

# NON-CONFIDENTIAL



**Borough of Tamworth**

Marmion House,  
Lichfield Street, Tamworth,  
Staffordshire B79 7BZ.

Enquiries: 01827 709 709  
Facsimile: 01827 709 271

## **AUDIT AND GOVERNANCE COMMITTEE**

18 June 2024

Dear Councillor

A meeting of the Audit and Governance Committee will be held in **Town Hall, Market Street, Tamworth on Wednesday, 26th June, 2024 at 6.00 pm**. Members of the Committee are requested to attend.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S. C. V.'.

**CHIEF EXECUTIVE**

### **A G E N D A**

#### **NON CONFIDENTIAL**

- 1 Apologies for Absence**
- 2 Appointment of the Vice-Chair**
- 3 Minutes of the Previous Meeting (Pages 5 - 10)**
- 4 Declarations of Interest**

*To receive any declarations of Members' interests (pecuniary and non-pecuniary) in any matters which are to be considered at this meeting.*

*When Members are declaring a pecuniary or non-pecuniary interest in respect of which they have dispensation, they should specify the nature of such interest. Members should leave the room if they have a pecuniary or non-pecuniary interest in respect of which they do not have a dispensation.*

**5 Annual Governance Statement and Code of Corporate Governance (To Follow)**

*(Report of the Chief Executive)*

**6 Internal Audit Annual Report and Quarterly Update for 2023/24 (Pages 11 - 38)**

*(Report Audit Manager)*

**7 Audit Committee Effectiveness - Skills Audit and Independent Member Update (Pages 39 - 62)**

*(Report of the Audit Manager)*

**8 Risk Management Quarterly Update Qt4 2023/24 (Pages 63 - 100)**

*(Report of the Assistant Director, Finance)*

**9 Audit and Governance Committee Timetable (Pages 101 - 106)**

*(Discussion Item)*

**10 Exclusion of the Press and Public**

To consider excluding the Press and Public from the meeting by passing the following resolution:-

*“That in accordance with the provisions of the Local Authorities (Executive Arrangements) (Meeting and Access to Information) (England) Regulations 2012, and Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during the consideration of the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public”*

At the time this agenda is published no representations have been received that this part of the meeting should be open to the public.

**11 FHSF Risk (Pages 107 - 134)**

### **Access arrangements**

*If you have any particular access requirements when attending the meeting, please contact Democratic Services on 01827 709267 or e-mail [democratic-services@tamworth.gov.uk](mailto:democratic-services@tamworth.gov.uk). We can then endeavour to ensure that any particular requirements you may have are catered for.*

### **Filming of Meetings**

*The public part of this meeting may be filmed and broadcast. Please refer to the Council's Protocol on Filming, Videoing, Photography and Audio Recording at Council meetings which can be found [here](#) for further information.*

*If a member of the public is particularly concerned about being filmed, please contact a member of Democratic Services before selecting a seat*

### **FAQs**

*For further information about the Council's Committee arrangements please see the FAQ page [here](#)*

To Councillors: C Adams, S Doyle, C Bain, M Couchman, P Turner, J Wadrup and  
A Wells

This page is intentionally left blank



## **MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON 24th APRIL 2024**

**PRESENT:** Councillors B Clarke, S Daniels, S Doyle, B Price (Vice-Chair) and R Pritchard

**Officers** Rebecca Smeathers (Executive Director Finance (S151)), Joanne Goodfellow (Assistant Director Finance), Andrew Wood (Audit Manager), Tracey Pinton (Legal Admin & Democratic Services Manager) and Laura Sandland (Democratic and Executive Support Officer)

**Visitors** Laurelin Griffiths – Grant Thornton, former External Auditors  
Laura Hinsley – Azets, current External Auditors

### **65 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors D Maycock & P Thurgood

Councillor B Price (Vice Chair) chaired the meeting in the Chairs absence.

### **66 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 20th March 2024 were approved and signed as a correct record.

*(Moved by Councillor R Pritchard and seconded by Councillor B Clarke)*

### **67 DECLARATIONS OF INTEREST**

There were no declarations of Interest.

### **68 REVIEW OF THE TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STATEMENT 2024/25 AND THE TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REVIEW REPORT 2023/24**

Report of the Executive Director, Finance, reviewed the Treasury Management Strategy Statement, Minimum Revenue Provision Statement and Annual Investment Statement 2024/25 and the Treasury Management Strategy Statement and Annual Investment Strategy Mid-year Review Report 2023/24 approved by Council on 27th February 2024 and 12th December 2023 respectively.

**Resolved that the Committee**

1. Considered the Treasury Management Reports, as detailed within the reports attached at Appendix A and Appendix B and highlighted any changes for recommendation to Cabinet.

*(Moved by Councillor B Clarke and seconded by Councillor R Pritchard)*

**69 2022/23 RE-STATED STATEMENT OF ACCOUNTS**

Report of the Executive Director, Finance, to seek approval for the re-stated Statement of Accounts (the Statement) for the financial year ended 31st March 2023 following completion of the external audit, and updates required to take account of IFRIC 14 - IAS 19 The Limit on a Defined Benefit Asset.

The Executive Director - Finance updated the committee on the Re-stated Statement of Accounts. The draft was approved at the committee in September 2023 and delegated authority was given to the chair to sign off. However, due to the time scale of receiving the final audit of the pension fund and guidance from CIPFA about the treatment of some of the pension asset valuations in the accounts, these material changes have been bought back to be signed off by the committee.

The external Auditor Laurelin Griffiths went through the Audit Findings Report to give the information to the committee on the audit findings before they agreed to sign off the 2022/23 Re-stated Statement of Accounts. The vast majority of the Audit findings report is identical to the report presented in September 2023, there are a few outstanding queries which was updated.

- Testing of journals are now completed with no issues.
- Testing on valuation of properties now completed, on the Dwellings, the Investment Properties and other land and buildings with no additional issues other than the small ones reported in September.
- Received assurances from the external auditor of the Staffordshire pension fund with no issues.
- One change is the pension net asset is now being presented as a net liability due to the application of the net asset saving under IFRIC 14 that has resulted in just under a seven million pound swing in that pension figure but this doesn't affect the surplus and deficit on Provision of services and it doesn't affect the council's general fund, it's in effect just a technical accounting adjustment.

- To confirm financial update of adjustment for an additional £7,500 for the work on the pension adjustment bringing the total audit for the year to £89,476

Following an update from the Audit Findings Report it was

**Resolved that the committee**

1. Approved the Annual Statement of Accounts 2022/23

*(Moved by Councillor R Pritchard and seconded by Councillor B Clarke)*

**70 AUDITOR'S ANNUAL REPORT**

Report of Grant Thornton. Laurelin Griffiths from Grant Thornton, external auditors, summarised the Annual Report.

The Annual Report on the council's arrangements to secure Value for money 2022/23 financial year. Report on 3 areas

- Council's arrangements to secure financial sustainability.
- The council's governance arrangements
- The council's arrangements to secure improvements in economy efficiency and effectiveness.

This is a relatively positive report with some minor improvements, there were no significant weaknesses in the Council's arrangements.

**Resolved that the Committee:**

1. Endorsed the report with the comments made.

*(Moved by Councillor B Clarke and seconded by Councillor R Pritchard)*

**71 AUDIT INTERIM PROGRESS REPORT**

Report of External Auditors, Azets, provided the Audit & Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

Interim audit in March 2023, the response times from management have been excellent and we have had all the information we had requested. Identified one recommendation in relation to Parks and Open Spaces, these weren't separately identified in the fixed assets register. Comfortable it's not a material balance, and will liaise with the Grant Thornton Team to get access to their files and will give us assurance over the opening balances.

On track for signing the Audit Opinion in September.

**Resolved that the Committee:**

1. Considered progress stated in the report.

*(Moved by Councillor B Clarke and seconded By Councillor S Daniels)*

**72 ANNUAL REVIEW OF FINANCIAL GUIDANCE**

Report of the Assistant Director, Finance, sought endorsement of the proposed amendments to Financial Guidance.

**Resolved that the committee:**

1. Endorsed the proposed amendments to the Council's Financial Guidance, to take immediate effect.

*(Moved by Councillor B Clarke and seconded by Councillor R Pritchard)*

**73 PUBLIC SECTOR INTERNAL AUDIT STANDARDS/QUALITY ASSURANCE & IMPROVEMENT PROGRAMME**

Report of the Audit Manager, reported to the Audit & Governance Committee on Internal Audit's compliance with the Public Sector Internal Audit Standards (PSIAS) and the Quality Assurance and Improvement Programme (QAIP).

**Resolved that the Committee endorsed:**

1. Internal Audit's assessment of compliance with the PSIAS (Appendix 1);
2. The QAIP (Appendix 2); and
3. The External Quality Assessment Action Plan (Appendix 3).

*(Moved by Councillor R Pritchard and seconded by Councillor B Clarke)*

**74 ANNUAL REPORT OF THE CHAIR OF AUDIT & GOVERNANCE COMMITTEE**

Report of the Audit Manager presented the proposed Annual Report of the Audit & Governance Committee for 2023/24 for Council.

**Resolved that the Committee:**

1. Endorsed the proposed Annual Report of the Audit &



Governance Committee 2023/24.

*(Moved by Councillor B Clarke and seconded by Councillor S Doyle)*

Councillor B Clarke thanked the Officers for support in the past year.

## **75 AUDIT AND GOVERNANCE COMMITTEE TIMETABLE**

The new timetable will be reviewed at the first meeting in the new municipal year

---

Chair

This page is intentionally left blank

**Wednesday, 26 June 2024**

**Report of the Audit Manager**

**Internal Audit Annual Report and Quarterly Update for 2023/24**

**Exempt Information**

None.

**Purpose**

This report comprises Internal Audit's Annual Report (**Appendix 1**), which includes results for Quarter 4 to 31<sup>st</sup> March 2024.

**Recommendations**

**It is recommended that the Committee endorse the Internal Audit's Annual Report (Appendix 1), which includes the results for the Quarter 4 to 31<sup>st</sup> March 2024.**

**Executive Summary**

The Accounts and Audit Regulations 2015 require councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance process, taking into account both Public Sector Internal Auditing Standards or guidance.

This opinion forms part of the framework of assurances that is received by the Council and should be used to help inform the annual governance statement. Internal Audit also has an independent and objective consultancy role to help managers improve risk management, governance and control.

In giving the annual audit opinion 2023/24, it should be noted that assurance can never be absolute. The most that the internal audit service can provide the council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

Despite resourcing issues during the year, the section delivered 86% of the audit plan for 2023/24 by 31<sup>st</sup> March 2024. A number of performance indicators were missed during the year and these are outlined in **Appendix 1** of this report, together with further detail of the work undertaken by the section.

Annual Internal Audit Opinion

On the basis of audit work completed, Internal Audit's opinion on the council's framework of governance, risk management and internal control is reasonable in its overall design and effectiveness. Certain weaknesses and exceptions were highlighted by audit work. These matters have been discussed with management, to whom recommendations have been made. All these have been, or are in the process of being addressed.

Specific Issues

No specific issues have been highlighted through work undertaken by internal audit during the year.

### **Options Considered**

None.

### **Resource Implications**

None.

### **Legal/Risk Implications Background**

Failure to report would lead to non-compliance with the requirements of the Annual Governance Statement and the Public Sector Internal Audit Standards.

### **Equalities Implications**

None.

### **Environment and Sustainability Implications (including climate change)**

None.

### **Background Information**

None.

### **Report Author**

Andrew Wood – Audit Manager  
Andrew-wood@tamworth.gov.uk

### **List of Background Papers**

### **Appendices**

**Appendix 1 – Internal Audit Annual Report (including Quarter 4 2023/24 Progress Results)**

Internal Audit Annual Report and  
Progress Report (Quarter 4)  
June 2024



## Contents

- 01 Introduction
- 02 Internal Audit Work Undertaken
- 03 Opinion
- 04 Follow Up
- 05 Performance of Internal Audit

### Appendices

- 01 Summary of Internal Audit Work Undertaken
- 02 Assurance and Recommendation Classifications

In the event of any questions arising from this report please contact Andrew Wood, Audit Manager [andrew-wood@tamworth.gov.uk](mailto:andrew-wood@tamworth.gov.uk)

The matters raised in this report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. This report was produced solely for the use and benefit of Tamworth Borough Council. The Council accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification.

## 01 INTRODUCTION

### BACKGROUND

This report summarises internal audit activity and performance for the period to 31 March 2024.

### SCOPE AND PURPOSE OF INTERNAL AUDIT

The Accounts and Audit Regulations require councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards or guidance.

This progress report and opinion forms part of the framework of assurances that is received by the Council and is used to help inform the annual governance statement. Internal audit also has an independent and objective consultancy role to help managers improve risk management, governance and control.

Internal Audit's professional responsibilities as auditors are set out within Public Sector Internal Audit Standards (PSIAS) produced by the Internal Audit Standards Advisory Board produced by the Internal Audit Standards Advisory Board.

### ACKNOWLEDGEMENTS

Internal audit is grateful to the directors, heads of service, service managers and other staff throughout the council for their help during the period.

### 02 INTERNAL AUDIT WORK UNDERTAKEN

The internal audit plan for 2023/24 approved by the Audit & Governance Committee at its meeting in March 2023. The plan was for a total of 16 audits. To the end of quarter 4 2023/2024 and taking into account the exceptional circumstances previously reported to committee we have completed 86% of the audit plan. In addition we have fully completed the 3 audits rolled forward from 2022/23. Work has been ongoing on all audits contained within the plan in respect of scoping and briefing and agreeing with management the start dates for the reviews, this is outlined in the attached **Appendix 1** and provides the position as at 31<sup>st</sup> March 2024. An analysis of audit plan completion and indicatively planned audits is shown in the table below;

	Q1	Q2	Q3	Q4
Number of audits allocated per quarter	4	4	6	2
% of plan	25	25	37	13
Cumulative 2023/24 audit plan % completed	0	25	31	86
Completed and finalised 2022/23 audits	2	3	3	3
Audits drafted and awaiting management agreement 2022/23	1	2	0	0

Planned work initially envisaged that by 31 March 2024 we would have completed 100% of the Audit Plan, actual out turn figures show that we have due to exceptional circumstances that we have completed 86% of the expected plan. The work undertaken and the progress on each audit is shown in summary and progress made this year is included at **Appendix 01**.

