18 August 2025. Feedback from this inspection will guide further improvement planning where appropriate.</u></li> </ul>	Delivery timescales	April 2026
		Reason for delay in delivery	
Comments and progress on actions	Stable		



# CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR18	<p><b>Health and Safety</b></p> <p><b>Risk:</b></p> <p>The Council fails to comply with health and safety legislation and manage health and safety risks in delivering its services</p> <p><b>Consequences</b></p> <p>Fatality or serious injury to an employee or member of the public. Breach of legislation may lead to criminal prosecution, imprisonment, fines and reputational damage. Loss of major assets.</p> <p>Council employees continue to receive threatening behaviour/racial hatred comments from customers. There have been several incidents at the Customer Centre during 2025, and to staff undertaking duties in front facing services (eg Waste, Housing) .</p>	3	4	12	Treat	Head of HR and Organisational Development	2	3	6
233									
Existing Controls	<ul style="list-style-type: none"> <li>Corporate Health and safety policy in place and reviewed annually.</li> <li>Supporting policies, Fire, Legionella, Asbestos 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 program <u>me</u> implemented with further development progressing.</li> <li>Health and safety discussion forms part of regular meetings with CLT, Management Teams, <u>Joint Trade Union Coordination Centre</u> and Union safety reps.</li> <li>Increased security at the Customer Centre</li> <li>Panic alarms upgraded at the Customer Centre</li> <li>Posters on display stating that the Council will not tolerate threatening behaviour</li> <li><u>Issues raised with the Police Inspector in Coalville</u></li> <li><u>A dedicated session in respect of health and safety for CLT Members took place in December 2024.</u></li> </ul>								

## CORPORATE RISK REGISTER

### APRIL 2025

Planned mitigating actions	<ul style="list-style-type: none"><li>• Further development of a <u>Health and Safety (H&amp;S)</u> management system in line with ISO 45001</li><li>• Introduction of H&amp;S guidance notes and introduction of H&amp;S page as a single point to access H&amp;S information.</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>• Overarching corporate review of policies relating to these areas.</li></ul>	Delivery timescales	<ul style="list-style-type: none"><li>• April 2026</li><li>• <del>December 2024</del></li></ul>
		Reason for delay in delivery	
Comments and progress on actions	Stable		

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APRIL 2025

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

## CORPORATE RISK REGISTER

### APRIL 2025

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

## CORPORATE RISK REGISTER

APRIL 2025

Ref	Risk description	Inherent Risk			Risk Response	Risk Owner	Residual Risk		
		Likelihood	Impact	Risk score			Likelihood	Impact	Risk score
CR20	<b>Local Plan</b>  <b>Risk</b> <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> <b>Consequences</b> <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 Regeneration	2	3	6
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Existing Controls	<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>								
Planned mitigating actions	<ul style="list-style-type: none"> <li>Additional capacity to be sought using grant provided by government</li> </ul>			Delivery timescales		April 2026			
				Reason for delay in delivery					

Comments and progress on actions	New
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Assessing the likelihood of exposure

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

Assessing the impact of exposure

## CORPORATE RISK REGISTER

### APRIL 2025

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

CORPORATE RISK REGISTER  
APRIL 2025

4. Major	<p>An incident so severe in its effects that a service or project will be unavailable permanently with a major impact on the general public and partner organisations.</p> <p>Strategic priorities of a critical nature are not met. Statutory duties are not achieved.</p> <p>Death of an employee or member of the public. Financial loss over £1m.</p> <p>Adverse national media attention - national televised news report.</p> <p>Litigation almost certain and difficult to defend. Breaches of law punishable by imprisonment.</p>
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Risk matrix

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

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

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



## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 6  
AUGUST 2025

<b>Title of Report</b>	<b>STANDARDS AND ETHICS REPORT - QUARTER 1</b>	
<b>Presented by</b>	Kate Hiller 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 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 1 of 2025/26.	
<b>Recommendations</b>	<b>THAT THE REPORT IS NOTED.</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.
- 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.
- 1.5 For this year, the template for the report has been refreshed in order to make the report clearer and more streamlined, as well as ensuring it focuses on the information that is most relevant to the Committee.

<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	Kate Hiller Head of Legal and Support Services <a href="mailto:kate.hiller@nwleicestershire.gov.uk">kate.hiller@nwleicestershire.gov.uk</a>

# Standards and Ethics Quarter 1 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:

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- 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 4 complaints in Quarter 1 of 2025/26 (1 April 2025 - 30 June 2025).

2 complaints received in Quarter 1 are still ongoing.

2 complaints received in Quarter 1 were unable to be progressed as the initial tests were not met.

1 complaint received in Quarter 3 of 2024/25 was withdrawn in Quarter 1.

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

1 complaint received in Quarter 4 of 2024/25 will be dealt with at an Assessment Sub-committee in Quarter 2 of 2025/26.

## 2.1 Assessment Sub-committee Decisions

There has been one Assessment Sub-committee meeting in this quarter. This related to two complaints received in Quarter 4 of 2024/25. The Sub-committee referred one complaint to the Monitoring Officer for further action and decided to take no further action in relation to the other complaint. 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 1.

