

NON-CONFIDENTIAL



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AUDIT AND GOVERNANCE COMMITTEE

28 January 2025

Dear Councillor

A meeting of the Audit and Governance Committee will be held in **Town Hall, Market Street, Tamworth on Wednesday, 5th February, 2025 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

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- 1 Apologies for Absence**
- 2 Minutes of the Previous Meeting (Pages 5 - 10)**
- 3 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.

- 4 Auditor's Annual Report 2023/24** (Pages 11 - 48)
(Report of the External Auditors, Azets)
- 5 Internal Audit Progress Update Q3** (Pages 49 - 76)
(Report of the Interim Audit Manager)
- 6 Audit Committee Effectiveness** (Pages 77 - 160)
(Report of the Interim Audit Manager)
- 7 Financial Waivers To 31st December 2024** (Pages 161 - 170)
(Report of the Interim Executive Director Finance)
- 8 Risk Management Quarterly Update Qtr.3 2024/25** (Pages 171 - 222)
(Report of the Interim Executive Director Finance)
- 9 FHSF Risk Update January 2025 (To Follow)**
(Report of the Assistant Director, Growth and Regeneration)
- 10 Regulation of Standards of Conduct** (Pages 223 - 232)
(Report of the Monitoring Officer)
- 11 Comments, Compliments and Complaints Update** (Pages 233 - 266)
(Report of the Assistant Director - People)
- 12 Audit and Governance Committee Timetable** (Pages 267 - 272)
(Discussion Item)

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. 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, J Oates, P Turner, J Wadrup
and A Wells

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MINUTES OF A MEETING OF THE AUDIT AND GOVERNANCE COMMITTEE HELD ON 13th NOVEMBER 2024

PRESENT: Councillor C Adams (Chair), Councillors S Doyle, C Bain, M Couchman, P Turner and A Wells (Vice-Chair)

Officers Joanne Goodfellow (Interim Executive Director Finance and Deputy Section 151 Officer), Zoe Wolicki (Assistant Director People), Joanne Sands (Assistant Director Partnerships), Nicola Hesketh (Monitoring Officer), Tracey Pointon (Legal Admin & Democratic Services Manager) and Laura Sandland (Democratic and Executive Support Officer)

Visitors Bethany Hincks (Azets) and Laura Hinsley (Azets)

24 APOLOGIES FOR ABSENCE

Apologies were received from Councillor J Wadrup

25 DECLARATIONS OF INTEREST

There were no declarations of Interest.

26 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 25th September 2024 were approved and signed as a correct record.

(Moved by Councillor S Doyle and seconded by Councillor M Couchman)

27 AUDIT FINDINGS REPORT AND MANAGEMENT REPRESENTATION LETTER

The Audit Findings Report and Management Representation Letter were presented by Laura Hinsley Bethany Hincks & from the External Auditors.

The Auditors updated the committee on the following:

- In October the Auditors became aware of a conflict of interest that has the potential to impair independence as external auditors, consulted with regulators and consensus has been reached that we need to resign as external auditors following the completion of the 23/24 audit. The Chief Executive & S151 officer have agreed that they consider the auditors to be independent for 23/24 and Councillors also agreed in the meeting.

Members sought clarity on the following:

- £955,000 in the financial statements which belong to parks and assets that have not been identified for many years following this audit have you asked for that to be looked at and balanced so that next time around we do know where that comes from?
 - we could provide a list of the parks and all the other plots of land, what we couldn't give is a breakdown of that £955k to individual assets. We are working to getting a breakdown that provides a split of the overall value. Assets are confident that they can point out where all those assets are and all those plots of land are on the mapping system and making sure we've got that complete list and we can identify the individual parts of land and say exactly where that is and what the value of that is individually
- Management was unable to provide evidence of the £242,000 pounds of a section 106 Grant now it says that the balances relate to a pre 1997 receipts and we are now including planning permission and references to the GL account and codes and they should not happen in the future, should not or will not?
 - Because of the system used was replaced and due to the way it was coded on the ledger previously we don't have an audit trail to actually go back to say we know this amount came from a particular development. The code description now includes the planning permission reference so it's easier to tie back

Resolved that the Committee

approved the Audit Findings Report and approved the Management Representation Letter.

(Moved by Councillor C Bain and seconded by Councillor P Turner)

28 OUTSTANDING AUDIT RECOMMENDATIONS

Report of the Audit Manager to provide the Committee with an overview concerning the currently outstanding and overdue audit recommendations

Following discussions on the outstanding high priority risks in the report the following motion was moved

That Officers responsible for any overdue high priority risks are invited to assist the committee in understanding the issues affecting progress and also for the Committee to be able to work together in a closer way to reach a resolution as quickly as possible

(Moved by Councillor S Doyle and seconded by Councillor M Couchman)

This recommendation was approved

Resolved that the committee:

Noted the report and provides observations on the content;

Noted that a further report providing details of progress to date and a planned completion date for each of the outstanding recommendations is brought to the next committee meeting.

(Moved by Councillor A Wells and seconded by Councillor S Doyle)

29 COUNTER FRAUD UPDATE

Report of the Audit Manager to provide members with:

- An update of counter fraud work completed this financial year, including an updated fraud action and fraud risk register;
- A refreshed and updated Counter Fraud & Corruption Strategy;
- A refreshed and updated Whistleblowing Policy; and
- A refreshed and updated Anti Money Laundering Policy

Resolved that the Committee

1. Endorse this update report including the updated fraud action plan at Appendix 1 and the fraud risk register at Appendix 2
2. Endorse the refreshed Counter Fraud & Corruption Policy Strategy at Appendix 3.
3. Endorse the refreshed Whistleblowing Policy at Appendix 4
4. Endorse the refreshed Anti Money Laundering Policy at Appendix 5.

(Moved by Councillor P Turner and seconded by Councillor C Bain)

30 INTERNAL AUDIT QUARTERLY PROGRESS REPORT - Q2 2024/25

Report of the Audit Manager to provide Audit & Governance Committee with internal audit's progress report for the period to 30th September 2024.

Resolved that the Committee:

Approved the Internal Audit's Quarterly Progress Report (Q2)

(Moved by Councillor C Bain seconded by Councillor S Doyle)

31 ANNUAL STATEMENT OF ACCOUNTS

Report of The Interim Executive Director Finance to approve the Statement of Accounts (the Statement) for the financial year ended 31st March 2024 following completion of the external audit.

Resolved that Committee:

1. approved the Annual Statement of Accounts 2023/24;
2. delegated authority to the Chair of the Audit and Governance Committee in conjunction with the S151 Officer to approve any changes and re-sign the accounts, if necessary, once the audit is concluded by the external auditors.

(Moved by Councillor M Couchman and seconded by Councillor C Bain)

32 RISK MANAGEMENT QUARTERLY UPDATE QTR.2 2024/25

Report of The Assistant Director Finance to report on the Risk Management process and progress for Quarter 2 of the 2024/25 financial year.

Resolved that the Committee:

Endorsed the Corporate Risk Register

(Moved by Councillor S Doyle and seconded by Councillor M Couchman)

33 FINANCIAL WAIVERS TO 30TH SEPTEMBER 2024

Councillor Doyle left the meeting at 19.10 and did not vote on this item.

Report of the Interim Executive Director Finance for the Audit & Governance Committee to note the waivers to the Council's procurement processes as set out in Financial Guidance for the period 1st July to 30th September 2024, for the reasons as set out, and to advise if any further information is required.

Resolved that the Committee:

note the waivers approved to the procurement processes as set out in the Council's Financial Guidance.

(Moved by Councillor A Wells and seconded by Councillor M Couchman)

34 MEMBER ENQUIRIES UPDATE

Report of the Leader of the Council / Monitoring Officer, this report provides an overview of member enquiries received by the Information Governance team for the period 1 April 2024 – 30 September 2024. It aims to update members on the member enquiry process, the types of enquiries received, the response times and the future developments identified to improve the process.

Members sought clarity on the following:

Street scene have suggested we should report any tree issues or green space through the website – Yes that is correct goes straight through to the team. If it comes through members enquiries we would also report to the website

5 working days is too long for a response – this is to acknowledge the enquiry and we can look to making this shorter.

Housing Repairs/Streetscene do you have any data to suggest they have gone up or down. Now we have the information we can look at trends.

Is there a way of recording enquiries that go to Staffordshire County Council as these are most enquiries Cllrs get. – We can look at this going forward.

We as Cllrs don't get notified when an issue as been resolved can this be looked at going forward - One of the one of the things being looked at is a live system where you can actually see what's happening and it could be updated live even if you're waiting for information

Resolved that the Committee:

1. Endorsed the contents of the report

2. Approved the activities detailed in the future developments section of this report for implementation.

(Moved by Councillor C Bain and seconded by Councillor M Couchman)

35 AUDIT AND GOVERNANCE COMMITTEE TIMETABLE

The Committee reviewed the timetable there were no changes. Azets to email with date for future report

Chair

Tamworth Borough Council

Auditor's Annual Report

Year ended 31 March 2024

January 2025



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Agenda Item 4



We are required to satisfy ourselves under s20(1)(c) of the Local Audit and Accountability Act 2014 that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We report to you if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements are operating effectively.

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Detailed findings from our audit of the financial statements are communicated in the following reports:

- audit opinion on the financial statements for the year ended 31 March 2024
- audit findings (ISA 260) report to Those Charged with Governance

We performed our audit in accordance with International Standards on Auditing (UK). This report has been prepared in line with the National Audit Office's Code of Audit Practice 2024 (the "Code") and is required to be published by the Council alongside the annual report and accounts. Our reports are prepared in accordance with ISAs (UK), the Code, all associated Audit Guidance Notes issued by the National Audit Office and relevant requirements of the Local Audit and Accountability Act 2014.

Key messages

The purpose of the Auditor's Annual report is to bring together all of the auditor's work over the year. A core element of the report is the commentary on value for money (VFM) arrangements, which aims to draw to the attention of the members and the wider public relevant issues, recommendations arising from the auditor's work and the auditor's view on whether previous recommendations have been implemented satisfactorily.

We have undertaken our work in accordance with the Audit Plan issued in November 2023 and our report to Those Charged with Governance. We have complied with the National Audit Office (NAO) Code of Audit Practice 2024, other guidance issued by the NAO, and International Standards on Auditing (UK).

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Area of work	Our responsibilities	Conclusion
Financial statements	<p>We are required to audit the financial statements of the Council under the Local Audit and Accountability Act 2014. We express an opinion as to whether the financial statements:</p> <ul style="list-style-type: none">• give a true and fair view of the financial position of the Council and of its expenditure and income for the year;• have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24; and• have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014. <p>We conduct our audit in accordance with International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office and applicable law.</p>	<p>We issued an unqualified opinion on the Council's financial statements on 20 December 2024.</p> <p>This means that we consider the financial statements give a true and fair view of the financial performance and position of the Council.</p>

Key messages

Area of work	Our responsibilities	Conclusions
<p>Narrative report and annual governance statement</p>	<p>We are required to read and report on whether the other information included in the Statement of Accounts (including the Narrative Report and Annual Governance Statement) is materially inconsistent with the financial statements and our knowledge obtained from the audit or otherwise appears to be materially misstated.</p> <p>We are also required to assess whether the Annual Governance Statement complies with the disclosure requirements set out in CIPFA/SOLACE guidance or is misleading or inconsistent with the information of which we are aware from our audit.</p>	<p>We did not identify any significant inconsistencies between the information presented in the Narrative Report and Annual Governance Statement and our knowledge of the Council.</p>
<p>Value for money</p>	<p>We are required under Section 20(1)c of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the National Audit Office requires us to report to you our commentary relating to proper arrangements.</p> <p>We assess the arrangements in place for securing economy, efficiency and effectiveness in the Council's use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.</p> <p>We are required to report our commentary under specified criteria: Financial sustainability, Governance and Improving economy, efficiency and effectiveness.</p>	<p>We have not identified any significant weaknesses in the arrangements for securing economy, efficiency and effectiveness in the use of resources at the Council.</p> <p>We have made "other" recommendations to support the Council's ongoing improvement.</p>
<p>Key recommendations</p>	<p>The NAO Code of Audit Practice requires that where auditors identify significant weaknesses as part of their review of the Council's arrangements to secure value for money, they should make recommendations setting out the actions that should be taken by the Council. We consider these to be key, or essential, recommendations.</p>	<p>We did not identify any key recommendations.</p>

Key messages

Area of work	Our responsibilities	Conclusions
Public interest report	Under Section 24, Schedule 7(1)(1) of the Local Audit and Accountability Act 2014 the auditor of the Council must consider whether to make a report in the public interest if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public.	We did not identify any matters for which we considered a public interest report to be required as part of our external audit for 2023/24.
Statutory recommendations	Under Section 24, Schedule 7(2) of the Local Audit and Accountability Act 2014 the auditor of a Council can make written recommendations to the Council which need to be considered by the Council and responded to publicly.	We did not identify any matters for which we considered statutory recommendations are required as part of our external audit for 2023/24.
Application to the court	Under Section 28 of the Local Audit and Accountability Act 2014, if auditors think than an item of account is contrary to law, they may apply to the court for a declaration to that effect.	We did not make an application to the court.
Advisory notice	Under Section 29, Schedule 8 of the Local Audit and Accountability Act 2014, auditors may issue an advisory notice if they think that the Council, or an officer of the Council, is about to make, or has made, a decision which involves or would involve the Council incurring unlawful expenditure, is about to take or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency, or is about to enter an item of account, the entry of which is unlawful.	We did not issue any advisory notices.
Judicial review	Under Section 31, Schedule 8 of the Local Audit and Accountability Act 2014, auditors may make an application for judicial review of a decision of an authority, or of a failure to act by an authority, which it is reasonable to believe would have an effect on the accounts of that body.	We did not make an application for judicial review.

Financial statements

The Statement of Accounts and financial statements included therein are an important tool for the Council to show how it has used public money and how it can demonstrate its financial health.

We provide an independent opinion on whether the Council's financial statements:

- *give a true and fair view of the financial position of the Council as at 31 March 2024 and of its expenditure and income for the year then ended; have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the CIPFA/LASAAC Code of practice on local authority accounting in the United Kingdom 2023/24; and*
- *have been prepared in accordance with the Local Audit and Accountability Act 2014.*

We are independent of the Council in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

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Area of work	Conclusions
Audit opinion on the financial statements	We issued an unqualified opinion on the Council's financial statements once we had received assurances from the Staffordshire County Council's Pension Fund Auditors.
Audit Findings (ISA260) report	More details can be found in our ISA260 Audit Findings Report, which was reported to the Council's Audit and Governance Committee on the 13 November 2024.
Whole of Government accounts	<p>We are required to carry out specified procedures on behalf of the NAO on the WGA consolidation pack under WGA group audit instructions.</p> <p>The Council does not exceed the threshold for detailed testing.</p> <p>We submitted our assurance statement to the NAO after the audit had been concluded. However, the NAO have reserved the right to ask for additional work to be completed on bodies below the threshold due to the low numbers of LA's with signed financial statements. We will therefore be issuing a delayed certificate in our auditor's report.</p>
Preparation of the accounts	The Council provided draft accounts slightly later than the national deadline, however this was only due to the Council awaiting information from their actuary. The quality of the draft financial statements and supporting working papers was good.

Financial statements

Significant risks

Detailed findings from the audit of the 2023/24 financial statements are set out in our Audit Findings (ISA260) report, reported to the Council's Audit and Governance Committee on 13 November 2024. Requests for this report should be directed to the Council. This report set out the significant risks identified for the 2023/24 financial statements audit, along with the procedures performed to address each risk and the conclusions reached following the performance of those procedures.

No significant adjustments were made to the 2023/24 financial statements submitted for audit.

The significant risks we identified as part of our audit, and the conclusions from our work are set out in Appendix I. The main recommendations we made as a result of the financial statements audit are set out in Appendix II of this report.

None of the recommendations we made reflected significant weaknesses in the arrangements to secure economy, efficiency and effectiveness in the Council's use of resources and, as such, are not considered key recommendations.

Value for money

We are required to consider whether the Council has established proper arrangements to secure economy, efficiency and effectiveness in its use of resources, as set out in the NAO Code of Practice (2024) and the requirements of Auditor Guidance Note 3 ('AGN 03').

In undertaking our work, we have not identified any significant weaknesses in arrangements. Our detailed commentary is set out on the following pages.

Reporting criteria	Planning – risk of significant weakness identified?	Final – significant weakness identified?	Key recommendations made?	Other recommendations made?
Financial sustainability How the body plans and manages its resources to ensure it can continue to deliver its services	No	No	No	Yes
Governance How the body ensures it makes informed decisions and properly manages risk	No	No	No	Yes
Improving economy, efficiency and effectiveness How the body uses information about its costs and performance to improve the way it manages and delivers its services	No	No	No	Yes

Value for money

In addition to our financial statements work we performed a range of procedures to inform our value for money commentary, including:

- Meeting with management and regular meetings with senior officers
- Interviews as appropriate with other executive officers and management
- Review of Council and committee reports and attendance at audit committee meetings
- Reviewing reports from third parties
- Considering the findings from our audit work on the financial statements
- Review of the Council's Annual Governance Statement and Narrative Report and other publications
- Considering the work of internal audit
- Consideration of other sources of external evidence.

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Councils are responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources. This includes managing key operational and financial risks and taking properly informed decisions so that they can deliver their objectives and safeguard public money.

As auditors, we are required to consider whether the Council has established proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We performed risk assessment procedures at the audit planning stage to identify any potential areas of significant weakness which could result in value for money not being achieved. This included considering the findings from other regulators and internal auditors, reviewing records at the Council and performing procedures to gain an understanding of the high-level arrangements in place. The resulting risk areas we identified were set out in our audit plan.

Value for money (continued)

For each identified risk area, we performed further procedures during our audit to consider whether there were significant weaknesses in the processes in place at the Council to achieve value for money.

The NAO Code of Audit Practice requires us to structure our commentary on VFM arrangements under three reporting criteria: financial sustainability, governance and improving economy, efficiency and effectiveness.

We have set out on the following pages our commentary and findings on the arrangements at the Council in each area.

Summary of findings

Based on the audit work performed, we have not identified any significant weaknesses in the Council's arrangements for achieving value for money and have therefore not raised any key recommendations. We have raised other recommendations within each of the three criteria as set out on the subsequent pages.

Financial sustainability

This relates to how the Council plans and manages its resources to ensure it can continue to deliver its services.

We considered the following areas:

- how the Council identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into the plans;
- how the Council plans to bridge its funding gaps and identifies achievable savings;
- how the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- how the Council ensures that its financial plan is consistent with workforce, capital, investment, and other operational plans, which may include working with other local public bodies as part of a wider system; and
- how the Council identifies and manages risks to financial resilience, such as unplanned changes in demand and assumptions underlying its plans.

The Council's Medium Term Financial Strategy (MTFS) for 2024/25 to 2028/29 was approved by Cabinet on 22 February 2024 and Council on 27 February 2024.

This MTFS sets out the fact that the Council face a deficit budget in 2024/25 and beyond and will be reliant on the use of reserves to balance this. This is not a financially sustainable position for the Council in the medium to long term. As outlined in the MTFS, existing general fund reserves would be insufficient to cover deficit levels beyond 2025/26 if council tax was not increased.

To that end, the Council approved an increase in council tax of 2.95% effective for 2024/25. This will ensure that there are sufficient general fund reserves to cover the deficit and leave the required minimum funding level (£500k) over the three-year period to 2026/27.

Management have identified that the current MTFS does not provide a long-term, sustainable option. The MTFS highlights significant ongoing deficits. The use of the General Fund reserves over the short term is planned, however, the Council have identified that savings of c£5m are required from 2027/28 in order to balance the budget.

Financial sustainability (continued)

Management have also highlighted challenges, uncertainties and risks attached to delivering this plan. The MTFs also sets out, in detail, the main budget assumptions which include; inflation, pay awards and interest rates. The pressures in future years are exacerbated by the uncertainty over the future of local government funding and potential business rates reset. The MTFs therefore highlighted the need for the Council to develop a longer-term sustainability strategy.

To address this, a “Financial Stability Plan and Productivity Plan” was taken to Corporate Scrutiny Committee on 25 June 2024 and to Cabinet on 27 June 2024. This was as a result of the MTFs for 2024/25 recognising the need for a plan to be developed. The first draft of this plan sets out key areas, timings and target savings to be achieved.

The financial statements for 2023/24 show a net General Fund surplus of £1.1m for the year and a General Fund Balance of £10.7m. This is consistent with the prior years, with the 2022/23 and 2021/22 accounts showing a net General Fund surplus of £0.46m and £1.153m, respectively.

As mentioned in our Governance commentary, the Council also went through a Corporate Peer Challenge review in October 2024. As part of this review, we were asked as External Audit to feed into this process. The initial feedback received by the Council is that inspectors noted that “there are significant challenges ahead” and that an “underlying plan is still needed”. Their recommendations include:

1. Develop a clear strategy / plan to address the financial challenges with robust governance oversight; and
2. To align the Council’s financial plans to the new Corporate Plan.

We note that the final peer review report has now been received in the Council. However, we have included two “other” recommendations for the Council to consider in relation to the recommendations coming out of this review.

Financial sustainability (continued)

The MTFS approved in February 2024 set out the following. The table below summarises the next five financial years and clearly shows the point at which the Council's reserves will be depleted.

	2024/25	2025/26	2026/27	2027/28	2028/29
Net cost of services	8,183	11,605	12,795	13,144	13,605
Surplus/(Deficit)	(1,135)	(3,262)	(4,726)	(4,822)	(5,020)
Cumulative gap	(1,135)	(4,397)	(9,123)	(13,945)	(18,965)
Use of reserves	1,135	3,262	4,726	1,197	-
Reserves	9,185	5,923	1,197	(3,625)	(8,645)
				Shortfall in reserves occurs	

The Housing Revenue Account (HRA) is in a stronger position over the short to medium term. The budget position forecasts that balances will remain above the approved minimum level of £0.5m over the five-year period to 2028/29. These balances are noted in the MTFS to be required to enable the long-term costs of the capital programme in the 30-year HRA business plan to be achieved.

We are satisfied that the Council's current arrangements to secure financial sustainability are not indicative of a significant weakness in arrangements at this current time. However, we have identified one "other" recommendation for the Council to consider to ensure that their arrangements are forward looking to address future shortfalls in their budget and over-reliance on reserves, as much as can reasonably be expected in their control.

Financial sustainability (continued)

Other recommendations:

1. We recommend that the Council, as a priority, continue to develop and monitor progress against their Financial Stability Plan to address the reliance on reserves to balance the budget. Given these reserves will be depleted by 2027/28 based on current assumptions, the Council should focus on developing sustainable solutions to address gaps in their funding or reduce their planned deficit by determining realistic saving plans. These should be specific, realistic, time-based and closely monitored.

We recommend that the Council ensure that the final report from the Corporate Peer Challenge review and actions coming out of this are addressed and monitored as part of their future plans.

Governance

This relates to the arrangements in place for overseeing the Council's performance, identifying risks to achievement of its objectives and taking key decisions.

We considered the following areas as part of assessing whether sufficient arrangements were in place:

- how the Council monitors and assesses risk and gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;

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The Council maintains a corporate risk register and report this via a risk management quarterly update to the Audit & Governance Committee. This was made available to review as part of assessing the Council's arrangement to secure value for money through governance. The risk report reviewed was clear, concise and comprehensive.

Service area managers are responsible for operational risks. These are required to be discussed with relevant Assistant Directors, highlighting any areas which may need to be considered under strategic or corporate risks.

Corporate risks are monitored by Corporate Management Team (CMT) and reported to Members on a quarterly basis as part of quarterly performance reports. Corporate Risks are also reported on a quarterly basis to Audit & Governance Committee.

There is an Operational Risk Champions Group which meets regularly at which service managers can discuss any risk issues, and training and support is available. Risk management workshops facilitated by Zurich have been held recently and training for members has also been provided in December 2023 and August 2024.

Governance (continued)

...continued

- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

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The Council has in place three Scrutiny Committees:

1. Corporate;
2. Health & Wellbeing; and
3. Infrastructure, Safety & Growth.

These provide scrutiny to the achievement of the strategic priorities, such as the budget. The Scrutiny Committees have the right to “call in” decisions made by the Executive team to improve accountability and decision making. Each Chair of the Scrutiny Committee reports annually to Full Council. Training will continue, as required, for members to improve effectiveness.

The Audit and Governance Committee met eight times in 2023/24 and has met three times so far in 2024/25. CIPFA guidance sets out that audit committees should meet at least four times a year, which the Council is compliant with. The guidance also states that to discharge responsibilities effectively, the committee should include regular attendees. The Council complies with this guidance, except for having regular attendance from the Chief Executive. This is something the committee should consider whether appropriate to address this. We have made one “other” recommendation in relation to this.

The Audit & Governance Committee receive regular reports on counter fraud arrangements and also approved the counter fraud and corruption policy statement, strategy & guidance notes, whistleblowing policy and anti-money laundering policy.

Governance (continued)

As part of our work on the Governance arrangements of the Council, we met with the Information Governance Officer (Monitoring Officer). No issues or concerns were identified as part of this meeting. We have also viewed the Code of Corporate Governance for 2023/24 which is available on the Council's website.

The Council underwent a Corporate Peer Challenge review in October 2024. We consider this to be positive, as this promotes continuous improvement by providing effective insight, guidance and challenge to the council. Some of the benefits also include ensuring the Council are responsible for their own performance, stronger local accountability leading to further improvement and reinforcing a sense of collective responsibility for performance in the local government sector.

The overall control environment is assessed via the outcome of internal audit's planned programme of work and the production of the Annual Governance Statement. Where risk areas are identified during audit work, action plans are in place to address risk control issues identified, and audit recommendations are regularly followed up to enhance overall arrangements in this area.

The Council's internal audit function continues to be an in-house shared service arrangement with Lichfield District Council. The Annual Internal Audit Opinion was presented to Audit and Governance Committee in June 2024 and stated the following: "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". This is consistent with the prior year.

Governance (continued)

In the prior year, it was noted that 38 internal audit recommendations were outstanding as at April 2024. The Council are proactively looking to continue to reduce the number of outstanding recommendations for a number of years. As at quarter 1 of 2024/25, there are 57 recommendations outstanding. Of these, eight are a “high” priority and only one of them is classed as overdue. This continues to remain an area of focus for the Council through Audit & Governance Committee to work with internal audit to address.

During 2024/25 the internal audit manager announced he would be leaving the Council. At a similar time to this announcement, the incumbent s151 officer went on gardening leave, and has subsequently ceased employment with the Council. Whilst we are satisfied that arrangements in place at the Council are not indicative of a significant weakness in arrangements, there is a risk to the Council of losing traction with closing down internal audit recommendations and loss of corporate memory.

In October 2024, the Local Government Association published a report “Local government finance workforce action plan for England”. This sets out key recommendations for action at a local, regional and national level to address the workforce challenges that face the finance profession in English councils.

The Council have in place an interim s151 officer who has undertaken this as an interim role before and has been working at the Council for a number of years. The Council are also in the process of recruiting to fill the substantive internal audit manager vacancy, however, in the meantime have secured an external contractor to provide this service for a period of 6 months.

Other recommendations

1. We recommend that consideration is made to the CIPFA guidance setting out the Chief Executive as being one of the regular attendees at the Audit and Governance Committee.
2. We recommend the Council considers the recommendations and proposed action table as set out in the Local Government Association report “Local government finance workforce action plan for England”.

Improving economy, efficiency and effectiveness

This relates to how the Council seeks to improve its systems so that it can deliver more for the resources that are available to it.

We considered the following areas as part of assessing whether sufficient arrangements were in place:

- how financial and performance information has been used to assess performance and identify areas for improvement;
- how the Council evaluates service quality to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve; and
- where the Council commissions or procures services, how it ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how it assesses whether it is realising the expected benefits.

The Council report their quarterly performance to the Corporate Scrutiny Committee and Cabinet in a timely manner.

These reports set out a summary performance over the quarter being reported, updates on corporate risk and also complaints. They include reporting on General Fund revenue and capital variances, as well as HRA, along with comments for the variances to allow for this to be scrutinised to allow for appropriate action to take place.

The Council updated the “Comments, Compliments and Complaints” policy in May 2024 which was approved by Cabinet in August 2024. This was to address the updated Housing Ombudsman and Local Government and Social Care Ombudsman (LGSCO) Complaint Handling Code and is available on the Council’s website. Through meeting the Information Governance Manager (Monitoring Officer/Data Protection Officer), no concerns were raised with regards to open or outstanding complaints which are considered significant.

Procurement Act 2023

The Council's procurement arrangements are established in Procurement Procedures which form part of Financial Guidance. Different procurement routes are specified depending on the value, risk and complexity of the procurement in question. This is set out on the Council’s website.

Improving economy, efficiency and effectiveness (continued)

Key performance indicators will be specified in contracts where appropriate and will be monitored by the relevant contract manager.

The Procurement Act 2023 is due to come into effect on 24 February 2025. Whilst this is a four-month delay from the original planned go-live date, the Council have arrangements in place to address this. The Council's Procurement Team have developed an "Action Plan" detailing the work completed to date and actions to progress and to be completed. This also includes details of the action required, responsible officers and target dates to work towards. This is reported quarterly to Corporate Management Team (CMT) and will also be reported to Cabinet in January 2025. The Council have also included a notice of this on their website.

Shopping centre

Since the previous Auditor's Annual Report issued in April 2024, the Council continued to drive forward progress with the Town Centre Shopping Centre lease. The Council adequately considered all available options and have taken advice from experts as necessary. The Council approved the managed surrender of the significant town centre commercial head-lease on 21 November 2024, with the lease returning to the Council on 29th November 2024.

Major capital projects

The Future High Street Fund (FHSF) is a significant capital project for the Council, with funding of £21.65m being awarded to the Council in 2021. This project focuses on the following key areas:

- College Quarter;
- Middle Entry Refurbishment & Castle Gateway; and
- St Editha's Square.

Improving economy, efficiency and effectiveness (continued)

We reviewed the September 2024 project update taken to Cabinet in October 2024. This set out an update on key areas of the project. The key message being that the programme remains a challenge for the Council.

The government funding originally stipulated that funds were contractually committed by the end of March 2024; however, actual delivery could continue after this date. In 2023, The Ministry of Housing, Communities and Local Government (MHCLG) (previously Department of Levelling Up Housing and Communities (DLUHC)) communicated that an extension to the spend deadline has been awarded to delivering authorities of the fund, with funds needing to be committed by September 2024 and spent by March 2025.

The Council have identified that some of the projects, whilst progressing, are likely to extend beyond this date. This has been reported in monitoring reports to MHCLG. The Council noted in their update report to Cabinet in October that at a recent meeting with MHCLG the delivery officer has no concerns about the progress that Tamworth Borough Council are making and has suggested that there will be a further extension granted for delivering authorities beyond March 2025. As yet, there has been no further guidance on this. The Council are continuing to work to ensure that the FHSF grant money is spent by the end of March 2025.

The Corporate Scrutiny Committee received an update on Capital Programme Monitoring in August 2024, and this reported all FHSF funds had a predicted outturn matching budget for 2024/25, with just one overspend on Castle Gateway of £186k. The Council has matched some funding for projects and the Council is prioritising spending the grant element of the funding before spending their matched element.

Improving economy, efficiency and effectiveness (continued)

A summary of the spend to date against the total project funding is as follows:

	Total spent to date	Total project funding	Remaining FHSF funds	General Fund funding
FHSF	£19.036m	£21.650m	£5.310m	£2.696m

The above table illustrates the total FHSF funds against the total spent to date (reported in October 2024) and highlights the remaining funds to be spent by March 2025. The total project cost is £40m, with the difference between the £21.650m being funded by the Council.

The below table summarise the total committed expenditure and actual expenditure so far in 2024/25 as well as the remaining budget in 2024/25. This illustrates that there are plans in place in 2024/25 to spend the remaining element of the FHSF shown in the table above.

Cost Centre	Total committed & spent in 2024/25 to date	Total budget in 2024/25	Total not identified against in 2024/25
College Quarter	£2.598m	£3.198m	£0.6m
Middle Entry	£2.705m	£5.843m	£3.138m
Castle Gateway	£3.328m	£5.784m	£2.456m
Total	£9.131m	£14.825m	£4.694m

Improving economy, efficiency and effectiveness (continued)

The Council have included the delivery of the FHSF on their corporate risk register and report on other aspects of the project such as resource implications, environment and sustainability implications and legal risk. The Council are expecting to have fully spent the FHSF funding by the end of March 2025 with the exception of £186k which has been reported to MHCLG in regular monitoring reports. We are satisfied that there are no significant weaknesses in the Council's arrangements to secure value for money in respect of this however we have raised two "other" recommendations in relation to this.

Partnership working

The Council continue their joint waste service with Lichfield District Council as well as other shared services such as Internal Audit and Health & Safety. The Council's legal advice service is provided by South Staffordshire District Council, and CCTV is managed by West Midlands Combined Authority.

The Council have recently become a member of the Cooperation Council Innovation Network. The aim of this membership organisation is to reclaim traditions of community action, community engagement and civic empowerment.

The Council have also refreshed their implementation of a Local Strategic Partnership in September 2024. This has been created with the keys aims of:

- Creating and sharing knowledge and insight across organisations;
- Increase collaborative working between organisations;
- Develop and facilitate the creation of help in the community; and
- Tackle the causes of wider social determinants of health and wellbeing.

Improving economy, efficiency and effectiveness (continued)

The set up of this partnership addresses two risks on the corporate risk register being:

1. Promoting Community Resilience and Cohesive Communities; and
2. Delivering economic growth, and sustainability in the Borough.

It was agreed at Cabinet on 29 August 2024 to endorse the proposal to establish the partnership. At the same meeting, thematic operational groups were also proposed to support the delivery of the partnership objectives as well as Terms of Reference for the group. The first meeting was held on 10 September 2024 and is in the early stages of implementing change.

Other recommendations:

1. We recommend that the Council, as a priority, continue to regularly monitor the progress against the Future High Street Fund to ensure that they are on track to deliver the required spend by March 2025. Where this is not the case, they should seek formal approval from MHCLG of the extension required and produce and share a detailed plan for a realistic time frame for completion of the project.
2. Pressure to spend capital project funding by a specific deadline has a risk of not ensuring funds are achieving value for money. The Council should ensure that they are able to provide clear and concise audit trails of where funds have been spent in line with appropriate policies.

Key recommendations

Key recommendations relate to significant weaknesses we have identified during the course of our work.

We have not identified any significant weaknesses in arrangements, and as such, have no key recommendations to make.

Other recommendations

These recommendations relate to less significant deficiencies or opportunities for improvement we have identified during the course of our work. Progressing the actions management has identified to address the recommendations made will support the Council in realising the improvement opportunities identified from our work.

Criteria	Recommendation	Management response
Financial sustainability	We recommend that the Council, as a priority, continue to develop and monitor progress against their Financial Stability Plan to address the reliance on reserves to balance the budget. Given these reserves will be depleted by 2027/28 based on current assumptions, the Council should focus on developing sustainable solutions to address gaps in their funding or reduce their planned deficit by determining realistic saving plans. These should be specific, realistic, time-based and closely monitored.	Agreed, a Financial Resilience Plan is currently being developed, with a number of key workstreams to deliver savings/additional income to ensure longer term stability of the Council's finances, also in line with the recommendations made in the Corporate Peer Challenge report.
Financial sustainability	We recommend that the Council ensure that the final report from the Corporate Peer Challenge review and actions coming out of this are addressed and monitored as part of their future plans.	Agreed, as recommended in the Peer challenge report, the Financial Resilience Plan will include tangible, costed and deliverable savings, monitored as part of the corporate programme board and by Cabinet/Corporate Scrutiny in terms of MTFS monitoring, and will include as a key workstream our plans around asset management and investment.
Governance	We recommend that consideration is made to the CIPFA guidance setting out the Chief Executive as being one of the regular attendees at the Audit and Governance Committee.	The Chief Executive will attend Audit & Governance Committee meetings going forward

Other recommendations (continued)

Criteria	Recommendation	Management response
Governance	We recommend the Council considers the recommendations and proposed action table as set out in the Local Government Association report “Local government finance workforce action plan for England”.	Consideration will be given to this report and the recommendations applicable to Tamworth as a district council. The LGA CFO Mentoring programme which is encouraged in the report is currently in train for the Interim ED Finance
Improving economy, efficiency and effectiveness	We recommend that the Council, as a priority, continue to regularly monitor the progress against the Future High Street Fund to ensure that they are on track to deliver the required spend by March 2025. Where this is not the case, they should seek formal approval from MHCLG of the extension required and produce and share a detailed plan for a realistic time frame for completion of the project.	Spend against the FHSF scheme is regularly monitored at Programme Board and as part of monthly reporting to CMT and quarterly to Cabinet and Corporate Scrutiny. The latest projections are that all but £186k of FHSF grant will be spent by end March, and this has been reported to MHCLG who are satisfied with progress.
Improving economy, efficiency and effectiveness	Pressure to spend capital project funding by a specific deadline has a risk of not ensuring funds are achieving value for money. The Council should ensure that they are able to provide clear and concise audit trails of where funds have been spent in line with appropriate policies.	There are clear and concise audit trails in terms of decision making at Programme Board level and with regular reporting to Members including full Council where required.
Financial statements	There were no “significant deficiency” internal control recommendations made as a result of the financial statements audit. Please refer to the Audit Findings Report for 2023/24 which details four “other” recommendations made.	Not applicable.