### 03 OPINION

#### SCOPE OF THE OPINION

In giving an opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In arriving at an opinion, the following matters have been taken into account:

- The outcomes of all audit activity undertaken during the period.
- The effects of any material changes in the organisation's objectives or activities.
- Whether or not any limitations have been placed on the scope of internal audit.
- Whether there have been any resource constraints imposed upon us which may have impinged on our ability to meet the full internal audit needs of the organisation.
- What proportion of the organisation's internal audit needs have been covered to date.

## INTERNAL AUDIT OPINION

**On the basis of audit work completed, the Audit Manager’s opinion on the council’s framework of governance, risk management and internal control is reasonable in its overall design and effectiveness. Certain weaknesses and exceptions were highlighted by audit work. These matters have been discussed with management, to whom recommendations have been made. All of these have been, or are in the process of being addressed.**

### Specific Issues

No specific issues have been highlighted through the work undertaken by internal audit during the period.

### Fraud & Irregularity

No matters of fraud or irregularity have been reported during the period. Also see the fraud update on this Committee’s agenda.

### Consultancy & Advice

The audit team may be requested by managers to undertake consultancy and advice on governance, risk management and internal control matters from time to time. During the period to 31 March 2024 no additional work was requested.

## 04 Follow Up

As previously agreed by the Committee, all high priority actions and those arising from no and limited overall assurance reports are followed up by audit, managers confirmation applies to the rest.

The total outstanding actions at the end of Quarter 4 are 47 (9 high, 26 medium, 12 low). During 2024/25 the Audit Manager will continue to hold quarterly meetings with all Assistant Directors to review all outstanding recommendations, for Quarter 4 these meetings will be undertaken during June/July 2024. There has been a significant improvement in the implementation and the number of outstanding recommendations, over time, has been shown within **Appendix 3**. This shows in tabular graph form the progress regarding the number of outstanding audit recommendations over time.

Priority of Recs	Number of O/S recs – 31 Dec 2023	Number of recs closed during the period Dec 23 – March 24	Number of additional recs made during Q4	Number of current O/S recs as at 31 March 2024	Overall movement of rec numbers during the quarter 4
High	12	0	0	9	-3
Medium	28	3	5	26	-2
Low	12	5	5	12	0

As at 31 March 2024 there were 9 high priority recommendations all were overdue and these have been followed up with Assistant Directors. All current outstanding high priority recommendations are contained within **Appendix 3** of this report.



**Compliance with professional standards**

We employ a risk-based approach in planning and conducting our audit assignments. Internal audit work has been performed in accordance with PSIAS.

**Conflicts of interest**

There have been no instances during the year which have impacted on internal audit's independence that have led to any declarations of interest.

**Performance of Internal Audit**

**Internal audit quality assurance**



To ensure the quality of the work internal audit performs, there is a programme of quality measures which includes:



- Supervision of staff conducting audit work.
- Review of files of working papers and reports by managers.
- Regular meetings of our networking groups, which issue technical and sector updates.


**Performance Measures**



- Complete 90% of the audit plan - 86% relates to assurance work completed.
- 100% Draft reports issued within 6 weeks of start date – 38%
- 100% Closure meetings conducted within 5 days of completion of audit work – 83%
- 100% draft reports to be issued within 10 working days of closure meeting – 50%
- 100% of all high priority actions are implemented at follow up – N/A
- All no and limited assurance reports have a revised assurance rating of substantial or reasonable on follow up – Not applicable
- Achieve an average customer satisfaction score of 4 or more – 100%


Appendix 01: Summary of Internal Audit Work Undertaken 2023/24



Assurance	Audit/Corporate Risk	Scope	Indicative Planned Quarter	Assurance Summary	AssuranceOpinion
Core Financial Systems	Creditors CR1,CR6	Risk based review covering the adequacy and effectiveness of controls around the maintenance of creditors systems.	Q2	<p>Overall, the Council has Reasonable controls in place for the management of its creditors function, including payments to suppliers, credit card spend, supplier bank details and reporting on payments information.</p> <p>Our opinion is mainly driven by the Medium finding raised for the lack of authorisation of the Card Authorisation Form across our sample of 15 credit card transactions and occasional delays in providing receipts for transactions. The control environment could be improved for the management of credit cards to formally establish the implications for cardholders not following the credit card procedures to enable to the Finance Team to enforce non-compliance.</p> <p>However, importantly, the spend on credit cards and through the purchase order process appeared to be for valid business reasons.</p> <p>Furthermore, there were robust controls in place for purchases from suppliers. Across our sample of 15 purchases, requisitions were authorised in accordance with the Scheme of Delegations and workflows in E-Financials and suppliers were paid accurately, following appropriate levels of approval.</p> <p>There were effective controls in place to ensure that amendments to supplier bank details were valid, to prevent fraudulent payments being made, and these were consistently applied.</p>	 Reasonable Assurance H-0 M-1 L-3
	Procurement CR1, CR6	Risk based review of Procurement systems to ensure controls in place for the adherence to procurement legislative requirements.	Q1	<p>The Council have reasonable controls in place to support the management of its procurement function. The Procurement Regulations were robust and met the statutory requirements of local authorities in the Public Contract Regulations 2015. Furthermore, the Council have developed a strong set of templates and guidance documents for staff to ensure there is a consistent and effective procurement process.</p> <p>However, due to limited resources in the Procurement Team, spend over £5,000 is not regularly monitored to assess whether staff are not complying with procurement rules. In our sample testing of spend over £5,000 which include three purchases from the purchase ledger (rather than the Contract Register), we identified that purchases had been made without notifying the Procurement Team or having a waiver form approved. Similarly, there was an</p>	 Reasonable Assurance H-0 M-3 L-2

				<p>instance where a procurement waiver form was approved outside of the scheme of delegation.</p> <p>Therefore, while adequate controls were in place, they were not always consistently followed.</p>	
Strategic & Operational Risks	Business Continuity CR1, CR2, CR3, CR6	Risk based review of the council's arrangements for business continuity.	Q2	<p>BCPs were not regularly reviewed and updated, demonstrated by the fact that 21 of the 22 were still using the previous templates with the Corporate Finance BCP review ongoing at the time of our review. As a result, the BCPs either did not reflect the Council's actual processes or service areas were unaware of their BCPs, which could cause a significant risk to the adequacy of the response to an incident. This was further impacted by the lack of a consistent and thorough training programme for service leads. The Council are currently in the process of refreshing its service area BCPs which could improve the controls.</p> <p>There was a lack of governance structures in place to oversee the implementation of the Council's business continuity arrangements. There was support provided by the CCU but we would expect the Council to have robust internal governance to ensure there is sufficient ownership and monitoring of the BCP arrangements.</p> <p>The risk of 'Inability to deliver economic growth, sustainability and prosperity in the Borough', which 'inadequate business continuity planning' is identified as a causing factor, has a current risk score of 9 on the Council's Corporate Risk Register (with a target risk score of 4). Therefore, if appropriate controls are not implemented to support adequate BCPs and staff training, this could impact the achievement of the Council's objectives.</p>	 <p>Limited Assurance H-1 M-2 L-0</p>
	Corporate Policy Management CR1, CR3, CR4, CR5, CR6	Risk based review of the council's arrangements for policy development, update and change. Incorporating reporting and approval requirements.	Q3	<p>Overall, the Council have reasonable controls in place to support corporate policy management.</p> <p>The Astute system means that staff can be made aware of mandatory policies, with compliance tracked. Reminders can also be sent out when a new policy has been uploaded, or an old one should be updated. The use of infozone (the council's intranet) allows for other, more specific policies to be accessible to all staff members.</p> <p>However, the Council does not maintain a central log of policies in place at the organisation. This means there is no centralised system to ensure policies are updated when required. On review of a sample of 10 policies uploaded to Astute, we found that three of them (30%) had not been updated within the correct period and were therefore out of date.</p> <p>We therefore raised two findings relating to the lack of a policy log to provide oversight of policy management, and several of</p>	 <p>Reasonable Assurance  H-0 M-2 L-0</p>

			our sampled policies not being updated within the specified review period.	
Taxi Licences CR3, CR4, CR6	Risk based review of the council's management arrangements for taxi licensing across the Borough, ensuring all checks both individual and vehicle are carried out and completed.	Q3	<p>Overall, the Council has reasonable processes in place to ensure taxi licences are processed in accordance with statutory legislation, including conducting background checks for new applications. Enforcement actions such as a penalty point system are also in place.</p> <p>However, we have raised findings relating to:</p> <p>Application evidence – we identified exceptions in the documentation records for driver and vehicle license applications, including not submitting all forms, not obtaining full logbooks and insurance and DBS checks not being updated.</p> <p>Enforcement and escalation – the Council does not schedule spot checks to ensure it is able to identify breaches and out of date information in a timely manner and results of checks are not recorded centrally.</p>	 Reasonable Assurance  H-0 M-2 L-0


Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Community Safety CR3, CR4, CR6	Risk based review of Community Safety arrangements at the Council.	Q3	<p>Overall, the council has reasonable controls in place for the community safety processes, including the arrangements for the Tamworth Vulnerability Partnership, three-year rolling Community Safety Partnership Plan and the supporting Partnership Workplan.</p> <p>However, we have raised findings relating to:</p> <ol style="list-style-type: none"> <li>1. The workplan does not have a timeframe for each key project and it is updated internally without a tracker to indicate the date of when the specific action was completed. Our testing of a sample of actions showed the progress report of the workplan is not always accurate based on the RAG ratings assigned.</li> <li>2. The Antisocial behaviour terms of reference is a draft version and has not been updated to reflect structure changes within the Council.</li> <li>3. There are no aims and objectives outlined in the 2023-2026 Community Safety Partnership Plan.</li> </ol>	 Reasonable Assurance  H-0 M-2 L-1
	Training & Development CR2, CR6	Risk based review looking at the Council's arrangements for training and development.	Q1	<p>Overall, the Council have Limited controls in place to support its management of training and development, underpinned by out-dated training policy and completion of mandatory training and PDRs being lower than we would expect. This impacts the use of the limited training funds allocated to training and developing staff, as there is a lack of clear direction on the most effective use of spend. For example, when allocating the funds, due to PDRs not being completed, the Head of HR and Organisational Development does not have the guidance over which members of staff could benefit the most from further training.</p> <p>Furthermore, there was low compliance of mandatory training despite quarterly reminders being sent to staff that had not completed the training modules. While the mandatory training is delivered via online modules, for some departments where staff work in manual roles, alternative training methods may be more suitable. This could improve compliance.</p>	 Limited Assurance H-1 M-3 L-1


<p>Safeguarding CR3, CR4, CR5, CR6</p>	<p>Risk based review of the Council's controls around the safeguarding to ensure all legislative requirements are met and being consistently applied.</p>	<p>Q4</p>	<p>The system has some good controls in place to mitigate against key risks.          There is a Safeguarding Children and Adults at Risk of Abuse and Neglect Policy and Procedure which was reviewed in March 2023. The policy is accessible to staff through the Infozone and externally on the website. The lead responsibility lies with a Designated Safeguarding Officer (DSO) with a deputy DSO to support and departmental Safeguarding Officers. Training is provided either face to face by an internal officer or through e-learning. There is also a link to identification of training requirements, a table of target five groups with an example of job role and training recommended. Testing noted that training is not being completed as per the policy and the training and development framework.</p> <p>The Council has a Disclosure and Barring Policy which includes a list of job roles and the level of DBS check required i.e. none, basic etc. Testing confirmed for a sample chosen that DBS had been completed in line with the policy, with the exception of one, where the level of check was unknown. Also, current roles were not included on the policy which is dated July 2022. Discussions noted that where sports facilities are hired, the safeguarding policy and details of the welfare officer of the club is obtained.</p> <p>There is regular liaison with external partners, including Tamworth Vulnerability Partnership and MACE panel at Staffordshire County Council.</p> <p>Areas for improvement were noted during the audit, including uploading the latest version of the safeguarding policy and inclusion of all roles into the disclosure and barring policy. Training requirements should be reviewed and monitored and DBS information should be confirmed for service providers working with children and vulnerable adults. Implementation of the recommendations in the action plan will enhance arrangements.</p>	 <p>Reasonable Assurance          H-0          M-5          L-1</p>
--	---	-----------	---	---

Insurance CR1	Risk based review to ensure that all insurable risks are identified and appropriately managed.	Q3	<p>The system has some good controls in place to mitigate against key risks. Guidance on how to make a claim is available on the website and for staff, on Infozone. Claims are recorded internally, and progress updates are received from Zurich. The Council will provide information to Zurich if requested. Managers are aware of claims within their service area. There is no formal claim management information due to the few claims received. However, should there be a rise in one type or other pattern occurring, the department manager will be notified, will investigate and take action, as necessary. The Operations Accountant liaises with Managers and requests renewal information. This was seen via email trails. Zurich also provide support, seen through email correspondence and meeting agendas. Areas for improvement were noted during the audit, including updating procedure notes and policy information. A procedure and task checklist should be developed for the renewal process. Current processes should comply with the financial guidance, including contractor insurance and safe/ key cover. Implementation of the recommendations in the action plan will enhance arrangements.</p>	 Reasonable Assurance  H-0 M-2 L-2
Fees and Charges CR1	Review of arrangements across the Council for the levying and charging for fees and services.	Q3	Audit fieldwork commenced and currently ongoing.	
Time recording & absence management CR2	Risk based review to ensure that time recording system is appropriately managed and that a consistent approach is maintained in respect of absence management.	Q1	<p>The Council have Reasonable controls in place to support the management of time recording and absence management processes for staff.</p> <p>Staff policies for absence management were clear and in line with our expectations, however, procedure notes on how to record time on Tensor could be improved.</p> <p>The automatic workflows set in Tensor notifies line managers for approval of absences after being completed by staff which enables these requests to be authorised in a timely manner. This was noted through our sample testing of absences.</p> <p>However, there was significant non-compliance by staff in</p>	 H-0 M-3 L-0  Reasonable Assurance

			<p>clocking out of Tensor during their lunch break, resulting in a default 20-minute lunch break being applied. This could distort records for staff breaks or could be symptomatic of staff not taking a lunch break which could have longer term impacts on well-being. Furthermore, our analysis of Tensor data for three weeks (between March and May 2023) identified that while most staff do clock-in during usual business hours, there were some customer-facing departments where there were higher levels of staff starting and finishing early. We understand that this has been raised internally by the Council at Executive Leadership Team and is being monitored to ensure there is sufficient capacity during business hours to meet customer needs.</p> <p>It is important to note that this report sets out control improvement areas in relation to time recording per the risks identified in the scope. However in addition to this, it is important for senior leadership at the Council to discuss and agree the purpose of why time recording is required and what they aim to achieve from having such systems in place. This includes agreeing the culture they aim to achieve, the purpose of monitoring time, how time is monitored, actions taken as a result of this analysis and how this will be communicated to the organisation. Without setting this tone from the top, there is a risk that any control improvements will not achieve the desired change.</p>	
Shared Services CR1, CR3, CR5	Risk based review looking at key aspects of the council's shared services arrangements.	Q2	Draft report stage, awaiting final comments to report prior to finalisation.	






Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Housing Voids CR4	Risk based review looking at Housing Void arrangements to ensure properties are appropriately managed and void periods minimised.	Q1	<p>The system has some good controls in place to mitigate against key risks.</p> <p>The voids process is split between three departments and each monitors the progress of the void. Procedures are held by voids and allocations and repairs. Equans have confirmed a work flow process.</p> <p>The progress of the void is monitored through meetings and a void tracker spreadsheet.</p> <p>The process begins with a notice of intention to vacate form and these were noted for the sample tested. Testing also confirmed that an acknowledgment of the notice was sent to the tenant. In all cases the property was advertised prior to the end of the tenancy.</p> <p>Keys are returned to the voids and allocations team and contact is made to Equans to pre-inspect the property.</p> <p>A void job was raised for all of the sample. Testing confirmed that all variations and invoices were authorised. However, an excessive delay by Equans was noted in issuing the invoice from when the work was completed (5,7,8 months). On receipt, a number of invoices were incorrect and had to be re-issued. The repairs team will do a 100% post inspection to confirm the accuracy of the invoices. Similarly, of the 12 voids tested, 4 were post inspected more than once due to below standard works.</p> <p>Areas for improvement were noted during the audit and these included the following;</p> <ul style="list-style-type: none"> <li>▪ Procedure notes to be developed for the estate management element of the process</li> <li>▪ Suggested that all departments involved in the void process should consider attending, as an one-off the other departments internal meeting</li> <li>▪ An overall void process flowchart to obtain knowledge of the full void process be developed</li> <li>▪ Pre- exit inspections should be completed.</li> <li>▪ Documentation should be retained for post inspections and handovers.</li> <li>▪ Further KPI's should be developed, and current data should be uploaded onto Pentana.</li> </ul>	 <p>H-0 M-4 L-5</p> <p>Reasonable Assurance</p>

	Housing White Paper CR4	Risk based review of organisation implementation for the new regulatory inspection regime.	Q4	Deferred to 2024/25	
	Events Management Defer to 23/24	Risk based review looking at key aspects of the council's operations in relation to the management of events, to include; bidding for external events, management of internal events.	Q3	Deferred to 2024/25	
ICT	Remote Working	ICT review of the development of remote working solutions.	Q1-Q4	<p>There are generally good IT management and technical controls over remote working, although we have identified some risks that need to be addressed. Remote working is covered in a number of documented corporate IT policies, including Mobile Computing Policy, Acceptable Use Policy, Acceptable Use Guidance and the SMART Working Policy, which is a HR policy. Collectively the policies cover the main areas relevant to remote working, with the exception of remote access security and details on corporately approved collaboration tools. IT policies are published via Astute, a policy management system, which logs confirmation from users that policies have been read and understood. The plan was to re-issue the IT policies annually and get user confirmation, however, we found they have not been issued since they were approved in 2020.</p> <p>All remote access is subject to multi-factor authentication in accordance with good practice. We have identified some technical security weaknesses with the remote access system that provides VPN (Virtual Private Network) access to a small number of users. IT Services are aware of the issues but have no plans to address them as the system is being replaced in the next four/five months. This is accepted.</p> <p>The password policy used for authenticating remote users is the same as the one used on the internal network. A review of the policy found the minimum password length and requirement for password complexity and expiry do not comply with current good practice standards. Remote access logs are available but are not retained for a</p>	 <p>H-1 M-4 L-7</p> <p>Reasonable Assurance</p>

				<p>sufficient period of time as defined by PSN (Public Sector Network) requirements.</p> <p>Personally owned computers are allowed to connect remotely to the network but only via a virtual desktop, thus minimising security risks.</p> <p>There is an inventory of all computer equipment, including laptops, desktops and other mobile devices. A review of the inventory details found that a small number of laptops and some mobile devices do not have a designated owner assigned and hence it is not possible to confirm who they are issued to.</p> <p>All laptop computers are encrypted and a security policy is applied to mobile devices. We have identified a high risk relating to users copying data onto removable USB storage devices, such as memory sticks/flash drives. This access should be blocked to prevent personal data being copied onto insecure devices, which if lost or stolen, could result in a data breach. The password policy for personally owned mobile devices should also be strengthened and all users of personal devices should sign the Bring Your Own Device agreement.</p> <p>There are some configurations on Microsoft Teams that should be changed to further strengthen security over meetings and file sharing.</p>	
	Network Infrastructure	ICT review of the council's network infrastructure to ensure that it is maximised and 'downtime' minimised with the resolution of issues in a prompt manner by third party suppliers.	Q1-Q4	Deferred to 2024/25	
Governance Fraud & Other Assurance	Risk Management	Review of the Council's Risk Management processes.	Q4	Audit fieldwork commenced.	
	Disabled Facilities Grant	Assurance Statement	Q3	Assurance work completed for certification sign off	No assurance required
	Municipal Charities	Preparation of municipal charities accounts	Q3	2022 accounts fully completed and submitted to management.	No assurance required.

	Counter Fraud	Work to support the mitigation of fraud risk, the provision of fraud awareness training, pro-active fraud exercises and reactive investigations.	Q1-Q4	On-going	
	Annual Governance Statement	Production of the AGS	Q1-Q2	AGS fully completed and reported to Audit & Governance Committee for 2022/23.	

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Annual Audit Opinion	Production of the Annual Audit Opinion	Q1-Q2	Complete	
	Management and Planning	Management, planning and assurance reporting to CMT and Audit & Governance Committee	Q1-Q4	On-going	
	Ad-hoc / Consultancy / Contingency	Contingency allocation to be utilised upon agreement of the Chief Finance Officer	Q1-Q4	On-going	
	IA QAIP and PSIAS	Review of PSIAS standards and review	Q3	Ongoing	
22/23 Planned Audits finalised	Agency Staff	Risk based review of the arrangements for appointment and monitoring of Agency Staff.		<p>The system has some good controls in place to mitigate against key risks.</p> <p>A business case is completed and approved. These were seen for all the agency staff tested. The recruitment for temporary agency staff form was completed for all staff. Agency staff personal details are obtained, and staff had undertaken an induction which included reference to the Council's code of conduct and corporate training of policies/ procedures. Training was provided either in person or through Astute. Performance was monitored by the Manager who agrees workload and hours worked prior to approval for the payment of the invoices.</p> <p>Some weaknesses were identified which included the recruitment of temporary agency staff form not being fully completed, particularly the clearance checks required to be completed by the agency. A DBS check had not been evidenced by the agency for any of the sample tested. Declaration of interest/ secondary employment forms are referred to in the code of conduct which staff are made aware of at induction. Two induction forms did not provide evidence that the code of conduct had been discussed. In addition, two booking forms/ contract for agency staff could not be located. Implementation of the recommendations in the action plan will enhance arrangements and address these risks.</p>	 <p>H-1 M-3 L-0</p> <p>Substantial Assurance</p>

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Recovery and Reset	Programme assurance based review of Recovery and Reset programme. Programme assurance includes programme planning, governance structure and controls, delivery, change management, RAIDD management (Risk, Action, Issue, Decision, Dependency), testing and reporting.		<p>The Council have Substantial controls in place to support the management of the Recovery and Reset Programme. As this was a key corporate programme, we would expect robust governance to support oversight and monitoring of projects.</p> <p>Support for the Recovery and Reset Programme was provided by Trueman Change, who maintained effective oversight of risks, performance and the delivery of the programme. They also developed clear reports on the progress of the Programme and individual projects to the ELT and the Corporate Scrutiny Committee.</p> <p>Financial savings and project costs were monitored regularly and escalated through the governance structures where required. Furthermore, project initiation documentation identified the project objectives, providing tangible measures to assess the success of the Programme.</p> <p>Overall, this was a well-managed programme with robust oversight and documentation. Programme templates supported consistency for project proposals, reporting and post-implementation evaluations of projects.</p>	 <p>H-0 M-0 L-0</p> <p>Substantial Assurance</p>
	Income Management	Risk based review of the Council's controls around the management of income throughout the Council is ensure that this collected in a robust manner that accounts for monies received.		<p>We have reached the overall opinion that the Council's controls for income management, collection and reporting were Substantial.</p> <p>The Council's Financial Guidance establishes clear policies and procedures for cash handling and banking, and income collection from non-cash transactions. Our review of three departments where cash is regularly collected identified that there was compliance with these procedures, maintaining security of cash and prompt banking.</p> <p>The Finance Team perform monthly reconciliations between E-Fins (the general ledger system) and Academy (the revenues system) to ensure that council tax and NNDR payments, which are a high proportion of the Council's income, to ensure that transactions are coded correctly. Similarly, the suspense account was</p>	 <p>H-0 M-0 L-0</p> <p>Substantial Assurance</p>

			<p>cleared regularly and our review of 15 suspense account transactions identified that these were supported by sufficient backing documentation.</p> <p>The Revenues and Benefits Team produce monthly reporting on income collection and management, focused on council tax, NNDR and sundry debts. These were robust and provided comparisons to the target collection rates and the previous year.</p>	
--	--	--	--	--

## Appendix 02: Assurance and Recommendation Classifications

Overall Assurance Opinion	Definition
<b>Substantial</b>	There is a sound system of internal control designed to achieve the organisation's objectives. The control processes tested are being consistently applied.
<b>Reasonable</b>	While there is a basically sound system of internal control, there are some weaknesses which may put the organisation's objectives in this area at risk. There is a low level of non-compliance with some of the control processes applied.
<b>Limited</b>	Weaknesses in the system of internal controls are such as to put the organisation's objectives in this area at risk. There is a moderate level of non-compliance with some of the control processes applied.
<b>No</b>	Significant weakness in the design and application of controls mean that no assurance can be given that the organisation will meet its objectives in this area.

Recommendation Priority	Definition
<b>High</b>	High priority recommendation representing a fundamental control weakness which exposes the organisation to a high degree of unnecessary risk.
<b>Medium</b>	Medium priority recommendation representing a significant control weakness which exposes the organisation to a moderate degree of unnecessary risk.
<b>Low (Housekeeping)</b>	Low priority (housekeeping) recommendation highlighted opportunities to implement a good or better practice, to add value, improve efficiency of further reduce the organisation's exposure to risk.



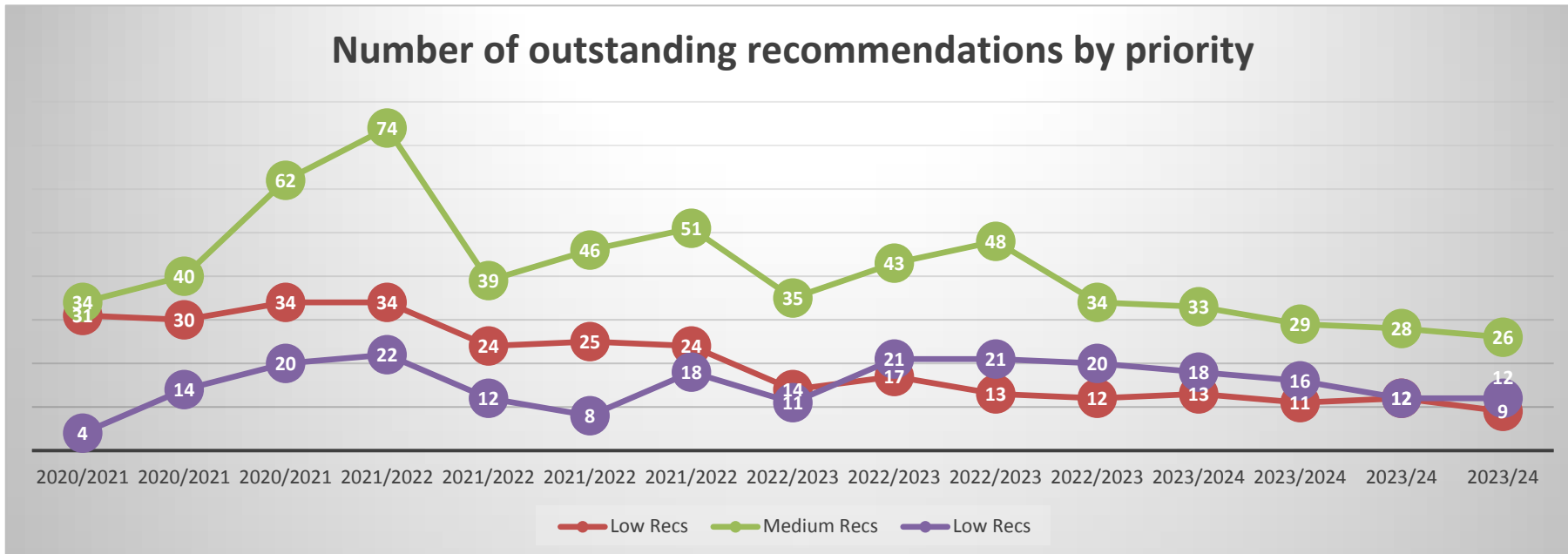
### Appendix 03: Outstanding Audit Recommendations

The graph below shows the number of outstanding audit recommendations over time.



To inform the process I have included a table below outlining the number of outstanding actions whether High, Medium or Low Priority.

Below is a table showing the number of recommendations in each assurance level.



Financial Year	Quarter	No of Outstanding Recommendations	No of High Recs	No of Medium Recs	No of Low recs
2020/2021	Q1				
	Q2	69	31	34	4
	Q3	84	30	40	14
	Q4	116	34	62	20
2021/2022	Q1	130	34	74	22
	Q2	75	24	39	12
	Q3	79	25	46	8
	Q4	93	24	51	18
2022/2023	Q1	60	14	35	11
	Q2	81	17	43	21
	Q3	82	13	48	21
	Q4	66	12	34	20
2023/2024	Q1	64	13	33	18
	Q2	56	11	29	16
	Q3	52	12	28	12
	Q4	47	9	26	12

Analysis of current high priority outstanding audit recommendations.