## 2.2 Determination Sub-Committee Decisions

None to report - see above.

# Complaints made to the Monitoring Officer under the Code of Conduct during Q1 2025/26

<u>Qtr 1</u> <u>25/26</u>	<u>Complaint from</u>	<u>About District/ Parish councillor</u>	<u>Regarding</u>	<u>Status</u>
	District Councillor	District Councillor	Promoting another political party on social media.	Initial tests not met
246	Member of the Public	District Councillor	Overhearing a comment made by one Councillor to another Councillor (the recipient Councillor did not raise a complaint about this).	Initial tests not met
	Parish Clerk	Parish Councillor	Unacceptable behaviour over a telephone call.	Ongoing
	Parish Councillor	Parish Councillor	Inappropriate language and behaviour at a meeting.	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:

- Treating others with respect
- Bullying, harassment and discrimination
- Use of position
- Bringing the Council into disrepute
- Leading by example

This document is official, handle appropriately

# Ethical Indicators

PERFORMANCE INDICATOR	Q1			Q2			Q3			Q4		
	23/24	24/25	25/26	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25
Instances of concerns raised re Modern Slavery	0	1	0	0	0	0	0	1	0	0	0	0
Instances of concerns raised re Modern Slavery referred to national agencies	0	0	0	0	0	0	0	0	0	0	0	0
Number of whistle blowing incidents reported	0	0	0	0	0	0	0	0	0	0	0	0
Number of Challenges to procurements	0	0	0	0	0	0	0	0	0	0	0	0
Public interest Reports	0	0	0	0	0	0	0	0	0	0	0	0
Objections to the 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	0	0	0	0
Use of RIPA powers	0	0	0	0	0	0	0	0	0	0	0	0

# FOI Data for Q1 25/26

The Council received an increase in Subject Access Requests (SARs) in this Quarter, all of which were able to be answered on time.

This Quarter saw a decrease in Freedom of Information (FOI) Requests, with an increase in the amount dealt with on time.

\*some columns are blank as the reporting format has changed since those dates, so statistics were not previously available.



	Subject Access Requests											
	Q1			Q2			Q3			Q4		
	23/24	24/25	25/26	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25
Total number received	11	11	25	6	11	10	5	9	12	10	8	21
% answered on time		100%	100%			90%		78%	92%		88%	95%
Internal reviews		1	0			0			1			1

248	Freedom of Information Requests											
	Q1			Q2			Q3			Q4		
	23/24	24/25	25/26	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25
Total number received	157	122	161	122	196	132	108	157	197	148	194	204
% answered on time	93%	89%	91%	79%	86%	90%	60%	92%	92%	91%	92%	90%
Internal reviews	1	0	4	3	2	0	3	1	1	1	0	1

	Environmental Information Requests											
	Q1			Q2			Q3			Q4		
	23/24	24/25	25/26	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25
Total number received	6	4	10	4	5	6	7	3	1	7	3	6
% answered on time		100%	90%		80%	100%		100%	100%		100%	85%
Internal reviews		0	0		0	0		0	0		0	0



## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 6  
AUGUST 2025



<b>Title of Report</b>	<b>LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN REVIEW LETTER</b>	
<b>Presented by</b>	Kate Hiller Head of Legal and Support Services and Monitoring Officer	
<b>Background Papers</b>	<a href="#">NWL Statistics</a>	<b>Public Report:</b> Yes
<b>Financial Implications</b>	There are no financial implications to be considered.	
	<b>Signed off by the Section 151 Officer:</b> Yes	
<b>Legal Implications</b>	There are no legal implications to be considered.	
	<b>Signed off by the Monitoring Officer:</b> Yes	
<b>Staffing and Corporate Implications</b>	There are no staffing or corporate implications to be considered.	
	<b>Signed off by the Head of Paid Service:</b> Yes	
<b>Purpose of Report</b>	To make members aware of the Local Government and Social Care Ombudsman's (LGSCO) review letter for 2024/25 in accordance with the LGSCO Guidance on Effective Handling of Complaints.	
<b>Recommendations</b>	<b>THAT THE COMMITTEE NOTES THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN'S REVIEW LETTER FOR 2024/25.</b>	

## 1.0 BACKGROUND

- 1.1 The purpose of this report is to ask the Committee to consider the Local Government and Social Care Ombudsman (LGSCO) Annual Review Letter. The Council received that letter on 21 May 2025, and a copy is attached as Appendix 1. The letter provides the Council with an annual summary of the complaint statistics from the LGSCO, relating to the year ending 31 March 2025. The LGSCO letter provides a link to the LGSCO website, with the statistics for North West Leicestershire District Council.

- 1.2 The Corporate Scrutiny Committee separately considers an annual report on customer service, feedback and complaints. The last report was considered by Scrutiny at its meeting in June 2025.