Follow up of prior recommendations

Criteria	Recommendation made by predecessor auditor in 2022/23 AAR	Type	Date raised	Progress to date	Addressed?	Further action needed
Governance	The Council should ensure it has good attendance (ie at least 6 of the 7 members) at its audit and governance committee meetings	Other	2022/23	Attendance at A & G committee meetings has significantly improved since 22/23 and the Council continues to support members to maintain good attendance levels.	Yes	None.
Improving economy, efficiency and effectiveness	The Council should report on the number and value of waivers to Audit, Standards & Governance quarterly	Other	2022/23	The recommendation was accepted and the first report with regard to waivers for the quarter ending June 2024 will be presented to A & G committee at the September meeting.	Yes	None.

Follow up of prior recommendations

Criteria	Recommendation made by predecessor auditor in 2022/23 AAR	Type	Date raised	Progress to date	Addressed ?	Further action needed
Improving economy, efficiency and effectiveness	We repeat the recommendation of the past two audits in relation to service plans. The service plans provided by the Council in many cases did not include KPIs which could be monitored and showed as nil values. In addition, some service plans did not provide updates on progress of the actions required identified in the report.	Other	2020/21 2021/22 2022/23	Work on the inclusion of relevant KPIs within service plans has been completed early 2024/25 to inform performance monitoring and update Pentana.	Yes	None.
Improving economy, efficiency and effectiveness	The council should make use of the LG Futures benchmarking data they have purchased and use this to support their review of service costs in future budgeting exercises.	Other	2022/23	LG Futures benchmarking data has been purchased previously but was not received on a timely basis and was limited to areas which were difficult and time consuming to make meaningful comparisons. The Council has also used CIPFA benchmarking tools in the past, but there was a lack of consistency in the capture of information across different councils and the exercise was considered to be of little benefit. The council continues to review alternative benchmarking opportunities where available.	Yes	Management have considered the recommendation appropriately.

Appendices

Appendix I: Financial statements audit risks and findings

Appendix II: Internal control recommendations arising from the audit

Appendix I: Key audit findings: financial statements

Significant risks at the financial statement level

The below table summarises conclusions in relation to significant risks of material misstatement identified at the financial statement level. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Significant risks	Audit approach	Audit findings and conclusion
<p>Management override of controls</p> <p>Auditing Standards require auditors to treat management override of controls as a significant risk on all audits. This is because management is in a unique position to perpetrate fraud by manipulating accounting records and overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities.</p> <p>Specific areas of potential risk including manual journals, management estimates and judgements and one-off transactions outside the ordinary course of the business.</p> <p>Risk of material misstatement: Very high</p>	<p>Procedures performed to mitigate risks of material misstatement in this area included:</p> <ul style="list-style-type: none"> Documenting our understanding of the journals posting process and evaluating the design effectiveness of management controls over journals; Analysing the journals listing and determining the criteria for selecting high risk and/or unusual journals; Testing high risk and/or unusual journals posted during the year and after the draft accounts stage back to supporting documentation for appropriateness, corroboration and to ensure approval has been undertaken in line with the Council's journals policy; Gaining an understanding of the key accounting estimates and critical judgements made by management. We will also challenge assumptions and consider for reasonableness and indicators of bias which could result in material misstatement due to fraud; and Evaluating the rationale for any changes in accounting policies, estimate or significant unusual transactions. 	<p>Our audit work has not identified any significant issues in respect of this risk.</p>

Appendix I: Key audit findings: financial statements

Significant risks at the assertion level for classes of transaction, account balances and disclosures

The tables below summarise conclusions in relation to significant risks of material misstatement at the assertion level for classes of transaction, account balances and disclosures.

Significant risks	Audit approach	Audit findings and conclusion
<p>Fraud in revenue recognition and expenditure (rebutted) Material misstatement due to fraudulent financial reporting relating to revenue recognition is a rebuttable presumed risk in ISA (UK) 240.</p> <p>Having considered the nature of the revenue streams at the Council, we consider that the risk of fraud in revenue recognition can be rebutted due to:</p> <ul style="list-style-type: none"> Little incentive by management to manipulate revenue recognition; and Limited opportunity to manipulate revenue recognition. <p>We also considered Practice Note 10, which comments that for certain public bodies, the risk of manipulating expenditure could exceed the risk of the manipulation of revenue. We have therefore also considered the risk of fraud in expenditure at the Council, and we are satisfied that this is not a significant risk for the reasons set out below:</p> <ul style="list-style-type: none"> Little incentive by management to manipulate expenditure recognition; and Limited opportunity to manipulate expenditure recognition. <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> Revenue and expenditure recognition: Low 	<p>Whilst we rebutted the risk of fraud in income and expenditure, we performed the below procedures based on their value within the financial statements:</p> <ul style="list-style-type: none"> Documenting our understanding of the Council's systems for income and expenditure to identify significant classes of transactions, account balances and disclosures with a risk of material misstatement in the financial statements Evaluating the design of the controls in the key accounting systems, where a risk of material misstatement was identified, by performing a walkthrough of the systems; Evaluating the Council's accounting policies for recognition of income and expenditure and compliance with the CIPFA Code. Substantively testing material income and expenditure streams using analytical procedures and sample testing of transactions recognised for the year. 	<p>Our audit work has not identified any significant issues in respect of this risk.</p> <p>We are satisfied that both revenue and expenditure are materially correct.</p>

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Appendix I: Key audit findings: financial statements

Significant risks	Audit approach
<p>Valuation of council dwellings, other land and buildings and investment property (key accounting estimate) Revaluation of council dwellings, other land and buildings and investment property should be performed with sufficient regularity so that carrying amounts are not materially misstated.</p> <p>The council carries out a full revaluation each year and council dwellings are valued using the beacon method, which aggregates the vacant possession value of each unit of housing stock based on the value of a beacon or sample property. A discount factor is applied to reflect the lower rent yield from social housing compared to market rates.</p> <p>Management engage the services of a qualified valuer, who is a Regulated Member of the Royal Institute of Chartered Surveyors (RICS) to undertake these valuations as of 31 March 2024.</p> <p>The valuations involve a wide range of assumptions and source data and are therefore sensitive to changes in market conditions. ISAs (UK) 500 and 540 require us to undertake audit procedures on the use of external expert valuers and the methods, assumptions and source data underlying the fair value estimates.</p> <p>This represents a key accounting estimate made by management within the financial statements due to the size of the values involved, the subjectivity of the measurement and the sensitive nature of the estimate to changes in key assumptions. We have therefore identified the valuation of council dwellings, other land and buildings and investment property as a significant risk.</p> <p>We further pinpoint this risk to specific assets, or asset types, on receipt of the draft financial statements and the year-end updated asset valuations to those assets where the in-year valuation movements falls outside of our expectations.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none">• Council dwellings, other land and buildings and investment property (valuation): High	<p>Procedures performed to mitigate risks of material misstatement in this area included:</p> <ul style="list-style-type: none">• Evaluating management processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work;• Evaluating the competence, capabilities and objectivity of management's valuation expert;• Considering the basis on which the valuations are carried out and challenging the key assumptions applied;• Evaluating the reasonableness of the valuation movements for assets revalued during the year, with reference to market data. We will consider whether we require an auditor's expert;• For unusual or unexpected valuation movements, testing the information used by the valuer to ensure it is complete and consistent with our understanding;• Ensuring revaluations made during the year have been input correctly to the fixed asset register and the accounting treatment within the financial statements is correct; and• Evaluating the assumptions made by management for any assets not revalued during the year and how management are satisfied that these are not materially different to the current value.

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Appendix I: Key audit findings: financial statements

Significant risks	Audit findings and conclusion
<p data-bbox="48 256 821 311">Valuation of council dwellings, other land and buildings and investment property (key accounting estimate)</p> <p data-bbox="48 333 821 365">We have pinpointed the significant risk around the following:</p> <ul data-bbox="48 387 821 616" style="list-style-type: none">- Assets where the valuation movement differs to what we would expect based on market movements;Assets where the inputs used have changed compared to those used in the prior year;Assets where valuation basis has changed compared to those used in the prior year;Assets that are new this year; andAny other factors which, in our auditor judgement, increases the risk of material misstatement of an asset.	<p data-bbox="821 256 1827 289">Our audit work has not identified any significant issues in respect of this risk.</p> <p data-bbox="821 311 1827 365">We are satisfied that the valuation of council dwellings, other land and buildings and investment property are materially correct.</p> <p data-bbox="821 387 1827 464">We engaged an auditor's expert to support us with evaluating the reasonableness of the valuation of the ground lease for the shopping centre. This was due to complexities that we were made aware of during the audit which are commercially sensitive in nature.</p> <p data-bbox="821 485 1827 540">Our auditor's expert concluded that the valuation basis and key assumptions used to value the asset are reasonable and the valuation is materially correct.</p>

Appendix I: Key audit findings: financial statements

Significant risks	Audit approach	Audit findings and conclusion
<p>Valuation of the defined benefit pension net liability/asset (key accounting estimate)</p> <p>An actuarial estimate of the net defined pension liability/asset is calculated on an annual basis under IAS 19 'Employee Benefits', and on a triennial funding basis, by an independent firm of actuaries with specialist knowledge and experience. The triennial estimates are based on the most up to date membership data held by the pension fund and a roll forward approach is used in intervening years, as permitted by the CIPFA Code.</p> <p>The calculations involve a number of key assumptions, such as discount rates and inflation and local factors such as mortality rates and expected pay rises. The estimates are highly sensitive to changes in these assumptions and the calculation of any asset ceiling when determining the value of a pension asset (where relevant). ISAs (UK) 500 and 540 require us to undertake audit procedures on the use of external experts (the actuary) and the methods, assumptions and source data underlying the estimates.</p> <p>This represents a key accounting estimate made by management within the financial statements due to the size of the values involved, the subjectivity of the measurement and the sensitive nature of the estimate to changes in key assumptions. We have therefore identified the valuation of the net pension liability/asset as a significant risk.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> • Defined pension fund net liability/asset (valuation): High 	<p>Procedures performed to mitigate risks of material misstatement in this area included:</p> <ul style="list-style-type: none"> • Evaluating managements processes for the calculation of the estimate, the instructions issued to management's expert (the actuary) and the scope of their work; • Evaluating the competence, capabilities and objectivity of the actuary; • Assessing the controls in place to ensure that the data provided to the actuary by the Council and their pension fund was accurate and complete; • Evaluating the methods, assumptions and source data used by the actuary in their valuations, with the support of an auditors' expert; • Evaluating whether any asset ceiling was appropriately considered when determining the value of any pension asset included in the financial statements; • Assessing the impact of any significant differences between the estimated gross asset valuations included in the financial statements and the Council's share of the investment valuations in the audited pension fund accounts' and • Ensuring pension valuation movements for the year and related disclosures have been correctly reflected in the financial statements. 	<p>Our audit work has not identified any significant issues in respect of this risk.</p> <p>We are satisfied that the valuation of the defined benefit pension net liability is materially correct.</p>

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Appendix II: Internal control recommendations

We set out here the highest priority recommendations we identified during the course of our financial statements audit.

Assessment	Issue	Recommendation	Management response
Red	No significant deficiencies were identified that caused a high risk to material misstatement of the financial statements.	N/A	N/A

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Key: **High risk** of material misstatement **Medium risk** of material misstatement **Low risk** of material misstatement



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Wednesday, 5 February 2025

Report of the Interim Audit Manager

Internal Audit Quarterly Progress Report - Q3 2024/25

Exempt Information

None.

Purpose

To provide Audit & Governance Committee with internal audit's progress report for the period to 31 December 2024.

Recommendations

It is recommended that the Committee notes the following report:

- Internal Audit's Quarterly Progress Report (Q3) at **Appendix 1**.

Executive Summary

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

Progress during Quarter 3 of 2024/25 is contained and detailed in **Appendix 1** to this report. The profiled audit plan completion was expected to be 81% of the audit plan by 31 December 2024. During Quarter 3 of 2024/25 we have completed 35% of the overall plan

Performance is below target, largely due to staff sickness absence, increased time spent on non-planned audit activity (advice / irregularity). The service has been unable to recruit a permanent replacement for the Audit Manager post (post holder left mid December 2024). Interim support has since been brought in and work is now underway to complete as many of the remaining audits as possible by existing staff and BDO (internal audit's contracted partner). Performance against internal audit's performance measures will also be strengthened during Q4 (section 6). Resources have been reallocated to use BDO as a general audit provider for the remainder of the year and they have now completed the scoping and briefing of their audits with management. Additional work is underway but this may impact on achieving 90% of the audit plan by 31st March 2025.

The Committee passed a resolution at November's Committee that officers responsible for any overdue high priority actions are invited to assist the Committee in understanding issues affecting progress. Overdue high priority actions are detailed within the report at Appendix 1 for the Committee's consideration.

Options Considered

None applicable.

Resource Implications

None applicable.

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

Equality, Social Inclusion and Health Impact Assessment (ESHIA) completed at **Appendix 2**.

Environment and Sustainability Implications (including climate change)

None.

Background Information

The Accounts and Audit Regulations 2015 require councils to undertake an effective internal audit to evaluate effectiveness of their risk management, control and governance processes, taking into account the Public Sector Internal Audit Standards and guidance. In receiving this quarterly progress report, the Committee is able to support the Council in discharging this requirement.

Report Author

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List of Background Papers

Appendices

Appendix 1 – Internal Audit Quarter Progress Report Q3 2024/25.
Appendix 2 – EQSHIA

Internal Audit Progress Report (Quarter 3)
February 2025



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- 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**
- 03 Outstanding Audit Recommendations**

In the event of any questions arising from this report please contact Rebecca Neill, Interim Audit Manager rebecca-neill@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 December 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 (PSIAS) or guidance.

Internal audit's professional responsibilities as auditors are currently set out within Public Sector Internal Audit Standards (PSIAS) produced by the Internal Audit Standards Advisory Board. From 1 April 2025, PSIAS is replaced by:

- Global Internal Audit Standards (GIAS) [globalinternalauditstandards_2024january9_editable.pdf](#)
- CIPFA's application note GIAS in the UK Public Sector [Global Internal Audit Standards in the UK Public Sector | CIPFA](#)

A gap analysis is being undertaken to ensure that internal audit's practice remains compliant and the outcome will be reported to Committee in March 2025.

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.

ACKNOWLEDGEMENTS

Internal audit is grateful to all staff assisting auditors with their work during the period.

02 INTERNAL AUDIT WORK UNDERTAKEN

The internal audit plan for 2024/25 was approved by the Audit & Governance Committee in March 2024. The plan was for a total of 16 audits. To the end of quarter 3 2024/2025, 35% of the audit plan has been completed against a target of 81%:

	Q1	Q2	Q3	Q4
Number of audits allocated per quarter	4	4	5	3
% of plan	25	25	31	19
Cumulative 2024/25 audit plan % completed	12	18	35	
Completed and finalised 2023/24 audits	3	3	5	
Audits drafted and awaiting management agreement 2024/25	1	0	2	

Performance is below target, largely due to staff sickness absence, increased time spent on non-planned audit activity (advice / irregularity). The service has been unable to recruit a permanent replacement for the Audit Manager post (post holder left mid December 2024). Interim support has since been brought in and work is now underway to complete as many of the remaining audits as possible by existing staff and BDO (internal audit's contracted partner). Performance against internal audit's performance measures will also be strengthened during Q4 (section 6). Progress on each audit is shown in summary at **Appendix 01**.

All audits rolled forward from 2023/24 have now been completed and are also detailed in 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 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

A whistleblowing allegation was received by Internal Audit during the quarter. Work has been completed and a draft audit report, containing recommendations to improve the control environment is in

the process of being finalised with management.

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 December 2024 the following consultancy / advisory work was undertaken:

- Advice and support given to management in respect of cash collection at the Assembly Rooms. A draft report has been produced containing recommendations to improve controls and is in the process of being finalised with management.

04 FOLLOW UP

The Committee have previously agreed a process for audit follow up which is that all high priority actions and those arising from no and limited overall assurance reports are followed up by audit, managers’ confirmation applies to the remainder. While management have continued to report the status of their recommendations, the system for audit verification has been effected due to audit staff shortages. The system will now recommence in Q4.

A summary of total actions reported as outstanding are as below and more detail is provided at **Appendix 03**.

Priority of Recs	Number of O/S recs @ 1 April 2024	Number of recs closed Apr to Dec 2024	Number of additional recs Apr to Dec 2024	Number of O/S recs @ 31 Dec 2024	Overall movement of rec numbers
High	9	6	3	6	-3
Medium	26	26	21	21	-5
Low	12	20	15	7	-5
	47	52	39	34	-13

The Committee passed a resolution at November’s Committee that officers responsible for any overdue high priority actions are invited to assist the Committee in understanding issues affecting progress. These are also detailed at Appendix 03.

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.
- Regular meetings of our networking groups, which issue technical and sector updates.

Performance Measures

- Complete 90% of the audit plan – 35% ●
- 100% Draft reports issued within 6 weeks of start date – 63% ●
- 100% Closure meetings conducted within 5 days of completion of audit work – 56% ●
- 100% draft reports to be issued within 10 working days of closure meeting – 100% ●
- 100% of all high priority actions are implemented at follow up – TBC process recommencing Q4 ●
- All no and limited assurance reports have a revised assurance rating of substantial or reasonable on follow up – TBC, process recommencing Q4. ●
- Achieve an average customer satisfaction score of 4 or more – 100% ●


Appendix 01: Summary of Internal Audit Work Undertaken

Assurance	Audit/Corporate Risk	Scope	Indicative Planned Quarter	Assurance Summary	Assurance Opinion
Core Financial Systems	Main Accounting & Budgetary Control CR1, CR6	Risk based review covering the adequacy and effectiveness of controls around the maintenance of main accounting and budgetary control systems.	Q3	Scoping meeting held and audit brief completed.	
	Debtors CR1, CR6	Risk based review of Debtors systems to ensure controls in place for the adherence to procurement legislative requirements.	Q2	<p>The debtors system is designed well with adequate controls in place to mitigate against risk. Guidance is available through the Corporate Credit Policy and Financial Guidance which set out the terms of effective credit management and debtor recovery. Payments are correctly credited to customer accounts and instalments plans are adhered to. The suspense account at 1/5/24 is zero. Credit notes and refunds are initially raised and authorised by the service area and are processed by the Revenues Team. Write offs are approved in line with the Corporate Credit Policy.</p> <p>The E-Fins system has the functionality to send reminders for debt recovery. Aged debt reports are produced monthly for budget holders to review and discuss at monthly budget holder meetings. Reconciliations are completed and authorised each month.</p> <p>It was noted through testing that delays in recovery action incurred between 2021 and 2023, this was due to depletion of staff resource and there was a period of time where the Council was out of contract with the enforcement agency. Currently the section is fully staffed with an enforcement agency appointed. Some areas for improvement were noted. The Corporate Credit Policy requires updating to reflect the current recovery action timescales. Accounts that are put on hold should be independently reviewed. Invoices should be raised promptly and all supporting documentation, such as rental agreements should be retained.</p>	 <p>Reasonable Assurance H-0 M-2 L-1</p>

Assurance	Audit/Corporate Risk	Scope	Indicative Planned Quarter	Assurance Summary	Assurance Opinion
	Bank Reconciliation and Cash Collection CR1, CR6	Risk based review across the authority for all cash collection areas to ensure that robust arrangements are in place for the collection and reconciliation of cash.	Q3	Scoping meeting held and audit brief completed.	
	Reactive Repairs CR1, CR4	Risk based review of the Reactive Repairs systems to ensure robust arrangement in place for the allocation and management repairs.	Q4		
Strategic & Operational Risks	Customer Services CR6	Risk based review of the council's arrangements for interactions with members of the public.	Q1		
	CCTV CR3, CR4, CR6	Risk based review of the council's arrangements for CCTV and shared service and controls around ASB and commissioner standards in conjunction with WMCA.	Q1	Fieldwork complete and draft report issued.	
	Food Safety CR3, CR4, CR5	Risk based review of the council's management arrangements for food safety across the Borough.	Q2	<p>The system has some good controls in place to mitigate against key risks.</p> <p>Inspections were completed and an inspection sheet was seen for all. A report was provided to the premise, which included the FHR and actions to address any weaknesses.</p> <p>During Covid, inspections were put on hold and the Council has been addressing the backlog through a recovery plan. Currently there are 137 inspections outstanding of which 128 are risk rated E. These are subject to an alternative enforcement strategy and questionnaires are being issued for the premise to self assess. There are no A or B risk rated premise inspections overdue.</p> <p>A sample of 3 complaints were reviewed and these had all been investigated and liaison with external parties was evident.</p> <p>There is a food service plan 2024/25 in place that provides inspection targets and looks at the previous</p>	 <p>Reasonable Assurance H-0 M-2 L-2</p>


Assurance	Audit/Corporate Risk	Scope	Indicative Planned Quarter	Assurance Summary	Assurance Opinion
				year's performance. Two performance indicators for 2023/24 are held on Pentana, the performance management system performance. These are current and upto date for quarter 4. A further 3 have been added for 2024/25. The Council reports performance to the FSA every six months. Reports were seen for October 2023 and April 2024. Areas for improvement include for new businesses ensuring a promptness for registering and inspecting. A delay was also noted for some inspections that were overdue. Procedure notes/ policies also need updating.	
	Tourism, Town Centre and Shared Prosperity Fund CR3, CR5	Risk based review of Tourism and Town Centre promotion. Additionally review the arrangements for the Shared Prosperity Fund and confirm outputs and deliverables are being achieved.	Q3	Scoping meeting held and audit brief completed.	
	PR & Comms CR3, CR4, CR5	Risk based review looking at the Council's arrangements for PR and Communications.	Q2	Fieldwork complete and draft report issued.	
	Scheme of Delegation CR1, CR2, CR3, CR4, CR5, CR6	Risk based review of the Council's controls around the operation of the scheme of delegations to ensure all legislative requirements are met and being consistently applied.	Q4	Scoping meeting held and audit brief completed.	
	VAT CR1, CR3	Risk based review to ensure that all VAT is correctly recorded and reported.	Q4	Scoping meeting held and audit brief completed.	
	Performance Management CR1, CR2	Risk based review to ensure that performance management system is providing a consistent approach is maintained.	Q1		



Assurance	Audit/Corporate Risk	Scope	Indicative Planned Quarter	Assurance Summary	Assurance Opinion
	Social Housing Regulatory Programme CR3, CR4,CR5	Risk based review looking at key aspects of the council's Social Housing Regulatory Programme to ensure delivery.	Q2		
	Events Management CR1, CR4,CR5	Risk based review looking at Events Management across the Borough	Q3	Fieldwork commenced.	


Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
ICT	Network & Infrastructure Management and Monitoring	Risk based audit of Network & Infrastructure Management and Monitoring	Q4		
	Cyber Security	Risk based audit of Cyber Security	Q4	<p>The audit has identified a number of areas where cyber security controls need to be improved. From a governance perspective, cyber is not included on the IT risk register or the corporate risk register. The IT risk register has a number of legacy risks around information security but they are scored as medium/low risk, whereas in the current climate cyber poses a much greater risk. Cyber should be added to risk registers to ensure it is effectively managed.</p> <p>All users are required to undertake mandatory training on cyber security, which covers key risk areas such as phishing, social engineering and passwords. Currently the training is refreshed every three years and we are recommending that it is reduced to annually given the importance of users remaining aware of their cyber security responsibilities. There is a cyber awareness page on the Intranet and cyber security articles are published in the newsletter. A phishing simulation exercise was performed in March 2024 and the results were positive with only one user clicking on an embedded link.</p> <p>Sophos Central is used for malware protection on clients and servers. The solution is generally well configured, although we identified some scanning policies are not enabled and should therefore be reviewed. We also found that the current scheduled scan of laptops/desktops is configured to run on a Sunday morning when most of them will likely be switched off and not therefore get scanned. The service desk check Sophos on a daily basis for any errors or issues but this is not logged and hence there is no assurance that the check is performed. Emails are scanned for</p>	 <p>Limited Assurance H-0 M-2 L-2</p>


Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
				<p>malware in Microsoft 365 and there are plans to install malware protection on mobile devices.</p> <p>Network level administrator access is limited to five members of the IT team. We found they use their administrator accounts for activities which should not be performed using privileged accounts, such as reading emails and web browsing. There are a number of service accounts running with a higher level of privilege than they need and the management of Windows local administrator accounts can be improved.</p> <p>IT have a vulnerability assessment tool which scans key infrastructure and a sample of clients for security vulnerabilities on a weekly basis. The assessment tool is currently reporting a large number of critical and high risk security vulnerabilities. The IT Health Check in March 2024 also highlighted a significant number of critical and high risk vulnerabilities. We acknowledge that IT are working their way through these vulnerabilities but whilst they exist, they present a significant risk to the Council.</p> <p>The security patching of servers and laptops/desktops is performed monthly. The rollout of security updates was confirmed, although one of the patching tools is reporting a number of computers that have not been patched and they should be followed up. The documented patching policy also needs to be reviewed and updated.</p>	
Governance Fraud & Other Assurance	Disabled Facilities Grant	Assurance Statement	Q3	Completed and report issued.	N/A
	Municipal Charities	Preparation of municipal charities accounts	Q4		N/A

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	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	N/A
	Annual Governance Statement	Production of the AGS	Q1-Q2	Completed	N/A
	Annual Audit Opinion	Production of the Annual Audit Opinion	Q1-Q2	Completed	N/A
	Management and Planning	Management, planning and assurance reporting to CMT and Audit & Governance Committee	Q1-Q4	On-going	N/A
	Ad-hoc / Consultancy / Contingency	Contingency allocation to be utilised upon agreement of the Chief Finance Officer	Q1-Q4	On-going	N/A
	Follow Up of Recommendations	Follow up of high priority recommendation implementation and no / limited assurance reports	Q1-Q4	On-going	N/A
	IA QAIP and PSIAS	Review of PSIAS standards and review	Q4	Gap analysis with Global Internal Audit Standards and CIPFA Code of Practice Note to be undertaken and reported to March 2025 Committee	N/A

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
23/24 Finalised Audits	Community Safety	Risk based audit of Community Safety	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"> 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. (Medium, Finding 1). 2. The Antisocial behaviour terms of reference is a draft version and has not been updated to reflect structure changes within the Council. (Medium, Finding 2). 3. There are no aims and objectives outlined in the 2023-2026 Community Safety Partnership Plan. (Low, Finding 3). 	 <p>Reasonable Assurance H-0 M-2 L-1</p>

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	AssuranceOpinion
	Taxi Licensing	Risk based audit of the Taxi Licensing system	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> <ol style="list-style-type: none"> 1. 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. (Medium, Finding 1). <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. (Medium, Finding 2).</p>	 <p>Reasonable Assurance H-0 M-2 L-0</p>
	Risk Management	Risk based audit of risk management	Q4	<p>We have reached the overall opinion that the Council have reasonable controls to support risk management. This is because there was generally a sound system of internal control, with some weaknesses which may put the organisation's objectives in this area at risk. There were appropriate reporting structures in place to ensure that the Senior Management Team and the Audit and Governance Committee have oversight of corporate risks however, some control measures were inadequate and not challenged.</p> <p>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 the Operational Risk Champions Group by Zurich. 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</p>	 <p>Reasonable Assurance H-0 M-2 L-1</p>

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	AssuranceOpinion
				area risk registers.	
	Business Continuity	Risk based audit of Business Continuity	Q2	<p>We have reached the overall opinion that the Council have inadequate controls to support business continuity and therefore we have provided a Limited Assurance opinion.</p> <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>

Assurance	Audit	Scope	Planned Quarter	Assurance Summary	Assurance Opinion
	Shared Service	Risk based audit of Shared Service		<p>Overall, the council has reasonable control in place for the management of the shared services, including the authorisation of Pos, invoicing and payment runs and adequate oversight through ongoing performance reporting and meetings.</p> <p>However, we raised findings relating to:</p> <ol style="list-style-type: none"> 1. Performance reporting and issue escalation – our review of the agreements identified that, while there were performance reporting and escalation processes in place, these had not been formally documented and agreed to within the signed agreements. We also identified scope to improve the frequency of reporting and monitoring within the Building Control Service. 2. Approval of payment runs – there was one instance where a payment had been verbally confirmed and we were therefore unable to obtain evidence of this. 3. Time evidence recording – there was no time record evidence available to support the operation cost based on the agreed working hours required in the internal audit service. This may raise the risk of under or overcharging for work delivered by the Internal Audit Manager. 	 <p>Reasonable Assurance H – 0 M – 2 L - 1</p>

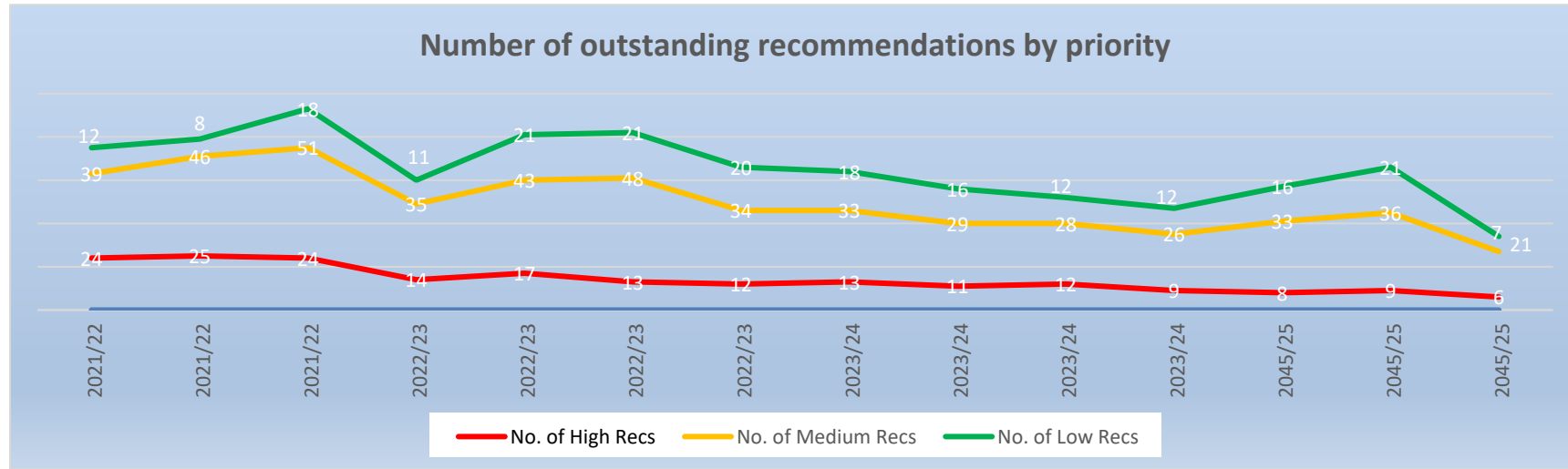
Appendix 02: Assurance and Recommendation Classifications

Overall Assurance Opinion	Definition
Substantial	There is a sound system of internal control designed to achieve the organisation's objectives. The control processes tested are being consistently applied.
Reasonable	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.
Limited	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.
No	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
High	High priority recommendation representing a fundamental control weakness which exposes the organisation to a high degree of unnecessary risk.
Medium	Medium priority recommendation representing a significant control weakness which exposes the organisation to a moderate degree of unnecessary risk.
Low (Housekeeping)	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.



Financial Year	Quarter	No of Outstanding Recommendations	No of High Recs	No of Medium Recs	No of Low recs
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
2024/2025	Q1	57	8	33	16
	Q2	66	9	36	21
	Q3	34	*6	21	7

*Of the 6 high recs, 5 are overdue as detailed in the table below

Overdue High Priority Recommendations			
Audit	Year	Recommendation	Current Status (Reported)
Procurement	2018/19	<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>	<p>Detailed procedure notes in the form of a contract management user guide are on the procurement pages of the internet. Implemented</p> <p>Recommendation superceded - Contract Management Training to be rolled out in March 2025/ April 2025, to include the provision of the Procurement Act 2023</p> <p>Interim Executive Director, Finance</p> <p>March / April 2025</p>
PCI DSS Compliance	2021/22	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.	<p>Multi disciplinary (IT, Finance. Governance) team now in place with PCI DSS Accreditation Action Plan. Working towards full compliance by May 2025.</p> <p>Interim Executive Director, Finance, Assistant Director, People.</p> <p>June 2025</p>
PCI DSS Compliance	2021/22	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.	
PCI DSS Compliance	2021/22	The relevant SAQ's should be identified and completed on an annual basis.	
Business Continuity	2023/24	<p>A Business Continuity Working Group should be established to:</p> <ul style="list-style-type: none"> - Oversee the review and testing of the Council's BCPs. - Report to senior management on business continuity 	<p>Business Continuity Working Group to be established– agenda per the recommendation.</p> <p>Assistant Director, Assets</p> <p>February 2025</p>

		<p>activities.</p> <ul style="list-style-type: none">- Ensure that the BCPs align to the Council's corporate objectives.- Ensure stakeholders understand their roles and responsibilities for BCP.- A terms of reference for the Working Group should be established, outlining the membership and role of the group.	
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Equality, Social Inclusion and Health Impact Assessment (ESHIA)

An ESHIA is a review of a new or existing policy, strategy, project, report or service change to establish whether this has a differential impact on specific equality groups and identifies how we can improve equality of opportunity for different groups of people.

An ESHIA aims at improving Tamworth Borough Council’s work, by promoting equality, social inclusion, health and wellbeing by ensuring that the proposed or existing policy promotes equality and can benefit a wide range of people.

Details

Title of the proposal	Internal Audit Quarterly Progress Report	
Director responsible for the project or service area	Jo Goodfellow, Acting Executive Director, Finance	
Officer completing the assessment	Rebecca Neill, Interim Audit Manager, Shared Service	
Date conducted	21 January 2025	
Who are the main stakeholders?	Elected members	
What is being assessed?	A decision to review or change a service	
	A strategy, policy, report or procedure	x
	A function, service, or project	
What kind of assessment is it?	New	
	Review of existing	x

Part One - Initial screening:

This section should be used to carry out an initial screening of changes or decisions to help to decide whether a full ESHIA is required.

The following six screening questions are designed to assess whether this proposed change is likely to have an impact on equality, social inclusion, health and wellbeing.

		Yes	No
1	Does this new or revised project, proposal, policy, report, procedure likely to have an impact?		x
2	Does the proposal seek agreement to a key decision involving allocation of resources, such as changes in funding or resources, initiation of a new programme or project or procurement?		x
3	Does the proposal seek agreement on restructuring or reorganising of staffing?		x
4	Will this policy or proposed change have any impact on potential suppliers?		x

5	Does this policy or proposed change impact on any HR policy or practice within the council?		x
6	Does this policy or proposed change have any implications for equalities, social inclusion and health and wellbeing not covered above?		x

1. If the answer is **no** to all the questions, please provide a summary below outlining why this conclusion has been reached.
2. If the answer is **yes** to any of the questions, please conduct the full ESHIA as detailed in Part two.