Title	Recommendation	Status	Due Date	Assistant Director Responsible	Comments
Pentana Training & Procedures	<p>a) Detailed procedures notes are developed for the use of the contract register on Pentana and made available to staff.</p> <p>b) Detailed training is provided to staff on the requirements of contract monitoring and management, how to use and update the contract register in Pentana to ensure staff are fully aware of their responsibilities and how to appropriately manage their contracts.</p>	In Progress	30-Nov-23	Joanne Goodfellow	Work is ongoing streamlining and updating data on Pentana. Draft procedures have been produced on the operation of the system and how to include contracts on the system.
Asset Management Policy/Strategy	An Asset Management Policy and Strategy covering planned maintenance should be produced, approved and communicated with stakeholders. This should also include the frequency of the stock condition survey.	Overdue	30-Nov-22	Paul Weston	Awaiting confirmation and approval by Cabinet, once received this recommendation will be completed.
PCI DSS (Payment Card Industry Data Security Standard) Compliance	The PCI DSS Policy and Procedure should be reviewed and finalised. The policy should clearly define all key roles and responsibilities, including the corporate lead for PCI compliance.	In Progress	31-Dec-23	Joanne Goodfellow/Zoe Wolicki	Action Plan agreed with ICT for implementation by due date.
PCI DSS (Payment Card Industry Data Security Standard) Compliance	The scope of the PCI environment should be explicitly defined, covering people, processes and technology. This should include a list of all service providers. Data flow maps may help define the PCI scope.	In Progress	31-Dec-23	Joanne Goodfellow/Zoe Wolicki	Action Plan agreed with ICT for implementation by due date.

Title	Recommendation	Status	Due Date	Assistant Director Responsible	Comments
PCI DSS (Payment Card Industry Data Security Standard) Compliance	The relevant SAQ's should be identified and completed on an annual basis.	In Progress	31-Dec-23	Joanne Goodfellow/Zoe Wolicki	Action Plan agreed with ICT for implementation by due date.
Climate Change	Management should develop an action plan for climate change which should be approved and endorsed at a senior level. This should identify short, medium and long-term actions that have been costed. Progress against the action plan should be monitored by senior management and by members periodically, Areas that the Council may wish to consider include in its action plan are; <ul style="list-style-type: none"> <li>• Council housing stock and waste management</li> <li>• Transport/fleet management</li> <li>• Internal Council operations</li> </ul>	In Progress	31-Dec-23	Anna Miller	Financial waiver currently being to sort to progress this further. This will potential use the same consultants who undertook the initial work for the Council. ISAG completion date by end of December 2024.
Climate Change	Following the development of the action plan, management should establish a set of KPI's to monitor performance. These should be reported to management and Committees, as appropriate, to maintain effective oversight of the performance. The KPIs should be aligned to the actions agreed by Cabinet in the action plan.	In Progress	31-Dec-23	Anna Miller	Requires delivery of the action plan.
Climate Change	As part of the action plan, the Council should establish a cross department working group to meet at least monthly to monitor the action plan and oversee joint arrangements for reducing carbon emissions.	In Progress	31-Dec-23	Anna Miller	Unable to resource this area despite a recruitment campaign to employ into the Climate Change role.

Title	Recommendation	Status	Due Date	Assistant Director Responsible	Comments
Training and Development	<p>a. The Council should liaise with the Astute system providers to assess whether it can automatically assign and re-assign mandatory courses to staff</p> <p>b. Alternatively, if Astute cannot automatically assign and re-assign modules then the Council should develop a checklist for the HR Team to complete for new joiners to record which modules need to be assigned to the individual</p> <p>c. Based on the frequency of refresher training (see Recommendation E) a schedule should be maintained to record the date of refreshed training for each member of staff. This should be shared monthly with line managers or set in Astute to issue automatic reminders to the employee</p> <p>d. A list of staff that have not completed assigned mandatory training modules should be sent to the Corporate Management Team every quarter or six months. For those that have not completed the mandatory modules. The CMT should consider whether access to Council software and systems should be removed until the modules are completed</p> <p>e. Clear timeframes for the refresh of mandatory training should be set in the Training and Development Policy.</p>	Overdue	31-Jan-24	Anica Goodwin Jackie Noble	

This page is intentionally left blank

**Wednesday, 26 June 2024**

**Report of the Audit Manager**

**Audit Committee Effectiveness - Skills Audit and Independent Member Update**

**Exempt Information**

None.

**Purpose**

To provide an update to Committee in relation to the Skills Audit and potential proposed training plan for the committee and an update regarding the appointment of an Independent Member to the Committee.

**Recommendations**

It is recommended that:

1. Committee consider the proposed training plan following the Skills Audit and provide input into any further areas that they would deem necessary for inclusion in the plan.
2. Consider and ratify the approach to be taken in respect of appointing an Independent Member(s) to the Committee.

**Executive Summary**

**Audit & Governance Committee Skills Audit for 2024/25**

Each year the committee is assessed against the effectiveness criteria laid out by CIPFA/SOLACE and included in this is a skills audit to determine the areas of training for the committee during the municipal year. The Committee Effectiveness review was completed and reported to this committee at its meeting on 8<sup>th</sup> February 2024, this is attached for information as **Appendix 1** of this report.

In previous years the skills audit was undertaken in the early part of the calendar year. However, due to the election cycle of the Council and changes to committee membership it was felt prudent by the previous Audit & Governance Committee to undertake the skills audit in the early part of the municipal year.

A Skills Audit questionnaire was circulated to all members of the committee on 30<sup>th</sup> May 2024 and a further copy is attached as **Appendix 2** of this report. Members are encouraged to return the skills audit questionnaire so that any training needs can be formulated for 2024/25. The Committee has previously had opportunity to attend a training session on the Role of the Audit Committee which was delivered on 4<sup>th</sup> June 2024.

The areas for consideration by the committee for inclusion in the training plan;

- Local Authority Finance;
- Treasury Management;
- Role of Internal Audit;

- Role of External Audit;
- Governance; and
- Risk Management.

It would be proposed that this training is delivered via officers within the council and also external providers. The Committee's views are requested on the proposed planned training and members asked to submit any further areas that they wish to be considered and included in the training plan for 2024/25.

It would be anticipated that training would be delivered via Teams and also prior to Audit & Governance Committee meetings. Once the planned work is agreed a timetable will be drawn up for the delivery of the training plan.

### **Independent Members on Audit & Governance Committee**

As outlined in the Audit Effectiveness review in February 2024 it was identified that following CIPFA guidance that the committee should consider the appointment of an independent member. This is currently identified as best practice by CIPFA.

In late 2022 the council previously advertised this position, however the council only received one application, which was not deemed suitable for progressing further as the applicant did not meet the criteria for holding the position.

At the committee meeting on 8<sup>th</sup> February 2024, the committee noted the difficulty in recruiting to this position and agreed to defer the matter for a year. The Audit Manager was asked to make representation to CIPFA outlining that the process has not been productive as a small district council and also to consider a 'member' swap from a neighbouring authority. These have been completed, however a 'member' swap would not fit the criteria of the person being politically neutral and 'independent'.

CIPFA's Position Statement, **Appendix 3**, outlines that as part of having an independent member and effective model of governance, CIPFA makes the following observations;

- The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation; and
- Where there is no legislative direction to include co-opted members, CIPFA recommends that each authority audit committee should include at least 2 co-opted independent members to provide technical expertise.

The Audit & Governance Committee's current terms of reference provides the opinion to co-opt up to 2 independent members.

In terms of voting rights of independent members, there needs to be regard to Section 13 of the Local Government and Housing Act 1989 which relates to voting rights of non-elected committee members. This means that any decisions that full Council delegates to the committee, for example adoption of the financial statements, the independent member would not be able to vote on these matters for decision.

Committee is therefore asked whether they wish to continue to pursue the recruitment of an independent member to the committee.

### **Options Considered**

Previously considered and agreed to implement and seek an independent member on 23<sup>rd</sup> July 2020, 22<sup>nd</sup> February 2022. Recruitment advertised with closing date of 30<sup>th</sup> September 2022, reconsidered on 9<sup>th</sup> February 2023 and 8<sup>th</sup> February 2024 where decision to defer for 12 months taken.

### **Resource Implications**



It was originally envisaged that the Independent Member role was not remunerated. However, this decision may need to be revisited dependent upon the interest shown and the results of any application process.

### **Legal/Risk Implications Background**

None currently.

### **Equalities Implications**

None.

### **Environment and Sustainability Implications (including climate change)**

None.

### **Background Information**

Audit & Governance Committee 23 July 2020, Pros and Cons of Independent Members.  
Audit Committee Effectiveness 10<sup>th</sup> February 2022, 9<sup>th</sup> February 2023 and 8<sup>th</sup> February 2024.

### **Report Author**

Andrew Wood – Audit Manager  
Andrew-wood@tamworth.gov.uk

### **List of Background Papers**

### **Appendices**

**Appendix 1 – Audit Committee Effectiveness as at February 2024**

**Appendix 2 – Skills Audit for 2024/25**

**Appendix 3 – CIPFA Position Statement**

This page is intentionally left blank

# Self-assessment of good practice

This appendix provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

Good practice questions	Does not comply	Partially complies and extent of improvement needed*			Fully complies
	Major improvement	Significant improvement	Moderate improvement	Minor improvement	No further improvement
Weighting of answers	0	1	2	3	5

## Audit committee purpose and governance

- 1 Does the authority have a dedicated audit committee that is not combined with other functions (eg standards, ethics, scrutiny)?
- 2 Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?
- 3 Has the committee maintained its advisory role by not taking on any decision-making powers?
- 4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?
- 5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?
- 6 Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?
- 7 Does the governing body hold the audit committee to account for its performance at least annually?

\* Where the committee does not fully comply with an element, three options are available to allow distinctions between aspects that require significant improvement and those only requiring minor changes.

Good practice questions	Does not comply					Partially complies and extent of improvement needed					Fully complies														
	Major improvement					Significant improvement					Moderate improvement					Minor improvement					No further improvement				
Weighting of answers	0					1					2					3					5				
8 Does the committee publish an annual report in accordance with the 2022 guidance, including:																									
<ul style="list-style-type: none"> <li>compliance with the CIPFA Position Statement 2022</li> </ul>																									
<ul style="list-style-type: none"> <li>results of the annual evaluation, development work undertaken and planned improvements</li> </ul>																									
<ul style="list-style-type: none"> <li>how it has fulfilled its terms of reference and the key issues escalated in the year?</li> </ul>																									
<b>Functions of the committee</b>																									
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?																									
Governance arrangements																									
Risk management arrangements																									
Internal control arrangements, including:																									
<ul style="list-style-type: none"> <li>financial management</li> <li>value for money</li> <li>ethics and standards</li> <li>counter fraud and corruption</li> </ul>																									
Annual governance statement																									
Financial reporting																									
Assurance framework																									
Internal audit																									
External audit																									
10 Over the last year, has adequate consideration been given to all core areas?																									
11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?																									
12 Has the committee met privately with the external auditors and head of internal audit in the last year?																									

Good practice questions	Does not comply					Partially complies and extent of improvement needed					Fully complies														
	Major improvement					Significant improvement					Moderate improvement					Minor improvement					No further improvement				
Weighting of answers	0					1					2					3					5				

### Membership and support

**13** Has the committee been established in accordance with the 2022 guidance as follows?

- Separation from executive
- A size that is not unwieldy and avoids use of substitutes
- Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation

**14** Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?

**15** Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?

**16** Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?

**17** Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?

**18** Is adequate secretariat and administrative support provided to the committee?

**19** Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?

### Effectiveness of the committee

**20** Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?

**21** Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?

**22** Are meetings effective with a good level of discussion and engagement from all the members?

**23** Has the committee maintained a non-political approach to discussions throughout?

Good practice questions	Partially complies and extent of improvement needed				Fully complies
	Does not comply	Major improvement	Significant improvement	Moderate improvement	Minor improvement
Weighting of answers	0	1	2	3	5
24 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?					
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?					
26 Do audit committee recommendations have traction with those in leadership roles?					
27 Has the committee evaluated whether and how it is adding value to the organisation?					
28 Does the committee have an action plan to improve any areas of weakness?					
29 Has this assessment been undertaken collaboratively with the audit committee members?					
<b>Subtotal score</b>					
<b>Total score</b>					
<b>Maximum possible score</b>					<b>200**</b>

\*\* 40 questions/sub-questions multiplied by five.

NAME: .....

DATE: .....

## Audit Committee Members – Knowledge and Skills Framework (CIPFA Guidance)

### CORE AREAS OF KNOWLEDGE

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
Organisational knowledge	An overview of the governance structures of the authority and decision-making processes. Knowledge of the organisational objectives and major functions of the authority.	This knowledge will be core to most activities of the audit committee including review of the Annual Governance Statement, internal and external audit reports and risk registers.		
Audit committee role and functions	An understanding of the audit committee's role and place within the governance structures. Familiarity with the committee's terms of reference and	This knowledge will enable the audit committee to prioritise its work in order to ensure it discharges its responsibilities under its terms of reference and to avoid overlapping the work of others.		