## **2.0 LGSCO OUTCOMES/STATISTICS**

The letter confirms that from April 2024 to March 2025, in respect of the Council, 11 complaints were dealt with by the LGSCO. Five were deemed not to be for the LGSCO, five were assessed and closed, and one was investigated but the complaint was not upheld. The statistics are focused on the following three key areas:

Complaints upheld – Complaints are upheld when some form of fault is found in the authority's actions, including where the authority has accepted fault before an investigation is commenced. The LGSCO investigated one complaint but did not uphold any complaints in 2024/25.

Compliance with recommendations – The Ombudsman recommends ways for authorities to put things right when faults have caused injustice. The recommendations try to put people back in the position they were, before the fault, and the Ombudsman monitors authorities to ensure they comply with the recommendations. There were no recommendations due for compliance during 2024/25.

Satisfactory remedies provided by the Authority – Cases are recognised where an authority has taken steps to put things right before the complaint is made to the LGSCO. The LGSCO did not uphold any complaints in this period.

The LGSCO compares the three key annual statistics for the Council with similar types of authorities to work out an average level of performance. This is carried out for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs. In a previous annual letter, the LGSCO explained that changes were made to the way that cases were processed and investigated, with a priority being given to complaints where it is in the public interest to investigate and that the LGSCO is now less likely to investigate "borderline" issues and this could lead to a higher finding of fault overall. For this reason, the LGSCO advises that it is more helpful to authorities to compare the "uphold rates" with those of similar organisations rather than the previous years of uphold rates for North West Leicestershire District Council.

The LGSCO Guidance states that the Monitoring Officer should consider whether the implications of an investigation should be individually reported to Members where the investigation has wider implications for council policy or exposes a more significant finding of maladministration.

Examples could include:

- The maladministration is, or has been, ongoing and therefore putting the Council or authority at risk of further maladministration.
- The large scale of the fault or injustice.
- The reputational or financial risk arising.
- The large number of people affected.

The Guidance also states that, in the unlikely event that the Council did not comply with the Ombudsman's recommendations following a finding of maladministration, the Monitoring Officer should report this to Members (Cabinet or Council as appropriate) under section 5 of the Local Government and Housing Act 1989. If the LGSCO issued a

public interest report (under section 30(1) of the Local Government Act 1974), there is a specific requirement for that finding to be reported to members and for a formal response to that finding to be sent to the Ombudsman, within three months setting out the action that they have taken, or propose to take, in response to the report. The Monitoring Officer meets with the relevant Strategic Director to discuss any LGSCO decisions which have been upheld against the criteria set out in the LGSCO guidance and whether the findings need to be reported to members as above. There have been no findings of this nature in the period covered by the annual letter.

In February 2025, the LGSCO also published 'good practice guides' on its website to assist local authorities in adopting the Complaint Handling Code which was updated in February 2024. The guidance is intended to help local authorities to take a proportionate approach to considering complaints and offers advice to statutory officers and senior leaders.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	A Well-Run Council.
Policy Considerations:	The Council deals with feedback in line with the corporate feedback policy.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	Customers are advised of the route to make a complaint to the LGSCO at the conclusion of stage 2 of the corporate feedback policy.
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon	None.
Consultation/Community/Tenant Engagement:	None.
Risks:	None.
Officer Contact	Kate Hiller Head of Legal and Support Services <a href="mailto:kate.hiller@nwleicestershire.gov.uk">kate.hiller@nwleicestershire.gov.uk</a>

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21 May 2025

*By email*

Ms Thomas  
Chief Executive  
North West Leicestershire District Council

Dear Ms Thomas

### **Annual Review letter 2024-25**

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2025. The information offers valuable insight about your organisation's approach to complaints, and I know you will consider it as part of your corporate governance processes. We have listened to your feedback, and I am pleased to be able to share your annual statistics earlier in the year to better fit with local reporting cycles. I hope this proves helpful to you.

[Your annual statistics are available here.](#)

In addition, you can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

In a change to our approach, we will write to organisations in July where there is exceptional practice or where we have concerns about an organisation's complaint handling. Not all organisations will get a letter. If you do receive a letter it will be sent in advance of its publication on our website on 16 July 2025, alongside our annual Review of Local Government Complaints.

### **Supporting complaint and service improvement**

In February we published [good practice guides](#) to support councils to adopt our [Complaint Handling Code](#). The guides were developed in consultation with councils that have been piloting the Code and are based on the real-life, front-line experience of people handling complaints day-to-day, including their experience of reporting to senior leaders and elected members. The guides were issued alongside free [training resources](#) organisations can use to make sure front-line staff understand what to do when someone raises a complaint. We will be applying the Code in our casework from April 2026 and we know a large number of councils have already adopted it into their local policies with positive results.

This year we relaunched our popular [complaint handling training](#) programme. The training is now more interactive than ever, providing delegates with an opportunity to consider a complaint from receipt to resolution. Early feedback has been extremely positive with delegates reporting an increase in confidence in handling complaints after completing the training. To find out more contact [training@lgo.org.uk](mailto:training@lgo.org.uk).

Yours sincerely,



Amerdeep Somal  
Local Government and Social Care Ombudsman  
Chair, Commission for Local Administration in England

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