If you are unsure of any of the answers, please seek advice from Human Resources.

Summary of initial screening outcome:

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 relevant 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. No differential impact on specific equality groups has been identified as part of the compilation of this report. A well-functioning internal audit identifies as part of its work, how the Council's systems can improve equality of opportunity for different groups of people.

Decision	Yes	No
Initial screening only	X	
Proceed to Part Two, full assessment		x

Initial screening completed by	Rebecca Neill, Interim Audit Manager, Shared Service
Date	21 January 2025

Full screening completed by	N/A
Date	

Equality, Social Inclusion and Health Impact Assessment (ESHIA)

Part Two: Full assessment

Section 1

The purpose of the project, proposal or decision required. Set out the aims, objectives, purpose and outcomes of the area being impact assessed. Are any other functions, policies or services linked to this assessment?

Section 2

Evidence used and considered. Include analysis of any missing data.

Section 3

Consultation undertaken with interested parties who will/may be affected proposal? What were the outcomes of the consultation?

Section 4

What are the potential or actual impacts of the proposal? Please consider both the direct and indirect impact and refer to the guidance for additional information.

Impact Area	Impact? Positive (P) Negative (N) Neutral (Ne)	Details of the impact	Action to address negative impact
Protected Characteristic, as outlined in the Equality Act 2010			
Age			
Disability			
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Race			
Religion or Belief			
Sex			
Sexual Orientation			

Are there socio-economic groups likely to be affected? If yes, please provide detail below			
Other social exclusion			
Digital exclusion			
Veterans and serving members of the armed forces and their families			
Young people leaving care			
Health and Wellbeing: Individuals and communities in Tamworth	Impact: Positive (P) Negative (N) Neutral (Ne)	Explanation	Action to address negative impact
Will the proposal have a direct impact on an individual's health, mental health and wellbeing?			
Will the proposal directly impact on housing?			
Will there be a likely change in demand for or access to public services such as health and social care services?			
Will there be an impact on diet and nutrition?			
Will there be an impact on physical activity?			
Will there be an impact on transport, travel and connectivity?			
Will there be an impact on employment and income?			

Will there be an impact on education and skills?			
Will there be an impact on community safety?			
Will there be an impact on the environment, air quality, climate change?			

If there are no adverse impacts or any issues of concern or you can adequately explain or justify them, please move to section 6.

Section 5

Where a potential negative impact has been identified, can continuation of the proposal be objectively justified? If yes, please explain your reasons.

Section 6: Decisions or actions proposed

The assessment may result in some recommendations or suggestions to mitigate any negative impact and maximise positive impacts or actions to reduce the risk of an adverse impact.

Section 7: Monitoring arrangements

Who will be responsible for monitoring	
Frequency of monitoring	
Where will the impact assessment be reported to?	
Where this impact assessment will be stored and for how long	

Section 8: Summary of actions to mitigate negative impact (if required)

Impact Area	Action required	Lead officer/responsible person	Target date	Progress

Wednesday, 5 February 2025

Report of the Interim Audit Manager

Audit Committee Effectiveness

Exempt Information

None.

Purpose

To undertake the annual self-assessment of Audit & Governance Committee effectiveness.

Recommendations

It is recommended that:

- 1. The Committee considers the attached self-assessment checklist (Appendix 3) and endorses any actions to improve its effectiveness as appropriate.**

Executive Summary

CIPFA published guidance on the function and operation of Audit Committees in local authorities and police bodies in 2022 and this represents good practice for audit committees (**Appendix 1**). Additional guidance has been issued in conjunction with the Position Statement and this is attached as **Appendix 2**.

The Position Statement emphasises the importance of Audit Committees being in place in all principal local authorities, and it also recognises that Audit Committee are a key component of governance. Audit Committees are an important source of assurance about an organisation's arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance.

Appendix 3 details a draft self-assessment based on the key principles set out in CIPFA's Position Statement for the Committee's consideration. This self-assessment has been circulated to Committee members in advance, for their comments and observations.

A proposed action plan where potential improvements have been initially identified within the self-assessment is detailed below for the Committee's endorsement:

Ref	Good Practice Checklist	Proposed Action, Responsibility & Timescale
4	Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?	The Committee's terms of reference to be updated to clearly set out the purpose of the Committee in accordance with CIPFA's Position Statement. Interim Audit Manager, May 2025

Ref	Good Practice Checklist	Proposed Action, Responsibility & Timescale
5	Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?	<p>The Council's recent Peer Review has highlighted increased training and awareness of audit, governance and risk management as an improvement and this action is detailed within the Peer Challenge Action Plan.</p> <p>Link below: Appendix 2 Corporate Peer Challenge Draft Action Plan.pdf</p> <p>In addition, for best practice and in conjunction with the above, the Committee will renew its skills matrix and training plan.</p> <p>Interim Audit Manager, March 2025</p>
9	Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement?	<p>Financial management / reporting, VFM, counter fraud and corruption, AGS, assurance framework to be more explicitly referenced in the update of the Committee's terms of reference.</p> <p>Interim Audit Manager, May 2025</p>
13	Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation.	<p>Recruitment of independent member/s has been considered by the Committee previously. A link to the latest update is below: 26 July 2024 Audit Committee Report</p> <p>The Committee are asked to consider their current direction on this.</p> <p>Audit & Governance Committee, February 2025</p>
16, 17	Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance? Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?	See Ref 5 above.
20	Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?	<p>To be addressed at the meeting and it is suggested that feedback be obtained from Council on consideration of the Chair's Annual Report to Council.</p> <p>Chair of Audit & Governance, June 2025</p>

Options Considered

Not applicable.

Resource Implications

None.

Legal/Risk Implications Background

Audit Committee's are a key component of a Council's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and internal control arrangements. Undertaking an annual self-assessment of effectiveness, supports the Committee's role in ensuring that there is sufficient assurance in these areas which gives further confidence to those charged with governance that such arrangements are effective.

A significant aspect of the Audit Committee's remit is risk management. The Committee's review of the effectiveness in this area provides further assurance and confidence that the Council's most significant / material risks are being managed appropriately.

Equalities Implications

Equality, Social Inclusion and Health Impact Assessment (ESHIA) completed at **Appendix 4**.

Environment and Sustainability Implications (including climate change)

None.

Background Information

None otherwise appended or linked within this report.

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List of Background Papers

None, otherwise referenced above.

Appendices

Appendix 1 – CIPFA Position Statement on Audit Committees (2022)

Appendix 2 – CIPFA Guidance on Audit Committees (2022)

Appendix 3 – Audit Committee Self-Assessment of Compliance with Good Practice

Appendix 4 – ESHIA

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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.

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Audit committees:

practical guidance for
local authorities and police

2022 edition

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The **Chartered Institute of Public Finance and Accountancy** (CIPFA) is the professional body for people in public finance. Our 14,000 members work throughout the public services, in national audit agencies, major accountancy firms and other bodies where public money needs to be effectively and efficiently managed. As the world's only professional accountancy body to specialise in public services, CIPFA's qualifications are the foundation for a career in public finance. We also champion high performance in public services, translating our experience and insight into clear advice and practical services. Globally, CIPFA leads the way in public finance by standing up for sound public financial management and good governance.

Guiding the audit committee

Supplement to the audit
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Introduction

This section is aimed at officers responsible for guiding the audit committee. It will also be a useful reference guide for an audit committee member wanting to develop greater understanding of the committee's role or access additional resources.

It identifies the underpinning legislation, regulations, guidance or resources that the committee should be referencing in its operations.

It is a supplement to the guides *Audit committee member in a local authority* and the *Police audit committee member* and should be read in conjunction with the appropriate guide. It includes information for both authorities and police bodies.

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Core functions of the audit committee

MAINTENANCE OF GOVERNANCE, RISK AND CONTROL ARRANGEMENTS

Good governance

Delivering Good Governance in Local Government: Framework (CIPFA/Solace 2016) is principles based and informs the approach to good governance adopted by police, local authorities and fire and rescue authorities. CIPFA recommends that each authority develops a local code of governance setting out how it applies the principles in practice.

CIPFA's **Financial Management Code** (FM Code) also attributes responsibility for the Framework to the authority's leadership team. This supports the principle of assurance in the FM Code.

Other useful resources for evaluating governance and identifying governance risks include the research resource co-ordinated by the Centre for Governance and Scrutiny, **The governance risk and resilience framework**. This sets out the risks to good governance and can be used as part of the evaluation process for the annual governance statement (AGS) or as part of other governance development work. Further information on the AGS is included in **Accountability and the annual report**.

Where an authority is found to have failed in its statutory obligations to provide best value, the government has the power to intervene. The audit committee is one of the mechanisms an authority should have in place to identify, escalate and oversee the improvement of any governance weaknesses.

In Wales, the **Local Government and Elections (Wales) Act 2021** provides for intervention by Welsh ministers to increase the extent to which a council is meeting the performance requirements.

Key references

Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) ('the Framework') sets the standard for governance in UK local government bodies. The Framework is supported by guidance notes for each sector (CIPFA/Solace, 2016) as follows.

- **Delivering Good Governance in Local Government: Guidance Notes for English Authorities**
- **Delivering Good Governance in Local Government: Guidance Notes for Scottish Authorities**
- **Delivering Good Governance in Local Government: Guidance Notes for Welsh Authorities**
- **Delivering Good Governance: Guidance Notes for Policing Bodies in England and Wales**

Accounts and audit regulations (various according to location in the UK)

The governance risk and resilience framework (Centre for Governance and Scrutiny, 2021)

Ethical values

As part of the annual governance review, the audit committee should consider how effectively the **Seven Principles of Public Life** are supported and whether the arrangements in place to achieve Principle A of the governance framework are fit for purpose:

Behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law.

Authorities have a standards committee to oversee member conduct and review complaints. This is not a function of the audit committee and combining the two committees should be avoided.

The standards framework for elected members in England was established by the **Localism Act 2011**. English local authorities have a statutory duty to promote and maintain high standards of conduct, and the audit committee should consider assurances on the discharge of this responsibility and be satisfied that there are arrangements in place. The Committee on Standards in Public Life last reviewed standards in local government in 2019. The report recommended some amendments to the Act, but in its 2022 response, the Department for Levelling Up, Housing and Communities (DLUHC) did not commit to these. This remains an active topic that the audit committee should be aware of, and it should understand the steps its authority is taking to promote and ensure good ethical arrangements are in place.

The **Public Sector Internal Audit Standards** (PSIAS) include the ethical framework as a specific area of governance for internal audit work.

Whistleblowing arrangements support the development of ethical conduct and greater transparency and help authorities ensure compliance with the **Public Interest Disclosure Act 1998**. As part of the audit committee's oversight of the governance framework and assurances underpinning the AGS, the committee may wish to review the effectiveness of the whistleblowing arrangements.

Useful resources

Upholding Standards in Public Life (Committee on Standards in Public Life, 2021)

Risk management

In determining the audit committee's responsibilities towards risk management, authorities should have regard to the responsibilities of other committees such as scrutiny committees and the specific responsibilities of those charged with governance in relation to risk management. Where a local authority establishes a separate risk committee, then its roles and responsibilities need to be considered in determining the role of the audit committee.

Police audit committees are directed in the **Financial Management Code of Practice for the Police Forces of England and Wales** (FMCP) (Home Office, 2018) to advise the PCC and the chief constable on the adoption of appropriate risk management arrangements.

Welsh local authority and English combined authority audit committees are required to review and assess risk management arrangements.

Internal controls

Internal control arrangements will be informed by service requirements and guidance specific to individual areas.

Financial management

Regarding financial management arrangements, CIPFA's FM Code is a helpful resource to guide and evaluate the adequacy of financial management. The results of the assessment should be shared with the audit committee.

Audit committees in local authorities in Wales and in combined authorities are required to review and scrutinise the authority's financial affairs. Robust arrangements for financial control, understanding financial risks and longer-term financial planning will provide assurance to the committee. The review of financial statements also supports this objective. Care should be taken to not overlap with financial scrutiny. Tasks such as budget monitoring should not be undertaken by the committee.

Value for money and best value arrangements

Making best use of resources is a key objective for all local authorities and is part of the Framework. One of the behaviours and actions that underpin Principle C of the Framework is "delivering defined outcomes on a sustainable basis within the resources that will be available." When the AGS is prepared, the adequacy and effectiveness of arrangements to secure value for money (VfM) should be included, as per CIPFA guidance.

One specific area of activity for the committee will be consideration of the external auditor's wider work, as set out in the codes of audit practice and other guidance adopted by national audit bodies as follows.

- **England:** statutory value for money commentary as defined by the [National Audit Office](#).
- **Scotland:** periodic reviews of best value from [Audit Scotland](#).
- **Wales:** annual improvement reports from [Audit Wales](#).
- **Northern Ireland:** a review of arrangements for the use of resources from [Northern Ireland Audit Office](#).

When the external auditor raises concerns about VfM, the audit committee should ensure there is a robust action plan to address the issues raised. A significant VfM failing is likely to lead to a formal recommendation or report in the public interest. In addition to the work of the auditor, the audit committee should consider what other assurances are available in relation to identified VfM risks and highlight areas for improvement.

The [Cities and Local Government Devolution Act 2016](#) requires the audit committee of a combined authority to review and assess the economy, efficiency and effectiveness of resource use in discharging the authority's functions. By reviewing the adequacy of the authority's arrangements, including aspects such as performance management, financial planning and procurement, the audit committee will be able to report and make recommendations to fulfil this responsibility. Where risks to value for money are identified to the audit committee – for example, through the work of internal audit – those concerns need to be escalated for management action.

Countering fraud and corruption

The audit committee should include counter fraud and corruption within its agenda. This should not be limited to an update to the committee on a significant case of fraud or corruption. The audit committee's responsibility to have oversight of arrangements means that they should be able to judge whether the authority's arrangements are fit for purpose

CIPFA's [Code of Practice on Managing the Risk of Fraud and Corruption](#) (2014) sets out the counter fraud standards for public sector organisations. Sector-specific strategies such as [fighting fraud and corruption locally](#) should also be considered, along with [Integrity matters](#)

(HMICFRS, 2015). The committee should understand the level of fraud risk the authority is exposed to and the implications for the wider control environment.

The audit committee should have oversight of the authority's counter fraud strategy, assessing whether it meets recommended practice and governance standards and complies with legislation such as the **Bribery Act 2010**.

The CIPFA guidance on the AGS recommends that the adequacy of counter fraud arrangements is evaluated and reported on in the AGS with reference to the *Code of Practice on Managing the Risk of Fraud and Corruption*. The audit committee should have sight of the assurances underpinning this assessment and can play an important role in supporting the development of effective counter fraud and corruption practice. The audit committee may also refer to the Internal Audit Standards Advisory Board's (IASAB) guidance on **internal audit's role in counter fraud** (2017), which sets out internal audit's responsibility to provide assurance to the organisation on how it manages fraud risk.

Partnership governance, collaborations and subsidiaries

Ensuring that the audit committee has oversight of significant collaboration arrangements or the governance arrangements for the authority's partnerships is important. This is an area of assurance that should be planned as new arrangements are established as well as considered regularly.

Guidance is available in CIPFA publications, including **Successful Collaborations in the Public Services: The Role of Internal Audit** (2021). This highlights some of the governance risks that should be considered in collaborative arrangements, together with the role of internal audit. It highlights the need for the audit committee's oversight of internal audit to extend to their work on collaborations.

CIPFA's **Effective Governance of Collaboration in Policing** (2021) provides an overview of the nature of collaborations in policing and guidance on governance for those arrangements, and other relevant guidance is included in **Principles for section 151 officers working with LEPs** (2018).

Recently, authorities that have the general power of competence have established trading companies to operate more commercial activities, including delivery of services and commercial investments. Some authorities have experienced difficulties with these activities, so the governance, oversight and risk management arrangements in them are likely to be of considerable interest to the audit committee. CIPFA has issued new guidance in 2022 in **Local Authority Owned Companies: A Good Practice Guide**.

In addition to reviewing assurances over partnerships, the committee may choose to develop its own partnership arrangements with the audit committees of partner organisations. This could involve planning and co-ordinating agendas or developing forums to share ideas or briefings. More established partnerships could lead to the development of a shared audit committee between partner authorities or a joint committee.

FINANCIAL AND GOVERNANCE REPORTING

Financial reporting

Local authority financial statements should follow the professional practices set down in the **Code of Practice on Local Authority Accounting in the United Kingdom** (CIPFA/LASAAC). The responsible financial officer is required by statutory provision to sign the statements to confirm that they have been properly prepared and are ready for audit prior to the commencement of the period for the exercise of public rights. These are the unaudited accounts. Currently, deadlines are subject to change because of the COVID-19 pandemic (and because of difficulties resourcing local audit in England). Therefore, it will be important to check the current regulations applicable.

At the time of publication, the latest regulations were as follows.

- In England, **The Accounts and Audit (Amendment) Regulations 2021**. This amends the Accounts and Audit Regulations 2015.
- In Wales, **The Accounts and Audit (Wales) (Amendment) Regulations 2018**. This amends the Accounts and Audit (Wales) Regulations 2014.
- In Scotland, **The Local Authority Accounts (Scotland) Regulations 2014**.
- In Northern Ireland, **The Local Government (Accounts and Audit) (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020**. This amends the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015.

Further details about the requirements of the regulations are in Appendix A.

Prior to the current period of disruption, there had been a trend to reduce the elapsed time from the end of the financial year to the publication of audited statements. For example, under the 2015 regulations for English authorities and policing bodies, in practice, the latest date by which the statements would need to be confirmed (by the responsible finance officer) is 31 May, as the 30 working day period for the exercise of public rights must include the first ten days of June. In CIPFA's view, the timely availability of the statements is important for transparency and accountability.

Under the regulations, Scottish and Northern Irish authorities must all ensure that the financial statements are signed off by the chief financial officer (CFO) by 30 June. The Accounts and Audit (Wales) (Amendment) Regulations 2018 require preparation and publication to be completed by 15 June. Authorities have had flexibility to delay due to COVID-19, but deadlines will revert to those specified in regulations at an appropriate point.

CIPFA recommends that it is good practice for the accounts and the AGS to be reviewed by the audit committee prior to the commencement of the external audit. The committee will also review them at the completion of the audit prior to publication. Authorities will formally approve the financial statements after the completion of the external audit.

The date the statements must be published by is set down in government regulations. Prior to COVID-related amendments, the latest date for publication was 31 July for English authorities. Scottish and Welsh authorities must publish by 30 September, and Northern Irish authorities must publish by 31 October. These dates are intended to reflect the target for the completion of the audit. However, meeting the deadline is not a statutory requirement for the auditor; auditors will aim to meet this date, but their primary concern is to complete the audit to the required auditing standard.

The financial statements are the most technical aspect of the audit committee's remit and one that can be daunting for those elected members with no prior experience of financial reporting or

external audit. The differences in financial reporting practice in the accounts can also be daunting for those used to the presentation of company accounts. Additional attention should therefore be paid to this area when evaluating training needs.

Annual governance statements

Legislation requires local authorities, fire and rescue authorities and police bodies to prepare an AGS and to report publicly on the effectiveness of governance and control (see Appendix A for details of the legislative requirements). The AGS should be reviewed and then approved by an authority body prior to being signed by the leading member and the authority's chief executive. Typically, audit committees undertake the role of reviewing the AGS prior to approval.

Statutory and professional guidelines will determine when the AGS goes before the audit committee for review. These are set out in **Financial reporting** and in more detail in Appendix A. CIPFA recommends that the AGS is first reviewed by members of the audit committee at an earlier stage to allow comments and contributions to be made. The AGS must be current at the time it is published, so the audit committee should review it before final approval.

When the AGS is taken to the audit committee for review, it provides an opportunity to sense check the content, ensuring it is consistent with other information and is understandable to a lay reader.

The audit committee should be made aware of any updates to guidance on the AGS issued by CIPFA.

In March 2022, CIPFA's Practice Oversight Panel published an **advisory note on governance**. The note emphasises the importance of ensuring that annual reviews of governance and the AGS are robust. An effective audit committee is one important aspect of ensuring adequate internal challenge.

Other accountability reports

The audit committee may be asked to comment on or review other accountability reports. If this is consistent with the purpose of the committee, then it may be appropriate – for example, if the report included extracts from the financial statements or AGS. It should always be clear whether the committee is being asked to formally endorse any report and consider whether this involves duplication with the work of other committees.

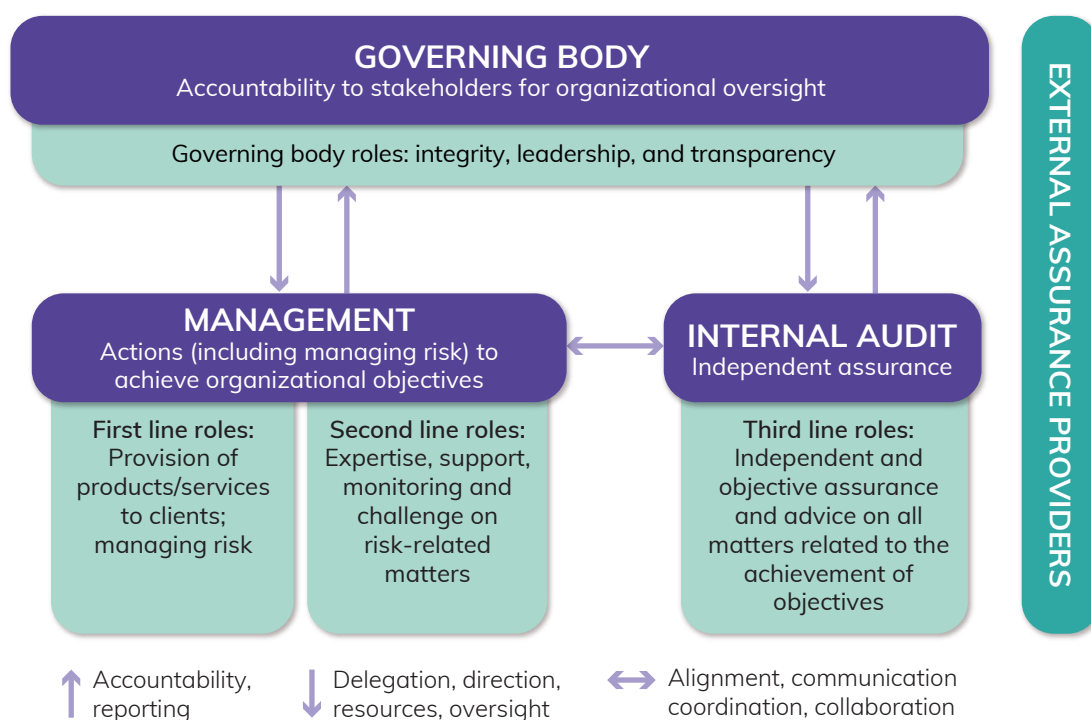
SUPPORTING ARRANGEMENTS FOR AUDIT AND ASSURANCE

Assurance frameworks and assurance planning

The organisation's leadership team should establish arrangements to provide them with assurance. The purpose of assurance is to provide greater certainty over the operation of internal control arrangements and the implementation of policies and decisions. In practice, an organisation will have a range of different means of obtaining assurance, some of which will already be embedded in management arrangements. Taken together, the suite of assurances forms the framework of assurance for the organisation. Some organisations have taken steps to map or summarise their arrangements in diagrammatic or tabular form.

CIPFA is in the process of establishing more detailed guidance for leadership teams on assurance frameworks, including high-level principles to define assurance frameworks. The purpose of this will be to raise awareness of assurance and the different forms it can take. Developing CIPFA guidance will include the **Three Lines Model** developed by the Institute of Internal Auditors (IIA).

Figure 1: The IIA's Three Lines Model



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Having a good understanding of different sources of assurance is important:

- for managers and the leadership team, to have confidence in how things work in practice
- for the audit committee, to help them fulfil their responsibilities
- for internal auditors, to inform risk assessments, supplement the direct independent audit work the team undertakes, and to inform the head of internal audit's annual opinion.

As well as understanding the organisation's arrangements for obtaining assurance, the audit committee should ensure that it receives the assurances necessary to support its annual report and to play its part in reviewing the AGS. While internal audit and external audit will be significant contributors to the overall assurance, the committee will need to be proactive in specifying additional areas where assurance is needed.

External audit

Audit committees have a role to play in relation to the appointment of external auditors. This role varies between England, Scotland, Wales and Northern Ireland, primarily due to the change in appointment procedures for English authorities with the closure of the Audit Commission and the introduction of new local audit arrangements under the **Local Audit and Accountability Act 2014**.

In Scotland, Wales and Northern Ireland, national audit agencies are responsible for the audits of local bodies. In England, authorities have the option to appoint auditors themselves via means of an auditor panel (individually or jointly with other bodies) or through Public Sector Audit Appointments (PSAA), which has been established by the Local Government Association (LGA) and specified as an 'appointing person' under the 2014 Act. For further information on auditor panels and the role of the audit committee, see CIPFA's **Guide to Auditor Panels** (2015).

The audit committee's role in appointment is generally to express an opinion on the selection and rotation of the external auditor through whichever method is applicable for the organisation. The audit committee's objective is to support auditor independence and effective arrangements and relationships with the auditors.

In England, for all opted-in bodies, PSAA appoints the auditor following consultation with the body. Otherwise, the audit committee will work alongside the auditor panel, which will oversee the local appointment process. Where the audit committee members meet the requirements of an auditor panel as defined in regulations supporting the 2014 Act, then the committee can operate as an auditor panel itself and make recommendations on the appointment of the local auditor. Regard must be had for the 2014 Act and regulations if the committee is nominated as an auditor panel.

Supporting independence

The independence of auditors is critical for confidence in the audit opinion and audit process. For this reason, there is extensive guidance from the Financial Reporting Council (FRC) for external auditors on the need to safeguard independence and objectivity. These rules apply to all auditors across all sectors. In addition, the national audit bodies issue guidance to auditors on safeguarding integrity, objectivity and independence. It is an important role for an audit committee to help guard against threats to independence and to satisfy itself that the external auditor's independence is safeguarded. The critical issue of independence will be considered when the external auditor is appointed, but the audit committee's role will be to monitor on an annual basis, or more often when required.

Each year, the external auditor will disclose to the committee an assessment of whether it is independent. This disclosure should include any significant facts that could impact, or be seen to impact on, independence and objectivity, together with any safeguards put in place. The audit committee should use this opportunity to discuss with the external auditor their assessment of threats to independence and any safeguards. The table below summarises the potential threats that external auditors need to consider and manage.

Understanding the potential threats to external independence

Self-interest threat

This is where there are, or are perceived to be, financial or other interests that could impact on the actions of the external auditor. The potential fees from provision of non-audit or additional services to the audited body could fall within this category.

Self-review threat

This is where the audit could include a review of work performed or services or advice provided by the same firm or team.

Management threat

This is where the auditor has become involved in or associated with decision making at the audited body.

Advocacy threat

This is where the auditor has taken on an advocacy role for the audited body or supports the management in an adversarial or promotional context.

Familiarity (or trust) threat

This is where familiarity or close personal relationships mean that the external auditor is insufficiently questioning or accepting in forming audit judgements.

Intimidation threat

This is where the conduct of the external auditor is influenced by fear or threats from individuals in the audited body.

Full details of the threats are set out in the [Revised Ethical Standard 2019](#) (FRC).

Receiving and considering the work of external audit

The timetable of external audit work will be shaped by the appropriate Code of Audit Practice under which the audit is being undertaken and the appropriate regulations of the nation.

From time to time, there may be disruption to the routine timetable of audit. For example, the impact of the pandemic and recent difficulties experienced in England by local audit firms have contributed to delays. Where this is the case, the audit committee should actively monitor changes to timetables and audit plans, supporting good communication between the auditor and the authority to manage difficulties in the best possible way. Those officers responsible for liaising with the external auditor should ensure the audit committee is kept informed and any difficulties drawn to their attention at an appropriate stage.

One of the recommendations of the Redmond Review ([Independent review into the oversight of local audit and the transparency of local authority financial reporting](#)) was that the external audit annual report should be submitted to full council by the external auditor. The rationale behind the recommendation was that there were examples where serious issues raised with the audit committee by the external auditor were not then escalated to full council. As all councillors are “charged with governance”, they should be aware of serious issues and the overall results of the audit.

In addition, full council is more visible to the public than the audit committee, so it supports greater transparency. When this recommendation was considered by the stakeholder group advising DLUHC, it was considered important for the audit committee to receive the external auditor’s reports, allowing more in-depth discussion and formulation of recommendations for action in response to issues raised. It suggested that the annual report should be presented to full council in the way suggested by Sir Tony to improve transparency and strengthen the governance response, but it should also be accompanied by a report from the audit committee setting out its suggested response to the report. This was discussed in the technical consultation issued in July 2021 and CIPFA would support this approach.

Although the specific recommendation related to English local authorities, CIPFA would recommend that authorities in the rest of the UK also consider adopting a similar approach, if they do not do so already.

Supporting the quality and effectiveness of the external audit process

The audit committee should support the quality and effectiveness of the external audit process:

- at the planning stage, understanding and commenting on external audit plans, assessment of risks and proposed areas of focus, and deployment of audit effort in response to identified risks
- during the external audit process, including:
 - assessing whether the external auditor has a good understanding of the authority
 - how the external auditor has responded to areas of audit risk
 - actions taken to safeguard independence and objectivity
- at the reporting and finalisation stages:
 - ensuring there is feedback from key people such as the CFO and the head of internal audit on the conduct of the audit
 - supporting the auditor’s annual report to the full council, PCC, chief constable or other body as appropriate on the results of its considerations with the audit committee report.

In monitoring the quality of the external audit provision, the audit committee should be briefed on any relevant issues around quality that emerge from the regulation of external audit – for example, the quality reports from the FRC and contract monitoring reports from PSAA. Links to useful resources are provided at the end of the section.

There should be an opportunity for the audit committee to meet privately and separately with the external auditor, independent of the presence of those officers with whom the auditor must retain a working relationship.

Supporting audit quality

The audit committee should be an advocate for high audit quality. Ensuring that quality is maintained provides confidence in the audit opinion and recommendations. In its interactions with the auditors, the committee should be alert to the culture of the auditor and its regard for quality, its customer focus and how the firm creates a positive audit culture. The FRC's recent report **What Makes a Good Audit?** (2021) highlights the importance of governance and leadership in the audit firm.

Senior leadership must live and drive the right values, ethics and behaviours that support high audit quality throughout the firm. There must be a clear link between remuneration/ promotion and audit quality. Learning from audit inspections (internal and external) must be shared across the audit practice and understood, including the sharing of good practice identified within the firm or from external reviews. There must also be an emphasis on the public interest role of audit. At the larger firms, Independent Non-Executives (INEs) already have an important role to play in holding leadership to account for improving audit quality and for driving an appropriate culture and mindset within audit.

What Makes a Good Audit? (FRC, 2021)

The committee should ask about the auditor's approach to audit quality, including the support and training provided to the team on specialist areas within the scope of the audit. This is a particular consideration in England where audits are undertaken by a firm, as the team may not consist of auditors with extensive local audit experience. It should be noted that the key audit partner must have that experience and knowledge. This was an issue raised by the Redmond Review, and work to improve and support auditors is ongoing. For the firms, achieving improvements in this area is challenging, given wider issues around shortages of appropriate skilled auditors.

The audit committee needs to work with auditors and key officers to ensure that there is a shared understanding of objectives, expectations and outcomes from the audit. It is likely that the committee members will need support and training to improve their knowledge and understanding in this area unless they have had prior experience.

Where there are difficulties in the relationship between auditor and client, the audit committee should seek to support and resolve in an objective way that helps the delivery of a quality and timely audit.

Assessing audit quality

In determining the committee's role in reporting on external audit, CIPFA has taken account of requirements in other sectors. The **UK Corporate Governance Code** (FRC, 2018) expects the audit committee to report annually on its assessment of the independence and effectiveness of external audit. The audit committee annual report should also include a section on external audit. This is addressed in **Independence and accountability**.

The FRC published **Audit Quality: Practice Aid for Audit Committees** in 2019 to help support audit committees. It should be noted that this is not tailored to audit committees in local

government, but some general principles remain relevant for an authority committee. Suggested good practice would be to consider the following areas:

- How the auditor interacts with the audit committee. Examples could include how auditors respond to questions or challenge from the committee and whether communications are open, constructive, informative and regular.
- Evidence from management. For example, the audit committee could ask management for evidence where auditors have challenged judgements and estimates.
- Asking auditors how they have demonstrated professional scepticism.
- Considering how well the auditor has met the agreed audit plan and addressed the risks it has identified.
- The quality of the audit report. For example, is it helpful and does it avoid generic 'boiler plate' content?

The audit committee should also review reports and assessments on their contracted auditor. The national audit bodies publish external reviews of their quality arrangements, and the FRC publishes an annual report of the local audit quality reviews undertaken for each firm. The committee should consider the conclusions on audit quality and areas for improvement and discuss with the auditor if appropriate. In England, PSAA may also publish reviews of interest to the committee on their monitoring of the audit contracts and satisfaction surveys, etc.

References and useful resources

[Financial audit quality arrangements](#) (Audit Wales)

[Major Local Audits: Audit Quality Inspection](#) (FRC, 2021)

[Managing audit quality](#) (PSAA)

[Quality of public audit in Scotland annual report 2021/22](#) (Audit Scotland)

[Quality assurance review 2021 executive summary](#) (Northern Ireland Audit Office)

Internal audit

The audit committee has a clear role in relation to oversight of the authority's internal audit function. From 1 April 2013, internal auditors throughout local and central government and health have had to follow the PSIAS, and for local government bodies, the [Local Government Application Note \(LGAN\) for the UK PSIAS](#) (CIPFA, 2019). All principal local authorities and other relevant bodies subject to the Accounts and Audit Regulations 2015, the Accounts and Audit (Wales) Regulations 2014, the Local Authority Accounts (Scotland) Regulations 2014 and the Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015 must make provision for internal audit in accordance with the PSIAS and LGAN.

The PSIAS include the mission of internal audit, code of ethics, definition of internal auditing and the core principles for the professional practice of internal auditing, and together these highlight the importance of effective internal audit to those in the organisation who are responsible for governance.

In its adoption of the PSIAS and LGAN, each authority should consider which committee or individual is the most appropriate to fulfil the role of the board in relation to internal audit. In determining the functional reporting arrangements of internal audit, the authority will need to bear in mind the need to preserve the independence and objectivity of internal audit as required by the PSIAS. It is for these reasons that in the LGAN, CIPFA expressed an expectation that the audit committee would fulfil the role of the board usually.

The role of the audit committee in relation to internal audit is to:

- oversee its independence, objectivity, performance and professionalism
- support the effectiveness of the internal audit process
- promote the effective use of internal audit within the assurance framework.

Those audit committees that operate under the Local Authority Accounts (Scotland) Regulations 2014 and the Accounts and Audit (Wales) Regulations 2014 must conduct a review of the effectiveness of their internal audit annually (Appendix A includes details of the relevant regulations). The audit committee should consider internal audit's quality assurance and improvement programme (QAIP) when conducting such a review.

The **CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations** (2019) states that engagement between the head of internal audit and the audit committee is a crucial component of delivering an effective internal audit service. For the head of internal audit to operate an effective internal audit arrangement, the authority has a responsibility to ensure that they can operate effectively and perform their core duties. This responsibility exists regardless of the method of delivery of internal audit, whether in-house, outsourced or through some form of shared arrangement. The audit committee plays an important role in supporting the effectiveness of those arrangements in accordance with the CIPFA statement.

The committee should develop sufficient understanding of the effectiveness of internal audit and its adherence to professional standards. While helping to ensure that the right organisational arrangements are in place to support the internal audit service, the committee should also hold internal audit to account for the following:

- Conformance with professional standards.
- Effective management of resources.
- Focus on risks and assurance needs.
- Delivery of required outputs.
- Impact.

In 2022, CIPFA published **Internal audit: untapped potential** – a research report examining how internal audit supports public sector organisations and opportunities for the future. It features the results of an extensive survey that included management clients and audit committee members, as well as internal auditors. Included within are recommended topics that audit committee members should consider and discuss with their head of internal audit to help ensure that their organisation is getting the best out of internal audit.