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
Governance	<p>accountability arrangements.</p> <p>Knowledge of the purpose and role of the audit committee.</p> <p>Knowledge of the seven principles as outlined in CIPFA/SOLACE Good Governance Framework and the requirements of the Annual Governance Statement (AGS).</p> <p>Knowledge of the local code of governance.</p>	<p>It will help the committee undertake a self-assessment and prepare its annual report.</p> <p>The committee will review the local code of governance and consider how governance arrangements align to the principles in the Framework.</p> <p>The committee will plan the assurance it is to receive to adequately support AGS.</p> <p>The committee will review the AGS and consider how the authority is meeting the principles of good governance.</p> <p>The committee will receive audit reports and information on risks relating to governance.</p>		
Internal audit	<p>An awareness of the key principles of the <i>Public Sector Internal Audit Standards</i> and the <i>Local Government Application Note</i>.</p> <p>Knowledge of the arrangements for delivery of the internal audit service in the</p>	<p>The audit committee has oversight of the internal audit function and will monitor its adherence to professional internal audit standards.</p> <p>The audit committee will review the assurances from internal audit work and will review the risk-</p>		



Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
	<p>authority and the charter.</p> <p>How the role of the head of internal audit is fulfilled.</p> <p>Details of the most recent external assessment and level of conformance with the standards.</p> <p>Internal audit's strategy, plan and most recent annual opinion.</p>	<p>based audit plan.</p> <p>The committee will also receive the annual report, including an opinion and information on conformance with professional standards.</p> <p>In relying on the work of internal audit, the committee will need to be confident that professional standards are being followed.</p> <p>The audit committee chair is likely to be interviewed as part of the external quality assessment, and the committee will receive the outcome of the assessment and action plan.</p>		
Financial management and accounting	<p>Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them.</p> <p>Understanding of good financial management principles.</p> <p>Knowledge of how the organisation meets the requirements of the role of the chief financial officer, as required by the <i>CIPFA</i></p>	<p>Reviewing the financial statements prior to publication, asking questions.</p> <p>Receiving the external audit report and opinion on the financial audit.</p> <p>Reviewing both external and internal audit recommendations relating to financial management and controls.</p> <p>The audit committee should consider the role of</p>		

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
External audit	<p><i>Statement on the Role of the Chief Financial Officer in Local Government.</i></p> <p>An overview of the principal financial risks the authority faces.</p> <p>Knowledge of the role and functions of the external auditor and who currently undertakes this role.</p> <p>Knowledge of the key reports and assurances that external audit will provide.</p> <p>Familiarity with the auditor’s most recent plan and the opinion reports.</p> <p>Knowledge about arrangements for the appointment of auditors and quality monitoring undertaken.</p>	<p>the CFO and how this is met when reviewing the AGS.</p> <p>The audit committee should meet with the external auditor regularly and receive their reports and opinions.</p> <p>Monitoring external audit recommendations and maximising benefit from audit process.</p> <p>The audit committee should monitor the relationship between the external auditor and the authority and support the delivery of an effective service.</p>		1
Risk management	<p>Understanding of the principles of risk management, including how it supports</p>	<p>In reviewing the AGS, the committee will consider the robustness of the authority’s risk management</p>		

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
	<p>good governance and decision making.</p> <p>Knowledge of the risk management policy and strategy of the organisation.</p> <p>Understanding of risk governance arrangements, including the role of members and of the audit committee.</p> <p>Knowledge of the current risk maturity of the organisation and any key areas of improvement.</p>	<p>arrangements.</p> <p>Awareness of the major risks the authority faces is necessary to support the review of several audit committee agenda items, including the risk-based internal audit plan, external audit plans and the explanatory foreword of the accounts. Typically, risk registers will be used to inform the committee.</p> <p>The committee should also review reports and action plans to develop the application of risk management practice.</p>		
Counter-fraud	<p>An understanding of the main areas of fraud and corruption risk the organisation is exposed to.</p> <p>Knowledge of the principles of good fraud risk management practice.</p> <p>Knowledge of the organisation's arrangements for tackling fraud.</p>	<p>Knowledge of fraud risks and good fraud risk management practice will be helpful when the committee reviews the organisation's fraud strategy and receives reports on the effectiveness of that strategy.</p> <p>An assessment of arrangements should support the AGS and knowledge of good fraud risk management practice will support the audit</p>		

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
Values of good governance	<p>Knowledge of the Seven Principles of Public Life.</p> <p>Knowledge of the authority’s key arrangements to uphold ethical standards for both members and staff.</p> <p>Knowledge of the whistleblowing arrangements in the authority.</p>	<p>committee member in reviewing that assessment.</p> <p>The audit committee member will draw on this knowledge when reviewing governance issues and the AGS.</p> <p>Oversight of the effectiveness of whistleblowing will be considered as part of the AGS. The audit committee member should know to whom concerns should be reported.</p>		
Treasury management	<p>The key knowledge areas identified are:</p> <ul style="list-style-type: none"> <li>regulatory requirements</li> <li>treasury risks</li> <li>the organisation’s treasury management strategy</li> <li>the organisation’s policies and procedures in relation to treasury management.</li> </ul>	<p>Core knowledge on treasury management is essential for the committee undertaking the role of scrutiny.</p>		



## CORE SKILLS

Skills	Key elements	How the audit committee member is able to apply the skill	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
Strategic thinking and understanding of materiality	Able to focus on material issues and overall position, rather than being side-tracked by detail.	When reviewing audit reports, findings will include areas of higher risk or materiality to the organisation but may also contain more minor errors or control failures. The audit committee member will need pitch its review at an appropriate level to avoid spending too much time on detail.		
Questioning and constructive challenge	Able to frame questions that draw out relevant facts and explanations. Challenging performance and seeking explanations while avoiding hostility or grandstanding.	The audit committee will review reports and recommendations to address weaknesses in internal control. The audit committee member will seek to understand the reasons for weaknesses and ensure a solution is found.		
Focus on improvement	Ensuring there is a clear plan of action and allocation of responsibility.	The outcome of the audit committee will be to secure improvements to the governance, risk management or control of the organisation, including clearly defined actions and		

Skills	Key elements	How the audit committee member is able to apply the skill	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
		<p>responsibilities.</p> <p>Where errors or control failures have occurred, then the audit committee should seek assurances that appropriate action has been taken.</p>		
Able to balance practicality against theory	Able to understand the practical implications of recommendations to understand how they might work in practice.	The audit committee should seek assurances that planned actions are practical and realistic.		
Clear communication skills and focus on the needs of users	Support the use of plain English in communications, avoiding jargon, acronyms, etc.	The audit committee will seek to ensure that external documents such as the Annual Governance Statement and the explanatory foreword to the accounts are well written for a non-expert audience.		
Objectivity	Evaluate information on the basis of evidence presented and avoiding bias or subjectivity.	The audit committee will receive assurance reports and review risk registers. There may be differences of opinion about the significance of risk and the appropriate control responses and the committee member will need to weigh up differing views.		

Skills	Key elements	How the audit committee member is able to apply the skill	Self-evaluation, examples, areas of strength and weakness	Overall assessment of skills/ knowledge 1 – 5 1 being poor and 5 excellent
Meeting management skills	Chair the meetings effectively: summarise issues raised, ensure all participants are able to contribute, focus on the outcome and actions from the meeting.	These skills are essential for the audit committee chair to help ensure that meetings stay on track and address the items on the agenda. The skills are desirable for all other members.		



## CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022

### Scope

This position statement includes all principal local authorities in the UK, corporate joint committees in Wales, the audit committees for PCCs and chief constables in England and Wales, PCCFRAs and the audit committees of fire and rescue authorities in England and Wales.

The statement sets out the purpose, model, core functions and membership of the audit committee. Where specific legislation exists (the Local Government & Elections (Wales) Act 2021 and the Cities and Local Government Devolution Act 2016), it should supplement the requirements of that legislation.

### Status of the position statement

The statement represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt. It has been prepared in consultation with sector representatives.

CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements. This will enable those bodies to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

The 2022 edition of the position statement replaces the 2018 edition.

**The Department for Levelling Up, Housing and Communities and the Home Office support this guidance.**

## CIPFA's Position Statement 2022: Audit committees in local authorities and police

### Purpose of the audit committee

Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

In a local authority the full council is the body charged with governance. The audit committee may be delegated some governance responsibilities but will be accountable to full council. In policing, the police and crime commissioner (PCC) and chief constable are both corporations sole, and thus are the individuals charged with governance.

The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

### Independent and effective model

The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.

The committee should:

- be directly accountable to the authority's governing body or the PCC and chief constable
- in local authorities, be independent of both the executive and the scrutiny functions
- in police bodies, be independent of the executive or operational responsibilities of the PCC or chief constable
- have rights of access to and constructive engagement with other committees/functions, for example scrutiny and service committees, corporate risk management boards and other strategic groups
- have rights to request reports and seek assurances from relevant officers
- be of an appropriate size to operate as a cadre of experienced, trained committee members. Large committees should be avoided.

The audit committees of the PCC and chief constable should follow the requirements set out in the Home Office Financial Management Code of Practice and be made up of co-opted independent members.

The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation.

Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.

## Core functions

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

The specific responsibilities include:

### Maintenance of governance, risk and control arrangements

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

### Financial and governance reporting

- Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

### Establishing appropriate and effective arrangements for audit and assurance

- Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
- In relation to the authority's internal audit functions:
  - oversee its independence, objectivity, performance and conformance to professional standards
  - support effective arrangements for internal audit
  - promote the effective use of internal audit within the assurance framework.

- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

### Audit committee membership

To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience.

Characteristics of audit committee membership:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable.
- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisation's objectives.
- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are:
  - promoting apolitical open discussion
  - managing meetings to cover all business and encouraging a candid approach from all participants
  - maintaining the focus of the committee on matters of greatest priority.
- Willingness to operate in an apolitical manner.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.
- Knowledge, expertise and interest in the work of the committee.

While expertise in the areas within the remit of the committee is very helpful, the attitude of committee members and willingness to have appropriate training are of equal importance.

The appointment of co-opted independent members on the committee should consider the overall knowledge and expertise of the existing members.

## Engagement and outputs

The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.

To discharge its responsibilities effectively, the committee should:

- meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public
- be able to meet privately and separately with the external auditor and with the head of internal audit
- include, as regular attendees, the chief finance officer(s), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer and the head of resources (where such a post exists). These officers should also be able to access the committee members, or the chair, as required
- have the right to call on any other officers or agencies of the authority as required; police audit committees should recognise the independence of the chief constable in relation to operational policing matters
- support transparency, reporting regularly on its work to those charged with governance
- report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.

## Impact

As a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance.

The committee should evaluate its impact and identify areas for improvement.

This page is intentionally left blank

## AUDIT AND GOVERNANCE COMMITTEE

Wednesday 26<sup>th</sup> June 2024

### REPORT OF THE ASSISTANT DIRECTOR FINANCE

#### RISK MANAGEMENT QUARTERLY UPDATE

##### **Purpose**

To report on the Risk Management process and progress for Quarter 4 of the 2023/24 financial year.

##### **Recommendations**

- **That the Committee endorses the Corporate Risk Register.**
- **That the Committee reviews and reports any training requirements.**

##### **Executive Summary**

One of the functions of the Audit & Governance Committee is to monitor the effectiveness of the Authority's strategic risk management arrangements. This report includes the actions taken to manage those risks and raises issues of concern that may impact the authority. Corporate risks are identified, managed, and monitored by the Corporate Management Team (CMT) on a quarterly basis.

A copy of the current Corporate Risk Register is attached, as **Appendix 1**. The control measures contained have been developed to reflect the actions in the 3-year corporate plan. The revised risk control measures will ensure the delivery of the strategic objectives, as detailed in the 2022-25 Corporate Plan, and minimise the risk of strategic drift.

The corporate risk register has been reviewed and current risk scores and notes have been updated by CMT for quarter 4 reporting.

There has been no change to the overall corporate risk profile since quarter 3 (see **Appendix 2** Risk Matrix Summary).

The operational risk champions group met on 8th April 2024, no issues of note were raised to bring to CMT or include in the corporate risk register. The risk champions are reviewing their departments' operational risks, and the current reporting process following feedback from Zurich workshops. CMT have arranged to meet to review and update the corporate risk register for 2024/25 in time for quarter 1 reporting.

##### **Internal Audit Risk Management Report**

Internal Audit completed a review of risk management at Tamworth Borough Council as part of the 2023/24 Internal Audit Plan endorsed by the Audit Committee. The report was finalised April 2024, and the overall opinion was that the council have

reasonable controls to support risk management. It was acknowledged that the Council have acted over the past year to improve risk management, from the review of its Risk Management Policy and Risk Management Strategy, to external training for heads of service and risk owners by Zurich Municipal and individual workshops for directorates to review operational risks, however, some staff remained unclear on how local risk registers interacted with corporate risks & there were gaps identified in the quality and completion of service area risk registers.

The main recommendations were as follows:

- Risk management training should be provided to the Audit and Governance Committee to ensure it has the appropriate skills to effectively undertake its role for overseeing and monitoring risks.  
*Risk management training was provided to all members to attend in December 2023 last year. Further training will be provided in line with overall induction/training requirements for members undertaken on an annual basis.*
- Further training should be provided to staff, outlining the roles and responsibilities for risk management and providing support on how to effectively document controls.  
*Training and workshop sessions with ZM have been provided within the last 12 months. Training needs will be kept under review and further training will be organised if required.*
- Each Head of Service should present the local risk register to the Assistant Director responsible for the area quarterly to oversee the implementation of the control measures.  
*Operational risk recognition and reporting is an area for improvement for 2024/25 and consideration needs to be given to the best approach for each service area to improve how operational risks are recorded, updated, and discussed.*

## **Benchmarking Report**

At the request of CMT, Zurich Resilience Solutions (ZRS) were commissioned to provide a desktop review of Tamworth corporate risk register and benchmark/assess the risks with knowledge of the wider sector and similar sized councils. The aim of the report was to provide an outside perspective on the current risk profile based on extensive knowledge of risks and risk management in local authorities and experience with risk management best practice throughout the sector. Some of the recommendations and feedback have already been actioned. The aspects covered in the report are summarised below:

### **1. Presentation and Format of Register**

It was concluded that the Council's risk register includes an acceptable amount of information to understand the threat being faced by the organisation, however feedback provided from the workshops was that Pentana can be difficult to use when capturing and managing risks. This could lead to risk reviews being missed and a lack of updated risk information. Training notes or videos were recommended for the system.



*Action: Guidance is available already within Pentana but needs to be reviewed and Risk Owners reminded where it is located.*

## **2. Scope, risk profile and risk themes**

A strategic or corporate risk register needs to be concise and dynamic with a maximum of 15 risks or less to ensure greater focus will be given to key areas of risk. Tamworth's corporate register has eight risks, which is a manageable number compared to many other district and borough councils. With a smaller risk register, there is a better chance of providing effective oversight and scrutiny. Consideration needs to be given to the PESTLE review and the Corporate Priority Links which can be included into Pentana to support analysis of the authority's risk profile and serve as thought provoking. A PESTLE analysis studies the key external factors (Political, Economic, Sociological, Technological, Legal and Environmental) that influence an organisation. It was also reported that ambitions such as the 'Future High Street Fund' or 'Gungate Development,' which can be considered as major delivery projects, are not referenced on any of the risks in the register. These may be managed locally by the relevant Directorate, but CMT may wish to include these areas in the Corporate Risk Register for 2024/25.

*Action: CMT & Operations Accountant to review and update the Corporate Risk Register for 2024/25 and consider recommendations.*

## **3. Risk Identification and Reporting**

Periodic risk identification sessions or 'horizon scanning' such as the workshops completed during Quarter 2 of 2023 are important to ensure the organisation's risk profile remains relevant especially in rapidly changing environments and unprecedented times. Other methods of risk identification such as questionnaires and interviews may also support keeping risks relevant and up to date. Reporting on Corporate Risks to CMT and Audit & Governance is good practice, however a consistent approach is recommended for recording and reporting Operational Risks.

*Action: A questionnaire (See Appendix 3) has been produced to support risk owners in reviewing their risks, meetings to be arranged with relevant officers to review corporate and operational risks for 2024/25 reporting and consider feedback & recommendations.*

## **4. Benchmarking and Sector Themes**

Considering the uncertainties that lie ahead in the future for the sector, ZM would expect to potentially see more 'red' risks on the register. Risk assessments are currently subjective to the risk owner's judgement which may not give the most accurate idea of the severity of impacts at a strategic level. The assessment of risks (scoring) should be known with clear impact/probably criteria giving the score an organisational objective view of severity. This is currently underway with the development of the risk categories within the risk management framework.

*Action: ZRS have suggested some risks under this heading of the report that CMT will consider for the Council's risk register when updating it for 2024/25. Risk scoring to be reviewed for 2024/25.*

## **Global Risk Report Summary from Zurich Municipal**

The Global Risk Report for 2024, developed by the World Economic Forum has been produced, which captures insights from nearly 1,500 global experts. The report analyses global risks through three-time frames to support decision-makers in balancing current crises and longer-term priorities. As we enter 2024, 2023-2024 GRPS results highlight a predominantly negative outlook for the world over the next two years (84% respondents are concerned) that is expected to worsen over the next decade (92% are pessimistic).

Environmental risks continue to dominate the risks landscape over all three-time frames. Two-thirds of GRPS respondents rank Extreme Weather as the top risk most likely to present a material crisis on a global scale in 2024 with the warming phase of the El Niño-Southern Oscillation (ENSO) cycle projected to intensify and persist until May this year. It is also seen as the second-most severe risk over the two-year time frame.

Emerging as the most severe global risk anticipated over the next two years (and 5th most impactful risk over ten years) foreign and domestic actors alike will leverage Misinformation and Disinformation, further widening societal and political divides. With 3 billion people heading to electoral polls in 2024, the widespread use of misinformation and disinformation, and tools to disseminate it, may undermine the real and perceived legitimacy of newly elected governments. Recent technological advances, such as generative AI, have enhanced the volume, reach and efficacy of falsified information, The longer-term erosion of democratic processes compounded by unrest ranging from violent protests and hate crimes to civil confrontation and terrorism.

The Cost-of-living crisis remains a major concern in the outlook for 2024. The economic risks of Inflation and Economic downturn are also notable new entrants to the top 10 risk rankings over the two-year period. Although a “softer landing” appears to be prevailing for now, the near-term outlook remains highly uncertain. Economic uncertainty will weigh heavily across most markets, but capital will be the costliest for the most vulnerable countries. Climate-vulnerable or conflict-prone countries may be increasingly locked out of much-needed digital and physical infrastructure, trade and green investments and related economic opportunities.

Similarly, the convergence of technological advances and geopolitical dynamics could also create a new set of winners and losers across advanced and developing economies alike. Vulnerable countries and communities could be left further behind, digitally isolated from turbocharged AI breakthroughs impacting economic productivity, finance, climate, education and healthcare, as well as related job creation.

Over the longer-term, continued human development is at risk. Economic, environmental and technological trends could entrench existing challenges around labour and social mobility, blocking individuals from income and skilling opportunities, and therefore the ability to improve economic status.

Simmering geopolitical tensions combined with technology will drive new security risks. As both a product and driver of state fragility, Interstate armed conflict is a new entrant into the top risk rankings over the two-year horizon. This becomes an even more worrying risk when considered in the context of recent technological advances.

The next decade will be characterised by intense volatility, as we transition through geopolitical, climate, demographic and technological shifts. Cooperation will come under pressure. However there remain key opportunities for action that can be taken locally or internationally, individually or collaboratively – that can significantly reduce the impact of global risks. Localised strategies can reduce the impact of those inevitable risks that we can prepare for, and both the public and private sector can play a key role to extend these benefits to all.

The full report can be accessed from the link below:

[\\*WEF The Global Risks Report 2024.pdf \(weforum.org\)](https://www.weforum.org/reports/WEF-The-Global-Risks-Report-2024)

A summary of the current, short-term, and long-term risks can be seen in Appendix 4 and will need to be considered when reviewing the Corporate Risk Register for 2024/25.

### **Options Considered**

None.

### **Resource Implications**

None.

### **Legal / Risk Implications**

There are no direct legal implications from this report but failure to manage strategic risks could lead to issues in delivering strategic priorities.

### **SUSTAINABILITY IMPLICATIONS**

None

### **BACKGROUND INFORMATION**

None

### **REPORT AUTHOR**

Emma Dyer, Operations Accountant, ext. 239

### **LIST OF BACKGROUND PAPERS**

None

## **APPENDICES**

**Appendix 1 Corporate Risk Register Qtr. 4**

**Appendix 2 Risk Matrix Summary**


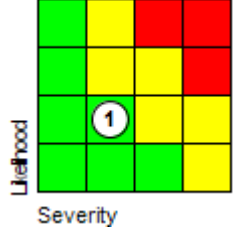

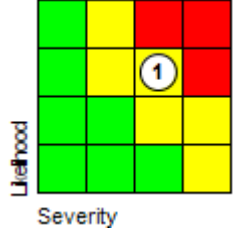

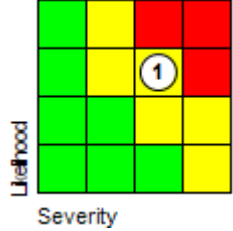

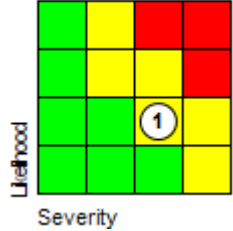
**Appendix 3 Risk Questionnaire**


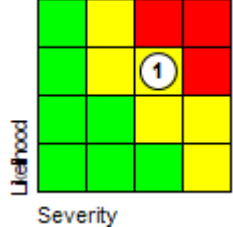
**Appendix 4 Summary of current, short-term & long-term risks**






# Corporate Risk Register Summary 2023/2024

Generated on: 06 June 2024

Code	Corporate Risk Heading	Status	Status	Current Risk Matrix	Executive Leadership Team
1	Finance/Financial stability 2023/24		Alert		Joanne Goodfellow; Becky Smeathers
2	Governance 2023		OK		Rob Barnes; Anica Goodwin
3	Promoting community resilience and cohesive communities		OK		Rob Barnes

Code	Corporate Risk Heading	Status	Status	Current Risk Matrix	Executive Leadership Team
4	Lack of resources, capacity and right skills in place		OK		Rob Barnes; Anica Goodwin
5	Organisational Resilience 2023/24		Warning		Rob Barnes
6	Failure to meet climate change ambitions/ meet net zero targets and plan for major weather impacts and force majeure.		Warning		Rob Barnes
7	Information and Data Management -		Warning		Rob Barnes; Anica Goodwin

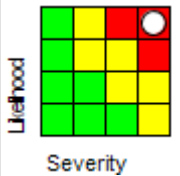
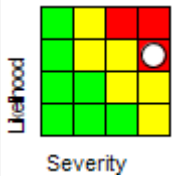
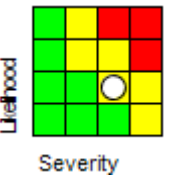
Code	Corporate Risk Heading	Status	Status	Current Risk Matrix	Executive Leadership Team
8	Inability to deliver economic growth, sustainability and prosperity in the Borough		Warning		Rob Barnes

Risk Status	
	Alert
	High Risk
	Warning
	OK
	Unknown

# 1 Finance/Financial Viability 2023/24




Generated on: 06 June 2024

## 1 Finance/Financial stability 2023/24

Risk Code		Risk Title	To ensure that the Council is financially sustainable as an organisation		
Categories Code & Description					
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	4	Severity	4	Severity	3
Likelihood	4	Likelihood	3	Likelihood	2
Risk Score	16	Risk Score	12	Risk Score	6
Original Risk Date	15-May-2023	Date Reviewed	30-Apr-2024	Target Date	
<b>Causes</b>	<ul style="list-style-type: none"> <li>* Risk of Austerity cuts/Major variances to the level of grant/subsidy</li> <li>* Uncertainty risk and potential financial disruption from External economic influences - mainly on income levels and current cost / inflationary pressures (and potential contractual cost increases)</li> <li>* Risk potential for poor Procurement practices and weak or ineffective Contract Management meaning VFM not maximised and TBC exposed to unnecessary liabilities.</li> <li>* Ongoing cost of living crisis and inflationary pressures risk having an impact on the Council's income if households struggle to pay council tax, housing rent payments, etc. If families find themselves in financial</li> </ul>		<b>Consequences</b>	<ul style="list-style-type: none"> <li>• Inability to plan long term due to uncertainty over future Local Government funding. The General Election is not expected before Autumn 2024. This leaves insufficient planning time for an incoming government to implement anything but a one-year settlement for 2025/26. The planned funding reforms, Fair Funding Review, business rates reset and the revised business rates retention scheme have been repeatedly deferred and are unlikely before 2026/27 at the earliest. While this means the Council will be able to retain its business rate growth for 2025/26, it also means that the uncertainty continues, making it difficult to plan beyond one year with any certainty.</li> </ul>	



	<p>difficulty it could also increase the demand for our services putting pressure on resources, for example increase in homelessness.</p> <p>* Under utilisation of Assets</p>		<p>* Unplanned cost reductions / savings requirements</p> <p>* Financial issues leading to the Authority being taken over by Government appointed officers.</p> <p>*Inability to plan investments into assets</p> <p>*Inability to diversify income streams</p> <p>*Social cohesion erosion could occur as public are adversely impacted by cost of living impact – potential for reputational damage for the council if unable to support effectively (or perception to). *Negative public perception may damage Council's reputation</p>
--	--	--	--

Risk Control Measure	Risk Control Measure Due Date	Risk Control Measure Status	Risk Control Measure Note	Assistant Director
Monthly Budget Monitoring	31-Mar-2024		Monthly Financial Healthcheck reports to CMT and quarterly to Cabinet	Joanne Goodfellow
Proactive and targeted cost saving analysis and review of reserve funds	31-Mar-2024		Review of reserves and retained funds reported to Cabinet in December and release of unspent funds to be returned to balances approved. £135,910.36 to General Fund Balances and £67,104 to Housing Revenue Account Balances (HRA)	Joanne Goodfellow
Robust monitoring process for MTFS in place and Quarterly Healthcheck update to Members	31-Mar-2024		2023/24 MTFS included review and update of fees and charges and new charges introduced. Other targeted savings built into budget via policy changes.	Joanne Goodfellow

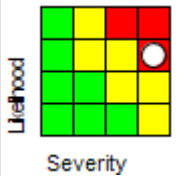
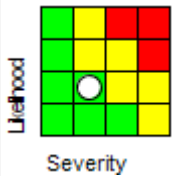
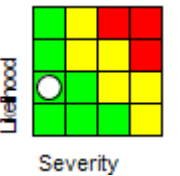
<p>Latest Note</p>	<p>The planned funding reforms, Fair Funding Review, business rates reset and the revised business rates retention scheme has been deferred again. The LGFS published in December 2023 outline funding for 2024/25.</p> <p>This settlement represents a 'holding position' until the next Parliament, aiming at stability. The ruling out of a business rates reset, or a fair funding review, means that the funding distribution will stay fairly stable (with the exception of Extended Producer Responsibility funding).</p> <p>But this means that the big questions about the future of the funding system remain unaddressed one way or another.</p> <p>While this means the Council will be able to retain its business rate growth for 2024/25 and 2025/26, it also means that the uncertainty continues and potentially the Council still faces losing this growth from 2026/27.</p> <p>The ongoing cost of living crisis and inflationary pressures continue to have an impact on the Council's finances. At the same time as rising supply costs there is also the potential for a fall in income as the disposable income of the public reduces due to the pressures on the household purse. This has the potential to affect collection rates for Council Tax and Housing Rents and it is also possible that income to attractions and events will reduce. If families find themselves in financial difficulty it could also increase the demand for our services putting additional pressure on resources, for example increased homelessness, exacerbated by the potential for increased numbers of asylum seekers or Ukrainian refugees who may also present as homeless. The situation will continue to be monitored, including through the monthly budget monitoring process.</p>	<p>Becky Smeathers</p>	<p>11 Jan 2024</p>
--------------------	--	------------------------	--------------------

<p>Corporate Priority affected</p>	<p>Priority2: The Economy</p>
	<p>Priority4: Living in Tamworth</p>
	<p>Priority5: Town Centre</p>



## 2 Governance 2023/2024

Generated on: 06 June 2024

### 2 Governance 2023

Risk Code		Risk Title	To ensure the Council is fully compliant in all legislative requirements		
Categories Code & Description					
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	4	Severity	2	Severity	1
Likelihood	3	Likelihood	2	Likelihood	2
Risk Score	12	Risk Score	4	Risk Score	2
Original Risk Date	09-Sep-2020	Date Reviewed	30-Apr-2024	Target Date	
<b>Causes</b>	<ul style="list-style-type: none"> <li>* Failure of democratic process</li> <li>* Failure to understand or respond adequately to new or changing legislation or regulation</li> <li>* No horizon scanning of legislative changes</li> <li>* Out of date policies and procedures</li> <li>*Lack of capacity to meet changing demands and priorities</li> <li>*Not enough capacity to plan ahead proactively due to reactive nature of business activity</li> <li>*Decisions made by Members could impact current planned work</li> <li>*Insufficient direction for strategic priorities – may not be fit for purpose which leads to lack of clarity with planning</li> </ul>		<b>Consequences</b>	<ul style="list-style-type: none"> <li>* Prosecution of individuals</li> <li>* Loss of reputation</li> <li>* Adverse impact on Tamworth residents</li> <li>* Authority taken over by Government appointed officers</li> <li>* Increase in costs, Legal and settlement</li> <li>* Potential harm to vulnerable persons, employees and commercial relationships</li> <li>* Legal action</li> <li>* Financial penalties</li> <li>* Reputational damage</li> <li>* Difficulties quantifying what success of objectives/priorities will look like</li> <li>* Impede work that is underway or already planned</li> </ul>	