Guiding the audit committee – wider functions

WIDENING THE WORK OF THE COMMITTEE

This chapter sets out relevant guidance where additional responsibilities are brought within the scope of the committee. The scope should not be extended so broadly that the committee effectively becomes a joint committee with other priorities. The areas covered in the guidance are relevant as a result of legislation or other standards.

WALES

Governance and audit committees in Wales will need to have regard to the Local Government and Elections Wales Act 2021 in agreeing their terms of reference and conducting business.

The significant difference is the requirement to review the draft self-assessment or panel assessment report and make recommendations. The performance assessments are a new requirement introduced by the 2021 Act. Statutory guidance has been produced in [Performance and governance of principal councils](#) (2021).

In undertaking this role, CIPFA recommends distinguishing between the committee and the performance monitoring that scrutiny committees will have undertaken, which will be a contributory part of the self-assessment.

To enable the committee to perform its role effectively, members will need to be briefed on the requirements of the Act and supporting statutory guidance.

TREASURY MANAGEMENT

CIPFA's [Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance Notes](#) (2021) requires all local authorities to adopt four clauses defining responsibilities for treasury management.

It is possible for the audit committee to be nominated to undertake the scrutiny role.

This organisation nominates (name of responsible body/committee) to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Where the audit committee has been nominated, it should be aware that it needs to undertake a scrutiny role in accordance with the Treasury Management Code, in addition to any oversight of governance, risks and assurance matters relating to treasury management that it would consider as an audit committee. It is not appropriate for the audit committee to undertake any of the other roles outlined in the Treasury Management Code clauses, as these are executive and decision-making roles rather than a scrutiny role.

Treasury management is a specialist area, so it is likely that committee members will require training, guidance and support when undertaking scrutiny. Specific areas of knowledge and skills are identified in Appendix C, and these can be used to support a training needs assessment and to plan development.

SUPPORTING CORPORATE IMPROVEMENT PROGRAMMES

Where an authority has undergone an external inspection, peer review or other intervention, an improvement programme will be developed. It will be important for the audit committee to play its part in supporting the effective implementation of agreed actions.

The primary role of the committee is to receive assurances that implementation of the programme is on track. The programme will have links to external audit reports, future audit risk assessments and the AGS, so it is important that the committee is aware of the overall progress. A significant programme may have a dedicated board that can provide an update to the committee to fulfil its assurance needs.

There may be aspects of the programme that directly link to the work of the committee – for example, the adequacy of financial management arrangements or internal audit. In such cases, the committee may be more actively involved in monitoring progress.

Independence and accountability

INTRODUCTION

CIPFA is keen that each local authority or police body adopts an audit committee model that achieves its purpose and functions successfully. CIPFA's recommended best practice is intended to support the development of effective arrangements and should not be regarded merely as a compliance checklist.

For a local authority, in CIPFA's view, it is best practice for the audit committee to report directly to council rather than to another committee, as the council itself most closely matches the body of 'those charged with governance.' In the police sector, both the PCC and chief constable are separate corporations sole, so each will fulfil the role of 'those charged with governance.'

In establishing the audit committee within the governance structure of the authority, three key elements should be considered:

- Any statutory guidance applicable to the sector.
- Independence from the executive and political allegiances.
- How the structure of the committee can support its effective operation.

Each of these elements is considered in more detail in the following sections.

SECTOR AND DEVOLVED GOVERNMENT GUIDANCE

The local authority and police sectors are subject to differing laws and regulations according to both sector and devolved national governments. Those affecting audit committees are set out in Appendix A. While there is broad similarity in the guidance across the UK, there are differences because of specific statutory guidance and regulations, including:

- statutory requirements for audit committees in Wales
- statutory requirements for combined authorities to establish an audit committee
- statutory guidance underpinning the operation of police audit committees in England and Wales.

Audit committees in Wales have a clear statutory role established by the **Local Government (Wales) Measure 2011** and updated in the **Local Government and Elections (Wales) Act 2021**. The Welsh Government has provided statutory guidance on the implementation of the measure's requirements, and local authorities in Wales must have regard to this guidance.

The Cities and Local Government Devolution Act 2016 requires combined authorities to establish an audit committee where at least one member must be appointed as an independent member.

The Home Office's **Financial Management Code of Practice for the Police Forces of England and Wales** (the FMCP) (2018) requires PCCs and chief constables to establish an independent audit committee. This is an advisory committee to both the PCC and the chief constable, both of whom are established as a corporation sole.

The **Policing and Crime Act 2017** enables a PCC in England (following local consultation and approval from the secretary of state) to take on the governance of their local fire and rescue service(s) to become a PCC fire and rescue authority (PCC FRA). The 2018 edition of the FMCP includes guidance concerning audit committees in this event.

Those supporting audit committees should be aware of other regulations, including the appropriate accounts and audit regulations for England, Scotland, Wales and Northern Ireland. These regulate functions such as internal audit and the timing of the AGS review and the accounts. These functions should be undertaken by the audit committee, and the committee should have regard to the regulations.

STRUCTURE AND INDEPENDENCE

Ensuring a dedicated audit committee

In some local authorities, the audit committee has been combined with other committees. CIPFA recommends that the audit committee should have no other functions, and explicitly no decision-making role. The most common combinations adopted by authorities have been an audit and scrutiny committee or audit and standards committee. CIPFA recommends these are separated.

Sometimes the audit committee is given a different title, such as 'governance and audit' or 'audit and risk' committee. This would not be a problem if the terms of reference are consistent with the **CIPFA Position Statement**. Care should be taken to not delegate additional responsibilities that conflict with or dilute the audit committee focus.

The Centre for Governance and Scrutiny published **Audit committees and scrutiny committees: working together** (2021) to help understand the difference between scrutiny and audit committees. CIPFA contributed to the resource to help ensure it was consistent with its 2018 guidance on audit committees. It helps scrutiny members understand how the audit committee role is different but complementary and identifies opportunities for the committees to work constructively together.

Committee size

Police audit committees should follow the FMCP guidance on a committee size of three to five members. In determining size, consider the quorum for meetings, as three allows little flexibility for meeting quorum at every scheduled meeting.

The sections on **Membership** and **Accountability** cover the composition of the committee between elected members and co-opted independents in an authority.

Committee size and composition are subject to legislation in some local authorities but not all.

Appendix A sets out the legislation for Wales and combined authorities in England.

In sectors outside local government, it is typical for audit committees to have fewer than six members. Among local authorities, there is a range of practice, including some committees that exceed ten members. In the sector, it can be harder to achieve the depth of knowledge and experience that is desirable with a small number, but equally it can be difficult to provide training and development for a large group.

CIPFA's recommendation is that a committee size of no more than eight members should be established. This allows sufficient breadth of experience but is small enough to allow the training and development of a dedicated group.

CIPFA also recommends that the use of substitutes on the committee is avoided. Substitute members are less likely to have received relevant training. It also disrupts the continuity of the committee, where committee members can build on information received in previous meetings. We have found that where committee members are regularly substituted, it is an indication of lack of engagement with the committee's purpose and agenda.

Audit committees for collaborations

Where an authority has a significant level of joint or collaborative working, there may be some value in considering the constitution of a shared audit committee. This will be particularly appropriate if there is a shared management team and single functions for finance, audit and risk management. There will need to be a formal agreement that sets out how the balance of representation between the partners will be decided, reporting lines and how the chair will be selected.

Delegated decision making and voting rights

Currently, some authorities have delegated decisions such as the approval of the financial statements to the audit committee. This takes the audit committee beyond its advisory role. It also means that authorities will need to have regard to Section 13 of the **Local Government and Housing Act 1989**, which relates to the voting rights of non-elected committee members. Independent members cannot vote on matters for decision, whereas making recommendations to another decision-making body would not be impacted.

CIPFA recommends that the audit committee remains an advisory committee and does not have delegated powers.

ADMINISTRATIVE AND OPERATIONAL ARRANGEMENTS

In planning the number and timing of meetings and the committee agendas, key dates in the reporting and audit cycle will be important. In addition, the need for the committee to meet the expectations of auditing standards (both internal and external audit) in providing appropriate oversight will mean space on agendas should be found for these topics.

The CIPFA *Statement on the Role of the Head of Internal Audit in Public Service Organisations* (2019) emphasises the importance of organisational support for the role, including direct reporting lines to the audit committee and good engagement between the committee and head of internal audit. Providing the facility for private meetings between the head of internal audit and the audit committee will signal the importance of maintaining the independence of internal audit.

While private meetings between the committee and internal and external audit help to build a trusted relationship, those concerned should always make sure that the meeting is not used as a substitute for escalating governance concerns with responsible officers. The private meeting should always be in accordance with other principles of good practice – non-political and supporting transparent and accountable good governance.

Ensuring there is good support for the committee in agenda planning, minute taking, guidance and communications will help to build member confidence in the committee.

Providing a protocol about access to information that includes provision for co-opted independents will help to ensure clarity for both the committee members and officers. Members need to be confident that they have sight of relevant information in a timely way. There may be operational reasons why information is not immediately available or has to be treated in confidence, but it is important to explain this adequately.

ACCOUNTABILITY AND THE ANNUAL REPORT

CIPFA has recommended that the audit committee should produce an annual report since the 2013 edition of this guidance. In this latest edition, the annual report is given greater prominence and has been included in the Position Statement. The report should be used to provide accountability to those charged with governance on compliance with the Position Statement and performance and provide assurance over the areas within its terms of reference.

The timing of the report will need to take account of whether there will be changes in committee membership – for example, because of elections or rotation of committee members at annual meetings. The conclusions of the report can support the AGS.

It is for the committee chair to prepare the annual report in consultation with the members, although some support may be required to check accuracy or provide supporting information. Developing the report will ensure the committee is better placed for any future policy developments that might expect more from accountability disclosures.

Membership and effectiveness

COMPOSITION AND OPERATION OF THE COMMITTEE

The composition of the committee will be one of the key factors in achieving a good audit committee. Some local government bodies will need to follow specific rules on composition. These are referenced below.

The composition of the audit committee for Welsh local authorities is determined by the Local Government and Elections (Wales) Act 2021, which requires local authority audit committees to have one-third lay members and a lay member as chair. The 2021 Act amended the Local Government Measure 2011, which established that only one of the committee's members may be from the council's executive, and this must not be the leader or the elected mayor.

Combined authorities in England are required to establish an audit committee by the Cities and Local Government Devolution Act 2016. The Act and the subsequent **Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017** require combined authority audit committees to include at least one independent member. The definition of independent is set out in Part 4 of the Order.

The FMCP determined that audit committees in policing must be composed solely of independent members.

POLITICAL BALANCE

One factor that is important for the success of the committee is ensuring a non-political approach to meetings and discussions. Any audit committee that is a properly constituted committee of a local authority will need to abide by the rules concerning political balance, as outlined in Section 15 of the Local Government and Housing Act 1989. When establishing a joint audit committee, the political balance of both authorities will need to be considered.

The **Local Government (Democracy) (Wales) Act 2013** inserted a requirement into the 2011 Measure for the audit committee to be politically balanced. This has not changed as a result of the 2021 Act.

The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 requires the audit committee to be politically balanced, taking into account the constituent councils.

Where the committee is strictly advisory and not subject to other requirements, full council can vote to waive the political balance requirement and specify other criteria to decide who should serve on the committee. For example, the selection of members with relevant knowledge and expertise could be prioritised.

The length of tenure of an elected representative on the committee will be influenced by the need to maintain political balance (if applicable) as well as other factors. In principle, establishing continuity on the committee is helpful to make the best of knowledge and experience. Some

rotation is also helpful to bring in a new perspective. CIPFA would suggest that two full terms on the committee would be a reasonable maximum.

APPOINTING THE CHAIR OF THE COMMITTEE

Unless there is specific legislation or guidance in place on the selection of the committee chair, authorities can determine their own approach. To try and emphasise the independence and apolitical nature of the committee, some authorities specify that the position should be occupied by an 'opposition' member. This approach may be appropriate for some but will not be possible for all authorities – for example, where there are few opposition members.

CO-OPTED INDEPENDENTS

Definition of a co-opted independent or lay member

There are some definitions set out in legislation for some audit committees but not all.

The Local Government and Elections (Wales) Act 2021 defines a lay member as a person who:

- is not a member or an officer of any local authority
- has not been a member or an officer of any local authority in the last 12 months
- is not the spouse or civil partner of a member or officer.

Co-opted independent members of audit committees for combined authorities should be in accordance with the 2017 Order as follows.

- Not a member, co-opted member or officer of the authority.
- Not a member, co-opted member or officer of a parish council in the area of the principal authority.
- Not a relative or close friend of one of the above.
- Not a member, co-opted member or officer of the authority or parish council in the last five years.

There are no statutory definitions of 'independent' for audit committee members in local authorities in England, Scotland or Northern Ireland.

The independent members of the police audit committees in England and Wales must all be independent of the PCC and the force. The FMCP does not define this any further.

Where there is no established definition, authorities are recommended to establish their own policy before commencing recruitment. This will provide clarity to potential candidates and support the independence of the committee. CIPFA would suggest alignment to the combined authority requirements as the basis for a suitable policy.

As long as any requirements are met, it is possible for an individual to be a co-opted member of more than one local government body.

MAKING BEST USE OF INDEPENDENT MEMBERS

There are some potential pitfalls to the use of independent members that should also be borne in mind.

- Over-reliance on the independent members by other committee members in local authorities can lead to a lack of engagement across the full committee.
- A lack of organisational knowledge or 'context' among the independent members when considering risk registers or audit reports.
- Both independent members and officers/staff must try to establish an effective working relationship and appropriate protocols for briefings and access to information.

These factors should be considered when developing the committee structure and plans put in place to provide an appropriate level of support to the audit committee member.

Role descriptions for co-opted independent members

Where the authority is recruiting members to co-opt onto the audit committee, a clear role description should be established. The following areas should be addressed:

- The role of the co-opted independent, including expected time commitment and location of meetings.
- The suggested appointment period and options for renewal (two terms would be a suggested maximum appointment period).
- The definition of 'independent' applicable to the role.
- Any restrictions or conflicts of interest that would make a candidate unsuitable. As the role is non-political and requires working with elected representatives in a local authority, it is recommended that candidates should not be political party members.
- Vetting requirements (particularly for police committee members).
- Desired knowledge, experience and skills.
- Remuneration and expenses.
- The expected conditions of engagement, including adherence to the authority's code of conduct, disclosure of interests, etc.

Consideration should also be given to attracting suitable candidates. While it is up to each authority to decide, authorities may want to consider the following:

- Selecting candidates beyond the local area. If candidates are able and willing to travel to attend the required meetings and supporting activities, then living outside the authority area should not be a barrier to suitability.
- Working with other authorities in the region to promote and support opportunities to be an independent member.
- Advertising nationally or using specialist agencies if professional knowledge and skills are required.
- Promoting the role through means in addition to advertising. For example, a change to the constitution of the audit committee could be part of a wider governance improvement programme that could be publicised locally or through council channels of communication.
- Council orientation and support that will be provided in the role.

- The opportunity for an informal discussion on the role with a senior officer or committee chair.
- Ensuring an easy application process (see below).

Under the combined authorities order, the vacancy must be publicly advertised.

Selection process

The authority's HR team will be able to advise on the process for recruitment. Normal practice in recruitment for non-executive roles such as this will be a CV and supporting letter, and adopting this approach may assist in attracting candidates. This may be a deviation from the process of recruiting a member of staff, however, so early discussion with HR is advised.

The format of selection is for the authority to decide, but inclusion of the current committee chair in some way would be helpful for the candidate.

As well as a formal interview, candidates could be invited to meet the PCC, chief constable or deputy chief constable, senior councillors or officers to emphasise the value of the committee.

Supporting members of the committee

Establishing a training programme and ongoing support for committee members is essential to ensure that they can confidently and effectively discharge their responsibilities. Establishing a budget will ensure that training can be ongoing rather than ad hoc.

Exact needs will depend on the composition of the committee and members' existing knowledge and experience. The following table sets out the core elements.

Development area	Core content	Target audience
Induction – the authority	<p>Introduction to the authority, including:</p> <ul style="list-style-type: none"> • governance structures • plans, strategies and priorities of the authority • local government context. 	Primarily for co-opted independent members who are new to local government/police.
Induction – the audit committee	<ul style="list-style-type: none"> • Terms of reference. • CIPFA Position Statement and guidance. • Key relationships – CFO, head of internal audit, external auditor, committee support. 	All members new to the committee.
Core knowledge areas	<p>Basic knowledge for all areas outlined in the knowledge framework.</p> <ul style="list-style-type: none"> • Good governance and ethical framework • Risk management • Internal controls • Financial management • Value for money • Counter fraud and corruption • Partnerships and collaborations • Assurance framework • Financial reporting • Annual governance statement • Internal audit • External audit • Treasury management (where applicable) • Performance assessment (Wales) (where applicable) 	All members of the committee, tailored appropriately to existing knowledge.
Briefings and guidance	<p>Targeted support for members on:</p> <ul style="list-style-type: none"> • aspects where members need additional support, eg guidance on understanding the financial statements • the development of more in-depth knowledge and understanding • ad hoc briefings on new developments in the sector (for example CIPFA’s audit committee update resource, horizon scanning updates from external auditors, etc) • updates on new developments or changes at the authority. 	<p>All members.</p> <p>Co-opted independent members.</p>
Webinars, training and networking events	<ul style="list-style-type: none"> • Attending relevant webinars or events to develop more in-depth knowledge or updates. • Networking and sharing with audit committee members in other authorities to learn from others and build a network of support. • A range of formal events and webinars are available from a range of providers, eg regional forums. 	Chairs and all members

Training needs analysis

It is helpful to undertake an analysis of training needs to identify which areas should be prioritised for training and support. Some of the core areas involve technical standards and are complex – for example, financial reporting, audit quality and treasury management. These will need regular attention to maintain committee effectiveness.

The knowledge framework can help with a training needs analysis. It can be done at any point, but the annual assessment should reflect on whether the analysis is up to date and the planned programme of support sufficient to address the priority areas.

Impact and effectiveness

To develop the committee and provide assurance via the annual report, it is recommended that the committee is supported in a self-assessment. Alternatively, an independent review can be undertaken.

The appendices provide resources to support self-assessment and to encourage reflection on the impact that the committee has.

CIPFA has identified key indicators to inform the performance review of the audit committee. These indicators are all aspects of governance, risk, control and audit that are within the audit committee's scope of influence. While they are not solely within the control of the audit committee, weakness in these areas could indicate that the audit committee is failing to have sufficient impact.

Problem solving

Where self-assessment indicates problems, or where those interacting with the committee report it to be under-performing, swift diagnosis and action should be planned. Appendix D highlights some areas of difficulty the committee might experience. Usually, problems arise because of misapprehension of the committee's role or inadequate training or support. Occasionally, behaviours from individual members can also contribute. These issues may be more difficult to resolve, especially if they are symptomatic of wider governance problems in the authority.

Significant weakness in the audit committee is likely to be highlighted by the external auditor as part of their governance review or as part of a peer review.

Sector and devolved government guidance

PART 1: COMPARISON OF SECTOR AND DEVOLVED GOVERNMENT REGULATIONS AND GUIDANCE ON KEY AREAS RELATING TO AUDIT COMMITTEES

Guidance area	England (combined authorities)	Wales (local authorities and corporate joint committees)	England and Wales Police	England, Northern Ireland and Scotland (local authorities)
Specific legislation or statutory guidance	<u>Cities and Local Government Devolution Act 2016</u> . <u>Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017</u> .	<u>Local Government (Wales) Measure 2011</u> as amended by the <u>Local Government (Democracy) (Wales) Act 2013</u> . <u>Local Government and Elections (Wales) Act 2021</u> .	<u>Financial Management Code of Practice for the Police Forces of England and Wales (FMCP)</u> (Home Office, 2018).	Not applicable
Establishment of an audit committee	Required	Required	Required It is recommended that this should be a combined body for both PCC and chief constable.	No guidance
Composition of the audit committee	Committees must have at least one independent person as defined by guidance. The committee should reflect the political balance of the constituent authorities as far as is reasonably practical. The committee may not include an officer of the combined authority or a constituent council.	The committee must have lay persons comprise one-third of its members. The member appointed as the committee chair must be a lay person. The deputy chair must not be a member of the executive or an assistant to its executive. The committee must be politically balanced.	Police audit committees should comprise between three and five members who are independent of the PCC and the force.	No guidance

Guidance area	England (combined authorities)	Wales (local authorities and corporate joint committees)	England and Wales Police	England, Northern Ireland and Scotland (local authorities)
Specified functions of the audit committee	<p>Review and scrutinise the authority's financial affairs.</p> <p>Review and assess the authority's risk management, internal control and corporate governance arrangements.</p> <p>Review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions.</p> <p>Make reports and recommendations to the combined authority.</p>	<p>Review and scrutinise the authority's financial affairs.</p> <p>Make reports and recommendations in relation to the authority's financial affairs.</p> <p>Review and assess the risk management, internal control, performance assessment and corporate governance arrangements of the authority.</p> <p>Make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements.</p> <p>Review and assess the authority's ability to handle complaints effectively.</p> <p>Make reports and recommendations on the authority's ability to handle complaints effectively.</p> <p>Oversee the authority's internal and external audit arrangements.</p> <p>Review the financial statements prepared by the authority.</p>	<p>Consider the internal and external audit reports of both the PCC and the chief constable.</p> <p>Advise the PCC and the chief constable according to good governance principles and adopt appropriate risk management arrangements in accordance with proper practices.</p>	No guidance
Responsibilities of the audit committee in relation to external audit	No guidance	Oversee external audit arrangements.	Review external audit reports.	No guidance

PART 2: GOVERNMENT GUIDANCE BY SECTOR AND DEVOLVED GOVERNMENT ON MATTERS THAT MAY BE INCLUDED IN AUDIT COMMITTEE TERMS OF REFERENCE

Accounts and audit regulations are statutory instruments issued by the UK or devolved governments. The various regulations impose requirements on 'relevant bodies' – eg a local authority, fire and rescue authority or police body – in relation to governance, internal control, financial reporting and internal audit.

The accounts and audit regulations do not specify that these requirements must be met by an audit committee. However, where it is the audit committee of a relevant body that undertakes or reviews the specified task, the audit committee must meet the requirements of the regulations and take them into account in agreeing their terms of reference.

The following is a link for each sector and/or region and the sets of regulations affecting them, highlighting key regulations. The regulations are subject to periodic updates by the appropriate government body, and audit committee members should be made aware of any changes by their organisation.

Local authorities in England (including combined authorities and fire and rescue authorities)	
Relevant government guidance	<u>Accounts and Audit (England) Regulations 2015</u>
Local authorities in Wales	
Relevant government guidance	<u>Accounts and Audit Regulations (Wales) 2014</u> and the <u>Accounts and Audit (Wales) (Amendment) Regulations 2018</u>
Local authorities in Scotland	
Relevant government guidance	<u>Local Authority Accounts (Scotland) Regulations 2014</u>
Local authorities in Northern Ireland	
Relevant government guidance	<u>Local Government (Accounts and Audit) Regulations (Northern Ireland) 2015</u>
Police in England	
Relevant government guidance	<u>Accounts and Audit (England) Regulations 2015</u> (see also the statutory guidance <u>Financial Management Code of Practice for the Police Forces of England and Wales</u> (FMCP) (Home Office, 2018))
Police in Wales	
Relevant government guidance	<u>Accounts and Audit Regulations (Wales) 2014</u> and the <u>Accounts and Audit (Wales) (Amendment) Regulations 2018</u> (see also the <u>FMCP</u>)

Financial reporting deadlines

Amendments affecting the timetables for financial and governance reporting have been introduced to allow for difficulties caused by the COVID-19 pandemic, and in England, difficulties with local audit. Committee members are advised to check the latest positions.

Suggested terms of reference – local authority

INTRODUCTION

This appendix contains suggested terms of reference for local authorities.

In developing the terms of reference for an organisation, care should be taken to ensure that the specific regulations appropriate for the authority are taken into account. Appendix A sets out these requirements. Additional functions should be included where required.

Where the terms of reference refer to internal audit, regard should be had for how the internal audit charter has allocated responsibilities to the committee. The audit committee's terms of reference and the audit charter should align.

SUGGESTED TERMS OF REFERENCE – LOCAL AUTHORITIES

Governance

The terms of reference should set out the committee's position in the governance structure of the authority.

Statement of purpose

The committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance [or *insert appropriate governing body*] that those arrangements are effective.

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

Governance, risk and control

- To review the council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
- To monitor the effective development and operation of risk management in the council.
- To monitor progress in addressing risk-related issues reported to the committee.
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

- To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's **Financial Management Code**.
- To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
- To monitor the counter fraud strategy, actions and resources.
- To review the governance and assurance arrangements for significant partnerships or collaborations.

Financial and governance reporting

Governance reporting

- To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
- To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.

Financial reporting

- To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Arrangements for audit and assurance

To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

External audit

- To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.
- To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- To consider specific reports as agreed with the external auditor.
- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To consider additional commissions of work from external audit.

- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

Internal audit

- To approve the internal audit charter.
- To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- To approve significant interim changes to the risk-based internal audit plan and resource requirements.
- To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.
- To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
 - regular reports on the results of the QAIP
 - reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the AGS.
- To consider the head of internal audit's annual report, including:
 - the statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement (these will indicate the reliability of the conclusions of internal audit)
 - the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the AGS).
- To consider summaries of specific internal audit reports as requested.
- To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
- To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations (see Appendix A).

- To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

Accountability arrangements

- To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- To publish an annual report on the work of the committee, including a conclusion on the compliance with the **CIPFA Position Statement**.

Suggested terms of reference – police

INTRODUCTION

This appendix contains suggested terms of reference for the audit committee of the PCC and chief constable. The police audit committee must ensure that its terms of reference are in accordance with the FMCP (Home Office, 2018) and remain an advisory body.

In developing the terms of reference for an organisation, care should be taken to ensure that the specific regulations appropriate for the authority are taken into account. Appendix A sets out these requirements. Additional functions should be included where required.

Where the terms of reference refer to internal audit, regard should be had for how the internal audit charter has allocated responsibilities to the committee. The audit committee's terms of reference and the audit charter should align.

SUGGESTED TERMS OF REFERENCE – AUDIT COMMITTEE OF THE PCC AND CHIEF CONSTABLE

Governance

The terms of reference should set out the committee's position as an advisory committee to support the PCC and chief constable.

Statement of purpose

The committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance risk and control gives greater confidence to the PCC and chief constable that those arrangements are effective.

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

Governance, risk and control

- To review the council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance.
- To monitor the effective development and operation of risk management in the OPCC and force.

- To monitor progress in addressing risk-related issues reported to the committee.
- To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
- To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's **Financial Management Code**.
- To consider the OPCC's and force's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
- To review the assessment of fraud risks and potential harm to the OPCC and force from fraud and corruption.
- To monitor the counter fraud strategy, actions and resources.
- To review the governance and assurance arrangements for significant partnerships or collaborations.

Financial and governance reporting

Governance reporting

- To review the AGS prior to approval by the PCC and chief constable and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.
- To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the OPCC's and force's objectives.

Financial reporting

- To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.
- To review the annual statements of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
- To consider the external auditor's reports to the PCC and the chief constable on issues arising from the audit of the accounts.

Arrangements for audit and assurance

To consider the OPCC's and force's framework of assurance and ensure that it adequately addresses their risks and priorities.

External audit

- To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the auditor panel as appropriate.
- To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.
- To consider specific reports as agreed with the external auditor.

- To comment on the scope and depth of external audit work and to ensure it gives value for money.
- To advise on commissions of additional work from external audit.
- To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.
- To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

Internal audit

- To recommend for approval the internal audit charter.
- To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
- To review the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- To consider significant interim changes to the risk-based internal audit plan and resource requirements.
- To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to recommend and periodically review safeguards to limit such impairments.
- To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work
 - regular reports on the results of the QAIP
 - reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the AGS.
- To consider the head of internal audit's annual report, including:
 - the statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement (these will indicate the reliability of the conclusions of internal audit)
 - the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the AGS).
- To consider summaries of specific internal audit reports as requested.
- To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the OPCC or force, or where there are concerns about progress with the implementation of agreed actions.

- To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.
- To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations (see Appendix A).
- To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

Accountability arrangements

- To report to the PCC and chief constable on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.
- To report to the PCC and chief constable on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.
- To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.

Audit committee members – knowledge and skills framework

CORE AREAS OF KNOWLEDGE

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge
Organisational knowledge	<ul style="list-style-type: none"> An overview of the authority's governance structures and decision-making processes. Knowledge of the organisational objectives and major functions of the authority. 	<ul style="list-style-type: none"> This knowledge will be core to most of the audit committee's activities, including the AGS review, internal and external audit reports and risk registers.
Audit committee role and functions	<ul style="list-style-type: none"> An understanding of the audit committee's role and place within the governance structures. Familiarity with the committee's terms of reference and accountability arrangements. Knowledge of the purpose and role of the audit committee. 	<ul style="list-style-type: none"> This knowledge will enable the audit committee to prioritise its work to ensure it discharges its responsibilities under its terms of reference and to avoid overlapping the work of others. It will help the committee undertake a self-assessment and prepare its annual report.
Governance	<ul style="list-style-type: none"> Knowledge of the seven principles as outlined in <u>Delivering Good Governance in Local Government: Framework</u> (CIPFA/Solace, 2016). The requirements of the AGS. How the principles of governance are implemented locally as set out in the local code of governance. 	<ul style="list-style-type: none"> The committee will review the local code of governance and consider how governance arrangements align to the principles in the Framework. The committee will plan the assurances it is to receive to adequately support the AGS. The committee will review the AGS and consider how the authority is meeting the principles of good governance. The committee will receive audit reports and information on risks relating to governance.

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge
Internal audit	<ul style="list-style-type: none"> • An awareness of the key principles of the PSIAS and the LGAN. • Knowledge of the arrangements for delivery of the internal audit service in the authority and the charter. • How the role of the head of internal audit is fulfilled. • Details of the most recent external assessment and level of conformance with the standards. • Internal audit's strategy, plan and most recent annual opinion. 	<ul style="list-style-type: none"> • The audit committee has oversight of the internal audit function and will monitor its adherence to professional internal audit standards. • The audit committee will review the assurances from internal audit work and will review the risk-based audit plan. • The committee will also receive the annual report, including an opinion and information on conformance with professional standards. • In relying on the work of internal audit, the committee will need to be confident that professional standards are being followed. • 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.
Financial management and financial reporting	<ul style="list-style-type: none"> • Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them. • An understanding of good financial management practice as set out in the CIPFA <u>Financial Management Code</u> (FM Code) and the level of compliance with it. • Knowledge of how the organisation meets the requirements of the role of the CFO as required by <u>The Role of the Chief Financial Officer in Local Government</u> (CIPFA, 2016) and <u>The Role of CFOs in Policing</u> (2021). • An overview of the principal financial risks the authority faces. 	<ul style="list-style-type: none"> • Reviewing the financial statements prior to publication, asking questions. • Receiving the external audit report and opinion on the financial audit. • Reviewing both external and internal audit recommendations relating to financial management and controls. • The audit committee should consider compliance with the FM Code and the role of the CFO and how this is met when reviewing the AGS.
External audit	<ul style="list-style-type: none"> • Knowledge of the role and functions of the external auditor and who currently undertakes this role. • Knowledge of the key reports and assurances that external audit will provide. • Familiarity with the auditor's most recent plan and the opinion reports. • Knowledge about arrangements for the appointment of auditors and quality management undertaken. 	<ul style="list-style-type: none"> • The audit committee will meet with the external auditor regularly and receive their reports and opinions. • Monitoring external audit recommendations and maximising the benefit from the audit process. • The audit committee should monitor the relationship between the external auditor and the authority and support the delivery of an effective service.

Knowledge area	Details of core knowledge required	How the audit committee member is able to apply the knowledge
Risk management	<ul style="list-style-type: none"> Understanding of the principles of risk management, including how it supports good governance and decision making. Knowledge of the risk management policy and strategy of the organisation. Understanding of risk governance arrangements, including the role of members and of the audit committee. Knowledge of the current risk maturity of the organisation and any key areas of improvement. 	<ul style="list-style-type: none"> In reviewing the AGS, the committee will consider the robustness of the authority's risk management arrangements. 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. The committee should also review reports and action plans to develop the application of risk management practice.
Counter fraud	<ul style="list-style-type: none"> An understanding of the main areas of fraud and corruption risk that the organisation is exposed to. Knowledge of the principles of good fraud risk management practice in accordance with the <u>Code of Practice on Managing the Risk of Fraud and Corruption</u> (CIPFA, 2014). Knowledge of the organisation's arrangements for tackling fraud. 	<ul style="list-style-type: none"> 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. An assessment of arrangements should support the AGS, and knowledge of good fraud risk management practice will support the audit committee member in reviewing that assessment.
Values of good governance	<ul style="list-style-type: none"> Knowledge of the Seven Principles of Public Life. Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff (eg code of conduct). Knowledge of the whistleblowing arrangements in the authority. 	<ul style="list-style-type: none"> The audit committee member will draw on this knowledge when reviewing governance issues and the AGS. 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.
Treasury management (only if it is within the terms of reference of the committee to provide scrutiny)	<ul style="list-style-type: none"> <u>Effective Scrutiny of Treasury Management</u> is an assessment tool for reviewing the arrangements for undertaking scrutiny of treasury management. The key knowledge areas identified are: <ul style="list-style-type: none"> regulatory requirements treasury risks the organisation's treasury management strategy the organisation's policies and procedures in relation to treasury management. <p>See also <u>Treasure your assets</u> (Centre for Governance and Scrutiny, 2017).</p>	<ul style="list-style-type: none"> Core knowledge on treasury management is essential for the committee undertaking the role of scrutiny.

SPECIALIST KNOWLEDGE THAT ADDS VALUE TO THE AUDIT COMMITTEE

More specialist knowledge will add value to the committee, helping to ensure the committee is able to achieve a greater depth of understanding. Including members with specialist knowledge means there is an additional resource to support other members. Specialist knowledge may be demonstrated by professional qualification and prior work experience.

When reviewing the overall knowledge of audit committee members or when planning the appointment of co-opted independent members, it is helpful to look for opportunities to include the following specialisms:

- Accountancy, with experience of financial reporting
- Internal auditing
- Risk management
- Governance and legal
- Expert service knowledge relevant for the organisation
- IT systems and security

CORE SKILLS

As well as technical knowledge, the following skills will enhance an audit committee member's aptitude to be on the committee.

Skills	Key elements	How the audit committee member is able to apply the skill
Strategic thinking and understanding of materiality	Able to focus on material issues and the 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 highlight more minor errors or control failures. The audit committee member will need to pitch their 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 audit committee's outcome will be to secure improvements to the governance, risk management or control of the organisation, including clearly defined actions and responsibilities. Where errors or control failures have occurred, the audit committee should seek assurances that appropriate action has been taken.
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 AGS and the narrative report in the accounts are well written for a non-expert audience.
Objectivity	Evaluate information based on evidence presented, 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.
Meeting management skills	Chair the meetings effectively: summarise issues raised, ensure all participants can contribute, and 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.

Problem-solving difficulties with the audit committee

It is not uncommon for audit committees to face difficulties or barriers in fulfilling their potential effectiveness. Some of these may be common issues that audit committees in any sector may face; others may be unique to the local authority or police setting. The following assessment may be of value in helping audit committee members or those supporting the committee to recognise and address the challenges.

Areas of difficulty	Possible causes	Possible improvement options
Lack of experience and continuity of knowledge among audit committee members.	<ul style="list-style-type: none"> Where turnover of membership is very frequent, it will be difficult for the committee to build up experience. 	<ul style="list-style-type: none"> Enhanced level of support and training to members will be required. To enhance continuity, the authority should consider recruitment of independent members.
Audit committee members do not feel confident in their knowledge of particular areas.	<ul style="list-style-type: none"> Lack of training and support. 	<ul style="list-style-type: none"> Enhanced level of support and training to members.
Independent members lack knowledge of the organisation and lack connections with key managers.	<ul style="list-style-type: none"> Poor induction. Limited opportunities to engage with the organisation outside of formal meetings. 	<ul style="list-style-type: none"> Improve induction. Identify appropriate meetings, briefings or other opportunities that independent members could attend to help develop better understanding.
Poor management of audit committee meetings means that work is unfocused or fails to reach a clear conclusion.	<ul style="list-style-type: none"> Lack of experience or skill in managing meetings by the chair. Committee members are unsure about their role. Poor support from the committee secretary. 	<ul style="list-style-type: none"> Training and support. Develop a mentoring/coaching programme. Chair seeks feedback from meeting participants. Consider skills and experience in the selection of the chair. Provide training and guidance to committee members on their role. Improve committee support.
The audit committee spends too much time on minor details rather than underlying arrangements of governance, risk and control.	<ul style="list-style-type: none"> Agenda management fails to prioritise key areas. The chair does not intervene to keep the focus at an appropriate level. 	<ul style="list-style-type: none"> Review the process of agenda development. Review the terms of reference and provide training. The chair seeks feedback from meeting participants. Provide the chair with committee management training.

Areas of difficulty	Possible causes	Possible improvement options
<p>The committee lacks focus, and members struggle to gain an overall understanding of their remit.</p>	<ul style="list-style-type: none"> • Committee members have a range of objectives rather than focusing on governance, risk, control and audit matters. • The committee is too large or lacks continuity because of regular attendance by substitutes. • Infrequent attendance by senior officers. 	<ul style="list-style-type: none"> • Training and emphasis on the non-political and strategic focus of the committee. • Reform of the committee structure to reduce membership and remove use of substitutes.
<p>Senior officers do not understand the work of the committee and are not sighted on its output.</p>	<ul style="list-style-type: none"> • The audit committee fails to engage with other committees in the authority. • Attendance is often limited to the CFO and the head of internal audit. 	<ul style="list-style-type: none"> • Expand attendance at audit committee meetings – for example, invite heads of service when major risks or control issues are being discussed – and share the CIPFA guidance (FAQs) more widely.
<p>Elected representatives not directly involved with the committee have little understanding of its work and do not see its output.</p>	<ul style="list-style-type: none"> • Committee recommendations are not directed to appropriate member bodies. • Reporting arrangements are not effective. • Wider induction arrangements do not cover the audit committee. 	<ul style="list-style-type: none"> • Invite newly elected members to attend audit committee meetings. • Review reporting and accountability arrangements. • Prepare an annual report that sets out how the committee has fulfilled its responsibilities. • Share the CIPFA guidance (FAQs).
<p>Recommendations made by the audit committee are not actioned.</p>	<ul style="list-style-type: none"> • A poor relationship between the committee and the executive or senior officers. • The audit committee's recommendations are not adequately aligned to organisational objectives. 	<ul style="list-style-type: none"> • A senior officer provides internal facilitation to support improved relationships. • Improve knowledge and skills among audit committee members. • Ensure better engagement with appropriate managers or the executive at an earlier stage.
<p>The audit committee fails to make recommendations or follow up on issues of concern.</p>	<ul style="list-style-type: none"> • A weak or inexperienced chair. • Members are inexperienced or do not fully understand their role. • Poor briefing arrangements prior to meetings. • Committee reports fail to adequately identify the action required by the committee. 	<ul style="list-style-type: none"> • Provide guidance and support. • Improve briefing to the chair prior to the meeting. • Ensure reports contain clear recommendations.
<p>The audit committee strays beyond its terms of reference – for example, undertaking a scrutiny role.</p>	<ul style="list-style-type: none"> • The terms of reference do not adequately scope the work of the committee. • Misunderstanding about the role of the committee. • Inadequate guidance from the committee secretary to the chair on its role. 	<ul style="list-style-type: none"> • Review the terms of reference and provide training and guidance.

Areas of difficulty	Possible causes	Possible improvement options
Political points of view interfere with the work of the audit committee.	<ul style="list-style-type: none"> • A lack of understanding about the role of the committee. • Difficulty separating the work of the committee from the wider politics of authority. 	<ul style="list-style-type: none"> • Seek feedback from those interacting with the committee or external assessment. • Provide support or training for the chair. • Consider the role of independent members.
A breakdown in the relationship between committee members and the executive, PCC or chief constable/deputy chief constable, or with senior management.	<ul style="list-style-type: none"> • A lack of understanding about the role of the committee. • Differing perceptions on the value of the committee • Personality clashes. 	<ul style="list-style-type: none"> • Review the terms of reference and provide training and guidance. • A senior officer provides internal facilitation to support improved relationships. • Seek an external assessment or facilitation. • Change the chair or membership if the constitution or opportunity arises.

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

* 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"> compliance with the CIPFA Position Statement 2022 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> results of the annual evaluation, development work undertaken and planned improvements 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> how it has fulfilled its terms of reference and the key issues escalated in the year? 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Functions of the committee																														
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?																														
Governance arrangements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Risk management arrangements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal control arrangements, including:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> financial management value for money ethics and standards counter fraud and corruption 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Annual governance statement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assurance framework	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External audit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Over the last year, has adequate consideration been given to all core areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Has the committee met privately with the external auditors and head of internal audit in the last year?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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?					
<ul style="list-style-type: none"> • Separation from executive 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • A size that is not unwieldy and avoids use of substitutes 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16 Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18 Is adequate secretariat and administrative support provided to the committee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22 Are meetings effective with a good level of discussion and engagement from all the members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23 Has the committee maintained a non-political approach to discussions throughout?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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
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?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
26 Do audit committee recommendations have traction with those in leadership roles?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
27 Has the committee evaluated whether and how it is adding value to the organisation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
28 Does the committee have an action plan to improve any areas of weakness?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29 Has this assessment been undertaken collaboratively with the audit committee members?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subtotal score	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Total score					
Maximum possible score					200**

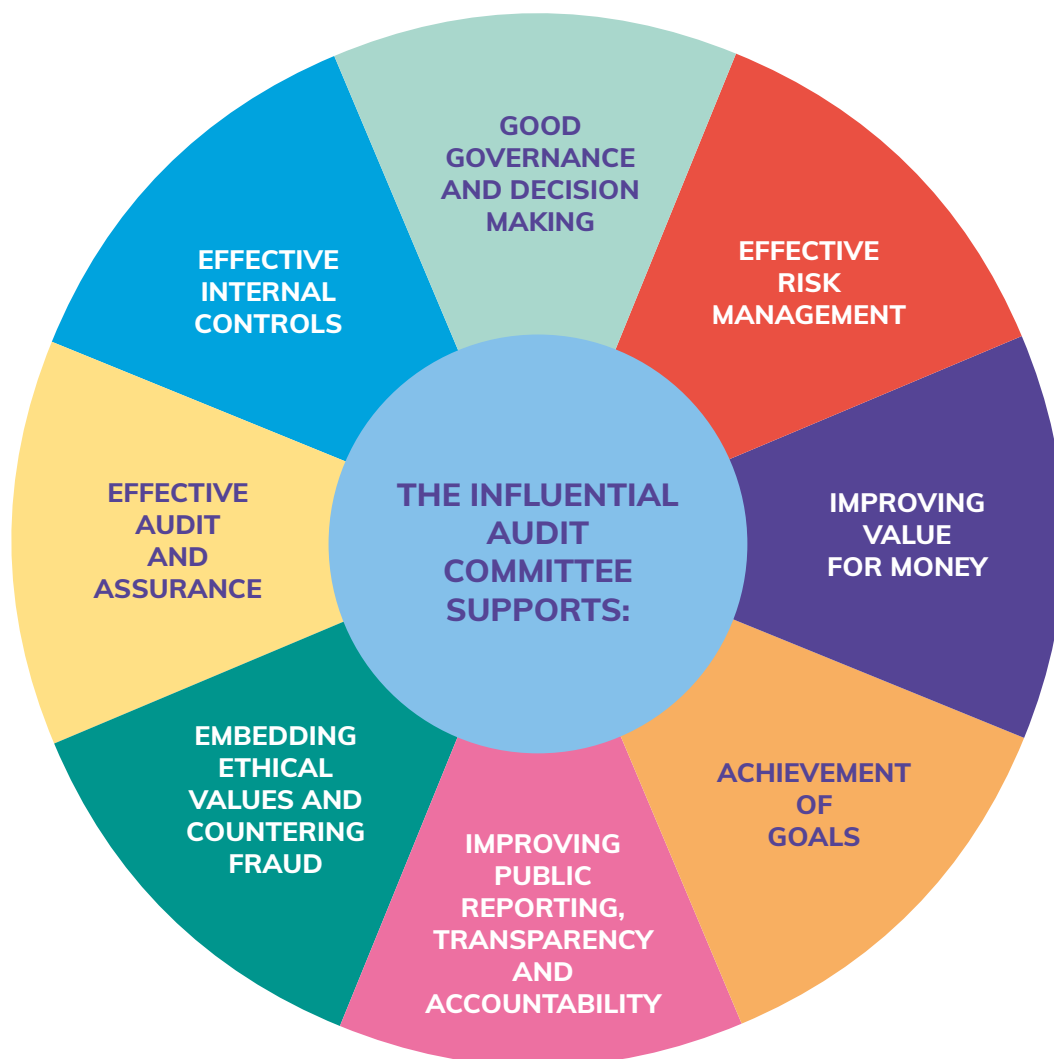
** 40 questions/sub-questions multiplied by five.

Evaluating the impact and effectiveness of the audit committee

An audit committee's effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the authority's business. Since it is primarily an advisory body, it can be more difficult to identify how the audit committee has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'.

The improvement tool below can be used to support a review of effectiveness. It identifies the broad areas where an effective audit committee will have impact.

Figure 1: The influential audit committee



The table includes examples of what the audit committee might do to have impact in each of these areas.

The third area includes key indicators that might be expected to be in place if arrangements are in fact effective. These indicators are not directly within the control of the audit committee, as it is an advisory body. They do provide an indication that the authority has put in place adequate and effective arrangements, which is the purpose of the committee.

Use the tool for discussion and evaluation of the strengths and weakness of the committee, identifying areas for improvement.

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Promoting the principles of good governance and their application to decision making.</p>	<ul style="list-style-type: none"> • Supporting the development of a local code of governance. • Providing a robust review of the AGS and the assurances underpinning it. • Supporting reviews/audits of governance arrangements. • Participating in self-assessments of governance arrangements. • Working with partner audit committees to review governance arrangements in partnerships. 	<ul style="list-style-type: none"> • Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements. • Local arrangements for governance have been clearly set out in an up-to-date local code. • The authority's scrutiny arrangements are forward looking and constructive. • Appropriate governance arrangements established for all collaborations and arm's-length arrangements. • The head of internal audit's annual opinion on governance is satisfactory (or similar wording). 	
<p>Contributing to the development of an effective control environment.</p>	<ul style="list-style-type: none"> • Encouraging ownership of the internal control framework by appropriate managers. • Actively monitoring the implementation of recommendations from auditors. • Raising significant concerns over controls with appropriate senior managers. 	<ul style="list-style-type: none"> • The head of internal audit's annual opinion over internal control is that arrangements are satisfactory. • Assessments against control frameworks such as CIPFA's FM Code have been completed and a high level of compliance identified. • Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement. 	

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks.	<ul style="list-style-type: none"> Reviewing risk management arrangements and their effectiveness, eg risk management maturity or benchmarking. Monitoring improvements to risk management. Reviewing accountability of risk owners for major/ strategic risks. 	<ul style="list-style-type: none"> A robust process for managing risk is evidenced by independent assurance from internal audit or external review. 	
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively.	<ul style="list-style-type: none"> Reviewing the adequacy of the leadership team's assurance framework. Specifying the committee's assurance needs, identifying gaps or overlaps in assurance. Seeking to streamline assurance gathering and reporting. Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit. 	<ul style="list-style-type: none"> The authority's leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies. 	
Supporting effective external audit, with a focus on high quality and timely audit work.	<ul style="list-style-type: none"> Reviewing and supporting external audit arrangements with focus on independence and quality. Providing good engagement on external audit plans and reports. Supporting the implementation of audit recommendations. 	<ul style="list-style-type: none"> The quality of liaison between external audit and the authority is satisfactory. The auditors deliver in accordance with their audit plan and any amendments are well explained. An audit of high quality is delivered. 	
Supporting the quality of the internal audit activity, in particular underpinning its organisational independence.	<ul style="list-style-type: none"> Reviewing the audit charter and functional reporting arrangements. Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements. Actively supporting the quality assurance and improvement programme of internal audit. 	<ul style="list-style-type: none"> Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment). The head of internal audit and the organisation operate in accordance with the principles of the CIPFA <u>Statement on the Role of the Head of Internal Audit</u> (2019). 	

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Aiding the achievement of the authority's goals and objectives by helping to ensure appropriate governance, risk, control and assurance arrangements.</p>	<ul style="list-style-type: none"> • Reviewing how the governance arrangements support the achievement of sustainable outcomes. • Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place. • Reviewing the effectiveness of performance management arrangements. 	<ul style="list-style-type: none"> • Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives. • The authority's arrangements to review and assess performance are satisfactory. 	
<p>Supporting the development of robust arrangements for ensuring value for money.</p>	<ul style="list-style-type: none"> • Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee. • Considering how performance in value for money is evaluated as part of the AGS. • Following up issues raised by external audit in their value-for-money work. 	<ul style="list-style-type: none"> • External audit's assessments of arrangements to support best value are satisfactory. 	
<p>Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks.</p>	<ul style="list-style-type: none"> • Reviewing arrangements against the standards set out in the <i>Code of Practice on Managing the Risk of Fraud and Corruption</i> (CIPFA, 2014). • Reviewing fraud risks and the effectiveness of the organisation's strategy to address those risks. • Assessing the effectiveness of ethical governance arrangements for both staff and governors. 	<ul style="list-style-type: none"> • Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements. 	

Areas where the audit committee can have impact by supporting improvement	Examples of how the audit committee can demonstrate its impact	Key indicators of effective arrangements	Your evaluation: strengths, weaknesses and proposed actions
<p>Promoting effective public reporting to the authority's stakeholders and local community and measures to improve transparency and accountability.</p>	<ul style="list-style-type: none"> Working with key members/ the PCC and chief constable to improve their understanding of the AGS and their contribution to it. Improving how the authority discharges its responsibilities for public reporting – for example, better targeting the audience and use of plain English. Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency. Publishing an annual report from the committee. 	<ul style="list-style-type: none"> The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality. The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion. The authority has published its financial statements and AGS in accordance with statutory guidelines. The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements. 	

OVERALL QUESTIONS TO CONSIDER

- 1 Does the committee proactively seek assurance over the key indicators?
- 2 How proactive is the committee in responding to aspects of governance, risk, control and audit that need change or improvement?
- 3 Are recommendations from the committee taken seriously by those responsible for taking action?

REPORTING RESULTS

The outcome of the review can be used to inform the committee's annual report.

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10/2022

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				Fully complies
	Partially complies and extent of improvement needed*				
	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"> compliance with the CIPFA Position Statement 2022 																									
<ul style="list-style-type: none"> results of the annual evaluation, development work undertaken and planned improvements 																									
<ul style="list-style-type: none"> how it has fulfilled its terms of reference and the key issues escalated in the year? 																									
Functions of the committee																									
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"> financial management value for money ethics and standards counter fraud and corruption 																									
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	No further 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?						
Subtotal score						
Total score						
Maximum possible score						200**

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

Equality, Social Inclusion and Health Impact Assessment (ESHIA)

An ESHIA is a review of a new or existing policy, strategy, project, report or service change to establish whether this has a differential impact on specific equality groups and identifies how we can improve equality of opportunity for different groups of people.

An ESHIA aims at improving Tamworth Borough Council's work, by promoting equality, social inclusion, health and wellbeing by ensuring that the proposed or existing policy promotes equality and can benefit a wide range of people.

Details

Title of the proposal	Review of Audit & Governance Committee Effectiveness	
Director responsible for the project or service area	Jo Goodfellow, Acting Executive Director, Finance	
Officer completing the assessment	Rebecca Neill, Interim Audit Manager, Shared Service	
Date conducted	21 January 2025	
Who are the main stakeholders?	Elected members	
What is being assessed?	A decision to review or change a service	
	A strategy, policy, report or procedure	x
	A function, service, or project	
What kind of assessment is it?	New	
	Review of existing	x

Part One - Initial screening:

This section should be used to carry out an initial screening of changes or decisions to help to decide whether a full ESHIA is required.

The following six screening questions are designed to assess whether this proposed change is likely to have an impact on equality, social inclusion, health and wellbeing.

		Yes	No
1	Does this new or revised project, proposal, policy, report, procedure likely to have an impact?		x
2	Does the proposal seek agreement to a key decision involving allocation of resources, such as changes in funding or resources, initiation of a new programme or project or procurement?		x
3	Does the proposal seek agreement on restructuring or reorganising of staffing?		x

4	Will this policy or proposed change have any impact on potential suppliers?		x
5	Does this policy or proposed change impact on any HR policy or practice within the council?		x
6	Does this policy or proposed change have any implications for equalities, social inclusion and health and wellbeing not covered above?		x

1. If the answer is **no** to all the questions, please provide a summary below outlining why this conclusion has been reached.
2. If the answer is **yes** to any of the questions, please conduct the full ESHIA as detailed in Part two.

If you are unsure of any of the answers, please seek advice from Human Resources.

Summary of initial screening outcome:

This report comprises the Audit & Governance Committee self-assessment against CIPFA published guidance on the function and operation of Audit Committees. The assessment is based on industry standard good practice. No differential impact on specific equality groups has been identified during the process.

Having a fully functioning Audit Committee emphasises the importance of good governance, managing risk, maintaining an effective control environment and reporting on financial and other performance, which includes equality, social inclusion, health and wellbeing.

Decision	Yes	No
Initial screening only	x	
Proceed to Part Two, full assessment		x

Initial screening completed by	Rebecca Neill, Interim Audit Manager, Shared Service
Date	21 January 2025

Full screening completed by	N/A
Date	

Equality, Social Inclusion and Health Impact Assessment (ESHIA)

Part Two: Full assessment

Section 1

The purpose of the project, proposal or decision required. Set out the aims, objectives, purpose and outcomes of the area being impact assessed. Are any other functions, policies or services linked to this assessment?

Section 2

Evidence used and considered. Include analysis of any missing data.

Section 3

Consultation undertaken with interested parties who will/may be affected proposal? What were the outcomes of the consultation?

Section 4

What are the potential or actual impacts of the proposal? Please consider both the direct and indirect impact and refer to the guidance for additional information.

Impact Area	Impact? Positive (P) Negative (N) Neutral (Ne)	Details of the impact	Action to address negative impact
Protected Characteristic, as outlined in the Equality Act 2010			
Age			
Disability			
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Race			
Religion or Belief			
Sex			
Sexual Orientation			

Are there socio-economic groups likely to be affected? If yes, please provide detail below			
Other social exclusion			
Digital exclusion			
Veterans and serving members of the armed forces and their families			
Young people leaving care			
Health and Wellbeing: Individuals and communities in Tamworth	Impact: Positive (P) Negative (N) Neutral (Ne)	Explanation	Action to address negative impact
Will the proposal have a direct impact on an individual's health, mental health and wellbeing?			
Will the proposal directly impact on housing?			
Will there be a likely change in demand for or access to public services such as health and social care services?			
Will there be an impact on diet and nutrition?			
Will there be an impact on physical activity?			
Will there be an impact on transport, travel and connectivity?			
Will there be an impact on employment and income?			

Will there be an impact on education and skills?			
Will there be an impact on community safety?			
Will there be an impact on the environment, air quality, climate change?			

If there are no adverse impacts or any issues of concern or you can adequately explain or justify them, please move to section 6.

Section 5

Where a potential negative impact has been identified, can continuation of the proposal be objectively justified? If yes, please explain your reasons.

Section 6: Decisions or actions proposed

The assessment may result in some recommendations or suggestions to mitigate any negative impact and maximise positive impacts or actions to reduce the risk of an adverse impact.

Section 7: Monitoring arrangements

Who will be responsible for monitoring	
Frequency of monitoring	
Where will the impact assessment be reported to?	
Where this impact assessment will be stored and for how long	

Section 8: Summary of actions to mitigate negative impact (if required)

Impact Area	Action required	Lead officer/responsible person	Target date	Progress

AUDIT & GOVERNANCE COMMITTEE

5th February 2025

Report of the Interim Executive Director Finance

FINANCIAL WAIVERS TO 31st DECEMBER 2024

EXEMPT INFORMATION

None

PURPOSE

For the Audit & Governance Committee to note the waivers to the Council's procurement processes as set out in Financial Guidance for the period 1st October 30th to 31st December 2024, for the reasons as set out, and to advise if any further information is required.

RECOMMENDATION

That the Committee note the waivers approved to the procurement processes as set out in the Council's Financial Guidance.

EXECUTIVE SUMMARY

As part of the core functions under terms of reference, this Committee is empowered to maintain an overview of the Council's Financial Guidance. One of the improvement recommendations included within Grant Thornton's Auditor's Annual Report for 2022/23, was that the Council should report on the number and value of waivers to Audit & Governance Committee on a quarterly basis. This is the third such report this financial year, covering the period from 1st October to 31st December 2024.

The contracts procedure rules state that best value and value for money must be sought in all procurement activities. Financial Guidance requires that quotations/estimates must be obtained for spend of up to £5,000, these may be verbal for values to £1,999, but any spend between £2,000 and £4,999 must have a minimum of 3 written quotations/estimates.

Any spend of £5,000 and above should be conducted using either the Quick Quote or tender process, and be tendered electronically using the Council's e-tendering system In-Tend. This is a secure portal which suppliers can use to view and respond to any advertised tenders and contracts, which also links to the Government's Contracts Finder and Find a Tender services as required by Public Contracts Regulations for tenders above a certain threshold. The In-Tend system is used for the initial advertisement, expressions of interest, invitation to tender/quote, submission of tenders/quotes by prospective suppliers, opening of tenders/quotations and contract award.

The requirements of Public Contract Regulations **must** be followed in all cases where the anticipated value of a contract is close to or exceeds the thresholds set out in legislation. The current thresholds (incl VAT) are as follows:-

Thresholds	Supplies & Services	Works/Concessions
Contract Value	£214,904	£5,372,609

For contracts below these values, there may be occasions where it is not considered to be appropriate or best value for money to follow the Council's procurement processes, for example, where there is only one supplier for a particular service, or where a company is already on site. As set out in Financial Guidance, in these circumstances the Executive Director Finance has authority to waive compliance and limits where necessary.

The waivers approved during the third quarter of this financial year are set out in Appendix 1.

RESOURCE IMPLICATIONS

None as a direct result of this report.

LEGAL/RISK IMPLICATIONS

None as a direct result of this report.

EQUALITIES IMPLICATIONS

None as a direct result of this report

ENVIRONMENT AND SUSTAINABILITY IMPLICATIONS (INCLUDING CLIMATE CHANGE)

None as a direct result of this report

BACKGROUND INFORMATION

None

REPORT AUTHOR

If Members require further information, please contact Jo Goodfellow, Interim Executive Director Finance on ext 241.

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 Financial Waivers Approved 1st October – 31st December 2024.

APPENDIX 1

FINANCIAL WAIVERS 1ST OCTOBER – 30TH DECEMBER 2024

Ref	Date	Service Area	Amount	Company/Contract	Reason
2024/15	18/10/2024	Housing Repairs	£39,477	National Fire Safety Service	To carry out Fire Risk assessments across the Council housing asset base which includes the 6 high-rise high-risk blocks, under the legal duty under Fire Safety Order 2005 and Building Safety Act 2022, and following self referral to Social Housing Regulator, there is a pressing need to complete these checks. Two quotations were obtained, however, only NFSS quoted for all aspects of the work and indicated that they could complete the works in the timescale required, and provided added value with regard to fire strategy and training.
2024/16	21/10/2024	Building Repair Fund	£36,120	Ellandi/Black Cat Building Consultancy	Structural building survey to be carried out prior to surrender of lease as advised by Ellandi. Contract with Ellandi in place for advice and support during handover and following transfer of lease and critical that this work is undertaken in very tight timescales to inform Cabinet decision.
2024/17	07/11/2024	HRA Funds in reserve HM0887	£9,508.00	MEL Research	Tenants' survey work 'Getting to Know You Better' to be awarded to MEL, at a cost of £9.5k, on the basis that they have already been through a competitive process to conduct the Tenants Satisfaction Measures survey, and value for money is obtained by this extension of the work as they already have the full suite of tenant contact details including a data sharing agreement with the Council.

Ref	Date	Service Area	Amount	Company/Contract	Reason
2024/18	15/11/2024	Homelessness Prevention Grant funding	£8,532.00	Heart of Tamworth	Award of £8,532 from Homelessness Prevention Grant for winter relief project provided by Heart of Tamworth. HoT operate from Sacred Heart Community Centre and St John's Church, have provided the service for the past few years and provide focused and tailored support – the partnership provides added value and delivers other collaborative benefits eg access to a wider partnership across Tamworth that provides holistic benefits to all those experiencing homelessness, such as befriending services and tailored access to partners for referral and move-on.
2024/19	11/12/2024	Transformation Reserve	£14,940	40C	Consultancy support. 40C are experienced in delivering the work required, with a tried and tested approach at a number of Councils. TBC were offered a discount and the price of £14,940 (excl travel) based on 21 days consultancy support would indicate good value for money, based on typical consultancy day rates in the region of £800 - £1k, particularly as this includes 10 days at Director Level. They have availability to meet our timescales. The Client Director will be providing us with direct support.

Equality, Social Inclusion and Health Impact Assessment (ESHIA)

An ESHIA is a review of a new or existing policy, strategy, project, report or service change to establish whether this has a differential impact on specific equality groups and identifies how we can improve equality of opportunity for different groups of people.

An ESHIA aims at improving Tamworth Borough Council’s work, by promoting equality, social inclusion, health and wellbeing by ensuring that the proposed or existing policy promotes equality and can benefit a wide range of people.

Details

Title of the proposal	Financial Waivers Q3 1 st October – 31 st December 2024	
Director responsible for the project or service area	Jo Goodfellow	
Officer completing the assessment	Jo Goodfellow	
Date conducted	22/01/25	
Who are the main stakeholders?	Corporate Management Team (CMT), Elected Members, Council Taxpayers, Housing tenants	
What is being assessed?	A decision to review or change a service	
	A strategy, policy, report or procedure	x
	A function, service, or project	
What kind of assessment is it?	New	x
	Review of existing	

Part One - Initial screening:

This section should be used to carry out an initial screening of changes or decisions to help to decide whether a full ESHIA is required.

The following six screening questions are designed to assess whether this proposed change is likely to have an impact on equality, social inclusion, health and wellbeing.

		Yes	No
1	Does this new or revised project, proposal, policy, report, procedure likely to have an impact?		X
2	Does the proposal seek agreement to a key decision involving allocation of resources, such as changes in funding or resources, initiation of a new programme or project or procurement?		X
3	Does the proposal seek agreement on restructuring or reorganising of staffing?		X
4	Will this policy or proposed change have any impact on potential suppliers?		x

5	Does this policy or proposed change impact on any HR policy or practice within the council?		x
6	Does this policy or proposed change have any implications for equalities, social inclusion and health and wellbeing not covered above?		x

1. If the answer is **no** to all the questions, please provide a summary below outlining why this conclusion has been reached.
2. If the answer is **yes** to any of the questions, please conduct the full ESHIA as detailed in Part two.

If you are unsure of any of the answers, please seek advice from Human Resources.

Summary of initial screening outcome:

Financial Guidance states that approval for waivers from the Council's procurement processes are obtained from the Executive Director Finance. This report is for information and oversight, it asks members of Audit & Governance committee to note the waivers from procurement guidance approved for the third quarter 1st October to 30th December, and advise if any further information is required. It does not have any direct implication on Equality, Social Inclusion and Health.

Decision	Yes	No
Initial screening only	x	
Proceed to Part Two, full assessment		

Initial screening completed by	Jo Goodfellow
Date	22/01/25

Full screening completed by	
Date	

Equality, Social Inclusion and Health Impact Assessment (ESHIA)

Part Two: Full assessment

Section 1

The purpose of the project, proposal or decision required. Set out the aims, objectives, purpose and outcomes of the area being impact assessed. Are any other functions, policies or services linked to this assessment?

Section 2

Evidence used and considered. Include analysis of any missing data.

Section 3

Consultation undertaken with interested parties who will/may be affected proposal? What were the outcomes of the consultation?

Section 4

What are the potential or actual impacts of the proposal? Please consider both the direct and indirect impact and refer to the guidance for additional information.

Impact Area	Impact? Positive (P) Negative (N) Neutral (Ne)	Details of the impact	Action to address negative impact
Protected Characteristic, as outlined in the Equality Act 2010			
Age			
Disability			
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Race			
Religion or Belief			
Sex			
Sexual Orientation			

Are there socio-economic groups likely to be affected? If yes, please provide detail below			
Other social exclusion			
Digital exclusion			
Veterans and serving members of the armed forces and their families			
Young people leaving care			
Health and Wellbeing: Individuals and communities in Tamworth	Impact: Positive (P) Negative (N) Neutral (Ne)	Explanation	Action to address negative impact
Will the proposal have a direct impact on an individual's health, mental health and wellbeing?			
Will the proposal directly impact on housing?			
Will there be a likely change in demand for or access to public services such as health and social care services?			
Will there be an impact on diet and nutrition?			
Will there be an impact on physical activity?			
Will there be an impact on transport, travel and connectivity?			
Will there be an impact on employment and income?			

Will there be an impact on education and skills?			
Will there be an impact on community safety?			
Will there be an impact on the environment, air quality, climate change?			

If there are no adverse impacts or any issues of concern or you can adequately explain or justify them, please move to section 6.

Section 5

Where a potential negative impact has been identified, can continuation of the proposal be objectively justified? If yes, please explain your reasons.

Section 6: Decisions or actions proposed

The assessment may result in some recommendations or suggestions to mitigate any negative impact and maximise positive impacts or actions to reduce the risk of an adverse impact.

Section 7: Monitoring arrangements

Who will be responsible for monitoring	
Frequency of monitoring	
Where will the impact assessment be reported to?	
Where this impact assessment will be stored and for how long	

Section 8: Summary of actions to mitigate negative impact (if required)

Impact Area	Action required	Lead officer/responsible person	Target date	Progress

AUDIT AND GOVERNANCE COMMITTEE

Wednesday 5th February 2025

REPORT OF THE INTERIM EXECUTIVE DIRECTOR FINANCE

RISK MANAGEMENT QUARTERLY UPDATE

Purpose

To report on the Risk Management process and progress for Quarter 3 of the 2024/25 financial year.

Recommendations

- **That the Committee endorses the Corporate Risk Register and receives assurance on actions taking place to manage the Council's most significant strategic risks.**

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.

CMT held a meeting on 16th December 2024 to review and update the Corporate Risk Register for quarter 3, the main points to note are:

- New risk control measures have been added to Risk 3 "Promoting Community Resilience and Cohesive Communities 2024/25", these have been highlighted in yellow.
- RCM3c 2024-25 "Quality open spaces" has been removed from the Corporate Risk Register as this will be managed via the relevant department's operational risk reporting.
- Additional notes have been added to Risk 6 "Failure to meet climate change ambitions/meet net zero targets and plan for major weather impacts" regarding the Council's actions to mitigate flood risks.
- A brief note has been added to Risk 8 "Inability to deliver economic growth, sustainability and prosperity in the Borough" regarding Ankerside and the

potential risks taking over the Shopping Centre poses to the Council, along with details of who the Council is working with to mitigate these risks.

- All other relevant notes have been reviewed and updates provided on the Financial Resilience Stability Plan, Asset Management Strategy, Local Plan, Housing Strategy, Business Continuity Planning, People and Organisation Strategy and the Climate Adaption Plan.
- Updates have been provided on the Future High Street and Gungate Projects.
- The risk control measure progress bar percentages have been updated for quarter 3.

Risks are assessed based on their likelihood of occurrence and their potential impact, each of these are rated on a 1 to 4 scale. The risk scoring scale is detailed on page 4 of Appendix 1. The current risk scores have been updated by CMT for quarter 3 reporting, and the risk profile has changed. The Council's high risks have increased to 40% which were previously reported at 30%. The increase in the risk profile is due to Risk 4.2 "Inability to meet social housing targets, deliver affordable housing and meet the requirements of the social housing regulations" having a revised score of 12 in quarter 3. During quarter 2 this risk was recorded as an 8. The reason for the increase in risk score is resources, the support put in place for this project is only temporary (Appendix 2).

No issues of note have been raised by the Risk Champions Group during quarter 3 to include in the Corporate Risk Register. At the next Heads of Service meeting, audit recommendations on Operational Risk Reporting will be revisited to assess the progress made across service areas. It has also been suggested that the Risk Champions meetings should be incorporated into the Heads of Service meetings every quarter for efficiency and effectiveness due to a higher level of attendance at these meetings. This will be confirmed in quarter 4. Work continues by Heads of Service to review their operational risks and update Pentana for 2024/25 for a consistent approach.

The current risk landscape and the five risks most likely to present a material crisis as per the World Economic Forum Global Risks Report reported in the 2023/24 quarter 4 Risk Report remain unchanged:

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

These risks are considered in the corporate risk report and will continue to be monitored throughout the year.

Options Considered

None.

Resource Implications

If training needs are identified external support may be required at a cost to the council, the insurance risk fund can be utilised to fund a small amount of training however if not sufficient additional resources may be required.

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.

Equalities Implications

None.

Environment and Sustainability Implications (including climate change)

None

BACKGROUND INFORMATION

The purpose of risk management is to effectively manage potential opportunities and threats to the Council achieving its objectives. The Authority is committed to embedding the culture of Risk Management as detailed in the Council's Risk Management Strategy.

Risk Management objectives for Tamworth Borough Council are reviewed on a continual basis and reported to CMT and Audit and Governance committee on a quarterly basis.

The Audit & Governance Committee will regularly review the Risk Management Policy and Strategy to ensure their continued relevance to the Borough. They will also assess performance against the aims and objectives.

The council attach great significance to Risk Management, and it is essential that the Protocol is known and understood by all staff within the Authority. It will form part of the induction training and performance reviews for all staff and members and will be monitored as part of the performance review process utilising the corporate performance system.

REPORT AUTHOR

Emma Dyer, Operations Accountant, ext. 239

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 Corporate Risk Register Qtr.3

Appendix 2 Risk Profile Qtr.3

Appendix 3 ESHIA Risk Report Qtr.3

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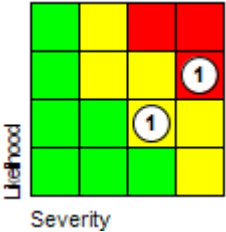

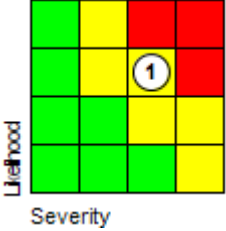

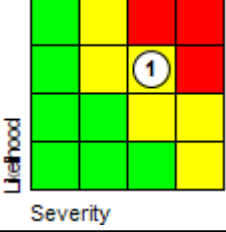

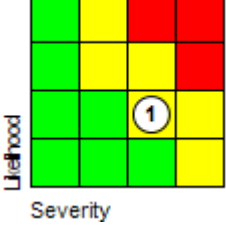
Corporate Risks Register Summary 2024/25

Generated on: 20 January 2025



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Code	Corporate Risk Heading	Status	Status	Current Risk Matrix	Executive Leadership Team
CR2024/25_1	Finance/Financial stability		Alert		Joanne Goodfellow
CR2024/25_2	Governance		OK		Anica Goodwin
CR2024/25_3	Promoting community resilience and cohesive communities		Alert		Rob Barnes

Code	Corporate Risk Heading	Status	Status	Current Risk Matrix	Executive Leadership Team
CR2024/25_4	Inability to meet social housing targets, deliver affordable housing and meet the requirements of the social housing regulations.		Alert		Rob Barnes
CR2024/25_5	Organisational Resilience		Warning		Rob Barnes
CR2024/25_6	Failure to meet climate change/meet net zero targets and plan for major weather impacts		Warning		Rob Barnes
CR2024/25_7	Information and Data Management		Warning		Anica Goodwin

Code	Corporate Risk Heading	Status	Status	Current Risk Matrix	Executive Leadership Team
CR2024/25_8	Inability to deliver economic growth, sustainability and prosperity in the Borough		Warning		Rob Barnes
CR2024/25_9	Cyber Security		Alert		Anica Goodwin

Risk Status	
	Alert
	High Risk
	Warning
	OK
	Unknown

Risk Scoring Key from Risk Management Strategy

Each risk should be analysed for the likelihood it will happen and the impacts if it did happen. This assessment should be made considering controls that are already in place and working effectively. Probability assessment is applied relative to specific timeframes e.g. 'operational' risks will be assessed over a shorter timeframe than 'strategic' risks.

Likelihood Criteria:

- 4 – Very likely
- 3 - Likely
- 2 - Unlikely
- 1 – Very unlikely

The impact should be considered against the relevant objectives - corporate risks should be scored against the council's objectives; directorate risks scored against directorate objectives; service risks scored against service objectives; project risks scored against the objectives of the project. The impact relates to the potential effects on an objective, activity or function which may either be positive or negative.

Impact Measure: There are 4 'impact descriptors' as follows:

- 4 - Major
- 3 - Serious
- 2 - Significant
- 1 - Minor

Each identified risk should be assessed at the Original (Inherent), Current (residual) and Target level.

1 Finance/Financial stability 2024/25

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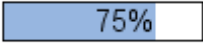
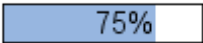
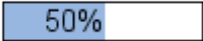
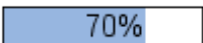
Risk details		Parent Risk	CR2024/25_1 Finance/Financial stability		
Risk Title	To ensure that the Council is financially sustainable as an organisation			Assigned To	Joanne Goodfellow
Risk Code	CR2024/25_1.1	Corporate priorities	Priority2: The Economy Priority4: Living in Tamworth Priority5: Town Centre		
Original Risk 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	13-Dec-2024	Target Date	28-Feb-2025
Causes	<ul style="list-style-type: none"> * Risk of Austerity cuts/Major variances to the level of grant/subsidy * Uncertainty risk and potential financial disruption from External economic influences - mainly on income levels and current cost / inflationary pressures (and contractual cost increases) * Risk potential for poor Procurement practices and weak or ineffective Contract Management meaning VFM not maximised and TBC exposed to unnecessary liabilities. * Ongoing cost of living crisis and inflationary pressures risk having an impact on the Council's income if 		Consequences	<ul style="list-style-type: none"> • Inability to plan long term due to uncertainty over future Local Government funding. The new Labour Government has now confirmed that there will be a one-year settlement for 2025/26, with some redistribution of funding to Councils with highest deprivation. There will then be a multi-year settlement with a full reset of business rates and funding reform. This means that the Council faces losing significant funding from 2026/27, any tapering or transitional relief is as yet unknown, meaning that the uncertainty continues. * Unplanned cost reductions / savings requirements 	

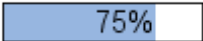
	<p>households struggle to pay council tax, housing rent payments, etc. If families find themselves in financial difficulty it could also increase the demand for our services putting pressure on resources, for example increase in homelessness.</p> <ul style="list-style-type: none"> * Underutilisation of Assets, failure to maximise income * Major town centre facility/source of income failing * New political leadership and inexperienced members * Not being prepared for the new Procurement Act 2023 * Implications of the national living wage and pay award, plus increased NI thresholds increasing employers' costs * Financial consequences of shared services 		<ul style="list-style-type: none"> * Financial issues leading to the Authority being taken over by Government appointed officers, having to make a request for additional financial support or issuing a S114 notice with the ensuing reputational damage that would entail. *Inability to plan investments into assets, assets become costly to maintain and deliver little benefit *Inability to diversify/maximise income streams *Social cohesion erosion could occur as public are adversely impacted by cost-of-living increases – potential for reputational damage for the council if unable to support effectively (or perception). * Procurement challenges which could have reputational and financial implications. Scrutiny from the Government. *Increase in costs from shared services such as Joint Waste, Building Control partnership, Health & Safety. Services shared with other Councils who may also be experiencing financial difficulties or having to increase costs which impacts on TBC. 	
<p>Latest Risk Note</p>	<p>The new Labour Government has confirmed a one year settlement for 2025/26, with some limited redistribution of funding as part of a 'recovery' phase. From 2026/27 there will be a multi-year settlement with long-awaited funding reform, including a full business rates reset. This will mean that the Council faces losing its retained business rate growth as it is redistributed based on needs and deprivation. The scale and likelihood of any transitional relief is as yet unknown which means that the uncertainty continues, making it difficult to plan beyond one year with any certainty.</p> <p>As part of the Local Government Finance settlement for 2024/25, councils were required to produce a productivity plan, to be submitted to DLUHC and published on the website by 19th July. TBC's productivity plan was reported to Corporate Scrutiny and Cabinet in June 2024 and includes details of how the Council will transform services to make better use of resources, identify ways to reduce wasteful spending within systems and take advantage of technological advances.</p> <p>The report to Corporate Scrutiny and Cabinet also included details of the Financial Stability Plan to support the production of a balanced MTF5 and wider</p>	<p>08 Jan 2025</p>	<p>Joanne Goodfellow</p>	

	<p>organisational improvement, this includes plans to implement targeted zero-based budgeting; budget holder savings reviews; the identification of spend to save projects; and opportunities for service transformation.</p> <p>The Corporate peer challenge report recognised that the Council faces significant financial challenges and stated that addressing this needs to be the Council’s immediate and pressing priority. The LGA Peers found that the scale of this challenge is well understood by the senior political and managerial leadership, however they recommended that the Council urgently develops a clear savings plan incorporating tangible, costed and deliverable savings with robust senior management and member oversight. To address this, a Financial Resilience plan with clear workstreams and savings targets is being developed.</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 who may also present as homeless. The situation will continue to be monitored, including through the monthly budget monitoring process.</p> <p>The council will lobby central government and respond to consultations, & LGA surveys when applicable to influence on particular issues in the interest of better local government.</p> <p>Original Risk Score – Impact – 4 Major Likelihood 4 Very Likely. This score was given based on the likelihood of further cuts to government funding; the uncertainty of continuing one year settlement on longer term financial stability; the potential negative impact of business rate funding reform or fairer funding review, whereby funding is likely to be redistributed to unitaries or counties with social care pressures; and the ongoing impact of the cost of living crisis and potential for a significant reduction in income from commercial property.</p> <p>Current Risk Score – Impact 4 Major Likelihood 3 Likely. Some mitigation in terms</p>		
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	<p>of the likelihood of a three-year settlement from 2026/27 giving us more certainty over the short to medium term.</p> <p>Target Risk Score – Impact 3 Serious Likelihood 2 Unlikely. In recognition that there is understanding that savings will have to be made over the next three years and that we have a financial stability plan which is being implemented with effect from the 2025/26 MTFs, giving us time to manage the process.</p>		
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RCM Mitigating action	Progress	Due date	Latest note	Latest note date	Assigned to
RCM1a 2024-25 Annual Fees & Charges Review for 2025/26	<div style="border: 1px solid black; width: 100px; height: 20px; display: flex; align-items: center; justify-content: center;">0%</div>	28-Feb-2025	Annual review of fees & charges as part of budget process	13-Dec-2024	Joanne Goodfellow
RCM1b 2024-25 Financial Stability Strategy & Productivity Plan	<div style="border: 1px solid black; width: 100px; height: 20px; display: flex; align-items: center; justify-content: center; background-color: #4f81bd; color: white;">50%</div>	28-Feb-2025	<p>Financial Resilience Plan in development as part of budget process including planned savings review. EMT meetings (Cabinet and ELT) and all member budget workshops held/planned.</p> <p>Productivity plan completed and emailed to MHCLG Q2.</p> <p>The Financial Resilience plan is currently being drafted, to identify savings targets for inclusion as policy changes where possible with the Final Budget report to Council in February.</p>	08-Jan-2025	Joanne Goodfellow

RCM1c 2024-25 Improvements to procurement processes and contact management in line with new Public Contracts Regulations		31-Mar-2025	Procurement activity reported to CMT on a quarterly basis, CMT briefing from CIPFA on the new Procurement Act attended during quarter 2. Training for staff with regard to the new Procurement Act in progress and report on forward plan to Cabinet to notify of new requirements and gain approval for procurement strategy, social value policy and action plans.	13-Dec-2024	Joanne Goodfellow
RCM1d 2024-25 Monthly Budget Monitoring		28-Feb-2025	Monthly Financial Health check reports to CMT and quarterly to Corporate Scrutiny and Cabinet	13-Dec-2024	Joanne Goodfellow
RCM1e 2024-25 Proactive and targeted cost saving analysis and review of reserve funds		28-Feb-2025	Review of reserves and retained funds reported to Cabinet in December and release of unspent funds to be returned to balances. Review of all vacancies.	13-Dec-2024	Joanne Goodfellow
RCM1f 2024-25 Robust asset management strategy and plans in place		31-Mar-2025	Asset Management Strategy has now been approved. Procurement of external resource underway to carry out high-level Asset Management Planning work. Aim for completion	30-Dec-2024	Paul Weston

			by end of March 2025.		
RCM1g 2024-25 Robust monitoring process for MTFS in place and Quarterly Healthcheck update to Members		31-Mar-2025	2024/25 Quarterly reporting to CMT, Corporate Scrutiny and Cabinet to include review of latest MTFS position.	13-Dec-2024	Joanne Goodfellow

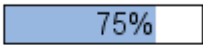
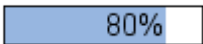
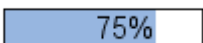
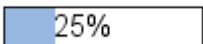
2 Governance 2024/25

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Risk details		Parent Risk	CR2024/25_2 Governance		
Risk Title	To ensure the Council is fully compliant in all legislative requirements		Assigned To	Anica Goodwin	
Risk Code	CR2024/25_2.1	Corporate priorities	Priority2: The Economy		
			Priority1: The Environment		
			Priority3: Infrastructure		
			Priority4: Living in Tamworth		
			Priority: Organisation		
			Priority5: Town Centre		
Original Risk 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	09-Jan-2025	Target Date	31-Mar-2025
Causes	<ul style="list-style-type: none"> • Failure of democratic process • Failure to understand or respond adequately to new or changing legislation or regulation • No horizon scanning /awareness of legislative changes • Out of date/unclear policies, procedures and documentation 		Consequences	<ul style="list-style-type: none"> • Prosecution of individuals • Adverse impact on Tamworth residents • Increase in costs, Legal and settlement as well as potential rectification of non-compliance • Potential harm to vulnerable persons, employees and commercial relationships 	

	<ul style="list-style-type: none"> • Lack of capacity to meet changing demands and priorities • Not enough capacity to plan ahead proactively due to reactive nature of business activity • Decisions made by Members could impact current planned work • Insufficient direction for strategic priorities – may not be fit for purpose which leads to lack of clarity with planning. • Inadequate training • Poor communication • Insufficient resources (budget constraints/understaffing/inadequate technology • Ineffective leadership • Lack of accountability • Weak risk management • Organisational culture is resistant to change • Lack of clarity of roles and responsibilities 		<ul style="list-style-type: none"> • Legal action • Financial penalties • Reputational damage • Difficulties quantifying what success of objectives/priorities will look like • Impede work that is underway or already planned • Additional effort if required to manage workloads from already stretched services • Unable to effectively priorities objectives and workloads • Potential to mis-align resources • Breach of statutory duties • Disruption of services • Media scrutiny • Employee morale decline • Increase in staff turnover leading to loss of knowledge & experience • Government intervention • Regulatory enforcement • Loss of partnership working • Restricted funding opportunities • Poor inspection / audit ratings • Increased scrutiny
Latest Risk Note	Regular updates to Cabinet members in terms of legislative updates Appointment of new Assistant Director Policy and Performance		09 Jan 2025 Anica Goodwin

RCM Mitigating action	Progress	Due date	Latest note	Latest note date	Assigned to
RCM2a 2024-25 Audit and Scrutiny Committees	<div style="width: 75%; background-color: #4f81bd; color: white; text-align: center; padding: 2px;">75%</div>	31-Mar-2025	Regular meetings in place, training provided August 2024.	13-Dec-2024	Joanne Goodfellow

RCM2b 2024-25 Policies and Procedures		31-Mar-2025	AD Policy and Performance commenced 16 December 2024 Project continuing to develop repository of strategies and policies to enable monitoring and prompt managers when updates are due	02-Jan-2025	Zoe Wolicki
RCM2c 2024-25 Governance arrangements		31-Mar-2025	Continue to strengthen the culture of assurance and good governance across the council, including how statutory officer functions work and are distributed across the authority after review of constitution. Review of overview and scrutiny structure.	10-Jan-2025	Anica Goodwin; Nicola Hesketh
RCM2d 2024-25 Comments, Compliments and Complaints		31-Mar-2025	Improved processes for supporting complaint responses Weekly reports of outstanding complaints produced for service managers	16-Dec-2024	Zoe Wolicki
RCM2e 2024-25 Use of insight		31-Mar-2025	New AD Policy and Performance in post December 24 Mechanisms to collect and develop knowledge and insight to be progressed in 2025.	02-Jan-2025	Zoe Wolicki

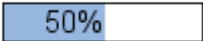


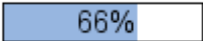
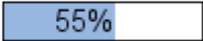
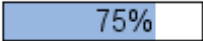
3 Promoting Community Resilience and Cohesive Communities 2024/25



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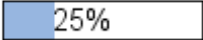
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Risk details		Parent Risk	CR2024/25_3 Promoting community resilience and cohesive communities		
Risk Title	Failure to understand Borough issues that may lead to community cohesion challenges and community resilience issues affecting Tamworth ‘the place’		Assigned To	Rob Barnes; Hannah Peate; Joanne Sands	
Risk Code	CR2024/25_3.1	Corporate priorities	Priority1: The Environment Priority4: Living in Tamworth Priority5: Town Centre		
Original Risk Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	3	Severity	4	Severity	3
Likelihood	3	Likelihood	3	Likelihood	3
Risk Score	9	Risk Score	12	Risk Score	9
Original Risk Date	09-Sep-2021	Date Reviewed	17-Dec-2024	Target Date	31-Mar-2025
Causes	<ul style="list-style-type: none"> . Lack of strong local leadership (political, community etc) . Failure to provide or signpost support for the most vulnerable in our communities . Lack of communication activity/strategy to engage with local communities . Lack of partnership working and initiatives . Failure to understand local issues . Lack of sustainable approach to community engagement and development which is inclusive and 		Consequences	<ul style="list-style-type: none"> . May be unable to support the vulnerable leading to wider demands on public services . Wider health and employment inequality . Rise in crime or perception of crime . Increased levels of community tensions . Rise in environmental crime . Lack of civic pride Lack of aspiration 	

	embraces diversity . Poor educational outcomes and job opportunities. . Failure to engage with other statutory agencies		
Latest Risk Note	Risk remains high, whilst a range of mitigations and projects underway	17 Dec 2024	Hannah Peate

RCM Mitigating action	Progress	Due date	Latest note	Latest note date	Assigned to
RCM3a 2024-25 Community Wellbeing Strategy		31-Mar-2025	Work will evolve following final outcome of Strategic Outcome Planning Model work to produce a Community Wellbeing Strategy. Item deferred at this time	17-Dec-2024	Hannah Peate; Joanne Sands
RCM3b 2024-25 Commissioning of debt/advice services		31-Oct-2024	Contract in place until March 2027 with citizens advice Mid Mercia. (JS)	15-Oct-2024	Joanne Sands
RCM3d 2024-25 Strong Community Safety Partnership in place		31-Oct-2024	Updated community safety partnerships in place in place as per the launch of the strategic partnership in Sep 2024 (JS)	15-Oct-2024	Joanne Sands
RCM3e 2024-25 Strong partnership working with Staffordshire County Council around strategic community cohesion issues affecting Tamworth communities.		31-Mar-2025	Work with Staffordshire county council on all issues of community safety, community cohesion, early help, health inequalities and asylum dispersal.	17-Dec-2024	Joanne Sands
RCM3f 2024-25 Support for the Voluntary Sector		31-Mar-2025	UKSPF projects commissioned and grants given. Spacehive Community Crowdfunding platform commissioned.	17-Dec-2024	Joanne Sands
RCM3g 2024-25 Wide		31-Mar-2025	Fireworks event held in	31-Dec-2024	Hannah Peate

<p>range of arts, sporting and community events</p>			<p>November with an estimated crowd of 18,000 in attendance.</p> <p>Unfortunately due to two storms the Christmas Lights events was unable to take place.</p> <p>Formal opening of the 3G pitch with Hope Powell first full time Lionesses Manager and Rachel Pavlou FA Women's Development Manager, EDI, History & Heritage.</p> <p>Halloween Events and Ghost events hosted at the Castle, along with the Castle by Candlelight and a range of Castle Light up events to mark a range of occasions.</p> <p>Range of shows at The Assembly Rooms including Ballet through to Tribute acts and cinema events.</p> <p>Remembrance Parade Supported.</p>		
<p>RCM3h 2024-25 Development of a new equality and diversity strategy</p>		<p>31-Dec-2024</p>	<p>Strategy approved by full council on 10 December</p>	<p>02-Jan-2025</p>	<p>Zoe Wolicki</p>
<p>RCM3i 2024-25</p>		<p>31-Mar-2025</p>	<p>Belong commissioned and</p>	<p>18-Dec-2024</p>	<p>Hannah Peate; Joanne</p>

<p>Commissioning of Honest Conversations community cohesion project and also Development of spend plan for Community Recovery Fund</p>			<p>project work underway. Report expected March 2025. Cabinet update and plan 27 April 2025.</p> <p>Recovery spend outline in planning stage</p>		<p>Sands</p>
<p>RCM3j 2024-25 Development of spend plan for Asylum Dispersal Funding</p>		<p>31-Mar-2025</p>	<p>Grants received - £198,000.</p> <p>50% community cohesion officer to 31 March 2026. Volunteer coordinator in place CT CIC.</p> <p>Cabinet report in January 2025 - delegation of spend to ED and Sect 151 officer</p>	<p>18-Dec-2024</p>	<p>Joanne Sands</p>


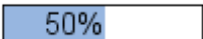

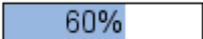
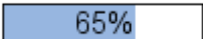

4 Inability to meet social housing targets and deliver affordable housing 2024/25

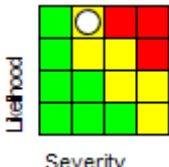
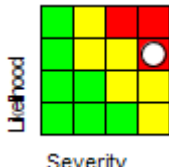
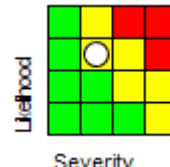
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Risk details		Parent Risk	CR2024/25_4 Inability to meet social housing targets, deliver affordable housing and meet the requirements of the social housing regulations.		
Risk Title	Failure to deliver a new Local Plan by 2031 and failure to deliver affordable housing.		Assigned To	Rob Barnes; Anna Miller; Paul Weston	
Risk Code	CR2024/25_4.1	Corporate priorities	Priority2: The Economy Priority1: The Environment Priority3: Infrastructure Priority4: Living in Tamworth Priority5: Town Centre		
Original Risk Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	2	Severity	3	Severity	2
Likelihood	3	Likelihood	2	Likelihood	2
Risk Score	6	Risk Score	6	Risk Score	4
Original Risk Date	11-Sep-2024	Date Reviewed	06-Jan-2025	Target Date	31-Mar-2025
Causes	<ul style="list-style-type: none"> Lack of available land Limited finances for investment in affordable housing Lack of effective partnerships with other Social Housing providers Lack of engagement with funders and strategic 		Consequences	<ul style="list-style-type: none"> Programme slippage Loss of local control over managing change through the planning applications process Inability to support other corporate priorities e.g. climate change, adaptation and delivery of affordable housing. 	

	<p>partners including Homes England</p> <ul style="list-style-type: none"> • Staff resources within the team • Lack of experience within the team • Inability to procure consultants to collect critical evidence to support the development of the plan • Introduction of new plan-making system by Government • Revisions to National Planning Policy Framework • New administration/political inexperience • Strategies and policies not in line with corporate objectives • Cross-boundary co-operation failure • Lack of engagement from partners • Capacity of PINS and other agencies to deal with demand • Legal Challenge • Insufficient budget • Additional budget is not authorised • Lack of greenfield land for general market housing of which affordable homes provide a component • Delivering affordable homes on brownfield land is challenged by the viability of bringing these sites forwards 		<ul style="list-style-type: none"> • Missed opportunities to work with partners to deliver infrastructure. • Changes to approach lead to challenging policy decision making including using greenbelt land and where to locate housing to meet Tamworth’s need • Inability to meet affordable housing needs and targets • Increase in unmet demand 	
<p>Latest Risk Note</p>	<p>Report to January committee on Local Plan project plan.</p> <p>Work progressing well on a communications plan.</p> <p>Housing strategy - Draft strategy produced for comment. Due at Infrastructure Safety & Growth on 29 Jan 2025 and Cabinet on 20 Feb 2025</p> <p>Management of assets, Asset Management Strategy has now been approved. Procurement of external resource underway to carry out high-level Asset Management Planning work. Aim for completion by end of March 2025.</p>		<p>10 Jan 2025</p>	<p>Pardeep Kataria</p>

	Work underway to develop council owned garage sites in consultation with homes England.		
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RCM Mitigating action	Progress	Due date	Latest note	Latest note date	Assigned to
RCM4.1a 2024-25 Preparation of new Local Plan		31-Dec-2026	Report to January committee on Local Plan project plan.	06-Jan-2025	Anna Miller
RCM4.1b 2024-25 Local Plan Communications Plan		31-Mar-2025	Work progressing well on a communications plan.	16-Dec-2024	Anna Miller
RCM4.1c 2024-25 Local Plan Monitoring Report		31-Mar-2025	This is prepared annually (AM)	16-Oct-2024	Anna Miller
RCM4.1d 2024-25 Housing Strategy		31-Mar-2025	Trueman Change have draft strategy produced for comment. Due at IS&G on 29 Jan 2025 and Cabinet on 20 Feb 2025	17-Dec-2024	Joanne Sands
RCM4.1e 2024-25 RCM 2024-25 Management of Assets - deliver Corporate Capital Strategy and Asset Management Strategy actions		31-Mar-2025	Change in progress reflects the fact that whilst the Strategy has been approved there are still local Asset Plans to be produced.	16-Jan-2025	Paul Weston
RCM4.1f 2024-25 Continued coordination with neighbouring authorities to deliver Tamworth's housing need		31-Dec-2026	At a strategic level Local Planning Authorities are expected to discuss strategic planning matters where there are cross-border implications (AM)	16-Oct-2024	Anna Miller

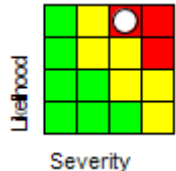
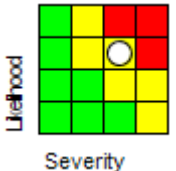
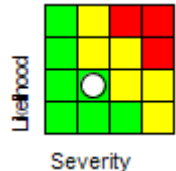
Risk details		Parent Risk	CR2024/25_4 Inability to meet social housing targets, deliver affordable housing and meet the requirements of the social housing regulations.		
Risk Title	Failure to meet the Regulator Social housing consumer standards		Assigned To	Tina Mustafa	
Risk Code	CR2024/25_4.2	Corporate priorities	Priority2: The Economy Priority1: The Environment Priority3: Infrastructure Priority4: Living in Tamworth Priority: Organisation Priority5: Town Centre		
Original Risk Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	2	Severity	4	Severity	2
Likelihood	4	Likelihood	3	Likelihood	3
Risk Score	8	Risk Score	12	Risk Score	6
Original Risk Date	16-Oct-2024	Date Reviewed	15-Jan-2025	Target Date	31-Mar-2025
Causes	<ul style="list-style-type: none"> Capacity to delivery key requirements 		Consequences	<ul style="list-style-type: none"> Reputational risk Regulatory intervention by the RSH 	
Latest Risk Note	Resourcing of the Social Housing Regulatory Programme remains temporary		15 Jan 2025	Tina Mustafa	

RCM Mitigating action	Progress	Due date	Latest note	Latest note date	Assigned to
RCM4.2a 2024-25 Social	<input type="text" value="51%"/>	31-Mar-2025	There is a Social Housing	15-Jan-2025	Tina Mustafa

Housing Regulatory Programme			Regulatory Programme co-ordinated across the Organisation by AD Neighbourhoods. A performance dashboard with all associated KPIs and Project progress forms part of corporate performance monitoring. Regulatory monitoring is ongoing with the next visit due 28/2/25 led by TMM		
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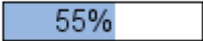
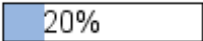
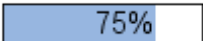

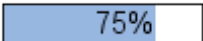
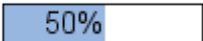
5 Organisational Resilience 2024/25



Generated on: 20 January 2025

Risk details		Parent Risk	CR2024/25_5 Organisational Resilience		
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. Lack of resources, capacity and right skills in place to deliver corporate objectives		Assigned To	Rob Barnes; Anica Goodwin	
Risk Code	CR2024/25_5.1	Corporate priorities	Priority2: The Economy Priority4: Living in Tamworth Priority: Organisation		
Original Risk Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	3	Severity	3	Severity	2
Likelihood	4	Likelihood	3	Likelihood	2
Risk Score	12	Risk Score	9	Risk Score	4
Original Risk Date	09-Sep-2020	Date Reviewed	06-Jan-2025	Target Date	31-Mar-2025
Causes	<ul style="list-style-type: none"> * Significant event outside of our control e.g. major disaster, pandemic etc. * Staff not aware of action to be taken in the event of an emergency/disaster * Lack of sufficient agile operational options * Lack of corporate overview to understand and effectively prioritise workloads, resource allocation and understand where cross-function collaboration stands. * National and local political interference may impede 		Consequences	<ul style="list-style-type: none"> * Services not delivered * Reduced 'economic attractiveness' * Loss of reputation * Potential to misalign resources * Governance does not provide the full picture * Negative public perception may damage Council's reputation * Difficulties retaining staff – they may look more external opportunities 	

	<p>planning and priorities</p> <ul style="list-style-type: none"> *Executive staff turnover may lead to experience/ knowledge loss *Inability to drive public engagement and manage increase in demand/ expectations *Lack of succession planning *Aging profile of organisation *Lack of incentive for young people to work for council *Competitive salary market impedes finding right candidates including not enough applicants for vacant roles *Increased workloads may not leave enough capacity to complete all in a timely manner *Lack of capacity to respond to changes regulations due to delays in releasing from the Gov and staff already stretched with current workloads. * Failure to have the organisational structure and a skilled and motivated workforce * Ineffective project management and governance * Ineffective performance management 		<ul style="list-style-type: none"> *Costs of turnover and retraining new starters *Potential for noncompliance with specific roles that require accreditation or specific skills *Ability to respond to regulatory/ statutory changes may be inefficient *Working to prioritised work/ leader decisions * Unable to deliver organisational strategies * Increased turnover/absenteeism Service failure leading to ombudsman intervention and increased compensation claims * Decreased staff engagement and satisfaction resulting in poor performance. Impact on health and wellbeing of existing staff 		
Latest Risk Note	<p>Service level Business Continuity Plan (BCPs) largely complete. Corporate level BCP to follow. Data is being gathered for the corporate level BCP. Aim for completion March 2025.</p> <p>Continued regular meetings with trade union liaison group. Staff AGM held and feedback sought and employee survey underway. Results of which will be shared widely and discussed with trade unions and managers to ensure wellbeing, work environment, employment processes and procedures are all up to date, effective, transparent, fair and equitable. HR policies and procedures continue to be updated and assessed accordingly.</p>		10 Jan 2025	Pardeep Kataria	

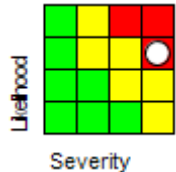
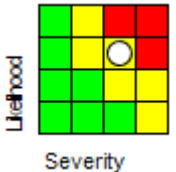
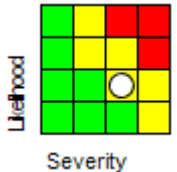
RCM Mitigating action	Progress	Due date	Latest note	Latest note date	Assigned to
RCM5a 2024-25 Business Continuity Planning	<div style="background-color: #4f81bd; width: 85%; height: 15px; display: inline-block;"></div> 85%	31-Mar-2025	Service level BCPs largely complete. Corporate level BCP to follow. Data is	30-Dec-2024	Paul Weston

			being gathered for the corporate level BCP. Aim for completion March 2025.		
RCM5b 2024-25 Delivery of People and Organisational Strategy		31-Mar-2025	Work to update strategy to commence Jan 2025.	02-Jan-2025	Zoe Wolicki
RCM5c 2024-25 Develop Project management skills for key staff		31-Mar-2025	Review of training needs analysis taking place January 2025 to take into account MTFS pressures	02-Jan-2025	Zoe Wolicki
RCM5d 2024-25 Effective employee relations		31-Mar-2025	Staff conferences held 3 & 4 December, working group established for to plan for April 2025 conference	06-Jan-2025	Anica Goodwin; Zoe Wolicki
RCM5e 2024-25 Emergency Planning		31-Mar-2025	in 2024/2025 additional funding was provided for 1 year to increase CCU capacity from 2 days to 4. The Emergency and Business Continuity work planning is reported to CMT and the overall improvement plan is being reviewed for 2025/2026	15-Jan-2025	Tina Mustafa
RCM5f 2024-25 Monitoring of staff turnover		31-Mar-2025	6 monthly updates to appointments and staffing committee on starters, leavers, transfers, secondments etc. Staffing turnover reported annually on Pentana	09-Jan-2025	Anica Goodwin; Zoe Wolicki
RCM5g 2024-25 Training plan resourced		31-Mar-2025	Training for some priority areas delivered in Q3	09-Jan-2025	Zoe Wolicki

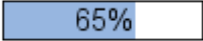

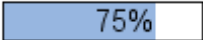
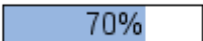


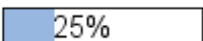
			<p>others will be in Q4</p> <p>A review of training needs to take place in Q4 taking into account MTFS pressure and organisational priorities</p>		
RCM5h 2024-25 Workforce plan in place		31-Mar-2025	work continues which will be aligned to CPC, new corporate plan and factor in MTFS pressures	09-Jan-2025	Zoe Wolicki
RCM5i 2024-25 Personal Development Reviews (Annual Appraisals)		31-Mar-2025	<p>Six month reviews now in progress</p> <p>Non completed PDR's only for seasonal staff, those on maternity leave or long term sickness</p>	02-Jan-2025	Zoe Wolicki



6 Failure to meet climate change ambitions / meet net zero targets and plan for major weather impacts 5

Generated on: 20 January 2025

Risk details		Parent Risk	CR2024/25_6 Failure to meet climate change/meet net zero targets and plan for major weather impacts		
Risk Title	Failure to meet climate change ambitions/ meet net zero targets and plan for major weather impacts		Assigned To	Rob Barnes	
Risk Code	CR2024/25_6.1	Corporate priorities	Priority1: The Environment Priority4: Living in Tamworth		
Original Risk 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	06-Jan-2025	Target Date	31-Mar-2025
Causes	<ul style="list-style-type: none"> * Staff not aware of action to be taken in the event of an emergency/disaster * Global warming/climate change - severe weather impacts to the Borough * Failure to plan ahead financially for cost implications * Not having the specialist skills in place to develop adverse climate resistant infrastructure * Lack of trained staff to deal with emergencies and over reliance on 3rd parties. * Lack of funding/finance 		Consequences	<ul style="list-style-type: none"> * Life and property put in harms way * Extreme weather conditions/impact on business's & communities * Failure to have a plan for recovery/ repairs/ public support * Impact on vulnerable people Unable to deliver services 	

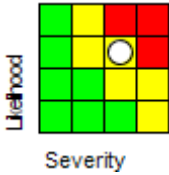
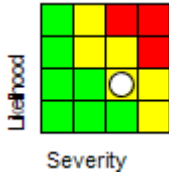
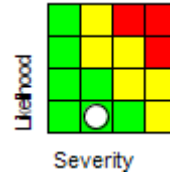
<p>Latest Risk Note</p>	<p>The Biodiversity Consideration which is part of the Nature Declaration work has been to ISAG and subsequently adopted at Cabinet on the 10th October 2024.</p> <p>Communications plan for climate change for adoption by Cabinet in January 2025.</p> <p>Climate Adaptation Plan reports went to ISAG in December. Sign off from Cabinet in January 2025.</p> <p>Delivery of Riverdrive EV hub , for 8 vehicles, Dec 2024.</p> <p>Climate Change Action Plan awaiting Cabinet approval in January.</p> <p>Flood risks and Risk Control Measure are considered in the Climate Change Action Plan and Climate Change Adaptions Plan.</p> <p>The Council is in the process of writing an internal flood plan to support our response to incidents. Currently any response would use the generic Incident Response Guide (IRG) and the Evacuation and Shelter plan, along with a recently created flooding action card to act as an aide memoire for responding officers. The new flood plan will continue to be supported by these current documents, whilst setting out in further detail Tamworth Borough Council (TBC) actions in preparation for an event, warning and informing, response and recovery after an incident.</p> <p>TBC are working closely with Staffordshire County Council (SCC) to produce a TBC tactical flooding plan. Each local authority (LA) in Staffordshire is completing one and this will be used by SCC to support LAs in the event of a flooding incident. SCC are responsible for some services that could be affected by flooding – highways, schools etc - so to support us, SCC will have a plan with Tamworth Specific details, authorised and verified by TBC.</p> <p>Updates are provided by the CCU Liaison Officer to Directors on Call from the Environmental Agency and MET Officer regarding flood/weather warnings.</p> <p>The Environmental Agency is working with relevant TBC officers to put a Business Case/Plan together to support with our flood control measures and mitigate issues in the future.</p>	<p>17 Jan 2025</p>	<p>Emma Dyer</p>
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RCM Mitigating action	Progress	Due date	Latest note	Latest note date	Assigned to
RCM6a2024-25 Deliver against the Nature Recovery Declaration	 65%	31-Mar-2025	This work will be ongoing across a number of financial years. The Biodiversity Consideration which is part of the Nature Declaration work has been to ISAG and subsequently adopted at Cabinet on the 10th October 2024.	17-Dec-2024	Hannah Peate
RCM6b 2024-25 Delivery of a communications plan for climate change	 95%	01-Feb-2025	For adoption by Cabinet in January.	16-Dec-2024	Anna Miller
RCM6c 2024-25 Delivery of Climate Adaptation Plan	 75%	01-Feb-2025	Reports went to ISAG in December. Sign off from Cabinet in January.	06-Jan-2025	Anna Miller
RCM6d 2024-25 Delivery of training and induction into climate change	 70%	31-Mar-2025	Work ongoing. To be completed by March 2025.	16-Dec-2024	Anna Miller
RCM6e 2024-25 Development of infrastructure for acting on Climate Change	 100%	31-Mar-2025	Delivery of Riverdrive EV hub, for 8 vehicles, Dec 2024.	16-Dec-2024	Anna Miller
RCM6f 2024-25 Embed climate change into procurement processes	 100%	31-Dec-2024	Climate change has gone into Procurement processes, awaiting committee. (AM)	15-Oct-2024	Anna Miller
RCM6g 2024-25 Embed climate change into the Local Plan review	 25%	31-Dec-2026	Work ongoing with Local plan team (AM). Flood Risk Assessments completed to support Local Plan Production to ensure	16-Jan-2025	Anna Miller

			that housing/employment sites are not built on the flood plain.		
RCM6h 2024-25 Severe Weather Emergency Protocol		31-Mar-2025	The Severe Weather Emergency Protocol is reported as part of Cabinet updated on homelessness. It is a statutory requirement triggered in inclement weather and remains under close review	15-Jan-2025	Tina Mustafa
RCM6i 2024-25 Delivery of Climate Change Action Plan		01-Feb-2025	Awaiting Cabinet approval in January.	16-Dec-2024	Anna Miller

7 Information and Data Management 2024/25

Generated on: 20 January 2025


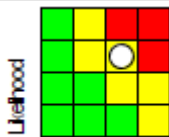
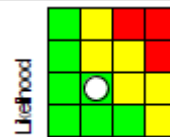
Risk details		Parent Risk	CR2024/25_7 Information and Data Management		
Risk Title	Effective data management		Assigned To	Anica Goodwin	
Risk Code	CR2024/25_7.1	Corporate priorities	Priority2: The Economy		
			Priority1: The Environment		
			Priority3: Infrastructure		
			Priority4: Living in Tamworth		
			Priority: Organisation		
			Priority5: Town Centre		
Original Risk 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	16-Jan-2025	Target Date	31-Mar-2025
Causes	<ul style="list-style-type: none"> Isolated systems may not support sharing information Lack of joined up systems Non-user-friendly systems may inhibit competency/confidence Unable to keep up with costs of updating systems System obsolescence 		Consequences	<ul style="list-style-type: none"> Lack of insight from information and data systems could impede effective decision making and affect systems viability Missed or gaps in data could impede tracking progress of work and / or lead to inaccurate decisions being made Not paying for updates to systems could result in vulnerabilities and non-compliance 	

			<ul style="list-style-type: none"> • Potential for cyber-attacks • Reduced operational efficiency (leading to a lack of responsiveness, inability to forecast • Financial consequences (e.g. missed revenue opportunities) • Regulatory and compliance risks (ie Data breach) • Loss of stakeholder trust • Organisational stagnation (lack of innovation/missed opportunities) • Poor service delivery and impact on reputation • Sanction from regulatory body • Ineffective use of resources 	
Latest Risk Note	<p>The likelihood of this risk remains unchanged, work continues on ensuring data management processes are adhered to, policies have been updated and circulated to all staff via the policy management system for acceptance to mitigate the likelihood of this risk.</p> <p>The impact of this risk also remains unchanged due to the nature of the data held by the council</p>		16 Jan 2025	Anica Goodwin

RCM Mitigating action	Progress	Due date	Latest note	Latest note date	Assigned to
RCM7a 2024-25 Data Protection	<div style="width: 50%; background-color: #4f81bd; color: white; text-align: center;">50%</div>	31-Mar-2025	Line managers continue to monitor completion rates for reviewing and accepting understanding of policies and strategies	02-Jan-2025	Zoe Wolicki
RCM7b 2024-25 Appointment of new policy & performance director	<div style="width: 100%; background-color: #4f81bd; color: white; text-align: center;">100%</div>	31-Dec-2024	Postholder appointed and commenced December 2024.	08-Jan-2025	Zoe Wolicki

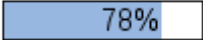
8 Inability to deliver economic growth, sustainability and prosperity in the Borough 2024/25


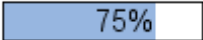
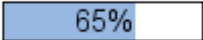
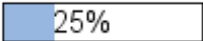
Generated on: 20 January 2025

Risk details		Parent Risk	CR2024/25_8 Inability to deliver economic growth, sustainability and prosperity in the Borough		
Risk Title	Lack of economic growth, sustainability and prosperity in the Borough at the levels required		Assigned To	Rob Barnes; Anna Miller	
Risk Code	CR2024/25_8.1	Corporate priorities	Priority2: The Economy Priority1: The Environment Priority3: Infrastructure Priority4: Living in Tamworth Priority5: Town Centre		
Original Risk 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	06-Jan-2025	Target Date	31-Mar-2025
Causes	<ul style="list-style-type: none"> Lack of investment in the Borough General downturn in the economy due to factors beyond our control Failure to recognise economic changes The uncertainty and financial disruption from External Economic influences and current cost / inflationary 		Consequences	<ul style="list-style-type: none"> Economic prosperity declines Deprivation Reduced Business Rates income Tamworth not seen as a positive place to live or invest in Lack of economic and commercial growth 	

	<p>pressures (and potential contractual cost increases</p> <ul style="list-style-type: none"> * Changes in Job market * Inadequate business continuity plans * Lack of economic development strategy * Reliance on small number large income generators/operators/town centre facilities * community cohesion and a negative perception of Tamworth as a place to do business * Uncertainty around the opportunities/risks associated with devolution deal proposals. Could impact on recruitment and retention due to the uncertainties. 		<ul style="list-style-type: none"> * Unable to recruit key/essential skills * Failure to deliver project outcomes * Failure to deliver corporate plan * Government intervention * Increased customer dissatisfaction * Unrealised benefits * Negative public perception may damage Council's reputation
Latest Risk Note	<p>Council has commissioned external consultants to develop a town centre regeneration strategy who commenced their work in December 2024. The strategy will be completed by March 2025.</p> <p>Work has commenced on the developments of an economic development strategy which will be completed in draft by March 2025.</p> <p>Future high streets fund programme progressing well. Changes to the programme in relation to Middle entry due to be considered by full council Jan 2025.</p> <p>Procurement of external resource underway to carry out high-level Asset Management Planning work. Aim for completion by end of March 2025.</p> <p>The Council took ownership of Ankerside Shopping Centre at the end of quarter 3. There are potential risks with this e.g. costs exceeding income, condition of the building, long term sustainability. The Council are working closely with external experts Knight Frank and New River to mitigate against these risks. Further updates will follow in quarter 4.</p>	20 Jan 2025	Paul Weston

RCM Mitigating action	Progress	Due date	Latest note	Latest note date	Assigned to
RCM8a 2024-25 3A - Local plan to improve infrastructure , evening economy and transport links	<div style="border: 1px solid black; width: 80px; height: 20px; background-color: #4f81bd; color: white; display: flex; align-items: center; justify-content: center;">10%</div>	31-Dec-2026	Report to January committee on Local Plan project plan.	06-Jan-2025	Anna Miller

<p>RCM8b 2024-25 Delivery of Future High Streets Fund</p>		<p>31-Dec-2025</p>	<p>Traction on all projects.</p> <p>Discussions around the Middle Entry project continue to determine a way forwards, in terms of logistics and tenant disruption.</p> <p>All other projects are moving forwards. Planning consent has been received for St Editha's square and this project has mobilised. Planning consent has been received for the gateways project - the programming of which has been reevaluated due to the delays with Nationwide finishing of the works to the Peel Cafe.</p> <p>Planning consent has been received for significant enabling works to Market street to make the building water tight and pigeon proof. Work is underway.</p> <p>The TEC is nearing completion, enabling occupation early in the New Year and the Flex building has steels in place with completion May 25.</p>	<p>16-Dec-2024</p>	<p>Anna Miller</p>
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RCM8c 2024-25 Delivery of Gungate project (North and South)		31-Mar-2026	Charities commission have agreed to SCC disposing of Gungate North to TBC. Need to press ahead with legals. A couple of issues need resolving around a valuation, vacant possession, and rights of way legal matter. Some initial discussion with new ATIK owners around split of building with Buzz Bingo. # Preparing tenders to support regeneration of Gungate with external legal and programme management specialisms.	16-Dec-2024	Anna Miller
RCM8d 2024-25 Development of business initiatives to promote start up and growth		31-Mar-2025	Looking at new Business Grant - working with portfolio holder on content and purpose.	06-Jan-2025	Anna Miller
RCM8e 2024-25 Management of Assets - deliver Corporate Capital Strategy and Asset Management Strategy actions		31-Mar-2025	Change in progress reflects the fact that whilst the Strategy has been approved there are still local Asset Plans to be produced.	16-Jan-2025	Paul Weston
RCM8f 2024-25 Economic Development Strategy		31-Mar-2025	A consultant's has been appointed. Draft strategy by March 25.	16-Dec-2024	Anna Miller

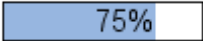
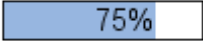
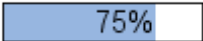
9 Cyber Security 2024/25

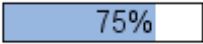
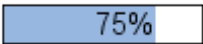
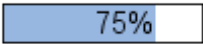
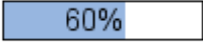

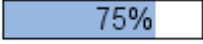
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Risk details		Parent Risk	CR2024/25_9 Cyber Security		
Risk Title	To ensure the council is resilient against Cyber security threats		Assigned To	Anica Goodwin	
Risk Code	CR2024/25_9.1	Corporate priorities	Priority2: The Economy		
			Priority1: The Environment		
			Priority3: Infrastructure		
			Priority4: Living in Tamworth		
			Priority: Organisation		
			Priority5: Town Centre		
Original Risk Matrix		Current Risk Matrix		Target Risk Matrix	
Severity	4	Severity	4	Severity	4
Likelihood	3	Likelihood	3	Likelihood	2
Risk Score	12	Risk Score	12	Risk Score	8
Original Risk Date	10-Oct-2024	Date Reviewed	09-Jan-2025	Target Date	10-Oct-2025
Causes	<ul style="list-style-type: none"> • Network compromise/external attack • Denial of service • Data Leaks • Credential compromise • Cloud supplier compromised • Malware/phishing attack • Lost device/mobile media 		Consequences	<ul style="list-style-type: none"> • Loss of sensitive data, financial loss, reputational damage. • Risk to confidentiality and integrity of data (data breach). • Data encryption/corruption causing operational disruption. • Unauthorized access to data. 	

	<ul style="list-style-type: none"> Insider Threat (staff) 		<ul style="list-style-type: none"> Service downtime. Personal harm.
Latest Risk Note	<p>This risk remains high given the frequency of cyber-attacks and the continuing threat globally.</p> <p>The impact also remains high given the reliance on technology and information to provide council services.</p> <p>The risk control measures are constantly under review to reflect the national and international context.</p>	09 Jan 2025	Zoe Wolicki

RCM Mitigating action	Progress	Due date	Latest note	Latest note date	Assigned to
RCM9a 2024-25 Regular, mandatory cyber security training and cyber security awareness updates to Infozone		31-Mar-2025	<p>Bi monthly cyber update to all staff in employee newsletter, including latest news and threats</p> <p>Mandatory cyber security training updated, and requirement increased to annual completion</p>	03-Jan-2025	Zoe Wolicki
RCM9b 2024-25 Network penetration testing, proactive vulnerability management policy and processes and Phishing tests. PSN Compliance		31-Mar-2025	<p>continued to proactively scan on a monthly basis and associated remediation work</p> <p>no significant issues identified</p>	03-Jan-2025	Zoe Wolicki
RCM9c 2024-25 Network backups, disaster recovery testing		31-Mar-2025	<p>Network backups performed nightly including integrity test</p>	03-Jan-2025	Zoe Wolicki

			Selective backup recovery testing performed monthly		
RCM9d 2024-25 Strong password policy with multi factor authentication enforced where necessary		31-Mar-2025	MFA enforced for all remote connections	03-Jan-2025	Zoe Wolicki
RCM9e 2024-25 Anti-virus/anti-malware software in place with regular signature updates		31-Mar-2025	AV/anti-malware installed on all endpoints, updates applied immediately as available	03-Jan-2025	Zoe Wolicki
RCM9f 2024-25 Appropriate access controls with least privilege approach, regular access reviews		31-Mar-2025	Access controls for applications and data in place based on least privilege, system administrators in service areas review access to applications	03-Jan-2025	Zoe Wolicki
RCM9g 2024-25 Utilise NCSC Active Cyber Defence tools		31-Mar-2025	Cyber Assessment Framework - Successfully met all requirements of the "Get CAF ready Programme", now eligible for £15,000 grant. Full assessment to take place in 2025	16-Dec-2024	Zoe Wolicki
RCM9h 2024-25 Information security policies, distributed to all staff and DR/BC/cyber incident response plans in place		31-Dec-2024	policies now included in central policy/ strategy database.	02-Jan-2025	Zoe Wolicki
RCM9i 2024-25 Physical security controls in place for data centre access		31-Mar-2025	Restricted access in place for data centre to ICT technical staff only	03-Jan-2025	Zoe Wolicki

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Tamworth Borough Councils 2024/25 Risk Profile

Key to Corporate Risk Headings

- R1 Finance/Financial stability
- R2 Governance
- R3 Promoting community resilience and cohesive communities
- R4 Inability to meet social housing targets, deliver affordable housing and meet the requirements of the social housing regulations.
- R5 Organisational Resilience
- R6 Failure to meet climate change ambitions/ meet net zero targets and plan for major weather impacts
- R7 Information and Data Management
- R8 Inability to deliver economic growth, sustainability and prosperity in the Borough
- R9 Cyber Security

Key to Likelihood & Impact Scoring

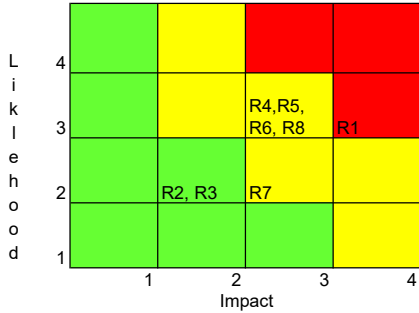
Likelihood Criteria

- 4 – Very likely
- 3 - Likely
- 2 - Unlikely
- 1 – Very unlikely

Impact Measure

- 4 - Major
- 3 - Serious
- 2 - Significant
- 1 - Minor

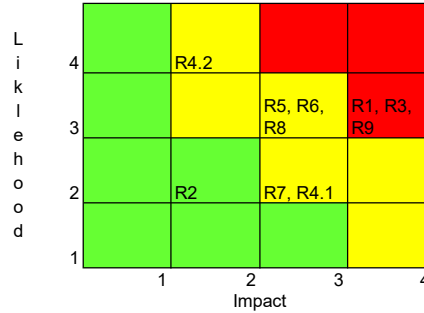
Quarter 1 Risk Summary



Risk profile

High risk	12.5%
Medium risk	62.5%
Low Risk	25.0%

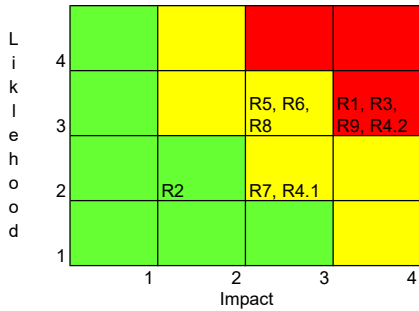
Quarter 2 Risk Summary



Risk profile

High risk	30%
Medium risk	60%
Low Risk	10%

Quarter 3 Risk Summary



Risk profile

High risk	40%
Medium risk	50%
Low Risk	10%

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Appendix 3 ESHIA Qtr.3 Risk Report

Equality, Social Inclusion and Health Impact Assessment (ESHIA)

An ESHIA is a review of a new or existing policy, strategy, project, report or service change to establish whether this has a differential impact on specific equality groups and identifies how we can improve equality of opportunity for different groups of people.

An ESHIA aims at improving Tamworth Borough Council’s work, by promoting equality, social inclusion, health and wellbeing by ensuring that the proposed or existing policy promotes equality and can benefit a wide range of people.

Details

Title of the proposal	2024/25 Qtr. 3 Corporate Risk Reporting to Audit & Governance.	
Director responsible for the project or service area	Joanne Goodfellow	
Officer completing the assessment	Emma Dyer	
Date conducted	20/01/2025	
Who are the main stakeholders?	Corporate Management Team (CMT) and Elected Members	
What is being assessed?	A decision to review or change a service	
	A strategy, policy, report or procedure	✓
	A function, service, or project	
What kind of assessment is it?	New	
	Review of existing	✓

Part One - Initial screening:

This section should be used to carry out an initial screening of changes or decisions to help to decide whether a full ESHIA is required.

The following six screening questions are designed to assess whether this proposed change is likely to have an impact on equality, social inclusion, health and wellbeing.

		Yes	No
1	Does this new or revised project, proposal, policy, report, procedure likely to have an impact?		✓
2	Does the proposal seek agreement to a key decision involving allocation of resources, such as changes in funding or resources, initiation of a new programme or project or procurement?		✓

3	Does the proposal seek agreement on restructuring or reorganising of staffing?		<input checked="" type="checkbox"/>
4	Will this policy or proposed change have any impact on potential suppliers?		<input checked="" type="checkbox"/>
5	Does this policy or proposed change impact on any HR policy or practice within the council?		<input checked="" type="checkbox"/>
6	Does this policy or proposed change have any implications for equalities, social inclusion and health and wellbeing not covered above?		<input checked="" type="checkbox"/>

1. If the answer is **no** to all the questions, please provide a summary below outlining why this conclusion has been reached.
2. If the answer is **yes** to any of the questions, please conduct the full ESHIA as detailed in Part two.

If you are unsure of any of the answers, please seek advice from Human Resources.

Summary of initial screening outcome:

The purpose of the quarterly update is to report on the Risk Management process and progress for Quarter 3 of the 2024/25 financial year, the only suggested recommendation is that the Committee endorses the Corporate Risk Register and receive assurance on actions taking place to manage the Council's most significant strategic risks. There is no direct impact as a result of this report to equality, social inclusion, health and wellbeing.

Decision	Yes	No
Initial screening only	<input checked="" type="checkbox"/>	
Proceed to Part Two, full assessment		<input checked="" type="checkbox"/>

Initial screening completed by	Emma Dyer
Date	20/01/2025

Full screening completed by	
Date	

Equality, Social Inclusion and Health Impact Assessment (ESHIA)

Part Two: Full assessment

Section 1

The purpose of the project, proposal or decision required. Set out the aims, objectives, purpose and outcomes of the area being impact assessed. Are any other functions, policies or services linked to this assessment?

Section 2

Evidence used and considered. Include analysis of any missing data.

Section 3

Consultation undertaken with interested parties who will/may be affected proposal? What were the outcomes of the consultation?

Section 4

What are the potential or actual impacts of the proposal? Please consider both the direct and indirect impact and refer to the guidance for additional information.

Impact Area	Impact? Positive (P) Negative (N) Neutral (Ne)	Details of the impact	Action to address negative impact
Protected Characteristic, as outlined in the Equality Act 2010			
Age			
Disability			
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Race			
Religion or Belief			
Sex			
Sexual Orientation			

Are there socio-economic groups likely to be affected? If yes, please provide detail below			
Other social exclusion			
Digital exclusion			
Veterans and serving members of the armed forces and their families			
Young people leaving care			
Health and Wellbeing: Individuals and communities in Tamworth	Impact: Positive (P) Negative (N) Neutral (Ne)	Explanation	Action to address negative impact
Will the proposal have a direct impact on an individual's health, mental health and wellbeing?			
Will the proposal directly impact on housing?			
Will there be a likely change in demand for or access to public services such as health and social care services?			
Will there be an impact on diet and nutrition?			
Will there be an impact on physical activity?			
Will there be an impact on transport, travel and connectivity?			
Will there be an impact on employment and income?			

Will there be an impact on education and skills?			
Will there be an impact on community safety?			
Will there be an impact on the environment, air quality, climate change?			

If there are no adverse impacts or any issues of concern or you can adequately explain or justify them, please move to section 6.

Section 5

Where a potential negative impact has been identified, can continuation of the proposal be objectively justified? If yes, please explain your reasons.

Section 6: Decisions or actions proposed

The assessment may result in some recommendations or suggestions to mitigate any negative impact and maximise positive impacts or actions to reduce the risk of an adverse impact.

Section 7: Monitoring arrangements

Who will be responsible for monitoring	
Frequency of monitoring	
Where will the impact assessment be reported to?	
Where this impact assessment will be stored and for how long	

Section 8: Summary of actions to mitigate negative impact (if required)

Impact Area	Action required	Lead officer/responsible person	Target date	Progress

Wednesday, 5 February 2025

Report of the Monitoring Officer

Regulation of Standards of Conduct

Exempt Information

None

Purpose

Provide the committee with an update on the number of Code of Conduct complaints received by the Monitoring Officer.

Recommendations

It is recommended that:

1. Members endorse the contents of the report.

Executive Summary

This report provides the Committee with an overview of the Member Code of Conduct complaints received by the Monitoring Officer.

In the period 01 April 2023 to 31 March 2024, five official complaints of an alleged breach of the Members' Code of Conduct were received.

Complaints are managed according to the Members Code of Conduct Procedures, with the table below providing a summary of complaints received, including outcomes.

Period	No. Complaints received	Source of Complaint	Outcome
1 April 2023 – 31 March 2024	5	<ul style="list-style-type: none"> • 1 Public • 1 Officer • 3 Councillors 	<ul style="list-style-type: none"> • 1 merit no further investigation • 3 unable to pursue • 1 informal resolution

The nature of complaints received can be summarised as follows:

- Disrespect
- Breach of standards in accordance with the Nolan Principles
- Bringing authority into disrepute

The number of standards complaints received remains relatively low, with a summary of previous years provided in the table below.

Period	No. Complaints received	Source of Complaints	Outcome
April 2020 – March 2021	6	<ul style="list-style-type: none"> • 5 Public • 1 Councillor 	<ul style="list-style-type: none"> • 1 no further action required • 3 merits no further investigation • 1 Informal Resolution • 1 Unable to pursue
April 2021 – March 2022	3	<ul style="list-style-type: none"> • 3 Public 	<ul style="list-style-type: none"> • 2 Merits no further action • 1 Unable to pursue
April 2022 – March 2023	2	<ul style="list-style-type: none"> • 2 Public 	<ul style="list-style-type: none"> • 1 Merits no further action • 1 Unable to pursue

Resource Implications

The operation of the arrangements relating to standards of conduct does not normally have any additional resource implications for the Council, however, the process of investigation may have minor financial implications when it is necessary to utilise external support. In the period April 2023 to March 2024, there were no such additional costs.

Legal/Risk Implications Background

Effective arrangements to deal with complaints provides the mitigating action necessary to ensure that the Authority meets its statutory obligations under the Localism Act 2011.

Equalities Implications

None identified.

An EQSHIA has been completed and is available at Appendix 1.

Environment and Sustainability Implications (including climate change)

The arrangements ensure that the staff of the Council and the residents of Tamworth benefit from a robust, open and transparent complaints process.

Background Information

The Localism Act 2011 contains the key statutory provisions regarding standards of conduct. Under Section 27(1) of the 2011 Act, the Council is required to promote and maintain high standards of conduct among Members and Co-opted Members of the authority.

Under Section 28 (6) and (7) of the Localism Act 2011, the Council must have in place “arrangements” under which allegations that a Councillor (Member or co-opted Member) of the Council or of a Committee or Sub-Committee of the Council, has failed to comply with their Code of Conduct, can be investigated and decisions made on such allegations.

Tamworth Borough Council has established procedures for investigating allegations and making decisions regarding them. These procedures were reviewed, with Council adopting the LGA Model Code of Conduct in July 2024.

A link to the Procedure for Making Complaints Against a Councillor is available at:

<https://www.tamworth.gov.uk/Governance-and-Anti-Fraud>

All members are trained on and sign up to the requirements of the Members’ Code of Conduct on their induction. Refresher training is subsequently provided as required with the next session for all Members planned for the later part of 2025.

Report Author

Nicola Hesketh – Monitoring Officer

List of Background Papers

[Procedure for Making Complaints Against a Councillor](#)
[Code of Conduct review](#)

Appendices

Appendix 1 - EQSHIA

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Equality, Social Inclusion and Health Impact Assessment (ESHIA)

An ESHIA is a review of a new or existing policy, strategy, project, report or service change to establish whether this has a differential impact on specific equality groups and identifies how we can improve equality of opportunity for different groups of people.

An ESHIA aims at improving Tamworth Borough Council’s work, by promoting equality, social inclusion, health and wellbeing by ensuring that the proposed or existing policy promotes equality and can benefit a wide range of people.

Details

Title of the proposal	Regulation of Standards of Conduct	
Director responsible for the project or service area	Stephen Gabriel – Chief Executive	
Officer completing the assessment	Nicola Hesketh – Monitoring Officer	
Date conducted	20.01.25	
Who are the main stakeholders?		
What is being assessed?	A decision to review or change a service	
	A strategy, policy, report or procedure	x
	A function, service, or project	
What kind of assessment is it?	New	x
	Review of existing	

Part One - Initial screening:

This section should be used to carry out an initial screening of changes or decisions to help to decide whether a full ESHIA is required.

The following six screening questions are designed to assess whether this proposed change is likely to have an impact on equality, social inclusion, health and wellbeing.

		Yes	No
1	Does this new or revised project, proposal, policy, report, procedure likely to have an impact?		x
2	Does the proposal seek agreement to a key decision involving allocation of resources, such as changes in funding or resources, initiation of a new programme or project or procurement?		x
3	Does the proposal seek agreement on restructuring or reorganising of staffing?		x
4	Will this policy or proposed change have any impact on potential suppliers?		x

5	Does this policy or proposed change impact on any HR policy or practice within the council?		x
6	Does this policy or proposed change have any implications for equalities, social inclusion and health and wellbeing not covered above?		x

1. If the answer is **no** to all the questions, please provide a summary below outlining why this conclusion has been reached.
2. If the answer is **yes** to any of the questions, please conduct the full ESHIA as detailed in Part two.

If you are unsure of any of the answers, please seek advice from Human Resources.

Summary of initial screening outcome:		
The report is to provide Audit & Governance Committee with an update on the number of Code of conduct complaints received by the Monitoring Officer. There is no impact as a direct result of this report.		
Decision	Yes	No
Initial screening only	X	
Proceed to Part Two, full assessment		x

Initial screening completed by	Nicola Hesketh
Date	20.01.25

Full screening completed by	
Date	

Equality, Social Inclusion and Health Impact Assessment (ESHIA)

Part Two: Full assessment

Section 1

The purpose of the project, proposal or decision required. Set out the aims, objectives, purpose and outcomes of the area being impact assessed. Are any other functions, policies or services linked to this assessment?

Section 2

Evidence used and considered. Include analysis of any missing data.

Section 3

Consultation undertaken with interested parties who will/may be affected proposal? What were the outcomes of the consultation?

Section 4

What are the potential or actual impacts of the proposal? Please consider both the direct and indirect impact and refer to the guidance for additional information.

Impact Area	Impact? Positive (P) Negative (N) Neutral (Ne)	Details of the impact	Action to address negative impact
Protected Characteristic, as outlined in the Equality Act 2010			
Age			
Disability			
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Race			
Religion or Belief			
Sex			
Sexual Orientation			

Are there socio-economic groups likely to be affected? If yes, please provide detail below			
Other social exclusion			
Digital exclusion			
Veterans and serving members of the armed forces and their families			
Young people leaving care			
Health and Wellbeing: Individuals and communities in Tamworth	Impact: Positive (P) Negative (N) Neutral (Ne)	Explanation	Action to address negative impact
Will the proposal have a direct impact on an individual's health, mental health and wellbeing?			
Will the proposal directly impact on housing?			
Will there be a likely change in demand for or access to public services such as health and social care services?			
Will there be an impact on diet and nutrition?			
Will there be an impact on physical activity?			
Will there be an impact on transport, travel and connectivity?			
Will there be an impact on employment and income?			

Will there be an impact on education and skills?			
Will there be an impact on community safety?			
Will there be an impact on the environment, air quality, climate change?			

If there are no adverse impacts or any issues of concern or you can adequately explain or justify them, please move to section 6.

Section 5

Where a potential negative impact has been identified, can continuation of the proposal be objectively justified? If yes, please explain your reasons.

Section 6: Decisions or actions proposed

The assessment may result in some recommendations or suggestions to mitigate any negative impact and maximise positive impacts or actions to reduce the risk of an adverse impact.

Section 7: Monitoring arrangements

Who will be responsible for monitoring	
Frequency of monitoring	
Where will the impact assessment be reported to?	
Where this impact assessment will be stored and for how long	

Section 8: Summary of actions to mitigate negative impact (if required)

Impact Area	Action required	Lead officer/responsible person	Target date	Progress

Wednesday, 5 February 2025

Report of the Assistant Director - People

Comments, Compliments and Complaints Update

Exempt Information

None

1. Purpose

The purpose of this report is to provide the committee with an overview of the council's policy and procedures for comments, compliments and complaints including the requirements of both the Housing and Local Government and Social Care Ombudsman.

2. Recommendations

It is recommended that committee endorse the contents of this report.

3. Executive Summary

At the request of the Chair, this report provides committee with an overview of the comments, compliments, and complaints policy and procedures approved by Cabinet in August 2024.

As a Council we want to recognise where excellent service has been provided and work hard to improve service where it is not as good as it should be. The policy focuses on learning from complaints as well as volume and aims to promote a culture of effective complaint handling and compliance with legislation.

The policy ensures a consistent procedure with defined service levels and standards, offering multiple communication channels for customers through a robust governance framework.

The policy has a two-stage complaint process, allowing escalation to the ombudsman where appropriate. Customers can submit complaints via various channels, including online forms, telephone, email, or in-person. Third-party submissions with customer permission are also accepted.

Once received complaints are addressed promptly, with acknowledgment within five working days and detailed investigations are carried out by designated officers. Full responses should then be provided within 10 working days at stage one and 20 working days at stage two.

Performance is monitored robustly with improvements made where appropriate. The policy aims to improve service quality, address root causes of complaints, and identify training opportunities, contributing to overall organisational performance enhancement.

More detail on the policy and associated procedure can be found in section four of this report.

4. Comments, Compliments and Complaints Policy and procedures

The Comments, Compliments and Complaints policy was updated and approved by Cabinet in August 2024. The update was triggered by the implementation of new codes of practice by both the Housing and Local Government and Social Care Ombudsman in April 2024. The full policy can be found at Appendix 1.

The policy and procedures seek to move towards a strategic focus on learning from complaints rather than on the number received, thus supporting and empowering the right culture around complaint handling and more effective resolutions for customers, while adhering to legislation requirements such as the Housing Ombudsman Complaint Handling Code.

The policy ensures there is a consistent procedure in place, with defined levels and standards of service. The process is widely used by customers and provides a vehicle for feedback to be given to the Council and in return, provides a framework in which the Council can respond whilst ensuring the process is subject to effective governance. The dynamic and flexible approach allows each complaint to be investigated on its own merits, providing the best approach for each complainant.

4.1 How customers access us to make a complaint

Customers and our residents have several channels in which complaint can be made, these are detailed within the policy and available on the council's website.

A summary of these channels is detailed below.

- Complete a Comments, Compliments and Complaints form via our MyTamworth customer portal.
- Telephone 01827 709709.
- Email complaints@tamworth.gov.uk
- Write to us at Marmion House, Lichfield Street, Tamworth, Staffordshire, B79 7BZ.
- Ask any member of staff to assist.

We also accept complaints from third parties who have the customers permission to act on their behalf in making the complaint. (This can be from any person, for example a relative, friend, councillor or MP).

4.2 The complaints process

Complaints are facilitated through the Information Governance team; an approach supported by the Housing Ombudsman.

When complaints are received, they are reviewed, defined, logged and acknowledged within 5 working days. Once accepted, they are passed to a designated officer within a service area. This officer reviews all the issues raised in the complaint and makes a determination based on investigation. The designated officer may resolve the complaint by phone or in person promptly in line with policy and the complaint handling codes, which will be followed up in writing.

The Information Governance team will, within 10 working days at stage one and 20 working days at stage two (subject to any extension) provide a full response to the customer, including details on how the complainant can escalate their complaint.

4.3 Performance monitoring

As a Council we want to recognise where excellent service has been provided and work hard to improve service where it is not as good as it should be.

Performance is reported through the [performance reports](#) presented to Corporate Scrutiny Committee and endorsed by Cabinet on a quarterly basis. By recording and analysing complaint data we can identify and address the causes of complaints and, where appropriate, identify training opportunities and introduce service improvements.

4.4 Ombudsman

The council is covered by two ombudsman services:

4.4.1 The Housing Ombudsman Service

The Housing Ombudsman can consider a complaint from an individual that is, or has been, in a landlord and tenant relationship with a landlord that is a member of the Housing Ombudsman Scheme.

They look at complaints from social housing residents about their landlords' actions and provision of housing management. They decide whether they can consider a complaint case-by-case depending on the case's facts and the evidence available to them.

The Housing Ombudsman has a Complaint Handling Code which became statutory on 1 April 2024, meaning that all members of the Housing Ombudsman Scheme are obliged by law to follow its requirements. The Housing Ombudsman also has a legal duty to ensure landlords' complaint procedures and responses are compliant with the Code.

In addition, an annual complaints performance and service improvement report is presented to Cabinet each year to meet the requirements of the Housing Ombudsman.

The report includes:

- An annual self-assessment against the Housing Ombudsman Complaints handling code to ensure the council's complaints policy meets their requirements
- A qualitative and quantitative analysis of our complaint's performance including a summary of the types of complaints we have refused to accept.
- Any findings of non-compliance with the code.
- Details of service improvements made as a result of the learning from complaints.
- Any annual report about our performance from the Ombudsman; and
- Any other relevant reports or publications

The annual report will be presented to Cabinet by no later than the end of June each year. It will also be published on our website, together with any comments made by our Cabinet.

4.4.2 Local Government and Social Care Ombudsman (LGSCO)

The LGSCO investigate complaints about most council services, even if they are delivered by a contractor.

The LGSCO also has a complaint handling code but unlike the Housing Ombudsman the code is for guidance purposes and is not subject to a legal duty.

Each year the LGSCO issue each local authority with a letter regarding their performance in respect of enquiries or complaints made against a council.

4.5 Members responsible for complaints

The Leader of the Council and the portfolio holder responsible for housing, homelessness and planning are our Members Responsible for Complaints (MRC) and will have regular information about the complaints we receive and how we have handled these.

The expectation is that the MRC is responsible for ensuring that complaint handling drives service improvement for residents and learning and business improvement for the organisation.

The role of the MRC is to champion a positive complaint handling culture and build effective relationships with complaints teams, residents, its audit committee as well wider teams and the Housing Ombudsman Service.

The MRC should seek assurances from the complaints team and where appropriate the operational teams that complaints are being managed, change is happening and that residents are being heard through the process.

The Members Responsible for Complaints will also support and encourage a positive complaint handling culture which reflects the need for all relevant staff to:

- Have a collaborative and co-operative approach towards handling complaints, working with colleagues and across departments
- Take collective responsibility for any shortfalls identified through complaints rather than blaming others, and
- Act within professional standards for engaging with complaints.

4.6 Audit and Governance Role

The constitution states that one of the functions of this committee is the council's complaints procedure and as such policy and procedural matters relating to this are brought to this committee.

The chair of the committee also receives the annual LGSCO letter reporting on the council's performance in matters that have been referred to them, the letter is issued annually in July and a full report is presented in September or October of each year.

The Housing Ombudsman Service only issues organisations with a letter detailing performance if 5 or more cases investigated are found to have service failure, maladministration or severe maladministration. To date the council has not been issued with such a letter.

With the introduction of the Housing Ombudsman complaint handling code last year and the associated statutory requirements, Audit and Governance will receive in May/ June each year the annual complaints performance and service improvement report and self-assessment against the complaint handling code.

Options Considered

Not applicable

Resource Implications

There are no direct human or financial resource implications as a result of this report

Legal/Risk Implications

If the requirements of the complaint handling code are not met there is a risk that a complaint handling failure order will be issued.

Equalities Implications

An Equality, Social Inclusion and Health Impact Assessment (EQSHIA) accompanies this report at appendix 2

Environment and Sustainability Implications (including climate change)

There are no direct environmental or sustainability implications as a result of this report

Background Information

[Complaint Handling Code 2024 | Housing Ombudsman Service](#)
[Member Responsible for Complaints \(MRC\) | Housing Ombudsman](#)

Report Author

Nicola Hesketh – Monitoring Officer & Information Governance Manager
Zoe Wolicki - Assistant Director People

Appendices

Appendix 1 Comments, compliments and complaints policy
Appendix 2 Equality, Social Inclusion and Health Impact Assessment

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Technology and Information Services

COMMENTS, COMPLIMENTS & COMPLAINTS POLICY & PROCEDURES

Document Hierarchy: Tier 1 Policy

Document Status: Final

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This document is held by Tamworth Borough Council, and the document owner is Assistant Director - People

Printed documents may be obsolete an electronic copy will be available on Tamworth Borough Councils Intranet. Please check for current version before using.

Revision History

Revision Date	Version Control	Summary of changes
October 2022	010101	Initial Draft
June 2023	010102	Minor changes following feedback from Housing Ombudsman
December 2023	010103	Minor Change - formatting of front cover (page 1)
August 2024	010104	Review following release of the Housing Ombudsman and LGCSO Complaint Handling Code

Key Signatories

Approvals Creation and Major Change

Name	Title	Approved
Anica Goodwin	Executive Director Organisation	
TULG	Trade Union Liaison Group	
CMT	Corporate Management Team	
CAB	Cabinet	August 2024
Heads Of Service	Advisory Body	
DPO / Monitoring Officer	Advisory Body	
Housing and Homelessness Advisory Board	Advisory Body for any Landlord amendments	
Tenant Consultative Group (CFG)	Advisory Body for any Landlord amendments	May 2024

Approvals Minor Change and Scheduled Review

Name	Title	Approved
Nicola Hesketh	Information Governance Manager (DPO / Monitoring Officer)	
CMT	Corporate Management Team	

Housing and Homelessness Advisory Board	Advisory Body for any Landlord amendments	
Tenant Consultative Group (CFG)	Advisory Body for any Landlord amendments	

Approval Path

Major Change

Nicola Hesketh
 Zoe Wolicki
 Heads of Service
 CMT
 Cabinet

Action

Submission
 Sponsor
 Consultative Group
 Corporate Approval
 Approval

Document Review Plans

This document is subject to a scheduled 3 yearly review, or sooner where legislation or contract changes prewise.

Updates shall be made in accordance with business requirements, and changes will be with agreement with the document owner.

Distribution

The document will be distributed through Astute as a **MANDATORY** policy where applicable and will also be available on the Intranet and Internet.

Security Classification

This document is classified as OFFICIAL

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Policy

Introduction

The Council's Comments, Compliments & Complaints policy provides a framework that enables customers to give feedback about the Council's services and to ensure consistency and fairness when acting upon this feedback.

As a Council and landlord, we want to offer a service that is right first time – every time. Occasionally though we accept that things do not go as we would like.

We recognise the importance of complaints and welcome them as a valuable form of feedback about our services

This feedback can help us to:

- improve our performance
- improve our business processes
- re-design our services
- enhance our reputation
- train and develop our employees
- share good practice
- demonstrate service excellence
- support diversity and inclusion

Customer feedback supports development of the customer experience in the Council's desire to improve service, satisfaction, and to ensure the Council is utilising the feedback provided by customers when planning, designing services and improving services.

Accountability and transparency are integral to positive complaint handling culture and this policy is published on the council website at: [Comments, Compliments & Complaints](#).

We will also publish future complaints performance and service reports on there.

Scope

This policy:

- Applies to all Council employees, elected members and employees of organisations who deliver services on our behalf.
- Applies to anyone affected by our services.
- Covers all complaints, compliments and comments received about a service, including landlord services.
- States that compliments and comments can be made at any time.

- States that complaints can be made about a service within 12 months of the issue or incident occurring.

Our Objective

This policy will seek to deliver the following results:

- Resolve a complaint at the earliest opportunity
- Provide a resolution in accordance with timescales stated
- Increase customer satisfaction
- Learn from mistakes
- Identify and implement service improvements

Compliments and Comments

The council encourages its customers to let it know when it has done something well or they have a suggestion on how it can improve what it does.

A comment is a suggestion or observation about services, policies, practices as a whole, which impact on everyone and not just one individual. A comment can be positive or negative in nature.

A compliment is an expression of satisfaction, thanks, praise, or congratulations.

Compliments and comments are essential to appreciate where a team or an officer is demonstrating services that are meeting or exceeding customer expectations.

All compliments and comments are recorded, and a copy is sent to the relevant service manager to for review and action where applicable.

Compliments and Comments can be made at: [Comments, Compliments and Complaints | Tamworth Borough Council](#)

Service Requests

A service request is defined as a request from a resident to the organisation and or the landlord requiring action to be taken to put something right.

These initial requests for service, or action to be taken to put something right, may include expressions of dissatisfaction, but on not considered complaints under this policy. It is reasonable for the council to have an opportunity to respond to a service request for any issues reported first time.

Complaints

A complaint is defined as an expression of dissatisfaction, however made, about the standard of service, actions, or lack of action by the organisation, and/or the landlord, its own staff, or those acting on its behalf, affecting a resident or group of residents.

All complaints will be treated seriously, and a response given in accordance with the timescales set out in this policy.

You do not have to use the word complaint for it to be treated as one. If you express any dissatisfaction to us, we will give you the choice to make a complaint

Who can complain?

Anyone who receives or is seeking to receive a service from the Council, including landlord services, or anyone they have chosen to act on their behalf can make a complaint subject to the requirements of this policy.

Complaints made on behalf of someone else.

Complainants may choose to ask someone else to deal with the complaint on their behalf, such as relative, carer or friend. Complaints can also be made through a Councillor, Members of parliament or another elected person. Correspondence from these individuals will be dealt with in the same way as if it were received from the complainant themselves.

Where appropriate, the council will seek consent from the complainant to correspond with a third party on their behalf. This ensures compliance with data protection requirements and reassurance that the complainant wishes are being fulfilled.

Anonymous Complaints

The council values all complaints, including those made anonymously. Generally, anonymous complaints will be recorded as service enquires, unless the complaint raises issues of wider concern to the council that can be dealt with without further input from the complainant.

Anonymous complaints will be referred to the relevant service area who will take appropriate action based on their judgement of the information received. No reply can be made.

Complaint Examples

If a matter has already been reported to the Council and the work has not been completed, or it has taken longer than we said it would take - this is a complaint. In addition, the following may also be considered as complaints:

- When we have not provided a service to the standard stated, including repairs.
- Not answering a customer's question or delivered a service.
- Our policies and procedures have not been adhered to.
- Discrimination or harassment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- Delays in taking in action without a good reason.
- Giving incorrect or misleading information.

The above list does not cover everything but gives an indication of the type of things that complaints may be about.

Complaints Generally Excluded

There may be times when the Council cannot investigate a complaint, this is usually because there are other separate independent appeal processes or procedures that should be followed.

This below list is not exhaustive and there may be other matters we cannot investigate, for example there is an appropriate body to deal with it. Where this is the case, we will advise you how to progress the enquiry.

Examples of excluded complaints include:

Service Requests and Surveys

A service request is when a customer and/or tenant asks us to take action to put something right, for example to carry out a repair. This would not be classed as a complaint, but these requests are still recorded, monitored, and reviewed regularly.

If you then express dissatisfaction with our response to your service request, this would be classed as a complaint even if we are still handling your request.

Where we ask residents to complete surveys – for example, after major maintenance or improvement works have been carried out. Any dissatisfaction expressed through these surveys would not be defined as a complaint although we will make you aware of how you can pursue a complaint if you want to.

Time Limits

It is far easier to find out what happened and to put things right if complaints are received at the time of the incident. As time passes it becomes more difficult to investigate events fairly and fully – people's memories fade or staff who were closely

involved may have left the Council. For these reasons, the Council will normally only accept complaints made within 12 months of the issue occurring or the customer becoming aware of the issue, unless they are excluded on other grounds.

However, if the complaint relates to safeguarding, health and safety issues or there are exceptional circumstances provided by the complainant for the delay in submitting the complaint, the Council may make a discretionary decision to accept complaints made outside of this time limit.

Reporting a Street Issue

If you have noticed a problem with issues such as litter, fly tipping, graffiti, dog fouling, fly posting, or a grounds maintenance, these can be reported using our [online street issues form](#). These requests will not be managed through this complaints policy.

Housing repairs

If you wish to report a repair or you would like an update to an ongoing housing repair, the most effective way to obtain this is by contacting the repairs team on 0800 183 0044 / repairs@tamworth.gov.uk

Further information is available at: [Housing Repairs](#)

Complaints received about housing repairs, where the target date has not expired, or an update to a repair is being requested, will not be considered under the complaints policy. These will be treated as service requests and passed to Housing Repairs for review and action where applicable.

Environmental Health

Some services deal with matters that the customer might consider to be a complaint, but which are routine everyday business for their department. Examples may include complaints about noisy neighbours, barking dogs, dirty restaurants, or food poisoning. These will be treated as service requests and passed to the relevant service area for review and action where applicable.

However, if a customer wishes to complain about how their initial or follow up service request was dealt with or not dealt with, then this would fall under the complaint's procedure.

Complaints about licenses, permits, approvals, consents, permissions or registrations or any related enforcement actions are dealt with under other procedures and there will be appeal mechanisms in place detailed with any correspondence you have received.

Further information can be found at: [Environment | Tamworth Borough Council](#)

Complaints about a planning application decision

Complaints about planning application decisions are dealt with under the national appeals process. Further details can be found at: [Appeals - Appeals - Planning Portal](#)

Whilst the complaints policy will not be used to address complaints about the outcome of a planning decision, it can be used to investigate complaints about the procedures

and processes used to arrive at a decision

Housing Benefit and Council Tax Reduction – decisions or appeals

Dealt with by the Benefit Appeals Tribunal. Further details can be found at:
[Appeal a benefit decision: Overview - GOV.UK \(www.gov.uk\)](#)

Dealt with by the Valuation Tribunal. Further details can be found at:
[Council tax reduction appeal - Valuation Tribunal Service](#)

Council Tax

The Valuation office deal with queries where the taxpayer believes they are in an incorrect council tax band [Challenge your Council Tax band: Overview - GOV.UK \(www.gov.uk\)](#)

If a taxpayer believes that the liability is incorrect, or a discount / exemption is incorrect then they can appeal to the Valuation Tribunal, but they must have appealed to the council 1st.

[Appeal a Council Tax bill or fine: Appeal a bill - GOV.UK \(www.gov.uk\)](#)

Business Rates

the Valuation Office deal with queries if the ratepayer believes the rateable value of his property is incorrect.

[Business rates: How your rates are calculated - GOV.UK \(www.gov.uk\)](#)

If the ratepayer wishes to dispute the non-award of a discount etc or anything that would affect the liability then this would go to the Valuation Tribunal, again after an appeal has been made to the council.

[Home - Valuation Tribunal Service](#)

Appeals relating to homelessness applications

Dealt with through the homeless appeal procedure. Details of how to request a review are provided on decision letters.

Complaints about staffing appointments, dismissals, pay and other Human Resource policy and procedures

This will be dealt with by the appeal process within the relevant policy.

Complaints made by members of staff against other members of staff

These are dealt with under other internal policies including the Grievance Policy, Conduct and Capability Policy, Whistle Blowing policy, Anti-Harassment and Anti Bullying Policy, Code of Conduct Policy.

Complaints about Penalty Charge Notices (PCNs) or Fixed Penalty Charges (FPNs)

Challenges and representations against the validity of a Penalty Charge Notice (PCN) are dealt with under a statutory appeals process. This process is designated by the Traffic Management Act 2004 and designed to safeguard the interest of the appellant. Details on how to challenge a PCN is contained within the notice.

You can visit our website [Tamworth Borough Council - Parking](#) where you will find

useful information regarding the PCN and how to submit a challenge.

Fixed penalties received as part of a legitimate enforcement action (e.g., environmental crime or ASB) will have full details about the legislative appeals process.

If you wish to complain about our enforcement practices or the behaviour of a member of staff, we may be able to consider this under this policy.

Freedom of Information (FOI), Environmental Information Regulations (EIR), Data Protection

Complaints in connection with the Data Protection Act, for example a Subject Access request, accidental disclosure of information, or regarding Freedom of Information (FOI), Environmental Information Regulations (EIR) will not be dealt with under this policy.

There is a separate review, appeal, and complaint route, which leads to the Information Commissioner. Further information can be found using the links below:

FOI/EIR – [Freedom of Information | Tamworth Borough Council](#)
SAR - [Data Protection Act | Tamworth Borough Council](#)

Complaints against Elected Member conduct

These are covered under a separate code of conduct - [Governance and Anti-Fraud | Tamworth Borough Council](#)

ASB

The latest information and advice on anti-social behaviour and how Tamworth Borough Council can help (including a copy of the Council's Anti-Social Behaviour Policy) can be found on the Council's website at: [ASB](#). Whilst the complaints policy would not be used to address reports of ASB, it can be used if the complaint is that the ASB policy or process was not followed once the ASB was reported.

Community Safety – Community Trigger requests

ASB Case Review investigations under the ASB, Crime and Policing Act 2014 will be investigated as per legal guidance by all partners and can be requested through Staffordshire Police website: <https://www.staffordshire.police.uk/advice/advice-and-information/asb/sf/asb-case-review/>.

Considerations which fallout outside of the agreed ASB review action plan and form part of specific complaint about Tamworth Borough Council process or action will be dealt with under this policy

Unacceptable behaviour by complainants

It is understood that people may act out of character in times of trouble or distress. There may have been upsetting or distressing circumstances leading up to a complaint coming into the Council.

As a council we do not view behaviour as unacceptable just because a claimant is forceful or determined, however the actions of complainants who are angry, demanding, or persistent may result in unreasonable demands on the Council and unacceptable behaviour towards the Council's staff.

In such exceptional circumstances, the Council has a right to specify how the individual complaint will be handled and how future contact from the complainant will be permitted. A separate [Managing Unreasonable Behaviour Policy](#) sets out the procedures for handling such complaints. If the Council has cause to invoke this policy details will be sent to the individual concerned.

Monitoring and Performance

Performance Standards

Tamworth Borough Council will monitor performance to identify under performance and trends and address any issues.

To support this, we will

- work to resolve expressions of dissatisfaction when they are first raised, before they become a complaint,
- record and acknowledge all comments and compliments, and complaints.
- seek the views and feedback from customers who have been through this policy & procedure.
- Provide a Stage 1 acknowledgement within 5 working days.
- Provide a response to Stage 1 complaints within 10 working days.
- Provide a Stage 2 acknowledgement within 5 working days.
- Provide a response to all Stage 2 complaints within 20 working days.
- Respond to enquiries without using jargon and using Plain English, however, sometimes we may need to quote law or legislation.
- Ensure that customers feel that their complaints are being treated seriously, even if the outcome does not meet their expectations because at times we are restricted by law and legislation.
- Be fair and put things right when we can.
- Inform customers how to take their complaint further if they are still not satisfied with the resolution offered.
- Listen to what customers tell us. If we make changes because of feedback, we will publish this with our performance reports.
- Ensure customers will not be treated adversely because of making a complaint.
- Ensure confidentiality with the information provided.

Reporting on complaint outcomes and seeking continuous improvement

Management information reports are available for service managers and CMT so that they can monitor the performance of their services in relation to complaints.

Examples of reports include:

- Number of stage 1 complaints received.
- Number of stage 2 complaints received.
- % of complaints upheld/partially upheld.
- % of complaints responded to within published timescales (stages 1 and 2)
- Number of compliments and complaints received.
- Number of complaints received by the Housing Ombudsman Service and or the Local Government Ombudsman Service.

A quarterly complaints report will be presented to Cabinet via the quarterly performance report which will also incorporate:

- Complaints received, broken down to each service area.
- The Councils LGSCO annual letter.
- Housing Ombudsman decisions.
- Any learning identified and actions taken.

An annual complaints performance report and service improvement report will be presented to Cabinet to meet the requirements of the Housing Ombudsman.

The annual report will include:

- An annual self-assessment against the Housing Ombudsman Complaints handling code to ensure the council (including landlord services) complaints policy meets their requirements
- A qualitative and quantitative analysis of our complaint's performance including a summary of the types of complaints we have refused to accept;
- Any findings of non-compliance with the Code;
- Details of service improvements made as a result of the learning from complaints;
- Any annual report about our performance from the Ombudsman; and
- Any other relevant reports or publications

The annual report will be reported to the Council's Cabinet by no later than the end of June each year. It will also be published on our website, together with any comments made by our Cabinet.

Continuous learning and improvement

As well as responding to individual complaints, we look at the number and type of complaints we receive to see if there are any common themes or trends. This can help us to identify issues and make changes to the way we do things so that the same thing does not happen again. We will publish details about the lessons we have learnt, and any changes made.

The Leader of the Council and the Portfolio Holder responsible for Housing are our Members Responsible for Complaints (MRC) and will receive regular information about the complaints we receive and how we have handled these.

The Members Responsible for Complaints will also support and encourage a positive complaint handling culture which reflects the need for all relevant staff to:

- Have a collaborative and co-operative approach towards handling complaints, working with colleagues and across departments
- Take collective responsibility for any shortfalls identified through complaints rather than blaming others, and
- Act within professional standard for engaging with complaints.

Comments, Compliments & Complaints Procedure

How to provide feedback or make a complaint

The Council encourages customers who have a concern to first contact a member of staff in the relevant service area who should try to resolve it. However, if a service user remains unhappy and wants to make a complaint or provide feedback, they can do so in several ways.

The Council's preferred method for receiving feedback or complaints is via the My Tamworth Portal or web form on the Councils website. This will normally ensure that the enquiry is adequately captured, and an acknowledgement sent.

To provide **feedback**, customers can –

- Visit our website at [Comments, Compliments and Complaints | Tamworth Borough Council](#)
- Visit our website at [Contact Us](#)
- Telephone 01827 709709.
- Email: enquiries@tamworth.gov.uk
- Write to us at Marmion House, Lichfield Street, Tamworth, Staffordshire, B79 7BZ or
- Ask any member of staff to assist.

To make a **complaint** via the Comments. Compliments & Complaints process, customers can –

- complete an [the online form](#), alternatively
- Telephone 01827 709709
- Email complaints@tamworth.gov.uk
- Write to us at Marmion House, Lichfield Street, Tamworth, Staffordshire, B79 7BZ.
- Ask any member of staff to assist.

Complaints received via social media channels (e.g., Twitter, Facebook) will be forwarded to the Information Governance Team and handled in keeping with this policy

The Council will not provide complainant specific responses via social media sites.

Customer Contact

Where a complainant advises an officer (either in person, by telephone or in writing) that they wish to make a complaint but are unable to use the Councils preferred method then that officer will capture the complaint on the web form on the complainant's behalf.

Receipt outside of this policy

Complaints received by the service area directly, either by post, telephone or by email, will be passed to the Information Governance Team without delay so that the complaint may be recorded on the corporate complaints system and allocated appropriately.

Service Requests

Where a complaint form is submitted, and the Council considers the details fits the criteria of a service request (generally an issue that requires action that has not previously been reported to a service) then the enquiry will be recorded as such . The requester will be informed of the decision and the case passed to the relevant service for action through their normal processes.

Reasonable adjustments

Should you require any assistance, or should you require Tamworth Borough Council to make adjustments to accommodate your needs to support you in making your complaint the Council will make any reasonable adjustment in accordance with the Reasonable Adjustments Guidance.

Stage One

The Information Governance team (IGT) will co-ordinate all Stage 1 complaints and **within 5 working days of receipt of the complaint:**

- Review, acknowledge, define, and log the complaint
- If the communication received is considered a service request, the IGT will:
 - record the details.
 - advise the customer that their communication is considered a service request and
 - pass it to the relevant service area for action through their normal processes.
 - Monitor the request through to completion.

If the communication received is considered a complaint, the IGT will:

- Pass to the designated officer where:
- All the issues raised in the complaint will be addressed and, where considered possible, the designated officer may resolve the complaint by phone or in person promptly in line with policy and the complaint handling codes, which **must** be followed up in writing, provided to the Information Governance team for recording and issuing to the contact.
- The IGT will write to the complainant with the following information :
 - the complaint stage
 - summary of complaint
 - summary of conversation with the designated officer
 - the decision on the complaint with reasons for that decision
 - the details of any remedy offered to put things right (EG: an apology)
 - details of any outstanding actions (EG: re-arrangement of appointment)

If it is not possible to deal with the issue raised promptly as they require further investigation, (EG – input required by a contractor) then the designated officer will:

- Consider and address all the issues raised in the complaint and, if necessary, gather further information
- Prepare and provide a detailed draft response for the Information Governance team to review & issue to the customer setting out and explaining the findings of their investigations.
- The written response **must** include:
 - the complaint stage
 - the complaint definition
 - the decision on the complaint
 - the reasons for any decisions made
 - findings on each aspect of the complaint, (e.g. upheld, not upheld, partially upheld or no conclusion)
 - the details of any remedy offered to put things right
 - details of any outstanding actions; and
 - details of how to escalate the matter to stage two if the resident is not satisfied with the answer

Where extension of time is required to enable the Council/and or landlord to fully respond to a complaint, the designated officer **must**, without due delay:

- decide whether an extension to the timescale is needed, taking into consideration the complexity of the complaint

- notify the IGT the reasons for the delay in responding to the complaint within 10 working days

The Information Governance team will communicate this with the complainant, including Ombudsman contact details.

The Information Governance team will, within **10 working days** (subject to any extension)

- Provide the full response, including details on how the complainant can escalate their complaint.

Stage Two

If a complainant is dissatisfied with the Stage 1 response received, they can request that it is escalated to Stage 2 unless it is a complaint which is excluded as detailed in this policy.

Stage two complaints must be made by the customer **within one calendar month** from the date of the formal Stage 1 response unless there is a compelling reason that the request for escalation to stage 2 could not be provided in this time frame.

The escalation to stage 2 should relate to the same issues, if it relates to additional issues these will be dealt with as a new enquiry under this policy.

The Information Governance team will co-ordinate all Stage 2 complaints and **within 5 working days of receipt of the complaint:**

- Review, acknowledge, define, and log the complaint.
- If the communication received is considered an escalation to the stage 1 complaint, the IGT will:
 - - Pass to the appropriate Service lead for review and response.

The appropriate Service Lead will:

- Prepare and provide a detailed draft response for the Information Governance team to review & issue to the customer setting out and explaining the findings of their investigations.
- The written response **must** include:
 - the complaint stage
 - the complaint definition
 - the decision on the complaint
 - the reasons for any decisions made
 - findings on each aspect of the complaint, (e.g. upheld, not upheld, partially upheld or no conclusion)

- the details of any remedy offered to put things right
- details of any outstanding actions; and
- details of how to escalate the matter to the Ombudsman Service if the individual remains dissatisfied.

Where extension of time is required to enable the Council/and or landlord to fully respond to a complaint, the service lead **must** without due delay:

- decide whether an extension to the timescale is needed, taking into consideration the complexity of the complaint
- notify the IGT the reasons for the delay in responding to the complaint within 20 working days

The Information Governance team will communicate this with the complainant, including Ombudsman contact details.

The Information Governance team will, within **20 working days** (subject to any extension)

- Provide the full response, including details on how the complainant can escalate their complain

If the complaint doesn't meet the requirements for escalation, the IGT will advise the contact of the decision and the right to refer their complaint to the Ombudsman.

Escalation

We acknowledge that there may be certain circumstances when, despite having been through the complaints process a customer remains dissatisfied. In these instances, the customer can contact the relevant Ombudsman who will investigate a complaint against the Council.

The Ombudsmen are independent, impartial and a free service, they can be contacted at:

[The Local Government and Social Care Ombudsman](#)

Complaint form: [How to register a complaint - Local Government and Social Care Ombudsman](#)

Telephone: 0300 061 0614

The telephone line is open:

Mondays 10am to 1pm

Tuesdays 10am till 1pm

Wednesdays 1pm till 4pm
Thursdays 10am till 1pm
Fridays 10am till 1pm

Write to:

Local Government and Social Care Ombudsman
PO Box 4771
Coventry
CV4 0EH

Housing Ombudsman Service (For complaints against Tamworth Borough Council
Landlord Services)

Complaint form: [online complaint form](#)

Email: info@housing-ombudsman.org.uk

Phone: 0300 111 3000 (Phonelines are open Monday to Friday 9am to 5pm)

(Lines will be closed for staff training every Thursday from 3.30pm to 5pm.)

Write to:

Housing Ombudsman Service
PO Box 1484
Unit D
Preston
PR2 0ET

Putting things right

When something has gone wrong, the Council will acknowledge this and set out the actions it has already taken (or which will be taken) to put things right. These can include:

- Acknowledging where things have gone wrong
- Providing an explanation, assistance, or reasons
- Taking action if there has been delay
- Reconsidering or changing a decision
- Amending a record or adding a correction or addendum
- Providing a financial remedy
- Changing policies, procedures, or practices

The Council will take into account the guidance issued by the relevant Ombudsman when deciding on appropriate remedies.

If a complaint is upheld you can expect an apology and for us to put things right quickly. We may also propose one or more of the above actions. Where reasonably possible the aim of these actions is to return the complainant to the position they would have been had the service failure not occurred. Although we will consider

each complaint on its merits we will try to ensure we offer similar remedies for similar situations.

Where a complainant owes money to the Council, for example for rent or Council Tax arrears, any financial remedy will in most cases be offset against the debt. It will not be offset if there is a legitimate dispute about the debt (for example, there is a benefit claim pending), or if the financial remedy is for a specific purpose (for example, to decorate after repairs), or if it is to replace damaged possessions.

Matters relating to Officer conduct will not be shared with the complainant; these will be dealt with internally under the Council's HR disciplinary policies, where appropriate.

Satisfaction surveys

Once we have dealt with your complaint, we may send you a survey or contact you to find out how satisfied you were with the way we handled your complaint. We would appreciate you taking the time to fill this in or talk to us as this information will help us improve the way we handle complaints.

Data Protection

We collect, hold and process information in accordance with the requirements of the UK General Data Protection Regulation and the Data Protection Act 2018. We will ensure the Data Protection principles are adhered to and all personal information provided as part of a complaint will be kept in line with our retention policy and only shared with other Council departments or contractors where it is necessary to do so. More information about how the council handles your data and your rights under the data protection legislation can be found at: [Data Protection Act | Tamworth Borough Council](#)

Consultation

Consultation on this policy has taken place with CMT, Cabinet, Tenant Consultative Group

Roles & responsibilities:

Corporate Management Team (CMT) will:

- ensure the policy is adhered to.
- review complaints performance and lessons learned on a quarterly basis.
- approve compensatory payments where necessary.

Heads of Service & Service Leads will:

- manage delivery of the policy within their service area.
- designate an officer to review and respond to Stage 1 complaints via the Information Governance team.
- provide Stage 2 responses to the customer via the Information Governance team.
- ensure the policy is applied when dealing with complaints.

- demonstrate learning from feedback and action plans.
- include the policy principles in any contracted or commissioned services.

Designated Officers responding to Stage 1 complaints will:

- investigate Stage 1 complaints.
- provide Stage 1 responses to the customer via the Information Governance team.
- ensure the policy is applied when dealing with complaints, including adherence with response timescales.
- Complete action plans where appropriate (EG: lessons learnt / actions arising from a complaint)

Designated Officers responding to Stage 2 complaints will:

- investigate Stage 2 complaints.
- provide Stage 2 responses to the customer via the Information Governance team.
- ensure the policy is applied when dealing with complaints, including adherence with response timescales.
- Complete action plans where appropriate (EG: lessons learnt / actions arising from a complaint)

The Information Governance Team will:

- monitor the progress of Stage 1 and Stage 2 complaints.
- develop the policy, procedure and promote the scheme.
- ensure that the policy is being adhered to
- oversee responses issued at all stages of the process.
- co-ordinate a single response to complaints if it involves more than one service area.
- ensure that officers/services who receive compliments are made aware of the feedback received.
- provide feedback, analysis, and performance information to Service Managers and Corporate Management Team.
- support the procedure whereby a complaint has been made to the relevant Ombudsman.
- ensure all Elected Members and MP complaints follow the procedure of the Comments, Compliments and Complaints Policy
- ensure that complaints about contractors are passed directly to the relevant Service Manager for review and response and that contractors adhere to the policy and process.

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Equality, Social Inclusion and Health Impact Assessment (ESHIA)

An ESHIA is a review of a new or existing policy, strategy, project, report or service change to establish whether this has a differential impact on specific equality groups and identifies how we can improve equality of opportunity for different groups of people.

An ESHIA aims at improving Tamworth Borough Council’s work, by promoting equality, social inclusion, health and wellbeing by ensuring that the proposed or existing policy promotes equality and can benefit a wide range of people.

Details

Title of the proposal	Comments, Compliments and Complaints Update	
Director responsible for the project or service area	Zoe Wolicki	
Officer completing the assessment	Zoe Wolicki	
Date conducted	21 January 2025	
Who are the main stakeholders?		
What is being assessed?	A decision to review or change a service	
	A strategy, policy, report or procedure	x
	A function, service, or project	
What kind of assessment is it?	New	
	Review of existing	

Part One - Initial screening:

This section should be used to carry out an initial screening of changes or decisions to help to decide whether a full ESHIA is required.

The following six screening questions are designed to assess whether this proposed change is likely to have an impact on equality, social inclusion, health and wellbeing.

		Yes	No
1	Does this new or revised project, proposal, policy, report, procedure likely to have an impact?		X
2	Does the proposal seek agreement to a key decision involving allocation of resources, such as changes in funding or resources, initiation of a new programme or project or procurement?		X
3	Does the proposal seek agreement on restructuring or reorganising of staffing?		X
4	Will this policy or proposed change have any impact on potential suppliers?		X

5	Does this policy or proposed change impact on any HR policy or practice within the council?		X
6	Does this policy or proposed change have any implications for equalities, social inclusion and health and wellbeing not covered above?		X

1. If the answer is **no** to all the questions, please provide a summary below outlining why this conclusion has been reached.
2. If the answer is **yes** to any of the questions, please conduct the full ESHIA as detailed in Part two.

If you are unsure of any of the answers, please seek advice from Human Resources.

Summary of initial screening outcome:

As there is an update and has no fundamental changes to policy or procedures that could affect customers, stakeholders or staff a full assessment is not required.

Decision	Yes	No
Initial screening only	X	
Proceed to Part Two, full assessment		X

Initial screening completed by	Zoe Wolicki
Date	22/01/25

Full screening completed by	
Date	

Equality, Social Inclusion and Health Impact Assessment (ESHIA)

Part Two: Full assessment

Section 1

The purpose of the project, proposal or decision required. Set out the aims, objectives, purpose and outcomes of the area being impact assessed. Are any other functions, policies or services linked to this assessment?

The purpose of the report is to

Section 2

Evidence used and considered. Include analysis of any missing data.

Complaints data

Section 3

Consultation undertaken with interested parties who will/may be affected proposal? What were the outcomes of the consultation?

Section 4

What are the potential or actual impacts of the proposal? Please consider both the direct and indirect impact and refer to the guidance for additional information.

Impact Area	Impact? Positive (P) Negative (N) Neutral (Ne)	Details of the impact	Action to address negative impact
Protected Characteristic, as outlined in the Equality Act 2010			
Age			
Disability			
Gender reassignment			
Marriage and civil partnership			
Pregnancy and maternity			
Race			

Religion or Belief			
Sex			
Sexual Orientation			
Are there socio-economic groups likely to be affected? If yes, please provide detail below			
Other social exclusion			
Digital exclusion			
Veterans and serving members of the armed forces and their families			
Young people leaving care			
Health and Wellbeing: Individuals and communities in Tamworth	Impact: Positive (P) Negative (N) Neutral (Ne)	Explanation	Action to address negative impact
Will the proposal have a direct impact on an individual's health, mental health and wellbeing?			
Will the proposal directly impact on housing?			
Will there be a likely change in demand for or access to public services such as health and social care services?			
Will there be an impact on diet and nutrition?			
Will there be an impact on physical activity?			
Will there be an impact on transport, travel			

and connectivity?			
Will there be an impact on employment and income?			
Will there be an impact on education and skills?			
Will there be an impact on community safety?			
Will there be an impact on the environment, air quality, climate change?			

If there are no adverse impacts or any issues of concern or you can adequately explain or justify them, please move to section 6.

Section 5

Where a potential negative impact has been identified, can continuation of the proposal be objectively justified? If yes, please explain your reasons.

Section 6: Decisions or actions proposed

The assessment may result in some recommendations or suggestions to mitigate any negative impact and maximise positive impacts or actions to reduce the risk of an adverse impact.

Section 7: Monitoring arrangements

Who will be responsible for monitoring	
Frequency of monitoring	
Where will the impact assessment be reported to?	
Where this impact assessment will be stored and for how long	

Section 8: Summary of actions to mitigate negative impact (if required)

Impact Area	Action required	Lead officer/responsible person	Target date	Progress



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), A Wells (Vice Chair), C Bain, M Couchman, S Doyle, J Oates, P Turner, J Wadrup

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

2024/25 Year

Note: Audit & Governance Committee training is planned for 4th 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 Quarterly Update Q3	5 th February 2025	Interim Audit Manager	
2.	Risk Management Quarterly Update	5 th February 2025	Interim Executive Director Finance	
3.	Audit Committee Effectiveness	5 th February 2025	Interim Audit Manager	
4.	Future High Street Fund Risk Report	5 th February 2025	Assistant Director, Growth & Regeneration	
5.	Quarterly update - Financial Waivers	5 th February 2025	Interim Executive Director Finance	
6.	Complaints Update	5 th February 2025	Assistant Director - People	
7.	Regulation of Standards of Conduct	5 th February 2025	Monitoring Officer	

8.	Auditor's Annual Report 2023/24.	5 th February 2025	Azets	
	Report	Committee Date	Report of	Comments
1.	Audit and Governance Committee update	19 th March 2025	Azets	
2.	Internal Audit Charter and Audit Plan 2025/26	19 th March 2025	Audit Manager	
3.	Final Accounts – Accounting Policies and Action Plan	19 th March 2025	Assistant Director of Finance	
4.	Update on Global Internal Audit Standards	19 th March 2025	Audit Manager	
5.	Introduction of Bishop Fleming as Council's External Auditors	19 th March	Bishop Fleming	
6.	Private meeting of Internal and External Auditors and Committee members	19 th March 2025		
	Report	Committee Date	Report Of	Comments
1.	Public Sector Internal Audit Standards/Quality Assurance and Improvement Programme	15 th April 2025	Audit Manager	
2.	Annual Report of the Chair of Audit & Governance Committee	15 th April 2025	Audit Manager / Chair	
3.	Review of Financial Guidance	15 th April 2025	Assistant Director Finance	
4.	Review of the Treasury Management	15 th April 2025	Executive Director	

	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		Finance	
7.	Review of the Constitution and Scheme of Delegation for Officers	15th April 2025	Monitoring Officer	

Portfolio Holder: The Leader of the Council (Operations/Finance/Cost of Living)

Matters Considered

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	Report	Committee Date	Report of	Comments
1.	Internal Audit Annual Report and Quarterly Update for 2023/24	26th June 2024	Audit Manager	
2.	Annual Governance Statement and Code of Corporate Governance	26th June 2024	Chief Executive/Audit Manager	
3.	Risk Management Quarterly Update	26th June 2024	Assistant Director, Finance	
4.	Future High Street Fund Risk Report	26th June 2024	Assistant Director, Growth & Regeneration	

5.	Audit Committee Effectiveness (Skills Audit) and Independent Member update	26th June 2024	Audit Manager	
1.	Members Training Session	14th August2024	Zurich/ Executive Director Finance	
1.	Regulatory Investigatory Powers Act 2000 (RIPA) Annual Update	25th September 2024	Assistant Director, Partnerships	
2.	Modern Slavery and Human Trafficking Statement	25th September 2024	Assistant Director – Partnerships	
3.	Local Government Ombudsman’s Annual Review and Report 2023/24	25th September 2024	Assistant Director – People	
4.	Internal Audit Quarterly Update Q1	25th September 2024	Audit Manager	
5.	Financial Waivers to 30th June 2024	25th September 2024	Assistant Director – Finance	
6.	Risk Management Quarterly Update	25th September 2024	Assistant Director – Finance	
7.	Annual Report on The Treasury Management Service and Actual Prudential Indicators 2023/24	25th September 2024	Executive Director Finance	
8.	Audit & Governance Committee update	25th September 2024	Azets	
9.	Private meeting of Internal and External Auditors and Committee members	25th September 2024		
1.	Internal Audit Quarterly Update Q2	13th November	Audit Manager	

		2024		
2.	Counter Fraud update	13th November 2024	Audit Manager	
3.	Outstanding Audit Recommendations	13th November 2024	Audit Manager	
4.	Risk Management Quarterly Update	13th November 2024	Assistant Director – Finance	
5.	Quarterly update - Financial Waivers	13th November 2024	Assistant Director – Finance	
6.	Member Enquiries Update	13th November 2024	Monitoring Officer	
7.	Annual Statement of Accounts	13th November 2024	Executive Director Finance	
8.	Audit Findings Report and Management Representation Letter	13th November 2024	Azets	