			<p>* Additional effort if required to manage workloads from already stretched services</p> <p>*Unable to effectively priorities objectives and workloads</p> <p>*Potential to mis-align resources</p>
--	--	--	---

Risk Control Measure	Risk Control Measure Due Date	Risk Control Measure Status	Risk Control Measure Note	Assistant Director
Audit and Scrutiny Committees	31-Mar-2024		Regular meetings in place, training plan for Audit Committee members being developed.	Joanne Goodfellow
Policies and Procedures	31-Mar-2024		<p>HR policies and procedure updated in line with SMART working and distributed via ASTUTE</p> <p>Policy management audit undertaken, recommendations:</p> <p>1 centralised repository of policies ensuring regular reviews are undertaken</p> <p>2. Heads of service reminded of their responsibility to update policies within their service area</p> <p>Each policy should have a standard cover sheet</p>	Zoe Wolicki

Latest Note	Meeting of Statutory Officers held this quarter - all actions/issues being managed	Anica Goodwin	18 Dec 2023
-------------	--	---------------	-------------







Corporate Priority affected	Priority2: The Economy
	Priority4: Living in Tamworth
	Priority: Organisation





### 3 Promoting Community Resilience and Cohesive Communities 2023/24

Generated on: 06 June 2024

#### 3 Promoting community resilience and cohesive communities

Risk Code		Risk Title	Failure to understand Borough issues that may lead to community cohesion challenges and community resilience issues affecting Tamworth 'the place'		
Categories Code & Description					
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	3	Severity	2	Severity	2
Likelihood	3	Likelihood	2	Likelihood	1
Risk Score	9	Risk Score	4	Risk Score	2
Original Risk Date	09-Sep-2021	Date Reviewed	23-May-2024	Target Date	
<b>Causes</b>	<ul style="list-style-type: none"> <li>. Lack of strong local leadership (political, community etc)</li> <li>. Failure to provide or signpost support for the most vulnerable in our communities.</li> <li>. Lack of communication activity/strategy to engage with local communities.</li> <li>. Lack of partnership working and initiatives</li> <li>. Failure to understand local issues.</li> <li>. Lack of sustainable approach to community engagement and development which is inclusive and embraces diversity.</li> <li>. Poor educational outcomes and job opportunities</li> <li>Failure to engage with other statutory agencies</li> </ul>		<b>Consequences</b>	<ul style="list-style-type: none"> <li>. May be unable to support the vulnerable leading to wider demands on public services.</li> <li>. Wider health and employment inequality</li> <li>. Rise in crime or perception of crime</li> <li>. Increased levels of community tensions</li> <li>. Rise in environmental crime?</li> <li>. Lack of civic pride Lack of aspiration</li> </ul>	

Risk Control Measure	Risk Control Measure Due Date	Risk Control Measure Status	Risk Control Measure Note	Assistant Director
Commissioning of debt/advice services	31-Jul-2024		Contract in place until March 2025	Joanne Sands
Community cohesion officer in place	31-Jul-2024		Community Cohesion Officer in place until March 2025	Joanne Sands
Quality open spaces	31-Jul-2024		This is an ongoing work agenda of maintaining our open spaces.  Working with Staffordshire Wildlife Trust they support local community groups to maintain the seven local nature reserves that we have in the borough.	Hannah Peate
Strong Community Safety Partnership in place	31-Jul-2024		Partnership in place. CSP plan in place 2023-2026 and Community Safety Strategic Assessment refreshed annually with report to IS&G scrutiny committee	Joanne Sands
Strong partnership working with Staffordshire County Council around strategic issues affecting Tamworth communities.	31-Mar-2024		Links to all relevant community safety groups, priority working areas including Cost of Living group and Directors Health Inequalities group	Joanne Sands
Support for the Voluntary Sector	19-Jul-2024		Voluntary sector pledge signed 2021. Community grants schemes in place	Joanne Sands

Tell Us	31-Jul-2024		New policy implemented  policy reviewed by housing ombudsman  rolled out to all staff via astute	Zoe Wolicki
Use of insight	31-Jul-2024		PID and project scope complete  Trueman Change directly awarded for consultancy support to produce a model and systems for data collection and analysis	Hannah Peate; Zoe Wolicki
Wellbeing Strategy	19-Jul-2024		Baseline in place - H&W Scrutiny Nov 23 Update of district profiles in hand	Joanne Sands
Wide range of arts, sporting and community events	19-Jul-2024		Wide range of events delivered across 2023-24. Including free holiday activity programmes run in conjunction with a range of partners, St Georges Day, We Love Tamworth Events, Kings Coronation, Christmas Events Programme. New ParkRun funded, set up and started. Fireworks Events. Tribute concert events.	Hannah Peate



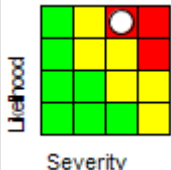
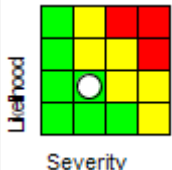
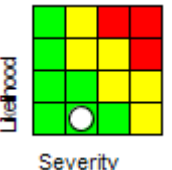
Latest Note	<p>Strong community safety partnership working.</p> <p>Looking to reconvene the Tamworth Strategic Partnership</p> <p>Proactive approach to migration</p> <p>Widened engagement across the Health Partnership</p>	Hannah Peate	23 May 2024
-------------	---	--------------	-------------

Corporate Priority affected	Priority1: The Environment
	Priority4: Living in Tamworth
	Priority5: Town Centre





## 4 Lack of Resources, Capacity and right skills in place 2023/24

Generated on: 06 June 2024

### 4 Lack of resources, capacity and right skills in place

Risk Code		Risk Title	Lack of resources, capacity and right skills in place (recruitment and retention) to deliver corporate objectives		
Categories Code & Description					
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	3	Severity	2	Severity	2
Likelihood	4	Likelihood	2	Likelihood	1
Risk Score	12	Risk Score	4	Risk Score	2
Original Risk Date	18-Aug-2023	Date Reviewed	30-Apr-2024	Target Date	
<b>Causes</b>	<ul style="list-style-type: none"> <li>*Executive staff turnover may lead to experience/ knowledge loss</li> <li>*Inability to drive public engagement and manage increase in demand/ expectations</li> <li>*Lack of succession planning</li> <li>*Aging profile of organisation</li> <li>*Lack of incentive for young people to work for council</li> <li>*Competitive salary market impedes finding right candidates including not enough applicants for vacant roles</li> <li>*Increased workloads may not leave enough capacity to complete all in a timely manner</li> <li>*Lack of capacity to respond to changes regulations due to delays in releasing from the Gov and staff</li> </ul>		<b>Consequences</b>	<ul style="list-style-type: none"> <li>*Difficulties retaining staff – they may look more external opportunities</li> <li>*Costs of turnover and retraining new starters</li> <li>*Potential for non-compliance with specific roles that require accreditation or specific skills</li> <li>*Ability to respond to regulatory/ statutory changes may be inefficient</li> <li>*Working to prioritised work/ leader decisions</li> <li>* Unable to deliver organisational strategies</li> <li>* Increased turnover/absenteeism</li> <li>Service failure leading to ombudsman intervention and increased compensation claims</li> <li>* Decreased staff engagement and satisfaction resulting in poor performance.</li> </ul>	

	<p>already stretched with current workloads.</p> <ul style="list-style-type: none"> <li>* Failure to have the organisational structure and a skilled and motivated workforce</li> <li>* Ineffective project management and governance</li> <li>* Ineffective performance management</li> </ul>		Impact on health and wellbeing of existing staff
--	--	--	--

Risk Control Measure	Risk Control Measure Due Date	Risk Control Measure Status	Risk Control Measure Note	Assistant Director
Comments, complaints.	31-Mar-2024		Comments, Compliments, Complaints Policy issued to all staff via Astute - January 2024	Zoe Wolicki
Effective employee relations	31-Mar-2024		<p>Trade Union Meetings held on regular basis at least quarterly.</p> <p>All policies and procedures compliant with legislation with 3 yearly reviews or earlier if legislation dictates.</p> <p>Regular communications with staff via monthly newsletter and everyone emails</p>	Anica Goodwin; Zoe Wolicki
Monitoring of staff turnover	31-Mar-2024		Update to CMT and Statutory Officers Group	Anica Goodwin; Hannah Peate; Zoe Wolicki
Training plan resourced	31-Mar-2024		<p>PDR process complete</p> <p>initial analysis of training required complete.</p> <p>priority training procurement process underway</p>	Zoe Wolicki

Workforce plan in place	31-Mar-2024		Work continues to be completed by September 2024	Hannah Peate; Zoe Wolicki
-------------------------	-------------	---	--	---------------------------

Latest Note	Vacancies continue to be monitored. Where pressure points are identified these are being kept under review.	Becky Smeathers	30 Apr 2024
-------------	---	-----------------	-------------

Corporate Priority affected	Priority2: The Economy
	Priority4: Living in Tamworth
	Priority: Organisation

# 5 Organisational Resilience 2023/24

Generated on: 06 June 2024

## 5 Organisational Resilience 2023/24

Risk Code		Risk Title	Failure to provide services or maintain the continued wellbeing and operations within the Borough and be resilient to the unprecedented changes of the future.		
Categories Code & Description					
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	3	Severity	3	Severity	1
Likelihood	4	Likelihood	3	Likelihood	1
Risk Score	12	Risk Score	9	Risk Score	1
Original Risk Date	09-Sep-2020	Date Reviewed	30-Apr-2024	Target Date	
<b>Causes</b>	<ul style="list-style-type: none"> <li>* Significant event outside of our control e.g. major disaster, pandemic etc.</li> <li>* Staff not aware of action to be taken in the event of an emergency/disaster</li> <li>* Lack of sufficient agile operational options</li> <li>* Lack of corporate overview to understand and effectively prioritise workloads, resource allocation and understand where cross-function collaboration stands.</li> <li>* National and local political interference may impede planning and priorities</li> </ul>		<b>Consequences</b>	<ul style="list-style-type: none"> <li>* Services not delivered</li> <li>* Reduced 'economic attractiveness'</li> <li>* Loss of reputation</li> <li>* Potential to misalign resources</li> <li>* Governance does not provide the full picture</li> <li>* Negative public perception may damage Council's reputation</li> </ul>	
Risk Control Measure	Risk Control Measure Due Date	Risk Control Measure Status	Risk Control Measure Note	Assistant Director	

Business Continuity Planning	31-Jul-2024		Majority of Service Areas have reviewed their local BCP and have updated in the new format and now have a plan that reflects current working practices.	Paul Weston
Delivery of People and Organisational Strategy	31-Mar-2024		Completed	Zoe Wolicki
Develop Project management skills for key staff	31-Mar-2024		staff requiring training identified via PDR process  training to be delivered in 2024	Hannah Peate; Zoe Wolicki
Emergency Planning	31-Mar-2024		Detailed & RAG rated Emergency Planning improvement plan discussed several times at CMT highlighting preparedness' for any major incident. Close working with CCU as part of the Staffordshire Resilience Forum.	Tina Mustafa

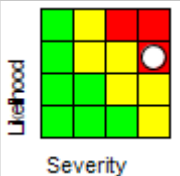
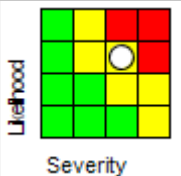
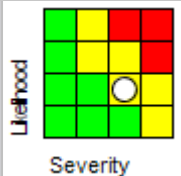
Latest Note	No change	Rob Barnes	18 Jan 2023
-------------	-----------	------------	-------------


Corporate Priority affected	Priority2: The Economy
	Priority4: Living in Tamworth
	Priority: Organisation

## 6 Failure to meet climate change ambitions/ meet net zero targets and plan for major weather impacts and force majeure 2023/24

Generated on: 06 June 2024

### 6 Failure to meet climate change ambitions/ meet net zero targets and plan for major weather impacts and force majeure.

Risk Code		Risk Title	Failure to meet climate change ambitions/ meet net zero targets and plan for major weather impacts and force majeure		
Categories Code & Description					
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	4	Severity	3	Severity	3
Likelihood	3	Likelihood	3	Likelihood	2
Risk Score	12	Risk Score	9	Risk Score	6
Original Risk Date	19-Aug-2023	Date Reviewed	30-Apr-2024	Target Date	
<b>Causes</b>	<ul style="list-style-type: none"> <li>* Staff not aware of action to be taken in the event of an emergency/disaster</li> <li>* Global warming/climate change - severe weather impacts to the Borough</li> <li>* Failure to plan ahead financially for cost implications</li> <li>* Not having the specialist skills in place to develop adverse climate resistant infrastructure</li> <li>* Lack of trained staff to deal with emergencies and over reliance on 3rd parties.</li> </ul>		<b>Consequences</b>	<ul style="list-style-type: none"> <li>* Life and property put in harms way</li> <li>* Extreme weather conditions/impact on business's &amp; communities</li> <li>* Failure to have a plan for recovery/ repairs/ public support</li> <li>Impact on vulnerable people Unable to deliver services</li> </ul>	

Risk Control Measure	Risk Control Measure Due Date	Risk Control Measure Status	Risk Control Measure Note	Assistant Director
1B - Development of infrastructure for acting on Climate Change	31-Jul-2024		Ongoing discussions with BP Pulse over the delivery of an EV charging hub on Riverdrive.	Anna Miller

Latest Note	In quarter 4 a new climate change officer started. Also, the Climate Change Action Plan was started with external consultants Aether.	Pardeep Kataria	30 May 2024
-------------	---	-----------------	-------------

Corporate Priority affected	Priority1: The Environment
	Priority4: Living in Tamworth




# 7 Information and Data Management 2023/24

Generated on: 06 June 2024

## 7 Information and Data Management -

Risk Code		Risk Title	Lack of insight from information and data systems could impede effective decision making and affect systems viability.		
Categories Code & Description					
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	3	Severity	3	Severity	2
Likelihood	3	Likelihood	2	Likelihood	1
Risk Score	9	Risk Score	6	Risk Score	2
Original Risk Date	19-Aug-2023	Date Reviewed	30-Apr-2024	Target Date	
<b>Causes</b>	<ul style="list-style-type: none"> <li>*Isolated systems may not support sharing information.</li> <li>*Lack of joined up systems</li> <li>*Non-user-friendly systems may inhibit competency/confidence</li> <li>*Unable to keep up with costs of updating systems</li> </ul>		<b>Consequences</b>	<ul style="list-style-type: none"> <li>*Inability to drive value of decision making from data</li> <li>*Missed or gaps in data could impede tracking progress of work especially with leavers</li> <li>*Not paying for updates to systems could result in vulnerabilities - potential for cyber-attacks. Not making use of data available to us.</li> </ul>	

Risk Control Measure	Risk Control Measure Due Date	Risk Control Measure Status	Risk Control Measure Note	Assistant Director
Cyber Security	31-Mar-2024		ICT monitor cyber security measures	Zoe Wolicki

			regular information to staff via newsletters	
			Cyber e-learning mandatory training for all staff	
Data Protection	31-Mar-2024		policies and procedures for DP on Astute	Zoe Wolicki

Latest Note	Improvements to systems are being delivered through ICT strategy.	Becky Smeathers	30 Apr 2024
-------------	---	-----------------	-------------

Corporate Priority affected	Priority2: The Economy
	Priority: Organisation


# 8 Inability to deliver economic growth, sustainability and prosperity in the Borough 2023/24


Generated on: 06 June 2024

## 8 Inability to deliver economic growth, sustainability and prosperity in the Borough

Risk Code		Risk Title	Lack of economic growth, sustainability and prosperity in the Borough at the levels required		
Categories Code & Description					
Original Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	4	Severity	3	Severity	2
Likelihood	3	Likelihood	3	Likelihood	2
Risk Score	12	Risk Score	9	Risk Score	4
Original Risk Date	21-Aug-2023	Date Reviewed	30-Apr-2024	Target Date	
<b>Causes</b>	<ul style="list-style-type: none"> <li>* Lack of investment in the Borough</li> <li>* General downturn in the economy due to factors beyond our control</li> <li>* Failure to recognise economic changes</li> <li>* The uncertainty and financial disruption from External Economic influences and current cost / inflationary pressures (and potential contractual cost increases.</li> <li>* Changes in Job market</li> <li>* Inadequate business continuity plans</li> </ul>		<b>Consequences</b>	<ul style="list-style-type: none"> <li>* Economic prosperity declines</li> <li>* Deprivation</li> <li>* Reduced Business Rates income</li> <li>* Tamworth not seen as a positive place to live or invest in</li> <li>* Lack of economic and commercial growth</li> <li>* Unable to recruit key/essential skills</li> <li>* Failure to deliver project outcomes</li> <li>* Failure to deliver corporate plan</li> <li>* Government intervention</li> <li>* Increased customer dissatisfaction</li> <li>* Unrealised benefits</li> </ul>	

\*Negative public perception may damage Council's reputation

Risk Control Measure	Risk Control Measure Due Date	Risk Control Measure Status	Risk Control Measure Note	Assistant Director
2A - Development of business initiatives to promote start up and growth	31-Mar-2024		<p>The Borough Council has awarded £25,000 grant funding to Tamworth town centre businesses to support local businesses in the current economic climate.</p> <p>The money will help town centre businesses establish or improve their physical or digital presence, gain new customers, increase turnover and increase opportunities for survival, through effective brand image and an improved service or product.</p> <p>This grant funding is available for a total of 3 years.</p> <p>The FHSF is delivering a project called the FLEX which will be entrepreneurial space/pop up space that can be flexibly managed, creating conditions for new businesses to try and</p>	Anna Miller

			establish themselves in the town.	
3A - Local plan to improve infrastructure , evening economy and transport links	31-Jul-2024		Issues and options consultation completed	Anna Miller
Management of Assets - deliver Corporate Capital Strategy and Asset Management Strategy actions	31-Jul-2024		Final draft to be presented to Asset Strategy Steering Group for consideration.	Paul Weston

Latest Note	FHSF construction work gathering pace. Decisions taken to support FHSF project to enable completion. Decisions taken around a road map for Local Plan production.	Pardeep Kataria	30 May 2024
-------------	---	-----------------	-------------

Corporate Priority affected	Priority2: The Economy
	Priority1: The Environment
	Priority3: Infrastructure
	Priority4: Living in Tamworth
	Priority5: Town Centre

This page is intentionally left blank

**Tamworth Borough Councils Risk Profile**

**Key to Corporate Risk Headings**

- R1 Finance/Financial stability 2023/24
- R2 Governance 2023
- R3 Promoting community resilience and cohesive communities
- R4 Lack of resources, capacity and right skills in place
- R5 Organisational Resilience 2023/24
- R6 Failure to meet climate change ambitions/ meet net zero targets and plan for major weather impacts and force majeure.
- R7 Information and Data Management
- R8 Inability to deliver economic growth, sustainability and prosperity in the Borough

**Quarter 1 summary**

	R4	R5, R6, R8	R1
	R3	R7, R2	

**Risk profile**

High risk	12.5%
Medium risk	37.5%
Medium/Low Risk	37.5%
Low Risk	12.5%

**Quarter 2 summary**

		R5, R6, R8	R1
	R2, R3, R4,	R7	

**Risk profile**

High risk	12.5%
Medium risk	37.5%
Medium/Low Risk	12.5%
Low Risk	37.5%

**Quarter 3 summary**

		R5, R6, R8	R1
	R2,R3,R4	R7	

**Risk profile**

High risk	12.5%
Medium risk	37.5%
Medium/Low Risk	12.5%
Low Risk	37.5%

**Quarter 4 summary**

		R5, R6, R8	R1
	R2,R3,R4	R7	

**Risk profile**

High risk	12.5%
Medium risk	37.5%
Medium/Low Risk	12.5%
Low Risk	37.5%

This page is intentionally left blank



Risk Register Service/ Department:		
Risk Title/ No:		
What are you trying to achieve? Objective:		
Is the risk still relevant to the objective/goal you are trying to achieve?		
Has the risk changed in any way?		
Have the causes of the risk changed? ( <i>Real or perceived exposures</i> )		
Have the consequences of the risk changed? ( <i>conditional outcomes if risk occurs</i> )		
Has the current impact or likelihood changed since the last review?	Impact:	Likelihood:
Are the controls in place to manage the risk effective and still working adequately? <i>These are systematic organisational controls which should be embedded i.e. processes/procedures etc</i>		
What assurance is available to support this judgement?		
Have actions, if they were needed, been implemented? If not, why?		
Have all interested parties or stakeholders been consulted on the risk? Or communicated with in an appropriate way?		
Are there any new or emerging risks not captured that could prevent the achievement of your objective?		
Is this risk managed at the right authority level? Should it be escalated or de-escalated? If so, why?		
Are you aware of the same risk being experienced in another		

Service/ Directorate? If so, has there been any collaboration?	
--	--

This questionnaire is to act as a 'prompt' guide for reviewing risks on a risk register. Please answer the questions above with your risk register at hand to ensure accurate updates and rationales. Further guidance can be found <https://infozone.tamworth.gov.uk/risk-management>

**Summary of current, short term and long-term risks as reported in the Global Risks Report 2024.**

**Risk Categories**

	Economic
	Environmental
	Geopolitical
	Societal
	Technological

**Current Risk Landscape.**

5 Risk most likely to present a material crisis on a global scale:

1	Extreme Weather
2	AI-generated misinformation & disinformation
3	Societal and or political polarisation
4	Cost-of-living crisis.
5	Cyberattacks

**Global Risks Ranked by severity over the short and long term**

	<b>2 Years</b>	<b>10 years</b>
1	Misinformation & disinformation	Extreme weather events
2	Extreme weather events	Critical change to Earth systems
3	Societal polarization	Biodiversity loss and ecosystem collapse
4	Cyber insecurity	Natural resource shortages
5	Interstate armed conflict	Misinformation and disinformation
6	Lack of economic opportunity	Adverse outcomes of AI technologies
7	Inflation	Involuntary migration
8	Involuntary migration	Cyber insecurity
9	Economic downturn	Societal polarization
10	Pollution	Pollution

This page is intentionally left blank



## Audit & Governance Committee

2024 - 2025

### Functions of the Committee:

Those functions conferred on the Council in relation to Audit and Governance matters including Audit Activity, Regulatory Framework and Accounts.

To advise the council on the adoption or revision of its Code of Conduct.

To monitor and advise the council about the operation of its Code of Conduct in the light of best practice and in terms of the Localism Act 2011. To assist members and co-opted members of the authority.

To ensure that all members of the Council have access to training in all aspects of the member Code of Conduct, that this training is actively promoted, and that members are aware of the standards expected from local councillors under the Code.

### Other functions:

Functions relating to standards of conduct of members under any relevant provision of, or regulations made under, the Localism Act 2011 including complaints against members and co-opted members of the Council for breach of the Code of Conduct; and the granting of dispensations pursuant to section 33, Localism Act 2011.

The Council's complaints procedure.

Membership: Councillors: C Adams (Chair), C Bain, M Couchman, S Doyle, P Turner, J Wadrup, A Wells

## ROLLING AUDIT & GOVERNANACE TIMETABLE OF PLANNED REPORTS TO AUDIT AND GOVERNANCE COMMITTEE

### 2024/25 Year

*Note: Audit & Governance Committee training is planned for 4<sup>th</sup> June 2024, additional training will be provided to Committee members during the year (dates to be agreed).*

	Report	Committee Date	Report of	Comments
1.	Internal Audit Annual Report and Quarterly Update for 2023/24	26 <sup>th</sup> June 2024	Audit Manager	
2.	Annual Governance Statement and Code of Corporate Governance	26 <sup>th</sup> June 2024	Chief Executive/Audit Manager	
3.	Risk Management Quarterly Update	26 <sup>th</sup> June 2024	Assistant Director, Finance	
4.	Future High Street Fund Risk Report	26 <sup>th</sup> June 2024	Assistant Director, Growth & Regeneration	
5.	Audit Committee Effectiveness (Skills Audit) and Independent Member update	26 <sup>th</sup> June 2024	Audit Manager	
1.		14 <sup>th</sup> August2024		
	Report	Committee Date	Report of	Comments

1.	<b>Audit Findings Report and Management Representation Letter</b>	<b>25<sup>th</sup> September 2024</b>	<b>Azets</b>	
2.	<b>Annual Statement of Accounts</b>	<b>25<sup>th</sup> September 2024</b>	<b>Executive Director Finance</b>	
3.	<b>Risk Management Quarterly Update</b>	<b>25<sup>th</sup> September 2024</b>	<b>Assistant Director – Finance</b>	
4.	<b>Regulation of Investigatory Powers Act (RIPA) Annual Report &amp; Review of the RIPA Policy</b>	<b>25<sup>th</sup> September 2024</b>	<b>Assistant Director, Partnerships</b>	
5.	<b>Modern Slavery and Human Trafficking Statement</b>	<b>25<sup>th</sup> September 2024</b>	<b>Assistant Director – Partnerships</b>	
6.	<b>Local Government Ombudsman’s Annual Review and Report 2023/24</b>	<b>25<sup>th</sup> September 2024</b>	<b>Assistant Director – People</b>	
7.	<b>Internal Audit Quarterly Update Q1</b>	<b>25<sup>th</sup> September 2024</b>	<b>Audit Manager</b>	
8.	<b>Annual Treasury Outturn</b>	<b>25<sup>th</sup> September 2024</b>	<b>Executive Director Finance</b>	
9.	<b>Audit &amp; Governance Committee update</b>	<b>25<sup>th</sup> September 2024</b>	<b>Azets</b>	
10.	<b>Private meeting of Internal and External Auditors and Committee members</b>	<b>25<sup>th</sup> September 2024</b>		
	<b>Report</b>	<b>Committee Date</b>	<b>Report of</b>	<b>Comments</b>

1.	Internal Audit Quarterly Update Q2	13 <sup>th</sup> November 2024	Audit Manager	
2.	Counter Fraud update	13 <sup>th</sup> November 2024	Audit Manager	
3.	Risk Management Quarterly Update	13 <sup>th</sup> November 2024	Assistant Director – Finance	
4.	Councillor Code of Conduct	13 <sup>th</sup> November 2024	Monitoring Officer	<i>Annual refresh to normally be in April each year</i>
	<b>Report</b>	<b>Committee Date</b>	<b>Report of</b>	<b>Comments</b>
1.	Internal Audit Quarterly Update Q3	5 <sup>th</sup> February 2025	Audit Manager	
2.	Risk Management Quarterly Update	5 <sup>th</sup> February 2025	Assistant Director – Finance	
3.	Audit Committee Effectiveness	5 <sup>th</sup> February 2025	Audit Manager	
4.	Future High Street Fund Risk Report	5 <sup>th</sup> February 2025	Assistant Director, Growth & Regeneration	
5.	Review of the Constitution and Scheme of Delegation for Officers	5 <sup>th</sup> February 2025	Monitoring Officer	
	<b>Report</b>	<b>Committee Date</b>	<b>Report of</b>	<b>Comments</b>
1.	Audit and Governance Committee update	19 <sup>th</sup> March 2025	Azets	<i>Verbal Update</i>
2.	Internal Audit Charter and Audit Plan 2025/26	19 <sup>th</sup> March 2025	Audit Manager	
3.	Final Accounts – Accounting Policies and Action Plan	19 <sup>th</sup> March 2025	Assistant Director of Finance	



4.	Private meeting of Internal and External Auditors and Committee members	19 <sup>th</sup> March 2025		
	<b>Report</b>	<b>Committee Date</b>	<b>Report Of</b>	<b>Comments</b>
1.	Public Sector Internal Audit Standards/Quality Assurance and Improvement Programme	15 <sup>th</sup> April 2025	Audit Manager	
2.	Annual Report of the Chair of Audit & Governance Committee	15 <sup>th</sup> April 2025	Audit Manager / Chair	
3.	Review of Financial Guidance	15 <sup>th</sup> April 2025	Assistant Director Finance	
4.	Review of the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement and the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Review Report	15 <sup>th</sup> April 2025	Executive Director Finance	<i>March or April</i>
5.	Auditor's Annual Report	15 <sup>th</sup> April 2025	Azets	
6.	Audit Findings Report	15 <sup>th</sup> April 2025	Azets	



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank