

Agenda

Audit Committee

Date: **Tuesday 23 June 2026**

Time: **5.30 pm**

Place: **Council Chamber**

For any further information please contact:

Democratic Services

committees@gedling.gov.uk

0115 901 3844

Audit Committee

Membership

Chair Councillor Ron McCrossen

Vice-Chair Councillor Ruth Strong

Councillor Stuart Bestwick
Councillor David Brocklebank
Councillor Helen Greensmith
Councillor Paul Hughes
Councillor Julie Najuk
Jonathan Causton

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Responsibility of Audit Committee:

Statement of purpose

- a) The Audit Committee is a key component of Gedling Borough Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- b) The purpose of the Audit Committee is to provide independent assurance to the Council of the adequacy of the risk management framework and the internal control environment. It provides independent review of Gedling Borough Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Governance, risk and control

- c) To review the Council's corporate governance arrangements including the Local Code of Corporate Governance.
- d) To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal

audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

e) To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

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

g) To consider and monitor the effective development and operation of risk management in the council.

h) To monitor progress in addressing risk-related issues reported to the committee.

i) To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

j) To review the assessment of fraud risks and potential harm to the council from fraud and corruption.

k) To consider and monitor the counter-fraud strategy, actions and resources.

Internal audit

l) To approve the internal audit charter defining the role and scope of internal audit.

m) 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.

n) To make appropriate enquiries of both management and the Head of Internal Audit to determine if there are any inappropriate scope or resource limitations.

o) 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.

p) To consider the Head of Internal Audit's annual report confirming compliance with auditing standards and the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control - these will assist the committee in reviewing the Annual Governance Statement.

q) To consider summaries of specific internal audit reports as requested.

r) 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.

s) To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.

t) To support effective communication with the Head of Internal Audit.

External audit

u) To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.

v) To consider specific reports as agreed with the external auditor.

w) To comment on the scope and depth of external audit work and to ensure it gives value for money.

x) To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Financial reporting

y) To consider and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

z) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Accountability arrangements

aa) 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.

AGENDA

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16	Any other item which the Chair considers urgent	

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MINUTES AUDIT COMMITTEE

Tuesday 24 February 2026

Councillor Sandra Barnes (Chair)

Councillor Stuart Bestwick	Councillor Alison Hunt
Councillor Helen Greensmith	Councillor Ruth Strong
Councillor Paul Hughes	Jonathan Causton

Absent: Councillor Ron McCrossen

Officers in Attendance: T Adams, C Goodall, F Whyley and D Reason

Guests in Attendance: M Armstrong (BDO), Mark SurrIDGE (Mazars)

27 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS.

Apologies were received from Councillor R McCrossen.

Apologies were received on behalf of Councillor Greensmith, for lateness.

28 TO APPROVE, AS A CORRECT RECORD, THE MINUTES OF THE MEETING HELD ON 9 DECEMBER 2025

RESOLVED:

That the minutes of the above meeting, having been circulated, be approved as a correct record.

29 DECLARATION OF INTERESTS.

None.

30 EXTERNAL AUDIT COMBINED AUDIT STRATEGY & COMPLETION REPORT 2024/2025

The External Audit Manager introduced a report of the Chief Finance and Section 151 Officer, which had been circulated in advance of the meeting, informing Members of the key findings arising from Mazars' (the Council's external auditors) audit work in respect of 2024/25 Statement of Accounts.

RESOLVED:

To note the Audit Strategy and Completion Report for 2024/25 and refer to Full Council for information.

31 ANNUAL GOVERNANCE STATEMENT & AUDITED STATEMENT OF ACCOUNTS 2024/2025

The Chief Finance and Section 151 Officer introduced a report, which had been circulated in advance of the meeting, seeking approval of the Council's Annual Governance Statement and the Statement of Accounts for 2024/25.

RESOLVED to:

- 1) Approve the Annual Governance Statement for 2024/25 (Appendix 1).
- 2) Approve The Statement of Accounts for 2024/25 (Appendix 2).
- 3) Note the Narrative Statement on pages 3 to 17 of The Statement of Accounts for 2024/25 (Appendix 2).
- 4) Agree The Draft Letter of Representation (Appendix 3).

32 INTERNAL AUDIT ANNUAL PLAN - 2026/27

The Internal Audit Manager introduced a report, which had been circulated in advance of the meeting, detailing the three-year Internal Audit Plan for 2026/27 – 2028/29 for Gedling Borough Council.

Councillor Greensmith joined the meeting at 5.50pm.

RESOLVED to:

- 1) Approve the Internal Audit Plan for 2026/27 and the Internal Audit Charter.
- 2) Approve the Internal Audit Strategy and the Quality Assurance and Improvement Programme.

33 LOCAL CODE OF CORPORATE GOVERNANCE 2026/2027

The Monitoring Officer introduced a report, which had been circulated in advance of the meeting, seeking approval for the updated Local Code of Corporate Governance 2026/27.

RESOLVED:

To approve The Local Code of Corporate Governance for 2026/27.

34 CORPORATE RISK MANAGEMENT REVIEW - QUARTER 3 2025/26

The Chief Finance and Section 151 Officer and The Monitoring Officer introduced a report, which had been circulated in advance of the

meeting, updating members of the Audit Committee on the current level of assurance that could be provided against each corporate risk.

RESOLVED:

To note the current risk level and actions identified within the Corporate Risk Register.

35 INTERNAL AUDIT PROGRESS REPORT 2025/2026

The Internal Audit Manager introduced a report, which had been circulated in advance of the meeting, summarising the outcome of internal audit activity completed by the BDO Internal Audit Team for the period December 2025 to February 2026.

It was moved and duly seconded that under Section 100(A)(4) of the Local Government Act 1972 the public and press be excluded from the meeting during consideration of the last appendix of the report on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

It was therefore resolved that public and press be excluded from the meeting during the consideration of the last appendix on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

The Internal Audit Manager introduced the Cyber Security Report.

RESOLVED:

To note the progress of the delivery against the 2025/26 Internal Audit Plan, including the Main Financial Systems Report, the Asset Management – Commercial Assets Report and the Cyber Security Report.

36 ANY OTHER ITEM WHICH THE CHAIR CONSIDERS URGENT.

None

The meeting finished at 6.40 pm

Signed by Chair:
Date:

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Report to Audit Committee

Subject: Internal Audit Progress Report

Date: 23 June 2026

Author: Gurpreet Dulay – Internal Audit Partner (BDO)

Purpose

To summarise the outcome of internal audit activity completed by the BDO Internal Audit Team for the period up to the end of March 2026.

Recommendation(s):

THAT:

Members to note the progress (completion) of the delivery against the 2025/26 Internal Audit Plan, including executive summaries of the Asset Management – Residential Assets Report, Complaints and FOIs Report, and the Corporate Governance Report.

1. Background

1.1 The Internal Audit Plan for 2025/26 was approved by the Audit Committee on 18 March 2025. The progress report provides a summary update of the work undertaken by BDO for 2025/26 which includes summaries of the final internal audit report for the following reviews: Asset Management – Residential Assets, Complaints and FOI, and Corporate Governance. This concludes our Internal Audit Plan for 2025/26.

2. Proposal

2.1 Since the last Audit Committee meeting, three reports have been finalised (Asset Management – Residential Assets, Complaints and FOI, and Corporate Governance).

3. Financial Implications

3.1 The Internal Audit Plan is delivered within the approved budgets.

4. Legal Implications

4.1 The Accounts and Audit Regulations 2015 require authorities to undertake effective internal audit to evaluate the effectiveness of risk management, control and governance processes. This report provides the annual position of internal audit for 2025/26 and is provided to Committee in accordance with the Council's Constitution and delegations contained therein.

5. Equalities Implications

5.1 There are no equalities implications arising directly from these reports.

6. Carbon Reduction/Environmental Sustainability Implications

6.1 There are no carbon reduction/environmental sustainability implications arising directly from these reports.

7. Appendices

7.1 BDO Internal Audit Progress Report – June 2026.

Gedling Borough Council
Internal Audit Progress Report
June 2026



Summary of 2025/26 work

Internal Audit

This report is intended to inform the Audit Committee of progress made against the 2025/26 internal audit plan. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Global Internal Audit Standards in the UK Public Sector. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Internal audit methodology

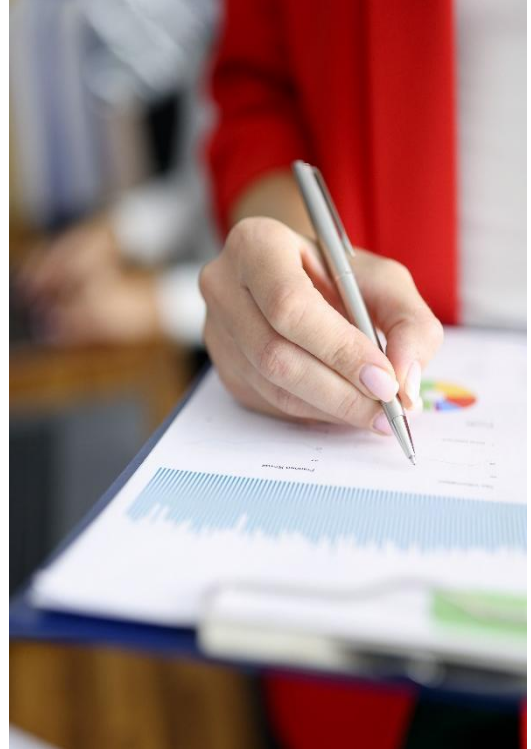
Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in Appendix 1 of this report and are based on us giving either 'substantial', 'moderate', 'limited' or 'no' opinion. The four assurance levels are designed to ensure that the opinion given does not gravitate to a 'satisfactory' or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

Internal audit plan 2025/26

We have now completed our delivery of the audit plan with all audit reviews finalised. We are pleased to present the following reports to this Audit Committee meeting:

- ▶ Asset Management - Residential Assets
- ▶ Corporate Governance
- ▶ Complaints and Freedom of Information Requests.

This concludes our delivery of the 2025/26 Internal Audit Plan and we have commenced our work on the 2026/27 work.



Review of 2025/26 work

AUDIT	AUDIT COMMITTEE	PLANNING	FIELDWORK	REPORTING	DESIGN	EFFECTIVENESS
Risk Management	September 2025	✓	✓	✓	S	M
Main Financial Systems (Fraud)	December 2025	✓	✓	✓	Confidential	
Asset Management - Commercial Assets	February 2026	✓	✓	✓	M	M
Asset Management - Residential Assets	June 2026	✓	✓	✓	M	M
Freedom of Information Requests and Complaints	June 2026	✓	✓	✓	S	M
Corporate Governance	June 2026	✓	✓	✓	S	M
People Services	September 2025	✓	✓	✓	L	M
Cyber Security	February 2026	✓	✓	✓	Confidential	

Asset Management - Residential Assets

CRR Reference: CR002, CR007 and CR013

Design Opinion	M	Moderate	Effectiveness Opinion	M	Moderate
Recommendations	0	2	1		



SCOPE

Background

- ▶ Gedling Borough Council (the Council) do not own its own social housing stock. However, it has purchased c29 properties for temporary accommodation use (and has leased a further eight properties) since 2021 to meet its obligation under the Housing Act 1996, to ensure accommodation is available for those presenting as homeless (and meeting certain criteria) within the district.
- ▶ It was reported to Cabinet on the 13 February 2025 in the annual budget that there are further plans for capital investment of £1.1m to purchase more properties over a two-year period for temporary accommodation use.
- ▶ The Temporary Maintenance Policy was presented to Cabinet for a decision on 4 September 2025. The Council are undertaking surveys of its residential housing stock to identify maintenance and works requirements to ensure the properties are in a suitable condition. Reactive maintenance is performed when a valid request is made by a tenant or where remedial action is identified during inspections of properties.
- ▶ Rental income from residential properties is estimated to be £320,000 per annum. There was a rent increase for properties in August 2024, with no further increase in rents since. To monitor rental charges for residential properties, a spreadsheet is maintained with a separate tab for each property to document the rental income charged to and received from tenants each week. The Finance Team perform a quarterly reconciliation of rental income from the spreadsheet to the ledger records.
- ▶ The loss or damage to infrastructure assets due to inadequate maintenance, protection or insurances has a score of nine on the Corporate Risk Report and is considered among the highest risks to the Council (CR007).

Purpose

- ▶ The purpose of this review was to provide assurance over the Council's management of its residential properties and assets, focusing on reactive maintenance of properties and the charging and collection of rental income from tenants.

Limitations of scope

- ▶ The Council do not currently have a planned maintenance schedule in place as this is being addressed through the external surveys that are being commissioned for its residential housing stock. Therefore, as there are already known control gaps which are being addressed via a different piece of work, we have excluded planned maintenance from the scope of this review.

Areas reviewed

The following areas were covered as part of this review:

- ▶ Policies and procedures for the reactive maintenance to the Council's residential properties to assess whether these were fit for purpose.
- ▶ A sample of five reactive maintenance requests or works on residential properties to ascertain whether these were addressed promptly and sufficient documentary records were held for the remedial works undertaken. We also assessed whether the

maintenance works were performed by suitably skilled staff or contractors and whether the maintenance works were inspected prior to payments to contractors.

- ▶ A sample of 20 residential property tenancies to confirm:
 - A Licencing Agreement had been signed by the Council and the tenant as acceptance of the rental terms and payment conditions.
 - Tenants were charged accurately for rent in accordance with the Licencing Agreement.
 - Rental income was collected from tenants and correctly reconciled to the temporary accommodation spreadsheet.
- ▶ A sample of five tenants in arrears to assess whether:
 - Appropriate action had been taken to recover the payment from the tenant in accordance with the Council’s recovery policies.
 - Debt recovery action had been documented to demonstrate the steps taken to recover the outstanding payments.

 AREAS OF STRENGTH

We identified the following areas of good practice:

- ▶ To monitor rental charges for residential properties, a spreadsheet is maintained with a separate tab for each property to document the rent charged to and received from tenants each week. Each property has a dedicated tab with 52 lines for tenant information, including balance brought forward, current charges, benefits, and arrears. This enables effective monitoring of rent income for residential properties, in the absence of an asset management system.
- ▶ The Senior Policy and Systems Officer manages the tenancy spreadsheet weekly, and the balance sheet is reviewed, checked and reconciled by the Finance Team quarterly and then at year end to ledger records. At the time of our review, the tenancy spreadsheet was accurate and up to date, demonstrating proactive management and monitoring of tenancies.
- ▶ In our sample testing over 20 residential property tenancies, we confirmed that:
 - All 20 tenants had been charged accurately in line with the Licensing Agreement for weeks selected as part of testing.
 - For all 20 samples of rental income selected, this had been collected from tenants and was correctly reconciled to the temporary accommodation spreadsheet.
- ▶ A quality check sheet is completed each time a property becomes vacant to identify areas of risk and maintenance requirement. This was identified as a control gap in our 2024/25 Temporary Accommodation audit where checks were not documented.

 AREAS OF CONCERN

Finding	Recommendation and Management Response
Due to resource limitations, inspections of reactive maintenance by contractors are not performed to verify that the works have been completed to a suitable standard before the contractor is paid. This is reasonable for safety-critical and specialist maintenance where registered contractor is used (Finding 1 - Medium).	<p><u>Recommendation</u></p> The Council should implement a monetary value for reactive maintenance where it will allocate resources to ensure there are checks on the quality and standards of maintenance works prior to making a payment to a contractor where this would be possible. An inspection form should be completed and signed to provide a clear audit trail. We recognise

		<p>that for safety critical or specialist work it is reasonable to entrust a registered contract if the Council has taken reasonable steps to satisfy itself of the contractor’s competency.</p> <p><u>Management Response</u></p> <p>The Council will determine a threshold monetary value over which documented inspections will take place.</p> <p>Target Date: 31 August 2026</p>
	<p>Across our sample of contractors selected for reactive maintenance requests, the contractor was either not on the register of certified providers or, where they were on this register, regulatory checks of insurance and health and safety standards were not up to date. This indicates that these ongoing checks may not have been performed. Although it should be noted that those performing safety-critical maintenance were on the register of certified providers (Finding 1 - Medium).</p>	<p><u>Recommendation</u></p> <p>A. A single provider maintenance contract should be considered by the Council to efficiently manage all maintenance needs.</p> <p>B. The Council should perform a comprehensive review of the register of certified providers making sure that all areas are fully updated and relevant documentation has been received from each provider. The register should be reviewed on a regular basis and kept up to date.</p> <p><u>Management Response</u></p> <p>A. The Council cannot guarantee to a single contractor providing maintenance. The Council will however conduct a formal procurement exercise shortly to minimise the number of maintenance contractors used in future.</p> <p>B. A review will be undertaken.</p> <p>Target Date: 31 October 2026.</p>
	<p>Maintenance requests were not given a priority rating and there was not proactive oversight of the timescales for issues to be rectified. As a result, across our sample of maintenance requests, there were some delays in the completion of works to resolve issues. The new Temporary Accommodation Maintenance Policy has set clear timescales for issues to be resolved based on the urgency of the matter (Finding 2 - Medium)</p>	<p><u>Recommendation</u></p> <p>A. The Housing and Resettlement Team should implement a formalised method of tracking temporary accommodation maintenance requests, applying a severity rating to each request. This should focus the resource allocation to ensure action is taken to remediate issues in accordance with the timescales outlined in the Temporary Accommodation Maintenance Policy.</p> <p>B. The actual date that the works have been completed should be documented to ensure the Council has a sufficient record to demonstrate the action it has taken to remediate these issues. This is</p>

		<p>particularly relevant to occupied properties.</p> <p>C. As part of the roll out of KPIs used for performance reporting alongside the new Temporary Accommodation Maintenance Policy, time frames for requests should be monitored regularly in line with the urgency of the required repairs, with escalation in the cases that there are delays to work performed.</p> <p><u>Management Response</u></p> <p>A. It is agreed that a process is needed to address recommendation A.</p> <p>B. It is felt that both the start and end date should be recorded.</p> <p>C. KPIs should be monitored and any delays identified and addressed.</p> <p>Target Date: (A and C) 31 August 2026 and (B) 31 July 2026.</p>
	<p>There was no policy or procedure note for the recovery and escalation of rent arrears. Although, the Council's rent arrears were low, contributing to only 3% of the total rent charged for residential properties (Finding 3 - Low).</p>	<p><u>Recommendation</u></p> <p>A. The Council should develop a procedure note for managing rental arrears that clearly defines how arrears are reviewed, chased and escalated, including roles, responsibilities and timescales to support consistency and business continuity within the Housing and Resettlement Team.</p> <p>B. Procedures for the review, chase and escalation of rental arrears should be documented for each overdue debt to provide a clear audit trail of decisions made.</p> <p><u>Management Response</u></p> <p>A. The Housing and Resettlement Assistant Director will ensure an internal written procedure is drafted to address the points raised.</p> <p>B. A case note will be added confirming why actions have or have not been taken for rental arrears on a case-by-case basis to provide a clear explanation of actions and an audit trail.</p> <p>Target Date: (A) 30 September 2026 and (B) 31 August 2026.</p>



CONCLUSION

We conclude that the Council has a Moderate design of controls and Moderate effectiveness of controls for the asset management of its residential properties.

Control Design

The control design is Moderate because the Council generally had a sound system of internal controls designed to achieve system objectives, with some exceptions identified.

The Council's process for collecting rent from tenants utilises the temporary accommodation rental spreadsheet which ensures that rents are charged accurately and in line with licensing agreements.

However, the Council currently do not have in place a documented process for managing rental arrears to maintain consistency and continuity within the Housing and Resettlement Team. We identified instances where there had been continued non-payment of rent without documented evidence of action and escalation by the Council.

Control Effectiveness

The control effectiveness was Moderate as there was evidence of non-compliance with some controls, that may put some of the system objectives at risk.

There were areas of concern noted in both the inspection of reactive maintenance requests to ensure that safety concerns had been remediated and that works had been completed by suitably qualified staff. Despite requirements for the Tenancy Liaison Officer to evidence and confirm completion of works before being approved for payment, the Council could not demonstrate evidence of this across all samples selected. This was identified as more of an administrative issue and the Council reaffirmed that where there is urgent or safety-critical remediation required, immediate action is taken to ensure the safety of tenants.

Furthermore, we did not receive appropriate evidence to show that the contractor selected was either included on the Register of Certified Providers or, in the cases the contractor was included on the register, required regulatory checks had not been documented as being completed and up to date.

The current process for monitoring time taken to complete reactive repairs was not documented for two of the five samples selected and there were four instances in our sample testing where the licensing agreement had not been signed and dated by both the Council and the tenant ahead of date of tenancy's commencement.

Complaints and FOIs

CRR Reference: CR008 and CR013

Design Opinion	S Substantial	Effectiveness Opinion	M Moderate
Recommendations	0 1 4		



SCOPE

Background

- ▶ Gedling Borough Council ('the Council') support thousands of residents each year and to ensure the Council operate with the aim of setting high standards and transparent behaviour and complying with legislation such as the Freedom of Information ('FOI') Act 2000.
- ▶ At the Council, complaints are managed locally by service area with records logged on Netcall, the customer relationship management system. FOIs are coordinated by the Legal Services Team, with support from service areas to collate the necessary information.

Complaints

- ▶ The Council have a Complaints, Compliments and Comments Policy which is available on its website. This Policy takes into consideration its duties under the Complaint Handling Code issued by the Local Government and Social Care Ombudsman. In its policy, the Council define a complaint as "an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the Council, its staff, or those acting on the Council's behalf, affecting an individual or group of individuals". This definition extends to contractors or partners providing a service on behalf of the Council. The Council accept complaints received within 12 months of the issue occurring or the complainant becoming aware of the issue.
- ▶ There is a three-stage process for handling complaints. These are:
 - **Stage One - Service Department Complaint (investigated at point of service delivery).** A full response to the complaint should be provided within ten working days. Customers should be advised that they can escalate the complaint to Stage Two if dissatisfied with the response.
 - **Stage Two - Service Department Complaint.** A different individual will investigate the complaint, including a response to the Stage One complaint and procedure. A Director or Assistant Director will oversee the process and ensure the review is conducted objectively. A full response to the complaint should be provided within 20 working days and the complainant should be advised that they can escalate the matter to the Local Government and Social Care Ombudsman if they remain dissatisfied with the response.
 - **Stage Three - Referral to the Local Government and Social Care Ombudsman ('LGSCO').** The referral will be sent to the relevant Head of Service, but all correspondence will be managed by the Assistant Director of Governance and Democracy on the Monitoring Officer's behalf.
- ▶ The Complaints, Compliments and Comments Policy also state the Council's process for 'putting things right' when a complaint is upheld.

FOI Requests

- ▶ The FOI Act 2000 gives a member of the public the right of access to information held by public authorities, including information held by the Council. All information held by the Council is eligible for release - although the Council will consider whether any exemptions apply. If an individual would like to request information about the Council, they can submit a request via the online form on the Council's website or

raise requests through websites such as 'WhatDoTheyKnow'. The Council are expected to acknowledge the request and must reply in full within 20 working days or agree an extension with the requestor.

- ▶ The Council's policy is to not process FOI requests that cost more than £450 or 2.5 days' work.

Purpose

- ▶ The purpose of the audit was to provide assurance over the Council's management of complaints and freedom of information requests, in accordance with the requirements of the FOI Act 2000.

Limitations of scope

- ▶ We did not review the accuracy and validity of evidence, documentation and correspondence forming part of the Council's FOI responses. Our assurance opinion is strictly limited to the overarching internal controls and processes in place for recording, handling and monitoring FOIs. We are not providing assurance over the accuracy of the information given by the Council in response to FOI requests. Albeit we did assess whether, in our opinion, all elements of FOIs were recognised and responded to from the FOI requests tested in our sample.

Areas reviewed

The following areas were covered as part of this review:

Complaints

- ▶ We reviewed the Complaints, Compliments and Comments Policy and supporting procedure documents to assess whether these covered the expected levels of detail to support the Council's complaint management effectively.
- ▶ We reviewed existing and planned training programmes offered to Council staff and assessed whether there was adequate guidance on how to effectively identify and investigate complaints made to the Council.
- ▶ For a sample Stage One complaints (which was the focus of our testing), we:
 - Ascertained whether directorates retained appropriate records of complaints received and documentation for the management and outcome of the complaints.
 - Assessed whether responses to the complaints complied with the Policy, including informing complainants of further escalation routes available to them if they did not accept the outcome of the investigation.
 - Assessed whether these were managed consistently across service areas.
 - Confirmed whether accepted complaints provided a clear response that followed the Council's 'putting things right' approach.
- ▶ Our sample included some complaints made in Summer 2025 about bin collections, which we knew was a high area of complaints for the Council. These were acknowledged and action was taken to improve processes and reduce the number of missed bin collections. However, we did not look solely at waste complaints, to ensure broader assurance could be provided across most service areas.
- ▶ We included some complaints that had reached Stage Two or above in our sample. For these complaints we assessed whether these had been managed in accordance with the Policy, with input from Directors or Assistant Directors into the process. We selected a sample and checked these against the Complaints Procedure and expected standards.
- ▶ We reviewed evidence of escalation to senior management on complaints to identify whether there was adequate oversight of complaints that had been acknowledged and may impact the reputation of the Council.

FOI Requests

- ▶ We reviewed policies and supporting procedure documents to assess whether these covered the process for responding to FOI requests in accordance with statutory timeframes.

- ▶ We reviewed a sample of FOI Requests to:
 - Assess whether the FOI was responded to with sufficient information within the statutory timescales.
 - Or, where the information had been refused, the requestor had been informed of which section of the FOI Act that prevented the information being shared, and that the decision to this was in line with the legislation.
 - Where complaints had been made by the requestor to the Information Commissioners Officer ('ICO') because of an FOI Request outcome. We reviewed the ICO verdicts in response to FOIs raised to the Council to assess whether these supported the Council's application of the legislation.
- ▶ Enquired about the Council's arrangements for monitoring platforms such as 'WhatDoTheyKnow' to ensure all valid FOI requests were identified and responded to in accordance with internal policy and the statutory timeframes.

 AREAS OF STRENGTH

- We identified the following areas of good practice:
- ▶ The Council's Complaints, Compliments and Comments Policy is clearly structured, accessible and sets out a coherent end to end framework for managing feedback in a way that supports prompt, fair and transparent handling. The Policy promotes transparency by explaining escalation routes and signposts complainants to the LGSCO (and the Housing Ombudsman where relevant) if dissatisfaction remains after the Council's internal stages. Importantly, the Policy reflects sector guidance as it explicitly states that it has been developed taking account of the LGSCO Complaint Handling Code, which sets expectations for organisations to respond to complaints effectively and fairly, resolve issues promptly, and use learning from complaints to drive service improvement.
 - ▶ All complaint responses that we reviewed were managed in line with the Council's 'putting things right' approach. This demonstrates a consistent and customer-focused culture in complaint handling, with responses seeking to address the issues raised in a constructive and solution-led manner and supporting fair outcomes for complainants. By applying this approach consistently across the cases tested, the Council is helping to maintain trust with residents and reduce the likelihood of further dissatisfaction or escalation arising from the tone and quality of responses.
 - ▶ The Information Requests document and the FOI Compliance and Complaints Procedure reflect ICO-aligned good practice because they describe an end-to-end FOI workflow that supports meeting the legal requirement to respond promptly and no later than 20 working days from receipt of a valid FOI request. They set out clear steps for how requests should be received and recognised, logged, acknowledged, processed and responded to, which matches the ICO's expectation that authorities have clear, accessible handling arrangements and can identify valid written requests even where requesters do not explicitly mention the FOI Act.

 AREAS OF CONCERN

Finding	Recommendation and Management Response
<p>The Council's Complaints, Compliments and Comments Policy and LGSCO's expectations require a complete audit trail for each complaint. However, our review of 15 complaints identified five cases where no supporting documentation or management responses had been retained in the Complaints System, with only a brief narrative outcome</p>	<p>Recommendation As the Council prepare to roll complaints management onto Netcall, the training planned for staff on complaints management should reinforce the expectation to document the reason for the response to the complaint and the documents reviews or process applied to investigate the complaint.</p>

	<p>recorded. As a result, these complaints could not be traced through the prescribed process or evidenced against required acknowledgement and response timeframes (Finding 1 - Medium).</p> <p><i>Complaints</i></p>	<p><u>Management Response</u></p> <p>We acknowledge that, in a number of cases, the complaint record did not contain sufficient documented evidence to demonstrate the actions taken, rationale for the response, or a clear audit trail. Should the complaint have been escalated to a Stage 2 or to the LGSCO, it is likely however, that the information and correspondence could have been acquired from the investigating officer should we need it. This isn't however guaranteed and should be held in one place. We agree with the recommendation.</p> <p>The planned training for staff will reinforce the requirements for recording complaint handling activity, including retaining appropriate documentation, evidencing the investigation undertaken, and maintaining a complete audit trail within the system.</p> <p>In addition, the migration of the complaints process to Netcall will strengthen compliance by introducing a more structured workflow for complaint handling. This will support more consistent recording of actions, documentation, and responses, and help ensure that the required evidence is retained within the system.</p> <p>Target Date: 31 October 2026</p>
	<p>In our sample of 15 complaints, there were three Stage 1 complaints that were responded to without using the standardised complaint response template. The response did not signpost complainants to further escalation routes if they were dissatisfied with the outcome (Finding 2 - Low).</p> <p><i>Complaints</i></p>	<p><u>Recommendation</u></p> <p>A. In the short-term, the Council should re-issue the templates for complaint response to staff with clear guidance that these must be used for all complaint responses.</p> <p>B. As part of the training programme for the new customer relationship management system, staff should be reminded of the importance of using the standard templates in the system to ensure that customers are aware of further escalation routes to maintain compliance with the Complaints Handling Code.</p> <p><u>Management Response</u></p> <p>A. We agree with the recommendation. In the short term, a communication will be issued to all staff who handle complaints to remind them of the standard templates that must be used when responding to complaints. This will reinforce the requirement to provide consistent responses and</p>

		<p>ensure complainants are clearly signposted to the appropriate escalation routes.</p> <p>B. In addition, staff training will reinforce the importance of using the approved complaint response templates. As a further control, the CRM system will have the standard templates embedded within the complaints process, which will support consistent use of the correct format and help improve compliance with the Council's complaints procedure.</p> <p>Target Date: (A) 30 June 2026 and (B) 30 June 2027.</p>
	<p>In our sample of 15 complaints, three Stage 1 complaints were responded to later than 10 working days after the complaint was received and one Stage 2 complaint was responded to later than 20 working days after the complaint was received. These were only marginally late (Finding 3 - Low).</p> <p><i>Complaints</i></p>	<p><u>Recommendation</u></p> <p>A. The Council should explore whether automated notification can be set up in the new customer relationship management system once that is fully implemented for complaints, to notify those assigned to investigate a complaint when it is due. This could notify the assigned investigator five working days before the due date.</p> <p>B. The Council should introduce a KPI to monitor the percentage of Stage 1, 2 and 3 complaints that are responded to within the prescribed timescale. This KPI should be added onto the Pentana dashboard and monitored quarterly.</p> <p><u>Management Response</u></p> <p>A. We agree with the recommendation to explore and implement this functionality into the new system and has already been included in our specification. The new complaints process within the CRM system will include automated notifications and reminders to support officers in managing complaint deadlines and reducing the risk of delayed responses.</p> <p>B. The Council will review how best to monitor performance against complaint response timescales. This may be through the introduction of a formal KPI or through system-generated reporting from the CRM, with performance information incorporated into the Council's four-monthly complaints reporting arrangements, with oversight by the Budget, Performance and Risk Board.</p>

		Target Date: 31 October 2027.
	<p>In our sample of 15 FOI requests, one request was not responded to in full. The FOI had multiple requests and only part of the request was responded to (Finding 4 - Low).</p> <p><i>FOIs</i></p>	<p><u>Recommendation</u></p> <p>To ensure that all parts of an FOI are responded to, the Council should explore whether FOI forms can direct requestors to splitting separate requests out as part of a single FOI in the new system. For example, this could be laid out with a drop downs listing ‘Request 1’, ‘Request 2’, etc. As the Council are implementing Netcall, it could explore whether this functionality can be incorporated into that system.</p> <p><u>Management Response</u></p> <p>The Council acknowledges the recommendation and the importance of ensuring that all elements of FOI requests are responded to in full and in a way that is accessible to the requester.</p> <p>As an immediate and proportionate response, the Council will reinforce expectations through targeted guidance and training for all FOI responding officers. This will emphasise:</p> <ul style="list-style-type: none"> ▶ The need to carefully review each request to ensure that all questions or elements are fully addressed within the response. ▶ Where information is already publicly available, officers must not only provide a link but also give clear, practical guidance to assist the requester in locating the relevant information. This may include: <ul style="list-style-type: none"> • Identifying specific sections, tabs, or headings within webpages; • Highlighting relevant rows, columns, or search terms within large datasets or spreadsheets; • Providing contextual explanation where necessary to aid interpretation. <p>In relation to system changes, whilst the suggestion to structure requests into multiple fields has been considered, it is not proposed to implement this within to design of the Netcall system at this time. This is because:</p> <ul style="list-style-type: none"> ▶ It would be difficult to predetermine or limit the number of individual questions a requester may wish to submit, potentially requiring an impractical or unlimited number of input fields;

		<ul style="list-style-type: none"> ▶ Requesters may still submit multiple questions within a single field, limiting the effectiveness of this approach; ▶ Introducing tick-box confirmation mechanisms would remain reliant on user input and would not provide assurance that all questions have in fact been substantively addressed. <p>The Council’s proposed position is that process improvement through training and clear guidance represents a more effective and proportionate control than system-based constraints in this instance.</p> <p>This training will be delivered immediately through a guidance email issued to all FOI representatives, addressing the points outlined above. This will be followed by more detailed training on responding to FOI requests once the Netcall system has been developed and fully implemented.</p> <p>The effectiveness of this approach will be monitored through ongoing quality assurance of FOI responses.</p> <p>Target Date: Immediate guidance reinforcing the above requirements will be provided to all FOI Representatives via a formal communication by 30 June 2026.</p> <p>More comprehensive, detailed training will be delivered alongside the implementation of the Netcall system.</p> <p>The delivery of the Netcall system is dependent on third-party design, build, and testing phases. Based on current projections, full implementation and associated training are anticipated by June 2027.</p>
	<p>In our sample of FOI requests, we identified two exemption where there appeared to be non-compliance. These were:</p> <ul style="list-style-type: none"> ▶ One FOI was considered exempt under Section 40 (Personal Information) of the FOI Act but the response did not cite this reason for not sharing the information. Instead, a generic statement was provided to explain that the information could not be shared because it related to third-party data ▶ One FOI was refused under Section 12 of the FOI Act. For this request, the ‘Time and Costs 	<p><u>Recommendation</u></p> <ul style="list-style-type: none"> A. The Council should adopt a standard FOI refusal response template requiring officers to explicitly cite the relevant FOI Act exemption being applied. B. FOI reviewers should be instructed to reperform Section 12 calculations before responding to the requestor to ensure these are accurate. <p><u>Management Response</u></p> <ul style="list-style-type: none"> A. The Council confirms that standard FOI refusal templates are already in place, which require officers to clearly cite the relevant exemption

Incur Sheet' shows that there were 135 records in total. A sample of two records were retrieved, examined and the information was extracted, taking six minutes each. Therefore, the total time taken to fulfil the request would have been 13.5 hours. In the response to the requestor, the time taken per record was quoted as ten minutes and was refused on the basis it would take 22.5 hours to fulfil the request. It should not have been refused on this basis (Finding 5 - Low).

FOIs

under the Freedom of Information Act 2000.

In the instance identified, the appropriate exemption template was not used. Instead, a standard response template was applied in error, resulting in the omission of the required exemption wording. This was an issue of incorrect use of the templates rather than a lack of existence of the required templates.

To address this, the Council will reinforce expectations through immediate guidance and training to all FOI representatives. This will emphasise the importance of:

- Selecting and using the correct refusal templates where exemptions are being applied;
- Clearly identifying and citing the relevant FOI Act exemption within responses;
- Ensuring all statutory requirements are met when issuing refusal notices.


This training will be delivered initially via a guidance email issued to all FOI representatives including the correct templates for use and will be followed up with more comprehensive training as part of the wider rollout of the Netcall system.

In addition, the Council is exploring the capabilities of the Netcall system to reduce the risk of human error. It is anticipated that, where exemptions are selected within the system, the corresponding refusal template will automatically populate within the response. This functionality will help ensure consistency, accuracy, and compliance by reducing reliance on manual template selection.

- B. The Council acknowledges this recommendation and recognises the importance of ensuring that Section 12 cost calculations are accurate and robustly applied.

At present, the process relies on officers completing a manual calculation using a Word-based template and sample exercise. While this provides a structured approach, it introduces a risk of human error in both the estimation and calculation

		<p>of time, which may affect the accuracy and consistency of responses.</p> <p>To mitigate this risk, the Council is currently exploring system-based improvements as part of the development and implementation of the Netcall platform. It is intended that the new system will incorporate functionality to calculate Section 12 time estimates automatically within the system itself.</p> <p>This approach is expected to:</p> <ul style="list-style-type: none"> • Improve accuracy and consistency of calculations; • Reduce reliance on manual inputs and associated human error; • Provide a clearer and more auditable record of how time limits have been determined. <p>In the interim, guidance will be reinforced to FOI reviewers to ensure that Section 12 calculations are carefully checked and, where appropriate, independently re-performed before a response is issued to the requester.</p> <p>Further training, aligned with the rollout of Netcall, will include specific instruction on the correct application and verification of Section 12 calculations.</p> <p>Target Date: Immediate guidance reinforcing the above requirements will be provided to all FOI Representatives via a formal communication by 30 June 2026.</p> <p>More comprehensive, detailed training will be delivered alongside the implementation of the Netcall system.</p> <p>The delivery of the Netcall system is dependent on third-party design, build, and testing phases. Based on current projections, full implementation and associated training are anticipated by June 2027.</p>
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CONCLUSION

We conclude that the Council has a Substantial design and Moderate effectiveness of controls for its complaints and FOI management.

While we have provided a single opinion in this report, these are two distinct areas with different procedures in place. Complaints are generally devolved to local departments at Stage 1 and 2 who are responsible for providing responses to complainants. FOI are managed centrally by the Legal Team who liaise with departments to collate information before responding to the requestor. This is reflective of the strict process bound in

statutory legislation for FOIs, where the Council are legally bound to respond within 20 working days. While the LGSCO has published the Complaints Handling Code for local authorities, this is guidance. Internal policies aligned with this guidance.

Control Design

The control design is Substantial because the Council has a generally sound system of internal controls designed to ensure complaints and FOI requests are managed in accordance with internal policies and statutory legislation.

There were systems in place to electronically record and manage complaints and FOIs. Furthermore, templates for acknowledgement and response emails have been prepared to ensure that members of the public are signposted to further escalation routes if they were not satisfied with the response. Although, these were not always used when responding to complaints.

The Council are currently implementing a new customer relationship management system, Netcall. Complaints and FOIs will be rolled out on this system to improve the recording of information and communicating back to members of the public, ensuring all correspondence is retained in one place. As part of the implementation, training has been scheduled for staff and the Council are planning to embed templates into responses, to simplify and improve the consistency of responses to members of the public.

Control Effectiveness

The control effectiveness is Moderate because there was evidence of non-compliance with some controls, that may put some of the system objectives at risk.

Notably, for some complaints there was a gap in the audit trail held on the Complaints System to demonstrate the investigation undertaken internally before responding to the complainant. Similarly, there were some complaints that were not responded to within 20 working day as required by the Council's policy.

For FOIs, these were broadly compliant with legislative requirements in our sample testing. There were some exceptions where all parts of an FOI had not been responded to or exemptions were incorrectly applied.

Corporate Governance

CRR Reference: CR001, CR006 and CR012

Design Opinion	S Moderate	Effectiveness Opinion	M Moderate
Recommendations	0	1	2



SCOPE

Background

- ▶ Governance covers the culture, vision, values, structures, policies, processes and over-arching assurance framework that support an organisation to make decisions, meet agreed strategic objectives and manage resources to serve their communities.
- ▶ The Local Code of Corporate Governance (the Code) was produced together by the Chartered Institute for Public Finance Accounting (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). This establishes a discretionary governance framework for local authorities to demonstrate good practice for corporate governance. The Code sets out seven principles for good governance:
 - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
 - Ensuring openness and comprehensive stakeholder engagement.
 - Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - Determining the interventions necessary to optimise the achievement of intended outcomes.
 - Developing the entity's capacity including the capability of its leadership and the individuals within it.
 - Managing risks and performance through robust internal control and strong financial management.
 - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- ▶ Gedling Borough Council's (the Council's) Audit Committee approved the Local Code of Corporate Governance for 2025/26 at its meeting on the 18 March 2025.
- ▶ The Council have a Senior Leadership Team (SLT) led by the Chief Executive. There was a restructure of the leadership team in late-2024, creating new Assistant Director roles to lead each service area. The purpose of this was to widen the management team.
- ▶ A new meeting structure has also been implemented across the Council (Making Meetings Matter) to reduce the number of meetings, improving the conciseness of reporting into the SLT. Each group/meeting has an appointed SLT member as the chair and usually has legal and finance representatives. Connected Council then reports into Cabinet. This meeting structure has been gradually implemented in a phased approach. The Council are reviewing certain meetings to evaluate whether they remain appropriate/necessary.

Purpose

- ▶ The purpose of this audit was to review the Council's corporate governance arrangements to assess the effectiveness of the new Making Meetings Matter approach, with appropriate measures and reporting frameworks in place to prevent duplication.

Limitations of scope

- ▶ Our testing was limited to the governance structure at an officer level and did not consider the governance at a member level. This review should not be considered as an assessment with the Code.

Areas reviewed

The following areas were covered as part of this review:

- ▶ The terms of reference and other governing documents for each group and the broader Making Meetings Matter structure to ascertain whether the roles and responsibilities of groups and individuals, the purpose of the meeting, and delegated decisions were defined. We also assessed whether there is duplication across the groups via a review of meeting notes, action logs and the terms of reference for each group/board.
- ▶ Interviewed staff to ascertain whether there was clarity and understanding about the corporate governance structures in place, to ensure that information was reported to the appropriate group (with key decision-makers in attendance), avoiding decisions being taken without oversight from the relevant decision-makers.
- ▶ The action logs and notes for each group to assess whether these were in accordance with the groups defined responsibilities or whether there was duplication across the governance structure.
- ▶ Records of actions agreed at meetings to ascertain whether these were documented, and responsible individuals and implementation dates were identified. We also assessed whether these were followed up on at subsequent meetings through to completion, to ensure that meetings were meaningful and impactful.
- ▶ Confirmed whether adequate information was provided to groups and meetings were attended by representatives from support functions to support effective decision-making, based on appropriate information and guidance.
- ▶ Assessed the escalation routes to the SLT to ascertain whether there were clear parameters for what must be raised to the SLT for decisions.
- ▶ Whether evaluations have taken place on the Making Meetings Matter structure to assess whether meetings were operating effectively and remain necessary to support effective governance across the Council.
- ▶ The implementation of the Making Meetings Matter structure to ascertain whether it has achieved its primary objective; to streamline the meetings across the Council.



AREAS OF STRENGTH

We identified the following areas of good practice:


- ▶ The new structure has reduced the number of groups meeting from 14 to nine, the new structure also identified gaps in the previous structure such as introducing more focus on the oversight of risk and performance. The new structure also includes a connected council group, which provides updates on Council performance to members, this group allows for more interactive engagement with members than there was previously.
- ▶ Each group has a terms of reference and form of meeting log/minutes to outline the purpose of the group and track its discussions. Improvements to these controls have been noted in findings below.
- ▶ Most groups have a core membership including a mix of SLT members, Assistant Directors and service delivery/management to allow for sufficient contributions from operational staff and staff with delegated decision-making authorities. There is also a wider group of individuals that can be called to meetings where applicable to share subject matter expertise and contribute to discussions and provide information to support decisions. This reduces the number of attendees in the meetings. Where possible information is also circulated prior to meetings.



AREAS OF CONCERN

Finding	Recommendation and Management Response
<p>Actions are not consistently recorded within action logs showing all appropriate information such as responsible officer, target date for implementation, completion date and status as of each meeting (Finding 1 - Medium).</p>	<p><u>Recommendation</u></p> <p>Communications should be distributed to all board chairs to request update to all action logs to ensure they are completed in all fields, implementing updates to actions at each meeting and demonstrating all updates within the progress field, rather than only the most recent, to demonstrate progress from meeting to meeting. A good practice example should be circulated to demonstrate this.</p> <p><u>Management Response</u></p> <p>It is recognised that there is inconsistency in the updating of actions in RAID logs. Actions are being captured and the first item at the next meeting is to update on actions. Whilst the RAID log should be updated by the members of the group between meetings, often capacity prevents that.</p> <p>If there were any significant actions/risks captured during a meeting these would not just be left to a future meeting. Anything that needs swift action would be escalated to SLT and dealt with.</p> <p>RAID logs may not be the most effective way of capturing actions and we will consider whether there may be a more effective way of capturing and updating actions and ensure this is communicated to the group and updated between meetings.</p> <p>With the streamlining of meetings further with the combining of the budget, performance and risk board, this is likely to be less of an issue.</p> <p>Target Date: September 2026</p>
<p>The Making Meetings Matter structure has not been formally evaluated to assess whether it has met its overarching objectives (Finding 2 - Low).</p>	<p><u>Recommendation</u></p> <p>SLT should lead a formal evaluation or review of the Making Meetings Matter structure to assess whether it has met its objectives and desired outcomes. This evaluation or review should involve collecting feedback from Assistant Directors to ensure there is a more-rounded view of the approach at senior levels.</p>

		<p><u>Management Response</u></p> <p>This has been undertaken by SLT and ADs as part of the Annual Delivery Plan preparation and combination of the performance, budget and risk boards. We will seek feedback on the other Boards.</p> <p>Target Date: September 2026</p>
	<p>Terms of references do not provide clear information about escalation routes (Finding 3 - Low).</p>	<p><u>Recommendation</u></p> <p>A. The terms of reference template for meetings should be revised to clearly document the reporting and accountability routes, included matters or decisions reserved for SLT, and how this should be recorded in their meeting records.</p> <p>B. All meeting records (ie RAID logs, meeting minutes or action logs) should outline whether an action, decision or issue should be escalated, where it is escalated to, whether it is for information or approval purpose and the correlating date of approval/information.</p> <p><u>Management Response</u></p> <p>A. This has commenced and Risk, Budget and Performance ToFR have been amended. It is difficult to be prescriptive as to when matters should escalate to SLT because a formal approval will not always be required. The Council’s scheme of delegation sets out who has authority to take what decisions, but other ToFR will be reviewed.</p> <p>B. Matters have been escalated to SLT where appropriate as SLT members do sit on the boards, however this will be captured as an action moving forward.</p> <p>Target Date: (A) September 2026 and (B) June 2026</p>



CONCLUSION

We have concluded that for the Council’s corporate governance, focusing on its Making Meetings Matter structure, the control design is Substantial and effectiveness is Moderate.

Control Design

The control design is Substantial because the was generally a sound system of internal control designed to achieve system objectives.

There was a defined governance framework in place, including established meeting structures, terms of reference and the use of Risk, Action, Issue and Decision (RAID) Logs to capture discussions. The intention of the meeting restructure was clearly articulated, with a focus on streamlining governance, reducing duplication and improving oversight.

There is also evidence that management recognise areas for improvement, as demonstrated by changes made on an ad hoc basis, such as the merging of the Corporate Risk and Budget and Performance Boards.

Whilst the control design is weakened by the fact there has been no formal evaluation of the revised meeting structure to assess whether it is operating as intended or to identify systematic opportunities for improvement, this decision was made intentionally, to be scheduled after this audit to ensure all such recommendations could be incorporated into the evaluation.







Control Effectiveness

The control effectiveness is Moderate because there was evidence of non-compliance with some controls, that may put some of the system objectives at risk.

RAID Logs and Action Logs are used for most meetings but there were variances in the adequacy of documenting discussions, decisions and actions agreed, including action implementation dates and status updates not being recorded. As a result, it is not always clear whether actions have been revisited, progressed or escalated.





Based on our observation of some meetings, there was a lack of scrutiny and challenge. In some instances, these were more of an update to Assistant Directors from the Chair (an SLT member). This may be due to the timing of this review, bookending two financial years, where these meetings may be used as an opportunity to set expectations or provide broader updates on the Council's performance.

Key performance indicators




QUALITY ASSURANCE	KPI	RAG RATING
The auditor attends the necessary, meetings as agreed between the parties at the start of the contract	All meetings attended including Audit Committee meetings, pre-meetings, individual audit meetings and contract reviews have been attended by either the Engagement Partner or the Engagement Manager.	
Positive result from any external review	Following an External Quality Assessment by the Institute of Internal Auditors in May 2021, BDO was found to 'generally conform' (the highest rating) to the International Professional Practice Framework and Public Sector Internal Audit Standards	
Quality of work	We received two responses to our audit satisfaction surveys for 2024/25 reviews, with an average score of 4.3/5 for the overall audit experience and for the value added from our work. So far, we have not received any survey responses in 2025/26 which is significantly lower than we would expect but we will continue to issue survey requests with the final version of each report.	  
Completion of audit plan	We have progressed the 2025/26 Internal Audit Plan, with three reports presented to this Audit Committee meeting and other audits in the fieldwork phase. We have commenced and completed a significant amount of the fieldwork in other review.	

Appendix 1

OPINION SIGNIFICANCE DEFINITION

LEVEL OF ASSURANCE	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION	FINDINGS FROM REVIEW
Substantial 	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate 	In the main, there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally, a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
Limited 	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No 	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

RECOMMENDATION SIGNIFICANCE DEFINITION

RECOMMENDATION SIGNIFICANCE	
High 	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium 	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low 	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

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Report to Audit Committee

Subject: Internal Audit Annual Report 2025/26
Date: 23 June 2026
Author: Gurpreet Dulay – Internal Audit Partner (BDO)

Purpose

To provide the Head of Internal Audit Opinion based on the outcome of the internal audit activity completed by the BDO Internal Audit Team in accordance with the approved 2025/26 Internal Audit Plan.

Recommendation(s):

THAT:

- 1) Members to note and approve the Internal Audit Annual Report and Head of Internal Audit Opinion for 2025/26.**

1. Background

- 1.1 The Internal Audit Annual Report and Head of Internal Opinion for 2025/26 provides a summary of Internal Audit's work and assurance for the year from 1 April 2025 to 31 March 2026, in accordance with the Internal Audit Plan approved by the Audit Committee on 18 March 2025. The conclusion and key findings from each audit have been summarised with the control design and control effectiveness opinion.
- 1.2 Internal Audit's opinion of the Council's internal controls is 'Generally satisfactory with improvements required in some areas' for 2025/26, based on the balance of the opinions issued from our audits in the year and the engagement with our follow up process. While we have changed the wording used for our opinions following the implementation of the new Global Internal Audit Standards, this is broadly equivalent to the Moderate opinion provided in the prior year.

- 1.3 All Internal Audit work has been performed in accordance with the Institute of Internal Auditors (IIA) Global Internal Audit Standards and the Internal Audit Standards Advisory Board's Application Note for the Global Internal Audit Standards in the Public Sector.

2. Proposal

- 2.2 The role of internal audit is to provide an opinion to Full Council, through the Audit Committee, on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed. The Annual Report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation's risk management, control and governance processes, within the scope of work undertaken by our firm as outsourced providers of the internal audit service.

- 2.3 The Internal Audit Annual Report and Head of Internal Audit Opinion provides an overview of the BDO Internal Audit Team's activity and opinion of the Council's internal control system for 2025/26.

3. Financial Implications

- 3.1 The Internal Audit Plan was delivered within the approved budgets.

4. Legal Implications

- 4.1 The Accounts and Audit Regulations 2015 require authorities to undertake effective internal audit to evaluate the effectiveness of risk management, control and governance processes. This report provides internal audit's annual opinion of the Council's system of internal controls for 2025/26 and is provided to this Committee in accordance with the Council's Constitution and delegations contained therein.

5. Equalities Implications

- 5.1 There are no equalities implications arising directly from this report.

6. Carbon Reduction/Environmental Sustainability Implications

- 6.1 There are no carbon reduction/environmental sustainability implications arising directly from this report.

7. Appendices

- 7.1 BDO Internal Audit Annual Report for 2025/26.

Gedling Borough Council
Internal Audit Annual Report and Opinion
June 2026

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Restrictions of Use

The matters raised in this report are only those which came to our attention during our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

Distribution list

	Francesca Whyley	Deputy Chief Executive
For information	Tina Adams	Chief Finance Officer
	Audit Committee Members	

1. Executive summary

Introduction

Role of Internal Audit

Internal auditing strengthens the organisation's ability to create, protect, and sustain value by providing Full Council* and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The primary responsibility of the internal audit service is to provide the Board with assurance on the adequacy and effectiveness of risk management, control and governance arrangements.

Responsibility for these arrangements remains fully with management, who should recognise that internal audit can only provide a reasonable level of assurance and cannot provide any guarantee against material errors, loss or fraud. Internal audit also plays a valuable role in helping management improve risk management control and governance, so reducing the effects of any significant risks faced by the organisation.

Full Council is ultimately responsible for the system of internal control and the management of risk, including reviewing the effectiveness of internal control. Management is responsible for implementing board policies on risk and control, achieved by designing, operating and monitoring a suitable system of internal control and risk management. All employees have some responsibility for internal control, in that they are all accountable for achieving objectives and should also understand the risk implications of the activities they perform.

*The Global Internal Audit Standards (GIAS) refer to the 'board' as 'the highest-level body charged with governance.' For Gedling Borough Council, 'the board' is the Audit Committee (AC) acting on behalf of Full Council.

Planned coverage

Our internal audit work for Gedling Borough Council (the Council) covered the period 1 April 2025 to 31 March 2026 and was carried out in accordance with the Internal Audit Plan approved by the AC and in line with the recognised Global Internal Audit Standards (GIAS) from the Institute of Internal Auditors and the Internal Audit Standards Advisory Board's Application Note for the GIAS in the UK Public Sector, which together comprise the 'GIAS in the UK Public Sector'.

The internal audit programme is risk-based and our work is designed to align to key risks over the life cycle of the internal audit plan. The approved internal audit annual plan for 2025/26 comprised the following assignments:

- | | | | |
|----------------------------------|---------------------------------|------------------------|-----------------------|
| ▶ Asset Management - Residential | ▶ Asset Management - Commercial | ▶ People Services | ▶ Risk Management |
| ▶ Main Financial Systems | ▶ Cyber Security | ▶ Corporate Governance | ▶ FOIs and Complaints |

Changes to the plan

There were no changes to the Internal Audit Plan during 2025/26 and the plan was delivered in accordance with the approval from the AC on 18 March 2025.

Audit outcomes

The conclusions from our reports are summarised on pages 9 and 10. Key themes are summarised on pages 6 and 7.

Background to the Annual Opinion

Internal Audit is required to provide an opinion to Full Council, through the AC, on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed. The annual report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation's risk management, control and governance processes, within the scope of work undertaken by us as outsourced providers of the internal audit service. It also summarises the activities of internal audit for the period.

1. Executive summary

Opinion

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness the Council's risk management, control and governance processes.

Opinion

Our opinion is as follows:

➔ Good

➔ Generally satisfactory with improvements required in some areas

➔ Improvements required

➔ Significant improvements required

Overall, the controls in the areas we examined were found to be suitably designed and operating effectively to achieve the specific risk management, control and governance arrangements and value for money. However, there are some areas where weaknesses and/or non-compliance were identified and, therefore, may put the achievement of objectives at risk. No audits received no assurance ratings although we would draw attention to the People Services review which was the only limited assurance audit this year. Although, due to the Council's transition and change of governance structure, this was a known area of concern and action has been taken to improve controls in this area.

In other areas, we provided Substantial assurance over the design and/or effectiveness of controls. This demonstrates strength in key processes and compliance with these controls.

We have continued to experience strong levels of engagement from management and more broadly across the Council with internal audit, with the Council demonstrating a positive culture for improvement in controls. This was noted throughout the year on individual assignments and more generally, particularly during the audit planning phase where we engaged with Senior Leadership Team Members and Assistant Directors to prepare our risk-based internal audit plan.

Basis of opinion

As the provider of internal audit services to the Council, we are required to provide the Audit Committee and Full Council with an opinion on the adequacy and effectiveness of the risk management, control and governance processes.

In giving our opinion, it should be noted that the assurance can never be absolute. The most that Internal Audit can provide to the Board is reasonable assurance that there are no major weaknesses in the Council's risk management, control and governance processes.

In assessing the level of assurance to be given, we have taken into account:

- ▶ Our assessment of the design and operation of the underpinning risk management framework and supporting processes, including whether risk appetite has been established and embedded within the activities, limits and reporting of the organisation.
- ▶ The range of individual opinions arising from risk-based audit assignments that have been reported throughout the year; including the relative materiality of these areas.
- ▶ Management's acceptance of our audit recommendations.
- ▶ Management's progress in respect of addressing control weaknesses and implementing recommendations .
- ▶ Reliance placed upon other assurance providers which includes such as external auditors and benchmarking data provided by the Local Government Association and the Office For Local Government which show that the Council perform in line with other authorities on a range of metrics.
- ▶ The embedding of the new corporate governance structures and the widening of the Assistant Director roles to create more resilience among staff in senior roles.

This opinion is based on information provided between 1 April 2025 and 31 March 2026, and the projection of any information or conclusions contained in our opinion to any future periods is subject to the risk that changes may alter its validity.

1. Executive summary

Recommendation follow up

Management action on implementing recommendations

Implementation of recommendations is a key determinant of our annual opinion. If recommendations are not implemented in a timely manner, weaknesses in control and governance frameworks will remain in place. Furthermore, an unwillingness or inability to implement recommendations reflects poorly on management's commitment to the maintenance of a robust control environment.

Management have worked constructively with us on audit assignments to ensure that recommendations are effective and proportionate to the level of risk identified. Furthermore, in recognition of significant structural changes facing local government (with the announcement of local government reorganisation), management have collaborated effectively with us to ensure that recommendations were achievable, while mitigating the risk identified.






Historically, there were challenges with the timeliness of the implementation of audit recommendations. However, we worked with the Council to implement our audit actions onto Ideagen to align our follow up process with the Council's own internal performance reporting arrangements. We reported in our annual report last year that this had contributed to an improvement in the responses to our audit recommendations. While there remains room for improvement, there continues to be better responses and updates to our follow up.

Internal Audit performed follow up review periodically throughout the year to verify the status of the open internal audit actions. Overall, out of all internal audit actions that have been added to Ideagen, 65% have been fully completed or superseded. These had been completed on time or in accordance with the agreed revised due date. There were 35% of recommendations that were either not due or were overdue, with some progress being made for 15% of these. 20% of the recommendations were overdue and no progress had been reported on Ideagen. We will work with management to improve this further and to strengthen internal controls, however, this is a significant improvement to prior years where completion was below 50%. This has been driven by a strong culture for improvement and implementing historic recommendations by the Senior Leadership Team.








2. Thematic reporting

Throughout the 2025/26 internal audit plan, we have considered key findings against six core themes. Broadly, these themes were considering the following key questions:

Area	Principle
 Statutory Compliance	<ul style="list-style-type: none"> ▶ Do the Council demonstrate compliance with statutory legislation in the areas covered in our audit plan? ▶ Are adequate actions taken to ensure compliance with new or changes to legislation?
 Controls & Assurance	<ul style="list-style-type: none"> ▶ What first/second line controls are in place, and are these offering adequate comfort? Does the business obtain assurance from other sources? ▶ Is the overall control framework fit for purpose?
 Documentation	<ul style="list-style-type: none"> ▶ What is the quality of the documentation? Is it user friendly, accessible, and easily understood? ▶ Where are documents stored? Are policies up to date?
 Governance and Culture	<ul style="list-style-type: none"> ▶ Is there a good culture and governance from the top, contributing to a focus on improving internal controls and maintaining high standards?
 Resources	<ul style="list-style-type: none"> ▶ Where does responsibility sit? Do they have sufficient capacity? ▶ Are people appropriately skilled and trained? Are there any cultural issues to note? ▶ Are controls in place to reduce the risk of fraud, or to highlight instances where there may be higher risk of fraud within processes?

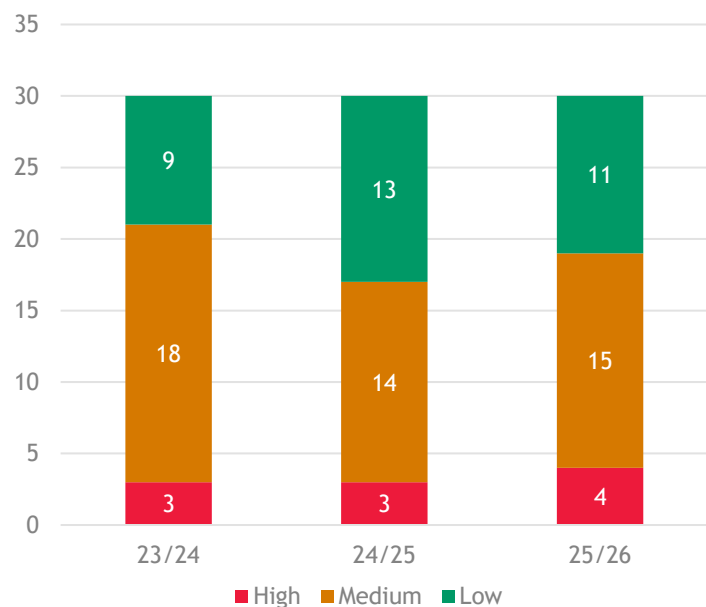
2. Thematic reporting

There was consistent trends around compliance with core processes and procedures, specifically where there is strict legislative requirements that must be adhered to. These themes presented well across the independent assurance programme for the year. Looking across the work we have completed, the themes where more recommendations have focused include on Documentation and Resources, occasionally where systems have not been fully used to their maximum capability to retain documentation. Resources are a significant challenge across most local authorities, with expectations that these will be perpetuated by the demands of local government reorganisation up to 2028.

Area	Principle
 Statutory Compliance	<ul style="list-style-type: none"> ▶ In areas audited where there is statutory legislation that the Council must comply with there was strong levels of compliance identified, notably in the FOIs and Complaints audit where we found no significant exceptions to the Freedom of Information Act 2000. In cases referred to the Information Commissioners Office, these concluded that the Council followed the appropriate exemptions. ▶ Similarly, in other areas where there is statutory guidance, ie Asset Management - Residential, we did not find any significant non-compliance with legislative requirements. Compliance with statutory requirements is considered a core expectation of a local authority.
 Controls & Assurance	<ul style="list-style-type: none"> ▶ First line controls were identified across the organisation in all reviews undertaken, including preventative and detective controls although these could be developed further in places. However, on the whole these were proportionate to the level of risk. ▶ Management routines are in place to confirm compliance with approved procedures and the accuracy of data; although in some instances the evidencing of controls taking place could be strengthened, such as ensuring documentation of second line reviews. ▶ Our review of Risk Management identified that there was a Substantial design of controls to support the first line of defence, although, our review did identify improvements that could be made in the wording and documenting of controls on Ideagen.
 Documentation	<ul style="list-style-type: none"> ▶ Relevant systems were used wherever possible to maintain centralised and contemporaneous records such as through storage of documents, particularly in areas where these are required by statutory legislation. Although, there were some areas where documentation could be improved to demonstrate the completion of checks. ▶ Relevant policies and procedures were in place for the areas reviewed and these were accessible to relevant personnel as needed. There were some instances where policies had not been through the approval routes but were fit-for-purpose.
 Governance and Culture	<ul style="list-style-type: none"> ▶ Effective governance through the Council's corporate governance structure in overseeing the Council's significant programmes/projects, budgetary management and risk management. As part of the Corporate Governance review we observed some of these key meetings and noted that they generally operated effectively. ▶ There is transparent and regular reporting of performance to the Budget and Performance Board and on Ideagen, where monthly performance indicators are reported to facilitate the operational oversight activities.
 Resources	<ul style="list-style-type: none"> ▶ The Council have had resource and capacity limitations in recent years which has led to control effectiveness issues being identified. While there were service areas where control effectiveness issues continued to be impacted by resource limitations, and this may be perpetuated by uncertainty caused by local government reorganisation, resources were generally allocated adequately to maintain safe and legal processes. ▶ There were some issues with separation of duties caused by resource limitations to ensure these could be maintained. Although, the Council have taken steps to independently manage access to systems where a separation of duties could not be maintained.

3. Summary of results

Findings by significance

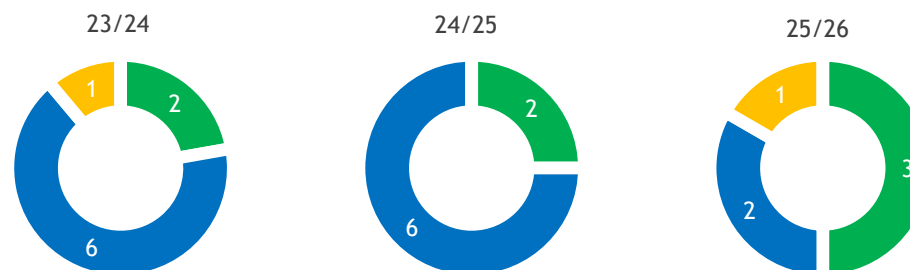


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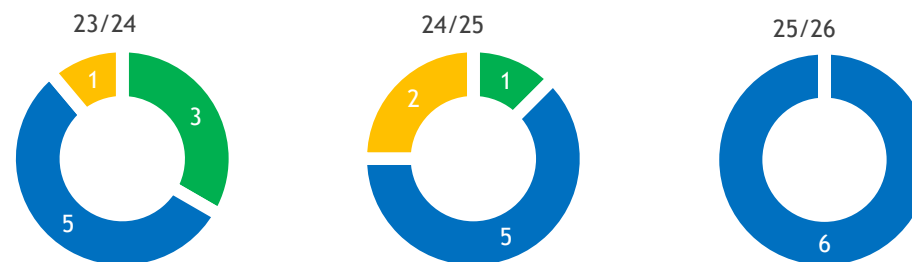
Year	2023/24	2024/25	2025/26
Assurance audits completed	9	8	8
Findings raised	30	30	30
Average per audit	3.3	3.8	3.8

Assurance opinions

Control Design



Control Effectiveness



* NB. The above graphs do not include the Cyber Security internal audit opinion as this was a confidential report.

Comparison to prior year

- ▶ The total number of findings raised has remained stable with the two previous years, however, there has been a small increase in the number of High and Medium findings.
- ▶ There has been a reduction in the number of Assurance reviews completed, plus due to the confidential nature of the Cyber Security review, we have not reported this in our charts. The control design and effectiveness opinions have remained reasonably consistent, although there was one Limited opinion on the design of controls in 25/26. There were no Limited opinions on the effectiveness of controls.

3. Summary of results

Within the year, we produced eight audit reports, one which was advisory. We set out below our summary of the audits completed, the significance of recommendations raised, our opinions on control design and operational effectiveness, a comparison against the original IA plan and the link to the relevant strategic risk/objective.

The definitions of recommendation significance and report conclusions are set out in the tables in Appendix I. The Audit Plan is mapped to the strategic objectives in Appendix II.

Audit	Type of review	Recommendations and significance			Overall report opinion		Strategic Risk Register Reference
		High	Medium	Low	Control design	Operational effectiveness	
Asset Management - Residential	Assurance	-	2	1	Moderate	Moderate	CR002 - Capacity Service Delivery: This is about ensuring that sufficient capacity is available to deliver services which meet statutory obligations, Council objectives etc and public expectation. CR007 - Infrastructure Assets: This looks at the loss, protection and damage of physical assets and takes into account the need to maintain, protect, insure and plan for unexpected loss.
Asset Management - Commercial	Assurance	-	2	2	Moderate	Moderate	CR007 - Infrastructure Assets: This looks at the loss, protection and damage of physical assets and takes into account the need to maintain, protect, insure and plan for unexpected loss.
People Services	Assurance	1	4	-	Limited	Moderate	CR002 - Capacity Service Delivery: This is about ensuring that sufficient capacity is available to deliver services which meet statutory obligations, Council objectives etc and public expectation.
Risk Management	Assurance	-	3	-	Substantial	Moderate	All Risks.
Main Financial Systems (Fraud)	Advisory	3	-	-	This was an Advisory Review where an opinion was not provided		CR011 - Fraud Bribery Misconduct: Relates to improper actions committed against the Council either internally or by third parties. Including frauds, bribery, money laundering and misconduct e.g., theft, falsification of timesheets.
Cyber Security	Assurance	-	2	2	This was a confidential report so we do not publish the opinion for this review		CR009 - ICT Technology: This relates not only to the impact of internal technology failure but also changing technological demands and the ability to meet the pace and scale of change.
Corporate Governance	Assurance	-	1	2	Substantial	Moderate	All Risks.
FOIs and Complaints	Assurance	-	1	4	Substantial	Moderate	CR008 - Legislative: This refers to changes to and breaches of current law leading to additional workloads, fines, intervention by regulatory bodies etc.

4. Quality assurance

As a firm we are committed to continual improvement. To achieve this, we apply the latest internal quality standards, which are designed to ensure that the work we perform meets the requirements of the regulatory environment within which each of our clients operates. The provision of Internal Audit services rests with a team of dedicated internal audit professionals who form part of a national Risk and Advisory Services (RAS) team.

Qualifications, Training And Development

It is our policy that staff engaged in the provision of a specialist service be qualified in the relevant professional discipline. In Internal Audit, staff are qualified or are studying for the exams by the Chartered Institute of Internal Auditors, or for a professional accountancy body.

Qualified staff are required to retain commitment to their professional body after their qualification and the firm is committed to continuing professional education and provide staff access to quality training programmes.

Quality assurance processes

We adopt the following processes in order to ensure that the internal audit work we perform meets our required quality standards:

- ▶ **Documented standards** - the fundamentals of our auditing standards are set out within our audit manual and related documentation. Our audit methodology complies with current best practice, Global Internal Audit Standards and GIAS in the UK public sector.
- ▶ **Annual plan** - A risk-based approach is taken to determine the annual plan.
- ▶ **Planning** - each assignment is planned based upon a thorough understanding of the business area being audited and the risks that are associated with that area. All assignments are supported by briefing documents agreed in advance with the client.
- ▶ **Quality assurance** - the work conducted to meet the requirements of each assignment brief is subject to a full client debrief and to manager review within the audit team before a final draft report is issued. All finalised reports are approved and signed off by a licence holder (Partner or Director).
- ▶ **Cold reviews** - we also adopt a cold review process where samples of the work performed by the internal audit team are reviewed to ensure that they meet our own internal standards. These reviews are conducted by professionals outside of the team which conducted the work. The work of cold review is subject to our National Quality Review processes, aimed at ensuring consistency of standards adopted within the firm.

Continuous Improvement

The results of the various review processes that are outlined opposite are used to inform the development needs of staff through our appraisal process and by the development of relevant training courses for the staff involved in internal audit work. The appraisal process adds to the structured training that each member of our RAS team receives on a firm wide basis. At the moment each of our team members is required to attend at least two RAS training days annually with additional training being provided in response to changes in the environment in which we operate.

Compliance with the Global Internal Audit Standards (GIAS)

Based on the results of our internal assessments, we can confirm that our Internal Audit services are aligned and have been delivered in accordance with the Global Internal Audit Standards and Topical Requirements and GIAS in the UK public sector during the year. It should be noted that as the GIAS became effective on 9 January 2025 and GIAS in the UK public sector on 1 April 2025), there has been a transition period during the year.

We confirm there have been no deviations from the GIAS during the year.

External Quality Assessment

The Global Internal Audit Standards of the Institute of Internal Auditors (IIA) requires every internal audit function that aims to comply with its standards to be reviewed, externally, every five years. At BDO we recognise the importance of independent quality assurance and so submit our RAS team to an External Quality Assurance (EQA) review every five years, most recently in April 2021. We engaged the Chartered Institute of Internal Auditors (CIIA) to carry out the EQA and, in summary, their conclusion was that BDO generally conforms to the International Professional Practices Framework (IPPF). This is the highest of the three gradings awarded by the CIIA.

RAS is committed to continuous improvement and has agreed a Quality Assurance Improvement Programme with the CIIA to respond to the recommendations and suggestions raised through the EQA exercise. A copy of the EQA report is available to our clients in order they may obtain comfort regarding our working practices.

Our next EQA is due in late 2026.

5. Quality assurance improvement programme

An update on our specific improvement actions included as part of our Quality Assurance Improvement Programme is below:

Initiative	Benefit	Due date	Status
Ensure our annual plan was wide coverage of the Council's strategic priorities, providing assurances over the delivery of strategies and objectives across the whole Council, including front-line services impacting residents	Align our audit plan to the Council's strategic risks, ensuring that areas we cover link back to strategic objectives	Ongoing throughout delivery of our 25/26 IA plan which has been mapped to your four corporate priorities and risks.	Complete
Apply a blend of audit and advisory techniques using our various toolkits to assess the Council's 'soft controls' such as EDI, Environment, Governance/Culture, Sustainability, etc. This will provide roadmaps to applying best practice controls to achieve objectives	Allows management to gain insights into emerging risks with advisory support rather than traditional third line assurance	Ongoing throughout the delivery of the IA plans. We have performed advisory reviews in 25/26 to follow up on areas where concerns have been identified in the past. Going forward, local government reorganisation will be reviewed in each year, to provide the Council with advisory support as it transitions into a new authority. We will share best practice approaches from across our local government clients who are also impacted by local government reorganisation	Ongoing
Use SMEs and specialist skills and knowledge for highly technical areas of testing Ensure 60% of qualified resources are used in the delivery of the audit plan Ensure team members hold or are working towards professional and relevant qualifications Team members will comply with the firm's and professional bodies policies on CPD requirements	Allow the Council continue to benefit from expertise across our firm on specific, technical audit engagements. Furthermore, use of qualified staff and ensuring our staff maintain relevant CPD ensures that emerging issues and risks are addressed in our audit work to maximise the value to the Council	Through the delivery of individual audit engagements during 26/27 and throughout the full plan for the year	In progress In 25/26, 57% of the audit plan was delivered by qualified staff. The remaining work was all completed by staff working towards a professional qualification, including those who are part-qualified. All work was delivered by our RAS Public Sector Team, who are sector specialists. All BDO staff holding professional is required to record CPD on our HR and Finance Portal. From 1 November 2025, this has been extended to all staff.

6. Annual attestation of independence

Independence

The Internal Audit function is independent and objective and we undertake our work with an impartial, unbiased attitude, avoid conflicts of interest and perform engagements in such a manner that there are no quality compromises.

During the year we have not acted in any management capacity, taken on any responsibility for the operations of your organisation or provided any services that would compromise our independence.

In the year BDO has not been engaged by management to carry out additional services outside of Internal Audit contract.

If the independence or objectivity of the Internal Audit service is ever impaired, details of the impairment will be disclosed to either the Deputy CEO/their delegate, or the Chair of the Audit Committee, dependent upon the nature of the impairment.





Relationship with external audit

All of our final reports are available to the external auditors through the Audit Committee papers and are available on request.

We have also met with External Audit during the year to discuss relevant matters.

Appendix I: Definitions

Annual Opinion Definitions

Opinion		Definition
	Good	The controls in the areas which we examined were found to be suitably designed and operating effectively to achieve the specific risk management, control and governance arrangements .
	Generally satisfactory with improvements required in some areas	The controls in the areas which we examined were found to be suitably designed and operating effectively to achieve the specific risk management, control and governance arrangements . However, there are some areas where weaknesses and/or non-compliance were identified and therefore may put the achievement of objectives at risk. Where weaknesses have been identified, improvements are required to enhance the design and/or effectiveness of risk management, control and governance arrangements .
	Improvements required	Significant weaknesses were identified in both the design and/or operational effectiveness of the controls in all/the majority of the areas which we examined and weaken the risk management, governance and control arrangements. Significant improvements are required to enhance the design and/or effectiveness of risk management, control and governance arrangements .
	Unsatisfactory	The framework of governance, risk management and control arrangements is poor. Immediate action is required to improve the design and/or operational effectiveness of the governance, risk management and control arrangements.

Appendix I: Definitions

Audit Report Definitions

Level of assurance	Design of internal control framework		Operational effectiveness of controls	
	Findings from review	Design opinion	Findings from review	Effectiveness opinion
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non-compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non-compliance and/or compliance with inadequate controls.

Recommendation significance	
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.

Appendix II: Link to strategic objectives

We have mapped the Internal Audit Plan to the organisation's strategic objectives to show coverage across the year.

Audit	Type of review	Link to risk strategic objectives			
		Economy	Community	Place	Council
Asset Management - Residential	Assurance	-	✓	✓	-
Asset Management - Commercial	Assurance	-	✓	✓	-
People Services	Assurance	-	-	-	✓
Risk Management	Assurance	✓	✓	✓	✓
Main Financial Systems (Fraud)	Advisory	-	-	-	✓
Cyber Security	Assurance	-	-	-	✓
Corporate Governance	Assurance	✓	✓	✓	✓
FOIs and Complaints	Assurance	-	-	-	✓

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Report to Audit Committee

Subject: Mazars – External Audit progress Report 2025/26

Date: 23 February 2026

Author: Chief Finance and Section 151 Officer

1 Purpose of Report

To inform Members of the progress from Mazars' (the Council's external auditors) audit work in respect of 2025/26 Statement of Accounts.

Recommendation:

THAT:

- 1) Members note the Progress Report for 2025/26.

2 Background

- 2.1 It is a requirement that the Council's financial statements are audited on an annual basis and that in addition the auditors undertake all work necessary to support their conclusion on value for money (VFM).
- 2.2 Mazars are appointed to audit the financial statements of the Council in accordance with International Accounting standards, and under normal circumstances to form and express an opinion on whether the financial statements present a true and fair view on the Council's financial position and standing for 2025/26.
- 2.3 The introduction of the Government's measures to deal with audit backlogs (the backstop arrangements) requires The Council to publish its financial statements on or before 31 January 2027, in addition Mazars are required to provide their audit report on the 2026/27 financial statements.
- 2.4 The Council were subject to a significant fraud committed by an employee during the 2021/22 financial year. An internal audit review exposed a number of

weaknesses in the internal controls within the main financial system, and internal processes.

- 2.5 Whilst the Council has been working to address these weaknesses and reduce the risks, Mazars will need to undertake work to re-build the reassurance that resulted from the Fraud and identified from the audit reviews.

3 Progress

- 3.1 Mazars confirmed through its 2024/25 value for money work that the significant weakness in financial reporting no longer exists however they still need to establish the reassurance over historic ledger transactions. However, this is proving difficult as control testing is usually at a point in time, and copies of the historic ledger at the point the fraud was identified no longer exists.
- 3.2 Mazars are currently considering proposal to determine how this can be achieved, details are set out in the attached Appendix.

4 Financial Implications

- 4.1 There are no financial implications directly arising from this report.

5 Legal Implications

- 5.1 Under section 4 of the Local Audit and Accountability Act 2014, the Council's accounts must be audited by an auditor appointed under the Act. Public Sector Audit Appointments (PSAA) has appointed Mazars for a period of six years commencing 1 April 2018 to act as Gedling Borough Council's external auditor. The general duties of the external auditor are specified in section 20 of the 2014 Act, requiring them to be satisfied in auditing the accounts that:

- The accounts comply with the requirements of the enactments that apply to them.
- Proper practices have been observed in the preparation of the Statement of Accounts, and that the statement presents a true and fair view.
- The authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

When the auditor has completed the audit of the accounts, they must enter onto the Statement of Accounts:

- An auditor's opinion on the statement.
- A certificate that the audit has been completed in accordance with the 2014 Act.

In carrying out their functions the auditor must comply with the Code of Audit Practice and have regard to guidance issued by the Comptroller and Auditor

General under the Act. The Code of Audit Practice 2020 requires the auditor to produce an annual report which brings together all of the auditor's work over the year and present it to those charged with governance. The auditor's annual report should be published no later than 30 September, but where the auditor is unable to do this, they should issue an audit letter including a statement explaining the reason for the delay.

6 Equalities Implications

6.1 There are no equalities implications directly arising from this report

7 Carbon Reduction/Environmental Sustainability Implications

7.1 There are no carbon reduction/environmental sustainability implications arising from this report.

8 Appendices

Appendix 1 External Audit Progress Report

Statutory officer Approval:

Approved by: Chief Finance Officer

Date: 11.06.26

Approved by: Monitoring Officer

Date: 11.06.26

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External Audit Progress Report
Gedling Borough Council

June 2026

The Statutory 'Backstop'

What happened and why it matters

National backstop regulations required all local authorities to publish their financial statements by December 2024, regardless of whether auditors had obtained sufficient appropriate evidence to issue a non-disclaimed opinion.

The Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 was published with the endorsement of the Financial Reporting Council (FRC) in June 2025. LARRIG 06 makes clear the work required to rebuild assurance following a disclaimer of opinion may be significant and will vary between authorities.

Why is Gedling Borough Council in this position?

As previously reported, during the 2021/22 audit cycle, a former member of the Council's finance team was convicted of fraud.

The fraud exposed IT control weaknesses over the financial ledger, adding complexity to the Council's position. This increased audit risk as we needed to obtain assurance that the historic ledger transactions were complete.

Our risk assessment over the most effective way forwards on rebuilding assurance is ongoing. The need to obtain assurance over the fraud impact on the ledger being a key component of the risk evaluation.

Progress

The Council has successfully produced complete and good-quality working papers to support the 2023/24 and 2024/25 Statement of Accounts and our VFM risk assessment. This has helped to demonstrate that the earlier VFM significant weakness in financial reporting arrangements no longer exists, although this has not been able to be confirmed by a full audit.

We have liaised with our internal IT specialists to agree a route forward, but we must gain some assurance over the completeness of the historic ledger.

Remaining constraints

We not yet been unable to obtain sufficient appropriate audit evidence from the Council's IT team or ledger provider to confirm that historic ledger transactions could not have been deleted or modified via identified historic weaknesses in controls. There are inherent difficulties with gaining assurance over historic control environments, as control testing is usually 'at a point in time'. We hope to focus on this during 2025/26.

Routes to rebuilding assurance

The 'Proof-in-Total' (PIT) Approach

If the Council can prepare and support a partial audit for 2025/26, this will allow us to consider our risk assessment and determine whether PIT is possible. This means the Council may, subject to our risk assessment, be able to rebuild assurance via the Proof-in-Total method, as set out in the NAO LARRIG 06 guidance.

What Proof in Total requires

Proof in Total focuses on reconstructing assurance by auditing the top half of the balance sheet and establishing the total reserves position. It can only be applied if auditors have confidence that current-year financial reporting is robust.

Under this approach we would:

- Perform a full balance sheet audit for 2025/26, rebuilding assurance over the net asset position
- Audit the classification of reserves, supported by targeted substantive testing
- If no material issues arise, move to a full audit with Proof in Total in 2026/27, subject to approval by our central technical team.

What the Council needs to do

- Maintain strong financial reporting capacity and provide timely, complete working papers.
- Support sample selection, respond promptly to queries, and ensure reconciliations are performed and reviewed.
- Demonstrate the ability to deliver an audit of the Balance Sheet in 2025/26, including any other required procedures to support future rebuild

External Audit - responsibilities summary

Audit opinion

We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting. Our audit does not relieve management or the Audit Committee (as Those Charged With Governance), of their responsibilities.

At Gedling Borough Council, the Chief Finance Officer (Section 151 Officer) is responsible for the assessment of whether it is appropriate for the Council to prepare its accounts on a going concern basis. As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and conclude on:

- a) whether a material uncertainty related to going concern exists; and
- b) consider the appropriateness of the Chief Finance Officer (Section 151 Officer)'s use of the going concern basis of accounting in the preparation of the financial statements.

Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both the Audit Committee (as Those Charged With Governance) and management. This includes establishing and maintaining internal controls over compliance with relevant laws and regulations, and the reliability of financial reporting.

As part of our audit procedures in relation to fraud we are required to enquire of the Audit Committee (as those charged with governance), including key management as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However, our audit should not be relied upon to identify all such misstatements.

Internal control

Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We are responsible for obtaining an understanding of internal control relevant to our audit and the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

Wider reporting and electors' rights

We report to the NAO on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission.

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Council and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.

Value for money

We are also responsible for forming a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources.



Types of audit opinions

Auditors are required to give either an unmodified opinion (commonly referred to as a 'clean' opinion), or a modified opinion.

A modified audit opinion can arise where there is an error, a disagreement over a particular matter or a lack of sufficient audit evidence in a particular area of the financial statements, including disclosures. How material or pervasive the impact is will determine the type of modification.

UNMODIFIED OPINION

Unqualified Opinion

An unqualified opinion is also known as a clean opinion.

It indicates that the auditors found the financial statements to be fairly presented in all material respects, as required by the applicable financial reporting framework.

When an auditor issues an unqualified opinion, they have found no material misstatements during the audit which have not been amended.

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MODIFIED OPINION

Qualified Opinion

A qualified opinion is issued when the auditor has identified material misstatements in the financial statements, but these misstatements are not pervasive.

This type of opinion is also issued when the auditor cannot obtain sufficient audit evidence for a specific aspect of the financial statements. Still, the potential impact of the missing information is not pervasive.

Disclaimer of Opinion

A disclaimer of opinion is issued when the auditor is unable to obtain sufficient appropriate audit evidence to form an opinion, and this is material and so pervasive that the auditor is unable to form a view as to whether the financial statements give a true and fair view.

Adverse Opinion

An adverse opinion is the most severe type of audit opinion.

It is issued when the auditor judges, despite having obtained sufficient evidence, that there is a material and pervasive misstatement in the financial statements and that, because of the significance of the matter, the financial statements do not give a true and fair view.

Other Matters – Emphasis of Matter

These may include reference to material uncertainties in relation to going concern or to other specific matters in the financial statements that the auditors believe require specific emphasis (emphases of matter). These do not change the audit opinion and these sections will state specifically that the audit opinion is not modified in respect of these matters. They are used by auditors to draw the attention of users to a matter that the auditor thinks is important to their understanding of the financial statements.

National publications and technical updates

National publications and technical updates

NAO

1. NAO insight: Financial management in government: monitoring and forecasting

Good financial management is critical in the public sector. For public services to be efficient and productive, the effective management of public finances is essential. This guide outlines how finance leaders across government can monitor budgets and their performance and ensure forecasting is effective. It focuses on three principles:

- Promote a culture of accountability – leadership emphasises the importance of budget holders being accountable for monitoring financial performance and ensuring forecasts are accurate and realistic.
- Develop the right skills and capabilities – finance professionals possess the skills and capabilities to monitor effectively and forecast with precision and leverage these to elevate the quality of the organisation’s decision-making.
- Make the best use of data and information – high-quality data and information is used to enable better monitoring and more accurate forecasting, helping decision-makers respond to events quickly and effectively.:

Link: [Financial management in government: monitoring and forecasting](#)

2. NAO insight: Government’s approach to technology suppliers: addressing the challenges

This report examines government’s overall approach to digital and technology suppliers. It sets out lessons for the centre of government and departments to learn from government’s approach to digital procurement. The NAO focus on major procurement of technology to support business change, including the digital transformation of government and planning for technology of the future. The report examines:

- the scale of the challenge of undertaking digital procurement in a way that supports the modernisation of the public sector to make it more efficient and effective, and government’s response to that challenge;
- how the centre of government can adopt a more strategic approach to how it works with digital and technology suppliers; and
- how departments can better understand and manage the complexities of digital procurement, including making full use of their digital expertise.

Link: [Government’s approach to technology suppliers: addressing the challenges](#)

National publications and technical updates

NAO

3. NAO insight: Financial management in government: allocating resources

This guide outlines how finance leaders across government can allocate resources effectively when resources are scarce and trade-offs need to be made. It focuses on three principles:

- Using information intelligently an organisation should use trusted and objective information intelligently, so it can allocate resources to support strategic objectives.
- Prioritising effectively – finance leaders should support decision makers to make difficult decisions and trade-offs to generate good value-for-money outcomes based on agreed priorities.
- Building for the long term – decisions need to balance short-term pressures with long-term priorities and align with the strategic objectives of the organisation.

Link: [Financial management in government: allocating resources](#)

4. NAO report: Managing conflicts of interest: value for money

This report looks at the governance, systems and processes that public bodies have used to manage conflicts of interest. It aims to answer the following questions:

- Is central government guidance effective in supporting public bodies to manage conflicts of interest?
- Do public bodies have effective and proportionate governance, systems and controls over the management of conflicts of interest?
- Have public bodies done enough to set a culture where conflicts are managed properly?

Link: [Managing conflicts of interest: value for money](#)

5. NAO report: Local Government Financial Sustainability

This report focuses on MHCLG as the department responsible for the framework in which within local government operate, and provides transparency over the current position of local government finances. By examining the current finance system and context for local government finances, the NAO aims to help inform MHCLG's consideration of future reforms.

Link: [Local government financial sustainability - NAO report](#)

National publications and technical updates

Other

7. Forvis Mazars - Annual Local Government Risk Report 2025/26

The report deep dives into the known and emerging risks for Local Authorities in 2025/26, as well as what they should include in their internal audit plans.

Link: [Annual Local Government Risk Report for 2025/26](#)

8. Forvis Mazars – Public Sector in Focus Report

Forvis Mazars have issued a report for the public and social sector, Public sector in focus: Charting the road ahead. With over 390 responses from across the UK public and social sector, the study reveals the top priorities and risks shaping the future of the sector.

Link: [Public sector in focus: Charting the road ahead - Forvis Mazars - United Kingdom](#)

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Report to Audit Committee

Subject: Anti-Fraud and Corruption Strategy

Date: 23 June 2026

Author: Chief Finance Officer and Section 151 Officer

Purpose

To present the Anti-Fraud and Corruption Strategy and its supporting appendices, including the Whistleblowing Policy Summary, Fraud Response Plan, Anti-Fraud and Corruption Action Plan 2026-27 and Anti-Money Laundering Policy, for review and approval by the Audit Committee.

Recommendation(s)

THAT:

1. The Audit Committee reviews the Anti-Fraud and Corruption Strategy and its supporting appendices and recommends to Cabinet for approval.
2. The Committee notes that the strategy provides an updated corporate framework for preventing, detecting, investigating and responding to fraud, bribery, corruption and wider economic crime.
3. Audit Committee recommends that Cabinet give to the Chief Finance Officer, in consultation with the Monitoring Officer, to make minor amendments to reflect legislative, organisational or operational changes to the documents.

1 Background

- 1.1 The Council has a statutory and fiduciary responsibility to safeguard public funds, assets and governance arrangements and to maintain proportionate and effective counter fraud controls.
- 1.2 The Anti-Fraud and Corruption Strategy has been refreshed to align with CIPFA good practice, Fighting Fraud and Corruption Locally and the relevant legislative framework, including the Economic Crime and Corporate Transparency Act 2023. It has also been updated following recommendations arising from the Internal Audit review in order to

strengthen the Council's counter fraud framework and supporting arrangements.

- 1.3 The refreshed framework reflects:
- the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption
 - the Council's zero-tolerance approach to fraud, bribery, corruption and wider economic crime
 - the reasonable procedures themes associated with the failure to prevent fraud offence effective from 1 September 2025
 - supporting appendices covering whistleblowing, fraud response, a 2026-27 action plan and anti-money laundering arrangements.
- 1.4 The strategy forms part of the Council's wider governance and assurance framework and supports Audit Committee oversight of fraud risk, counter fraud arrangements and continuous improvement.

2 **Proposal**

- 2.1 The Anti-Fraud and Corruption Strategy sets out the Council's corporate framework for preventing, detecting, investigating and responding to fraud, bribery, corruption and wider economic crime.
- 2.2 The strategy promotes a risk-based approach built around:
- strong leadership and a clear tone from the top
 - fraud risk assessment and proportionate controls
 - due diligence, secure systems and effective reporting routes
 - proactive counter fraud activity, proper investigation and organisational learning
 - monitoring, assurance and regular review through the governance framework
- 2.3 The strategy is supported by appendices comprising a Whistleblowing Policy (which is a separate policy document on tonight's agenda), a strengthened Fraud Response Plan, an Anti-Fraud and Corruption Action Plan 2026-27 and an Anti-Money Laundering Policy, providing a clearer framework for prevention, response, assurance and continuous improvement.
- 2.4 The Fraud Response Plan strengthens the Council's arrangements for handling allegations or suspicions of fraud, bribery, corruption or related irregularity by setting out the immediate actions to be taken, the escalation routes, the roles of key officers, the need to secure evidence and records promptly, and the approach to investigation, referral, recovery and

organisational learning. It is intended to support a prompt, proportionate and well-governed response and to ensure that matters are handled consistently and fairly.

- 2.5 The Anti-Fraud and Corruption Action Plan 2026-27 translates the strategy into a practical programme of improvement and assurance activity. It sets out specific actions, lead responsibilities, target measures, timescales and RAG status across the key themes of leadership and governance, fraud risk assessment, reasonable procedures, third-party due diligence, awareness and training, data-led proactive work, whistleblowing and reporting, and monitoring and assurance. This provides a clear basis for management oversight, Senior Leadership Team discussion and Audit Committee reporting during the year.
- 2.4 Approval of the strategy and its supporting appendices will provide assurance that the Council has an up-to-date and coherent counter fraud framework aligned with current legislation, professional good practice and organisational expectations, together with a practical response plan and monitored improvement programme for 2026-27.

3 Alternative Options

- 3.1 Do nothing and retain the existing Strategy – this is not recommended as it may not reflect current risks or best practice.
- 3.2 Produce a partial update – this has been discounted in favour of a full refresh to ensure consistency and clarity.

4 Financial Implications

- 4.1 There are no direct additional financial implications arising from approving the revised Strategy.
- 4.2 Effective counter-fraud arrangements contribute to financial resilience by preventing losses and protecting public funds.
- 4.3 Any resource implications arising from enhanced activity will be managed within existing budgets.

5 Local Government Reorganisation Implications

- 5.1 The Strategy provides a consistent framework that can support any future local government reorganisation arrangements.
- 5.2 It ensures alignment of counter-fraud principles across potential new organisational structures.
- 5.3 The approach supports resilience and continuity of governance arrangements.

6 Legal Implications

- 6.1 The strategy supports the Council's wider governance responsibilities and reflects the relevant legal framework, including the Public Interest Disclosure Act 1998, Proceeds of Crime Act 2002, Fraud Act 2006, Bribery Act 2010 and the Economic Crime and Corporate Transparency Act 2023.
- 6.2 It also aligns with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and Fighting Fraud and Corruption locally, and reflects the reasonable procedures themes associated with the failure to prevent fraud offence that came into force on 1 September 2025.
- 6.3 The Monitoring Officer has been consulted in the preparation of the strategy and supporting documents.

7 Equalities Implications

- 7.1 There are no direct adverse equalities implications arising from this report. Clear reporting routes and a speak-up culture help ensure concerns can be raised appropriately by staff and others acting on behalf of the Council.
- 7.2 The supporting arrangements include whistleblowing and reporting routes intended to be accessible, clear and supportive of concerns raised in good faith.

8 Carbon Reduction/Environmental Sustainability

- 8.1 There are no direct environmental implications arising from this report.

9 Appendices

9.1 Appendix 1 - Whistleblowing Policy Summary;

Appendix 2 - Fraud Response Plan;

Appendix 3 - Anti-Fraud and Corruption Action Plan 2026-27;

Appendix 4 - Anti-Money Laundering Policy

Statutory Officer approval

Approved by: Chief Finance Officer

Date: 11 June 2026

Approved by: Monitoring Officer

Date: 11 June 2026

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Anti-Fraud and Corruption Strategy

Gedling Borough Council

June 2026

This strategy sets out the Council's corporate framework for preventing, detecting, investigating and responding to fraud, bribery, corruption and wider economic crime. It supports strong governance, protects public funds and aligns with CIPFA good practice and the relevant legislative framework.

Executive Summary

This Anti-Fraud and Corruption Strategy sets out Gedling Borough Council's corporate approach to preventing, detecting, investigating and responding to fraud, bribery, corruption and wider economic crime. It is designed to protect public funds, public assets and public confidence, and to provide a clear framework for governance, accountability, reporting and continuous improvement.

- The strategy is aligned to the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and **Fighting Fraud and Corruption Locally**, reflecting recognised good practice for local government.
- It references the key legislative framework, including the **Fraud Act 2006**, the **Bribery Act 2010**, the **Public Interest Disclosure Act 1998**, the **Proceeds of Crime Act 2002**, and the **Economic Crime and Corporate Transparency Act 2023**, including the **failure to prevent fraud** offence that came into force on **1 September 2025**.
- The Council adopts a zero-tolerance approach and expects high standards of honesty, integrity and accountability from members, employees, contractors, suppliers, partners and others acting on its behalf.
- The strategy promotes a risk-based approach built around strong leadership, fraud risk assessment, proportionate controls, due diligence, effective reporting routes, proactive counter fraud activity, proper investigation and organisational learning.
- It reflects the reasonable procedure's themes associated with the failure to prevent fraud offence: top-level commitment, risk assessment, proportionate

procedures, due diligence, communication⁸ and training, and monitoring and review.

- The accompanying appendices provide supporting detail through a whistleblowing summary, a fraud response plan, a practical anti-fraud and corruption action plan for 2026-27, and a standalone anti-money laundering policy.
- Together, the strategy and appendices provide the Council with a clear framework for prevention, response, assurance and continuous improvement.

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1. Introduction

1.1 Legislative and Regulatory Framework

The Council's counter fraud arrangements are shaped by a range of statutory, regulatory and professional requirements. This strategy should therefore be read in the context of the legal framework for fraud, bribery, corruption, economic crime, whistleblowing, recovery of criminal property, and good governance in local government. In particular, the Council recognises the importance of maintaining proportionate and well-evidenced controls that reflect both CIPFA good practice and the expectations associated with the Economic Crime and Corporate Transparency Act 2023.

- **Public Interest Disclosure Act 1998** – supports protection for individuals who raise concerns in the public interest.
- **Proceeds of Crime Act 2002** – provides powers relevant to the recovery of criminal property and the handling of criminal proceeds.
- **Fraud Act 2006** – establishes the principal criminal offences of fraud, including fraud by false representation, fraud by failing to disclose information, and fraud by abuse of position.
- **Bribery Act 2010** – provides the framework for preventing and addressing bribery and includes the corporate offence of failure to prevent bribery.
- **Economic Crime and Corporate Transparency Act 2023** – strengthens the UK response to economic crime and introduced the corporate offence of **failure to prevent fraud**, effective from **1 September 2025**. The Council will have regard to the reasonable procedure's principles associated with that offence, including top-level commitment, risk assessment, proportionate procedures, due diligence, communication and training, and monitoring and review.
- **Local Government legislation and governance requirements** – place duties on the Council to secure proper administration of its financial affairs, maintain sound internal control, and uphold high standards of conduct and governance.
- **Public Sector Fraud Authority** – provides leadership, guidance, standards and initiatives to help public bodies understand, prevent, detect and respond to fraud against the public sector. This includes support for data-led prevention, fraud risk assessment, counter fraud capability and the operation of the National Fraud Initiative.
- **CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and Fighting Fraud and Corruption Locally** – provide the professional good practice framework that underpins this strategy and its implementation.

The reasonable procedures model is the framework set out in UK government guidance to help organisation's prevent fraud committed by employees or other associated persons for the organisation's benefit or, in some cases, for the benefit of a client. It is not a fixed checklist; rather, it is a set of six risk-based principles intended to help

organisation's design, evidence and keep under review proportionate fraud prevention arrangements that reflect their size, structure, activities and exposure to risk.

- **Top-level commitment** – senior leadership should set a clear tone that fraud is unacceptable, support an open and ethical culture, and ensure fraud prevention is taken seriously across the organisation.
- **Risk assessment** – organisation's should identify and assess where and how fraud risks may arise, including risks linked to services, transactions, third parties, incentives and control weaknesses.
- **Proportionate risk-based fraud prevention procedures** – controls and procedures should be designed in proportion to the risks identified, with practical measures that are realistic, targeted and capable of operating effectively.
- **Due diligence** – organisation's should carry out appropriate checks on employees, contractors, suppliers, agents, partners and other associated persons, particularly where activities are higher risk.
- **Communication and training** – policies, expectations and reporting routes should be communicated clearly, with training and awareness activity tailored to the level of fraud risk and the roles involved.
- **Monitoring and review** – organisation's should test, review and update their arrangements regularly so that they remain effective, reflect lessons learned and respond to changing risks.

Gedling Borough Council is committed to protecting public funds, public assets and public trust. Fraud, bribery, corruption and wider economic crime divert resources from essential local services, damage confidence in the Council and undermine effective governance. This strategy sets out how the Council will prevent, detect, investigate and respond to fraud and corruption across its services, systems, partnerships, companies, contractual arrangements and wider delivery models.

The strategy aligns with the principles of **Fighting Fraud and Corruption Locally** and the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. It reflects the expectation that counter fraud arrangements should be led from the top, integrated into governance and risk management, informed by regular fraud risk assessment, supported by proportionate controls and resources, and strengthened through reporting, action and continuous review.

The Council recognise's the significance of the **Economic Crime and Corporate Transparency Act 2023**, including the corporate offence of **failure to prevent fraud** that came into force on **1 September 2025**. Although that offence applies directly to organisation's meeting the statutory threshold, the Council regards the associated reasonable procedures model as relevant good practice for public sector fraud prevention and for the management of risks arising from employees, contractors,

suppliers, agents, delivery partners and other associated persons acting on the Council's behalf or in connection with Council business.

The Council adopts a zero-tolerance approach to fraud, bribery, corruption and dishonest conduct. This strategy applies to members, employees, agency workers, contractors, consultants, suppliers, partners, volunteers and any other person or organisation working for, with or on behalf of the Council.

The intended outcomes of this strategy are to reduce the risk of loss, strengthen the Council's control environment, promote a culture of integrity and openness, ensure allegations are handled properly, support recovery and enforcement action including civil and criminal action and sanctions where appropriate, and provide assurance that the Council is meeting its governance responsibilities in relation to fraud and corruption risk.

2. Policy Statement

Gedling Borough Council will maintain a proportionate, risk-based and intelligence-led counter fraud framework embedded within its governance arrangements. The Council's policy is to prevent fraud and corruption wherever possible, detect concerns early, investigate them professionally and fairly, take robust action where wrongdoing is identified, and learn from incidents so that controls and arrangements continue to improve.

To give effect to this policy statement, the Council will apply the following core principles and commitments across its counter fraud arrangements:

- Demonstrate clear leadership and a strong tone from the top that fraud, bribery, corruption and economic crime are unacceptable.
- Identify and assess fraud and corruption risks across services, systems, partnerships, projects, contracts and new delivery models.
- Maintain proportionate controls, due diligence, oversight and assurance arrangements, including in relation to third parties and associated persons.
- Encourage concerns to be reported promptly and protect those who raise them in good faith.
- Use proactive and reactive counter fraud techniques, including intelligence, data matching, analytics and targeted review work.
- Pursue disciplinary, regulatory, civil and criminal action and sanctions where it is lawful, proportionate and in the public interest to do so.
 - **Civil action and sanctions** may include civil recovery, compensation, injunctions, insurance claims and other financial remedies.
 - **Criminal action and sanctions** may include referral to the police, prosecution, cautions and confiscation proceedings.

- Monitor effectiveness, report through governance channels and review this strategy regularly in light of changing risks, legislation and good practice.

3. Culture

An effective anti-fraud culture depends on visible leadership, ethical behaviour, openness and accountability. In line with CIPFA and Fighting Fraud and Corruption Locally, the Council will foster a culture in which fraud risk is understood as a core management issue rather than solely an audit or investigation issue. Counter fraud responsibilities must therefore be embedded within governance, operational management, commissioning, procurement, contract management and decision-making.

This culture is supported through clear expectations, effective supervision, robust controls, declarations of interest, gifts and hospitality arrangements, safe speaking-up channels, and consistent action when standards are breached. Key supporting documents and mechanisms include:

- Financial Regulations and scheme of delegation
- Local Code of Corporate Governance
- Contracts and Procurement Rules
- Codes of conduct for members and employees
- Declarations of interest, gifts and hospitality requirements
- HR policies, recruitment checks and disciplinary procedures
- Whistleblowing, fraud response, risk management and information governance arrangements

4. Responsibilities

4.1 Overall Responsibility

Countering fraud and corruption is a shared responsibility. The governing body, statutory officers, senior managers, employees, members and those acting on the Council's behalf all have a role in preventing wrongdoing, maintaining effective controls, identifying risks, challenging poor practice and reporting concerns.

- **Members and the Audit Committee** are responsible for setting expectations around ethical conduct, receiving assurance on the adequacy of counter fraud arrangements and supporting a strong control environment.
- **The Senior Leadership Team and Assistant Directors** are responsible for embedding this strategy, assessing risk, maintaining proportionate controls, ensuring staff awareness and taking prompt action where issues arise.
- **The Section 151 Officer** is responsible for ensuring appropriate financial stewardship and for supporting robust arrangements to prevent, detect and respond to fraud and corruption.

- **The Monitoring Officer** is responsible for supporting compliance, standards and proper governance arrangements, including matters relating to conduct and legality.
- **Internal Audit and other assurance functions** support the Council through review, advice, proactive work and investigation or referral arrangements as appropriate.
- **All employees and members** must act with honesty and integrity, comply with policies and procedures, remain alert to risk and report concerns promptly.
- **Contractors, suppliers, partners and other associated persons** are expected to comply with the Council's standards, maintain accurate records, report concerns and cooperate with any review or investigation.

4.2 Reasonable Procedures and Associated Persons

In line with the Council's approach to the Economic Crime and Corporate Transparency Act 2023, services must consider where fraud risks may arise through associated persons and third parties. This includes ensuring appropriate due diligence, contractual expectations, oversight, segregation of duties, record keeping, escalation routes and review arrangements in areas where external parties act for or on behalf of the Council.

5. Prevention

Prevention is the Council's first line of defence. Consistent with CIPFA's framework and with the reasonable procedures approach associated with the **Economic Crime and Corporate Transparency Act 2023**, the Council will apply fraud prevention measures that are proportionate to the nature, scale and complexity of the risks it faces. This includes taking steps to prevent fraud committed for the benefit of the organisation or in connection with Council business by employees or by associated persons such as contractors, suppliers, agents, subsidiaries, delivery partners and others acting on the Council's behalf.

5.1 Council Approach to Prevention

The Council's prevention approach is based on visible leadership, fraud risk assessment, proportionate internal controls, due diligence, secure systems, clear procedures, transparency requirements, training and ongoing review. It is designed to reflect both CIPFA good practice and the reasonable procedures model associated with the failure to prevent fraud offence, while remaining proportionate to the Council's scale, operating environment and risk profile. The prevention approach is supported by the Anti-Fraud and Corruption Action Plan 2026-27, which translates these principles into practical actions on governance, fraud risk assessment, reasonable procedures, third-party due diligence, awareness and training, data-led proactive work, whistleblowing and reporting, and monitoring and assurance.

- **Leadership and governance:** members, senior officers and statutory officers will set the tone, endorse expectations, review arrangements regularly and ensure counter fraud remains a governance priority.

- **Fraud risk assessment:** fraud and corruption risks will be identified and reviewed across key services, systems, projects, grants, procurement, commissioned services and partnerships, with priority actions taken forward.
- **Reasonable procedures and internal controls:** the Council will maintain proportionate procedures, approval routes, reconciliations, supervisory checks, exception reporting, secure systems access and documented processes, and will review these against the six reasonable procedures themes where relevant.
- **Third-party due diligence:** appropriate checks, contract clauses, transparency requirements and monitoring arrangements will be applied to suppliers, contractors, delivery partners, grant recipients and other relevant third parties.
- **Awareness, training and reporting:** expectations, risks, whistleblowing arrangements and reporting routes will be communicated clearly, with enhanced awareness for higher-risk roles and activities.
- **Data and proactive work:** the Council will use data matching, data analytics, exception reporting, targeted review work and the National Fraud Initiative to strengthen prevention and early identification of risk.
- **Monitoring and assurance:** prevention arrangements, incidents, control weaknesses, lessons learned and progress against the action plan will be reviewed so that the Council can strengthen its response over time.

5.2 National Fraud Initiative

The National Fraud Initiative (NFI) is a data matching exercise operated by the Public Sector Fraud Authority on behalf of the Cabinet Office to help prevent and detect fraud and error across the public sector. It matches electronic data within and between participating organisations to identify inconsistencies that may require further review. A match does not in itself prove fraud or wrongdoing, but it may highlight cases that warrant enquiry, verification or investigation.

The Council can use the NFI to support both prevention and detection work. This may include reviewing data matches relating to areas such as payroll, pensions, creditors, council tax, business rates, housing, licensing, parking permits, insurance claims and other datasets specified through the NFI programme. The Council will use NFI outputs as part of a wider risk-based counter fraud approach, including prioritising review work, identifying control weaknesses, following up potential anomalies, recovering losses where appropriate and improving local controls and awareness.

The Council may also use guidance, standards, tools and good practice published by the **Public Sector Fraud Authority** to strengthen its wider counter fraud arrangements. This may include support for fraud risk assessment, prevention planning, data-led counter fraud activity, training and awareness, and the continuous improvement of local controls, governance and assurance.

Participation in the NFI must be managed in accordance with the relevant statutory powers, the Code of Data Matching Practice, data protection requirements and the Council's own governance arrangements. The Council will ensure that NFI matches are reviewed appropriately, that decisions and outcomes are recorded, and that learning from the exercise is used to strengthen fraud prevention arrangements. The Council will also have regard to relevant guidance, standards and good practice published by the **Public Sector Fraud Authority** in developing its wider counter fraud arrangements.

5.3 Types of Fraud and Who May Commit Them

Fraud and corruption can take many forms and may be committed by individuals or organisations both inside and outside the Council. Understanding the main fraud risks helps services design proportionate controls, target training and respond appropriately when concerns arise. The following examples are not exhaustive but reflect common risks in local government.

- **Internal fraud** – for example payroll fraud, false overtime claims, expenses abuse, misuse of purchasing cards, theft, falsification of records or abuse of position. This type of fraud may be committed by employees, agency workers or others with access to Council systems, assets or information.
- **External fraud** – for example false applications, identity fraud, false claims, undeclared changes in circumstances, creditor fraud or mandate fraud. This type of fraud may be committed by members of the public, businesses, customers, claimants, tenants, suppliers or organised fraud networks.
- **Procurement and contract fraud** – for example collusion, bid rigging, false invoicing, duplicate invoicing, overcharging, undisclosed conflicts of interest or manipulation of contract processes. This type of fraud may be committed by suppliers, contractors, delivery partners or by employees working alone or in collusion with external parties.
- **Bribery and corruption** – for example offering, giving, requesting or accepting an improper payment, gift, hospitality or other advantage to influence a decision. This may involve employees, members, contractors, suppliers, agents or other third parties.
- **Grant, scheme and financial support fraud** – for example false declarations, misuse of grant funding, ineligible claims or diversion of funds. This may be committed by applicants, recipients, partner bodies or, in some cases, internal officers where controls are weak.
- **Tenancy, housing, council tax and business rates fraud** – for example subletting, false occupancy claims, discount abuse, false exemptions or misrepresentation of liability. This may be committed by tenants, residents, ratepayers, landlords, businesses or third parties acting on their behalf.

- **Cyber-enabled and data-related fraud** – for example phishing, impersonation, payment diversion, business email compromise or misuse of data to facilitate fraud. This may be committed by external attackers, organised crime groups or individuals seeking to exploit weaknesses in systems or processes.
- **Fraud involving associated persons** – for example fraud committed by a contractor, agent, subsidiary, consultant or delivery partner acting for or on behalf of the Council or in connection with Council business. This is particularly relevant to the Council’s approach to third-party risk, due diligence and the reasonable procedures model.

6. Reporting Concerns

Anyone who suspects fraud, bribery, corruption or related misconduct should report it as soon as possible. Concerns may be raised through any of the following routes:

- **Your Line Manager**
- **Directors:** Mike Avery, Franchesca Whyley, Sarah Troman, Mike Hill
- **Internal Audit:** Max Armstrong - BDO
- **Section 151 Officer:** Tina Adams, Chief Finance Officer
- **Monitoring Officer:** Franchesca Whyley
- **Human Resources:** Jennifer Lovett
- **Whistleblowing Contact / Route:** Appendix 1.

The Council will support a speak-up culture and will not tolerate retaliation against any person who raises a concern in good faith. Where appropriate, matters will also be referred to external bodies such as the police, external audit, insurers, the Department for Work and Pensions, HMRC, the National Fraud Initiative, professional regulators or other agencies with relevant powers or responsibilities. Further information on the National Fraud Initiative should be made available through the Council’s privacy notice and the Cabinet Office National Fraud Initiative guidance.

Concerns should be raised honestly, responsibly and in good faith. The Council recognises that some allegations may not be substantiated after investigation, and this will not in itself amount to wrongdoing where the concern was raised genuinely. However, malicious, vexatious or deliberately false allegations are unacceptable. Where it is established that a concern has been raised as part of a personal vendetta or for another improper purpose, the Council may take appropriate action in line with its relevant policies, procedures and contractual arrangements.

7. Detection and Investigation

The Council will use both proactive and reactive counter fraud techniques. These may include data matching, data analytics, management review, internal audit work,

intelligence sharing, whistleblowing disclosures, exception reporting and targeted exercises in high-risk areas. Investigations will be conducted lawfully, proportionately and fairly, with appropriate referrals to enforcement or regulatory bodies where required.

7.1 Investigation and Response

Allegations will be assessed promptly to determine the appropriate response, including whether immediate safeguarding action is required to secure records, systems, assets or evidence. Investigations will be carried out by officers with the appropriate skills, independence and authority. Where appropriate, outcomes may include the following forms of action and sanctions:

- **Civil action and sanctions** such as civil recovery, compensation, injunctions, insurance claims and other financial remedies.
- **Criminal action and sanctions** such as referral to the police, prosecution, cautions and confiscation proceedings.
- **Other action** such as management action, disciplinary action, regulatory notification, insurance notification, recovery action or wider control improvements.

7.2 Learning and Recovery

Where fraud or corruption is identified, the Council will consider opportunities to recover losses, protect future public funds and strengthen its arrangements. Significant cases should lead to a review of root causes, control weaknesses, assurance findings and learning points so that improvements can be implemented promptly and shared where useful.

8. Training and Communications

Training and communication are essential to maintaining an effective anti-fraud culture. The Council will ensure that members and employees understand expected standards of behaviors, the fraud risks relevant to their roles, warning signs that may indicate wrongdoing, and how to report concerns. Awareness activity will be proportionate, refreshed regularly and targeted where risk is higher.

Training may include corporate induction, periodic refresher learning, manager briefings, targeted sessions for higher-risk services and updates following legislative or policy change. Communication should also reinforce the Council's zero-tolerance approach, speak-up culture, whistleblowing arrangements and expectations of third parties working with the Council.

9. Monitoring and Review

The Council will monitor the effectiveness of this strategy through its governance framework, including management oversight, Internal Audit, risk management

arrangements and Audit Committee reporting. Performance information, emerging threats, investigation outcomes, control weaknesses and progress against improvement actions will be reviewed so that the Council can respond to changing risks and maintain effective arrangements.

- **Strategy and policy review:** this strategy and related documents will be reviewed periodically and updated to reflect legislative change, CIPFA and sector guidance, organisational learning and changing fraud risk.
- **Post-incident review:** following significant cases or control failures, the Council will identify lessons learned and implement improvement actions.
- **Audit Committee oversight:** the Audit Committee will receive appropriate assurance on the adequacy of counter fraud arrangements, key risks and progress against any action plan.

10. Associated Policies

This strategy should be read alongside the Council's wider governance and risk and control framework, including the following documents where applicable:

- Corporate Code of Governance
- Financial Regulations and scheme of delegation
- Contracts and Procurement Rules
- Member and employee codes of conduct
- Whistleblowing Policy
- Fraud Response Plan
- Anti-Fraud and Corruption Action Plan
- Risk Management Strategy
- Anti-Money Laundering Policy
- Policies and procedures relevant to declarations, gifts and hospitality, recruitment, disciplinary action, information governance and system security

Appendix 1 - Whistleblowing Policy Summary

The Council is committed to the highest standards of openness, integrity and accountability. Whistleblowing is an important part of the Council's wider counter fraud and governance framework because it helps concerns to be raised at an early stage and supports the prevention, detection and investigation of wrongdoing. This summary should be read alongside the Council's full Whistleblowing Policy and related procedures.

1.1 Purpose and Scope

The purpose of the Whistleblowing Policy is to encourage employees and others working with the Council to raise genuine concerns about suspected wrongdoing, unsafe practice, unlawful conduct, fraud, bribery, corruption, financial irregularity, abuse of authority, safeguarding concerns or attempts to conceal such matters. The policy supports the principles of the **Public Interest Disclosure Act 1998** by making clear that concerns raised appropriately and in the public interest will be taken seriously.

The Councils Whistleblowing policy is a separate policy document available to both Council Employees and Members of the Public. The Policy is available on the Councils Internet.

Appendix 2 - Fraud Response Plan

This Fraud Response Plan sets out the Council's high-level approach when allegations or suspicions of fraud, bribery, corruption or related irregularity arise. It is designed to support a prompt, proportionate and well-governed response that protects evidence, secures public funds, supports fair treatment and ensures the right officers are involved at the right time.

2.1 Objectives

- Protect public funds, assets, systems and records.
- Ensure allegations are assessed and handled consistently, fairly and without unnecessary delay.
- Secure and preserve evidence, including digital records and financial information.
- Support appropriate referrals to HR, legal services, insurers, police, regulators or other external bodies.
- Identify lessons learned, recovery opportunities and control improvements.

2.2 Immediate Actions

- Record the allegation or concern promptly and preserve the initial information received.
- Notify the appropriate senior officer, Internal Audit, the Section 151 Officer, the Monitoring Officer, HR or other designated officer, depending on the circumstances.
- Consider whether urgent action is needed to secure systems access, suspend payments, retain documents, protect assets or prevent further loss.
- Avoid alerting the subject of the allegation where this could compromise evidence or prejudice an investigation.
- Consider whether legal, HR, ICT, insurance, safeguarding or communications advice is required at an early stage.

2.3 Assessment and Investigation

An initial assessment should determine the seriousness of the allegation, the potential financial or reputational impact, the immediate control risks, whether criminal conduct may be involved, and who should lead the response. Investigations should be proportionate and carried out by officers with the appropriate independence, authority and expertise. The Council will maintain appropriate records of decisions, evidence, actions taken and outcomes.

2.4 Possible Outcomes

- No further action where concerns are not substantiated.
- Management action to address process weakness or control failure.
- Disciplinary action or contract management action.

- Civil action and sanctions, including civil recovery, compensation, injunctions, insurance claims or other financial remedies.
- Criminal action and sanctions, including referral to the police, prosecution, cautions, confiscation proceedings, or referral to regulators, external audit or other external agencies.
- Post-incident review and strengthening of controls, training or oversight arrangements.

2.5 Associated Persons and Reasonable Procedures

Where a case involves a contractor, supplier, partner, agent or other associated person, the Council should consider whether contractual controls, due diligence, oversight, record keeping, escalation routes and monitoring arrangements operated as intended. In line with the Council's approach to the **Economic Crime and Corporate Transparency Act 2023**, cases of this kind should also be reviewed to identify whether improvements are needed in top-level commitment, risk assessment, proportionate procedures, due diligence, communication and training, or monitoring and review.

Appendix 3 - Anti-Fraud and Corruption Action Plan 2026-27

This action plan translates the strategy into practical activity for 2026-27. It is intended to support continuous improvement, provide a basis for monitoring by management and the Audit Committee, and demonstrate alignment with CIPFA good practice, Fighting Fraud and Corruption Locally and the Council's approach to the reasonable procedures model associated with the failure to prevent fraud offence.

Theme	Action	Lead	Target / Measure	Timescale	RAG Status
Leadership and governance	Review the Anti-Fraud and Corruption Strategy, Fraud Response Plan and supporting arrangements annually and report progress through the Council's governance framework.	Section 151 Officer / Internal Audit	Annual review completed and reported to Audit Committee.	Q1 2026-27	Green
Fraud risk assessment	Update the fraud risk assessment for key services.	Service Managers	Updated risk assessment completed and priority actions identified.	Q2 2026-27	Amber
Reasonable procedures	Review current arrangements against the six reasonable procedures themes linked to the failure to prevent fraud offence and identify any gaps requiring improvement.	Section 151 Officer / Monitoring Officer / Internal Audit	Gap assessment completed and improvement actions agreed.	Q2 2026-27	Amber

Third-party due diligence	Strengthen due diligence, fraud clauses, transparency requirements and monitoring arrangements for suppliers, contractors, delivery partners and other relevant third parties.	Procurement / Legal / Service Managers	Revised approach embedded in relevant procurement and contract management activity.	Q3 2026-27	Amber
Awareness and training	Deliver counter fraud awareness activity for members and staff, with targeted training for higher-risk areas such as procurement, finance, system administration and contract management.	HR / Internal Audit / Relevant Managers	Training delivered and attendance or completion monitored.	Q3 2026-27	Amber
Data and proactive work	Use proactive counter fraud techniques such as data matching, analytics, exception reporting and targeted review work in higher-risk areas.	Internal Audit / Relevant Services	Programme of proactive work completed and outcomes reported.	Q4 2026-27	Amber
Whistleblowing and reporting	Review awareness of whistleblowing and reporting routes to ensure that staff,	Monitoring Officer / HR / Internal Audit	Updated communications issued and	Q2 2026-27	Amber

	members and third parties know how to raise concerns.		routes clearly signposted.		
Monitoring and assurance	Develop periodic reporting on fraud risk, cases, outcomes, lessons learned and progress against this action plan.	Section 151 Officer / Internal Audit	Regular update reports provided through the governance framework to Audit Committee.	Quarterly	Amber

The action plan should be kept under review during the year and updated to reflect changes in legislation, risk, organisational priorities, emerging threats, completed actions and lessons learned from cases or assurance work. Timescales and RAG status should be reviewed regularly so that progress, slippage and emerging issues can be clearly reported through the Council's governance framework. An ongoing agenda item at Senior Leadership Team will also support the identification of high-risk areas and help inform priorities, oversight and any further action required.

In the first instance, the actions within this plan have been assigned an amber RAG status to reflect that further work is needed to define the detailed scope, baseline position, delivery requirements and measures of success for each area.

Appendix 4 - Anti-Money Laundering Policy

4.1 Introduction

The Council is committed to maintaining the highest standards of honesty, integrity and accountability and to protecting public funds and the wider public interest. Although local authorities are not generally within the regulated sector for the purposes of the UK money laundering regime, they may still encounter transactions, arrangements or behaviours that give rise to suspicion of money laundering, terrorist financing or the handling of criminal property. The Council therefore adopts this Anti-Money Laundering Policy to support proportionate safeguards, clear reporting arrangements and staff awareness.

This policy should be read alongside the Council's Anti-Fraud and Corruption Strategy, Financial Regulations, procurement and contract management arrangements, Whistleblowing Policy, information governance requirements and any relevant guidance issued by the Section 151 Officer, Monitoring Officer. It reflects the principles set out in the Proceeds of Crime Act 2002, the Terrorism Act 2000 and current sector good practice for local authorities.

4.2 Scope and Purpose

This policy applies to all employees, agency workers, contractors, consultants, members and others working for or on behalf of the Council where they may encounter financial transactions, property dealings, payments, grants, contracts, settlements, disposals, debtor arrangements, licensing, enforcement or other activities that could create a money laundering risk. It aims to maintain high standards of conduct, help officers recognise potential warning signs and ensure that concerns are reported appropriately and without delay.

- Set out the Council's proportionate approach to anti-money laundering risk.
- Support employees and members to identify and escalate suspicious activity.
- Reduce the risk that Council services, assets, contracts or financial systems are used to launder criminal property.
- Ensure concerns are considered lawfully, confidentially and with appropriate referral where necessary.

4.3 What is Money Laundering?

Money laundering is the process by which criminal property is handled, disguised, transferred, converted or integrated into legitimate business or financial activity so that its origins are obscured. Criminal property is broadly defined and is not limited to cash. It may include money, goods, land, rights, assets or any benefit derived from criminal conduct. The offences are wide in scope and may apply even where the underlying criminal conduct took place elsewhere.

- Concealing, disguising, converting, transferring or removing criminal property.
- Entering into or becoming concerned in an arrangement which facilitates the acquisition, retention, use or control of criminal property.
- Acquiring, using or possessing criminal property.
- Failing to disclose knowledge or suspicion where there is a reporting obligation.
- Tipping off, namely disclosing information in a way that could prejudice an investigation or alert a person that a report has been made.

Possible indicators may include unusual cash payments, requests to make or receive payments through third parties, overpayments followed by refund requests, pressure for urgent transactions without clear rationale, complex ownership or beneficial ownership arrangements, reluctance to provide information, property or land transactions with unclear funding sources, settlement proposals that do not appear commercially rational, and patterns of activity inconsistent with the known purpose of a transaction. These indicators do not prove wrongdoing, but they may warrant further review or reporting.

4.4 Council Approach and Key Controls

The Council will take a proportionate and risk-based approach to anti-money laundering, recognising that higher-risk situations may arise in areas such as property transactions, land disposals and acquisitions, grants and external funding, debtor and creditor arrangements, insurance settlements, procurement, licensing, enforcement activity, and transactions involving third parties, agents or complex ownership structures. The Council will apply appropriate internal controls, escalation arrangements and professional advice where necessary.

- Avoid accepting large cash payments except where expressly permitted by Council arrangements and supported by appropriate controls.
- Ensure transactions are properly authorised, recorded and supported by a clear business rationale.
- Undertake appropriate checks on counterparties, ownership information and payment arrangements where the risk justifies it.
- Be alert to requests for refunds to different accounts, payments routed through third parties, or arrangements that lack transparency.
- Retain relevant records of due diligence, decisions, approvals and referrals.
- Seek advice promptly where a transaction or arrangement appears unusual, high risk or inconsistent with normal expectations.

4.5 Reporting Procedure

Where an employee or member knows, suspects or has reasonable grounds to suspect that a transaction, arrangement or person may be involved in money laundering or terrorist financing, they must report the matter as soon as possible through the Council's internal reporting arrangements to the Chief Finance Officer. They should record the

concern factually, preserve relevant information and avoid taking any further step that could prejudice a review or investigation.

- Do not confront the individual concerned or attempt to investigate the matter personally unless this forms part of your authorised role.
- Do not disclose to any other person that a suspicion has been raised if doing so could amount to tipping off.
- Continue to follow any immediate lawful instructions given by the Chief Finance Officer or authorised senior officer.
- Where necessary, the Council will consider whether an external disclosure or Suspicious Activity Report should be made through the appropriate route.

4.6 Money Laundering Reporting Officer

The Council has designated the Chief Finance officer as the Money Laundering Reporting Officer to receive internal reports, consider whether there is a need for further review or advice, determine whether an external disclosure is required and maintain appropriate confidential records. The MLRO should work closely with the Monitoring Officer, Legal Services, Internal Audit and other relevant officers where appropriate.

- Receive and assess internal disclosures of suspected money laundering.
- Maintain secure records of referrals, decisions and actions taken.
- Consider whether the matter should be referred externally through the appropriate reporting route.
- Provide or coordinate advice to services on the handling of suspicious matters.
- Support periodic review of the Council's anti-money laundering arrangements.

4.7 Training, Awareness and Review

Appropriate awareness of money laundering risk should be maintained across the Council, with more targeted guidance or briefing for services and roles more likely to encounter higher-risk transactions or arrangements. This policy should be reviewed periodically and updated to reflect legislative change, organisational learning, changes in service delivery and emerging risks. Any supporting guidance, forms or internal reporting templates should also be kept up to date.



Report to Council/ Committee

Subject: Whistleblowing (Speak Up) Policy and Procedure

Date: 23 June 2026

Author: Deputy Chief Executive and Monitoring Officer

Purpose

To present the Whistleblowing (Speak Up) Policy and Procedure for review and approval by the Audit Committee for referral to Cabinet.

Recommendation(s)

THAT:

1. The Audit Committee reviews and recommends the Whistleblowing (Speak Up) Policy and Procedure for adoption by Cabinet.
2. The Committee notes that the policy provides an updated framework for raising, assessing, handling and reporting serious public-interest concerns connected to the Council.
3. The Audit Committee recommend to Cabinet that authority be delegated to the Deputy Chief Executive and Monitoring Officer, in consultation with the Chief Finance Officer and Section 151 Officer, to make minor amendments to reflect legislative, organisational or operational changes.

1 Background

- 1.1 The Council is committed to the highest standards of integrity, openness, honesty and accountability and wants people to feel safe to speak up where they reasonably believe that wrongdoing, malpractice or a serious risk has occurred, is occurring, or is likely to occur.
- 1.2 The Whistleblowing (Speak Up) Policy and Procedure has been developed to provide a clear and accessible framework for raising concerns in the public interest and for ensuring that concerns are assessed, handled fairly, acted upon promptly and used to support

organisational learning. It has also been updated following recommendations arising from the Internal Audit review in order to strengthen the Council's speak-up arrangements and governance framework.

1.3 The policy reflects:

- the statutory whistleblowing framework under the Employment Rights Act 1996, the Employment Rights Act 2025 as amended to include sexual harassment and the Public Interest Disclosure Act 1998
- current UK Government guidance on whistleblowing and prescribed persons
- CIPFA guidance on good governance and on managing the risk of fraud and corruption
- the Council's commitment to a positive speak-up culture, confidentiality, fair handling and protection from detriment
- clear arrangements for internal and external concerns, including signposting where another process is more appropriate
- the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption
- the Council's zero-tolerance approach to fraud, bribery, corruption and wider economic crime
- the reasonable procedures themes associated with the failure to prevent fraud offence effective from 1 September 2025

1.4 The policy forms part of the Council's wider governance and assurance framework and supports oversight of speak-up culture, whistleblowing activity, organisational learning and the identification of themes, trends and control improvements. It replaces the Council's current Whistleblowing Policy adopted in 2019 and supports the Council's continued improvements to governance arrangements.

2 Proposal

2.1 The Whistleblowing (Speak Up) Policy and Procedure sets out the Council's framework for raising, assessing, handling and responding to serious public-interest concerns connected to the Council's work, services, governance, assets, contracts, partnerships and use of public funds.

2.2 The policy makes clear:

- who can raise a concern, including employees, other workers, councillors, contractors, volunteers, suppliers, members of the public and others connected with the Council
- the types of serious wrongdoing that may be raised under the policy
- the distinction between whistleblowing and other procedures such as grievances, complaints, safeguarding or standards arrangements
- the routes for raising concerns internally and the specific route for members of the public and other external people to raise serious concerns through the Monitoring Officer
- the Council's commitment to confidentiality, fair handling, protection from retaliation and support for whistleblowers
- strong leadership and a clear tone from the top
- fraud risk assessment and proportionate controls
- due diligence, secure systems and effective reporting routes
- monitoring, assurance and regular review through the governance framework

- 2.3 The policy includes arrangements for prompt acknowledgement, initial assessment and triage, taking account of matters such as urgency, safeguarding, financial exposure, fraud risk, reputation and public standing, legal and regulatory issues, potential retaliation, conflicts of interest and whether another route is more appropriate. It also makes clear that concerns should be passed promptly to the appropriate designated officer or team so that independence, confidentiality and evidence can be managed properly.
- 2.4 The Council will respond proportionately to the nature and seriousness of the concern. Depending on the circumstances, action may include immediate risk management steps, fact-finding, internal investigation, referral to Internal Audit, HR, Legal Services, safeguarding leads, the external auditor, the Police or another regulator, or referral to a more appropriate internal procedure. Where concerns involve suspected fraud, corruption, serious financial irregularity or misuse of public money, the Chief Finance Officer and Section 151 Officer should be involved at an early stage.
- 2.5 The policy also strengthens governance and oversight arrangements by providing for secure central record keeping, periodic review of themes, trends and lessons learned, joint strategic oversight by the Monitoring Officer and the Chief Finance Officer and Section 151 Officer, and periodic anonymised reporting to Audit Committee. This supports good

governance, organisational learning, counter-fraud resilience and assurance.

- 2.6 Approval of the policy is required by Cabinet and will provide assurance that the Council has an up-to-date and accessible whistleblowing framework aligned with current legislation, recognised good practice and the Council's wider governance arrangements.

3 Alternative Options

- 3.1 Do nothing and retain the existing arrangements – this is not recommended as it may not reflect current legislation, good practice or the need for a clearly articulated speak-up framework for both internal and external concerns.
- 3.2 Produce a partial update – this has been discounted in favour of a fuller refresh to ensure clarity, consistency and clear routes for triage, handling, feedback, reporting and oversight.

4 Financial Implications

- 4.1 There are no direct additional financial implications arising from approving the revised policy.
- 4.2 Effective whistleblowing arrangements support early identification of fraud risk, governance issues, control weaknesses and misuse of public resources, which can help protect public funds and reduce wider financial exposure.
- 4.3 Any training, awareness or administration requirements arising from the policy will be managed within existing resources.

5 Local Government Reorganisation Implications

- 5.1 The policy provides a clear and consistent framework for speaking up that can support any future local government reorganisation arrangements.
- 5.2 It helps ensure that core principles of openness, accountability, confidentiality and fair handling can be maintained across any future organisational changes.
- 5.3 The approach also supports continuity of governance, reporting and assurance arrangements.

6 Legal Implications

- 6.1 The policy reflects the statutory whistleblowing framework under the Employment Rights Act 1996, as amended by the Public Interest Disclosure Act 1998 and subsequent legislation, together with wider governance, employment, safeguarding, fraud and regulatory considerations where relevant. Ultimate approval of the policy must be provided by Cabinet.
- 6.2 It also aligns with current UK Government guidance on whistleblowing and prescribed persons, CIPFA guidance on good governance and on managing the risk of fraud and corruption, relevant internal audit standards and wider public-sector good practice on speak-up culture, confidentiality and organisational learning.
- 6.3 The Deputy Chief Executive and Monitoring Officer have been consulted in the preparation of the policy, alongside the Chief Finance Officer and Section 151 Officer and HR as appropriate.

7 Equalities Implications

- 7.1 There are no direct adverse equalities implications arising from this report. The policy is intended to support an open and accessible speak-up culture and clear reporting routes for both internal and external people raising serious public-interest concerns connected to the Council.
- 7.2 The policy also supports fair handling, confidentiality so far as possible, protection from retaliation and appropriate signposting where another procedure is more suitable.

8 Carbon Reduction/Environmental Sustainability

- 8.1 There are no direct environmental implications arising from this report.

9 Appendices

- 9.1 Appendix 1 - Whistleblowing (Speak Up) Policy and Procedure
Appendix 2 – Equality Impact Assessment

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:
On behalf of the Monitoring Officer

Report to Council/ Committee

Subject: Whistleblowing (Speak Up) Policy and Procedure

Date: 23 June 2026

Author: Deputy Chief Executive and Monitoring Officer

Purpose

To present the Whistleblowing (Speak Up) Policy and Procedure for review and approval by the Audit Committee for referral to Cabinet.

Recommendation(s)

THAT:

1. The Audit Committee reviews and recommends the Whistleblowing (Speak Up) Policy and Procedure for adoption by Cabinet.
2. The Committee notes that the policy provides an updated framework for raising, assessing, handling and reporting serious public-interest concerns connected to the Council.
3. The Audit Committee recommend to Cabinet that authority be delegated to the Deputy Chief Executive and Monitoring Officer, in consultation with the Chief Finance Officer and Section 151 Officer, to make minor amendments to reflect legislative, organisational or operational changes.

1 Background

- 1.1 The Council is committed to the highest standards of integrity, openness, honesty and accountability and wants people to feel safe to speak up where they reasonably believe that wrongdoing, malpractice or a serious risk has occurred, is occurring, or is likely to occur.
- 1.2 The Whistleblowing (Speak Up) Policy and Procedure has been developed to provide a clear and accessible framework for raising concerns in the public interest and for ensuring that concerns are assessed, handled fairly, acted upon promptly and used to support

organisational learning. It has also been updated following recommendations arising from the Internal Audit review in order to strengthen the Council's speak-up arrangements and governance framework.

1.3 The policy reflects:

- the statutory whistleblowing framework under the Employment Rights Act 1996, the Employment Rights Act 2025 as amended to include sexual harassment and the Public Interest Disclosure Act 1998
- current UK Government guidance on whistleblowing and prescribed persons
- CIPFA guidance on good governance and on managing the risk of fraud and corruption
- the Council's commitment to a positive speak-up culture, confidentiality, fair handling and protection from detriment
- clear arrangements for internal and external concerns, including signposting where another process is more appropriate
- the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption
- the Council's zero-tolerance approach to fraud, bribery, corruption and wider economic crime
- the reasonable procedures themes associated with the failure to prevent fraud offence effective from 1 September 2025

1.4 The policy forms part of the Council's wider governance and assurance framework and supports oversight of speak-up culture, whistleblowing activity, organisational learning and the identification of themes, trends and control improvements. It replaces the Council's current Whistleblowing Policy adopted in 2019 and supports the Council's continued improvements to governance arrangements.

2 Proposal

2.1 The Whistleblowing (Speak Up) Policy and Procedure sets out the Council's framework for raising, assessing, handling and responding to serious public-interest concerns connected to the Council's work, services, governance, assets, contracts, partnerships and use of public funds.

2.2 The policy makes clear:

- who can raise a concern, including employees, other workers, councillors, contractors, volunteers, suppliers, members of the public and others connected with the Council
- the types of serious wrongdoing that may be raised under the policy
- the distinction between whistleblowing and other procedures such as grievances, complaints, safeguarding or standards arrangements
- the routes for raising concerns internally and the specific route for members of the public and other external people to raise serious concerns through the Monitoring Officer
- the Council's commitment to confidentiality, fair handling, protection from retaliation and support for whistleblowers
- strong leadership and a clear tone from the top
- fraud risk assessment and proportionate controls
- due diligence, secure systems and effective reporting routes
- monitoring, assurance and regular review through the governance framework

- 2.3 The policy includes arrangements for prompt acknowledgement, initial assessment and triage, taking account of matters such as urgency, safeguarding, financial exposure, fraud risk, reputation and public standing, legal and regulatory issues, potential retaliation, conflicts of interest and whether another route is more appropriate. It also makes clear that concerns should be passed promptly to the appropriate designated officer or team so that independence, confidentiality and evidence can be managed properly.
- 2.4 The Council will respond proportionately to the nature and seriousness of the concern. Depending on the circumstances, action may include immediate risk management steps, fact-finding, internal investigation, referral to Internal Audit, HR, Legal Services, safeguarding leads, the external auditor, the Police or another regulator, or referral to a more appropriate internal procedure. Where concerns involve suspected fraud, corruption, serious financial irregularity or misuse of public money, the Chief Finance Officer and Section 151 Officer should be involved at an early stage.
- 2.5 The policy also strengthens governance and oversight arrangements by providing for secure central record keeping, periodic review of themes, trends and lessons learned, joint strategic oversight by the Monitoring Officer and the Chief Finance Officer and Section 151 Officer, and periodic anonymised reporting to Audit Committee. This supports good

governance, organisational learning, counter-fraud resilience and assurance.

- 2.6 Approval of the policy is required by Cabinet and will provide assurance that the Council has an up-to-date and accessible whistleblowing framework aligned with current legislation, recognised good practice and the Council's wider governance arrangements.

3 Alternative Options

- 3.1 Do nothing and retain the existing arrangements – this is not recommended as it may not reflect current legislation, good practice or the need for a clearly articulated speak-up framework for both internal and external concerns.
- 3.2 Produce a partial update – this has been discounted in favour of a fuller refresh to ensure clarity, consistency and clear routes for triage, handling, feedback, reporting and oversight.

4 Financial Implications

- 4.1 There are no direct additional financial implications arising from approving the revised policy.
- 4.2 Effective whistleblowing arrangements support early identification of fraud risk, governance issues, control weaknesses and misuse of public resources, which can help protect public funds and reduce wider financial exposure.
- 4.3 Any training, awareness or administration requirements arising from the policy will be managed within existing resources.

5 Local Government Reorganisation Implications

- 5.1 The policy provides a clear and consistent framework for speaking up that can support any future local government reorganisation arrangements.
- 5.2 It helps ensure that core principles of openness, accountability, confidentiality and fair handling can be maintained across any future organisational changes.
- 5.3 The approach also supports continuity of governance, reporting and assurance arrangements.

6 Legal Implications

- 6.1 The policy reflects the statutory whistleblowing framework under the Employment Rights Act 1996, as amended by the Public Interest Disclosure Act 1998 and subsequent legislation, together with wider governance, employment, safeguarding, fraud and regulatory considerations where relevant. Ultimate approval of the policy must be provided by Cabinet.
- 6.2 It also aligns with current UK Government guidance on whistleblowing and prescribed persons, CIPFA guidance on good governance and on managing the risk of fraud and corruption, relevant internal audit standards and wider public-sector good practice on speak-up culture, confidentiality and organisational learning.
- 6.3 The Deputy Chief Executive and Monitoring Officer have been consulted in the preparation of the policy, alongside the Chief Finance Officer and Section 151 Officer and HR as appropriate.

7 Equalities Implications

- 7.1 There are no direct adverse equalities implications arising from this report. The policy is intended to support an open and accessible speak-up culture and clear reporting routes for both internal and external people raising serious public-interest concerns connected to the Council.
- 7.2 The policy also supports fair handling, confidentiality so far as possible, protection from retaliation and appropriate signposting where another procedure is more suitable.

8 Carbon Reduction/Environmental Sustainability

- 8.1 There are no direct environmental implications arising from this report.

9 Appendices

- 9.1 Appendix 1 - Whistleblowing (Speak Up) Policy and Procedure
Appendix 2 – Equality Impact Assessment

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:
On behalf of the Monitoring Officer

Equality Impact Assessment

Name of project, policy, function, service or proposal being assessed:		Whistleblowing Policy			
The main objective of (please insert the name of accessed document stated above):		Ensure the Council has a clear policy and process for the reporting of serious wrongdoing under the whistleblowing framework			
<p>What impact will this (please insert the name) have on the following groups? Please note that you should consider both external and internal impact:</p> <ul style="list-style-type: none"> • External (e.g. stakeholders, residents, local businesses etc.) • Internal (staff) 					
Please use only 'Yes' where applicable		Negative	Positive	Neutral	Comments
<u>Gender</u>	External			x	
	Internal			x	
<u>Gender Reassignment</u>	External			x	
	Internal			x	
<u>Age</u>	External			x	
	Internal			x	

<u>Marriage and civil partnership</u>	External			x	
	Internal			x	
<u>Disability</u>	External			x	
	Internal			x	
<u>Race & Ethnicity</u>	External			x	
	Internal			x	
<u>Sexual Orientation</u>	External			x	
	Internal			x	
<u>Religion or Belief (or no Belief)</u>	External			x	
	Internal			x	
<u>Pregnancy & Maternity</u>	External			x	
	Internal			x	
<u>Other Groups</u> (e.g. any other vulnerable groups, rural isolation, deprived areas, low income staff etc.)	External			x	
	Internal			x	

Please state the group/s: _____					
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Is there is any evidence of a high disproportionate adverse or positive impact on any groups?	Yes	No	There is no evidence of a high disproportionate impact. The policy itself is designed to be inclusive and encourage anyone from any protected characteristic to report wrongdoing. The policy references the Council's reasonable adjustments policy and the ability to report whistleblowing in any format and with support. The process is designed to ensure protection from any victimisation or discrimination or negative treatment following reporting of a whistleblowing matter.
Is there an opportunity to mitigate or alleviate any such impacts?	Yes	No	The reasonable adjustment policy supports reporting under this policy.
Are there any gaps in information available (e.g. evidence) so that a complete assessment of different impacts is not possible?	Yes	No	Comment

In response to the information provided above please provide a set of proposed action including any consultation that is going to be carried out:

Planned Actions	Timeframe	Success Measure	Responsible Officer
Review of reporting of whistleblowing	Annually	Effective reporting and feedback from reporters and monitoring complaints to	Deputy Chief Executive

		establish whether there is evidence of a specific impact based on a protected characteristic.	

Authorisation and Review

Completing Officer	
Authorising Head of Service/Director	
Date	
Review date (if applicable)	



Report to Audit Committee

Subject: Annual Fraud Report 2025/26
Date: 23 June 2026
Author: Chief Finance and Section 151 Officer

Purpose

The purpose of this report is to provide the Audit Committee with an annual summary of the Council's counter-fraud, whistleblowing and related assurance activity during 2025/26, together with an overview of key outcomes, known risks and the actions being taken to strengthen the Council's Anti-fraud framework.

Recommendation(s)

That the Audit Committee:

1. notes the counter-fraud, whistleblowing and related assurance activity undertaken during 2025/26;
2. notes the outcomes achieved and the areas where further work is required; and
3. notes the actions planned during 2026/27 to further strengthen the Council's counter-fraud arrangements.

1 Background

- 1.1 The Council has a responsibility to safeguard public funds and to maintain effective arrangements to prevent, detect and respond to fraud, bribery, corruption and other irregularity. This report supports the Audit Committee's oversight of those arrangements and contributes to the Council's wider governance and assurance framework.
- 1.2 In considering its arrangements, the Council has regard to recognised public sector good practice, including the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and the Government Functional Standard GovS 013: Counter Fraud. These frameworks emphasise the importance of leadership, fraud risk assessment, proportionate resources, effective reporting

routes, awareness activity and appropriate action in response to concerns and identified fraud risks.

- 1.3 The Public Sector Fraud Authority (PSFA), established in August 2022, continues to promote a stronger and more consistent approach to counter-fraud activity across the public sector. Its Annual Report 2024/25, published on 27 February 2026, reported that the PSFA had achieved all 10 of its strategic objectives and delivered over £480 million in audited counter-fraud benefits. The report also highlights the value of data, analytics and cross-sector collaboration in identifying and reducing fraud and error. The Council continues to participate in relevant national initiatives, including the National Fraud Initiative (NFI), as part of its local counter-fraud response.

Preventing and Detecting Fraud

- 1.4 Fraud and related misconduct can involve employees, elected members, contractors, suppliers, service users, partners and members of the public. Concerns may come to light through a range of routes, including proactive data matching and control activity, internal management checks, whistleblowing disclosures, referrals from staff or members, or information received from external agencies.

The principal routes through which issues are identified are:

- a) Proactive detection work, undertaken internally or externally, for example as part of the NFI; and
- b) Referral by employees, elected members, partner organisations, or members of the public, or identification by management.

- 1.5 In carrying out its functions, the Council is committed to a zero-tolerance approach to fraud, bribery and corruption. Allegations and suspected irregularity are considered on their merits and addressed in a proportionate manner, whether the concern arises from within or outside the organisation.
- 1.6 The Council does not currently maintain a dedicated corporate counter-fraud resource. Responsibility for maintaining effective controls and for responding appropriately to fraud risks rests with managers and service leads as part of the Council's overall internal control environment, supported by finance, HR, legal and internal audit arrangements where required.
- 1.7 Officers responsible for council tax fraud monitoring and related NFI activity are located within the finance directorate. This supports a consistent approach to oversight, reporting and escalation within the Council's wider control framework. No material deterioration in the core control environment has been identified through this annual review, although the report highlights areas where capacity constraints have affected the timeliness of some proactive work.

- 1.8 Although the primary responsibility for preventing and detecting fraud rests with management, Internal Audit may identify indicators of fraud, control weakness or irregularity through its work and can advise officers on appropriate next steps. During 2025/26, internal audit services were provided by BDO, with access to specialist forensic support where this is considered necessary.
- 1.9 Internal Audit has not reported any evidence of fraud directly identified through its work during 2025/26.
- 1.10 Management continues to monitor sector-wide fraud risks and emerging issues and, where relevant, considers whether these create any material exposure for the Council. Based on the information available at the time of preparing this report, no proven frauds with a material impact on the Council's financial position or control environment were identified during 2025/26. This does not remove the need for continued vigilance and ongoing strengthening of the Council's counter-fraud arrangements.
- 1.11 During 2025/26 the Council continued work on its fraud risk assessment as part of its broader risk management arrangements. A bottom-up approach has been used with services to identify fraud risks that may not be fully mitigated by current controls. Further work during 2026/27 will focus on refining the assessment, prioritising the highest-risk areas and ensuring that proportionate mitigating actions are in place.
- 1.12 The Council's Anti-Fraud and Corruption Strategy, approved in January 2020, has been reviewed as a precursor to a full refresh in 2026/27 to ensure it remains current, proportionate and aligned to recognised good practice. The revised strategy is scheduled to be reported to Audit Committee in June 2026 and Cabinet in July 2026, after which it will be communicated to staff through the Council's internal channels.
- 1.13 The Council is a member of the Nottinghamshire Fraud Partnership, which was formed in 2023. This partnership aims to bring organisations together to protect individuals and businesses against fraud, respond to emerging threats and support victims through collaboration and sharing of information. The partnership meets quarterly and is facilitated by the Office of the Police and Crime Commissioner for Nottinghamshire.
- 1.14 For clarity, BDO has not undertaken a standalone fraud risk assessment on behalf of the Council for the purposes of this report beyond the work included within the agreed internal audit plan and any advice provided in response to specific matters raised by officers.

Whistleblowing Policy

- 1.15 An effective whistleblowing framework is an important component of the Council's wider counter-fraud and governance arrangements. It supports an open culture in which concerns about wrongdoing, misconduct, fraud or other irregularity can be raised and considered appropriately.
- 1.16 The Whistleblowing Policy is publicised to staff through the Council's communication channels and employees are introduced to the arrangements through induction and access to the staff intranet. Managers are expected to support an open culture in which concerns can be raised, and periodic reminders are provided through internal communications and staff briefings.
- 1.17 The Whistleblowing Policy and Procedure applies to employees, agency workers, contractors, suppliers and others working with or for the Council. This helps ensure that concerns can be raised by both internal and external parties through appropriate channels.
- 1.18 The Council's Whistleblowing Policy and Procedure has been revised and refreshed during 2025/26 and is scheduled to be presented to Audit Committee in June 2026 and Cabinet in July 2026 to ensure that it remains up to date and fit for purpose.
- 1.19 Two whistleblowing concerns were reported during 2025/26, principally relating to depot services. These matters were investigated and, where appropriate, recommendations have been made for management action. No further detail is included in this report in order to preserve confidentiality.

National Fraud Initiative (NFI)

- 1.20 The NFI is a data matching exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. A national exercise is undertaken every two years, although electoral roll and council tax data is required to be submitted annually. Once the data-matching process for each exercise is completed, the NFI makes the output available to the relevant participating body for consideration and investigation via the secure NFI software. Participating bodies are responsible for investigating any matches.
- 1.21 The Council conducted a review in respect of single person discounts via the NFI in August 2025. The results of this exercise were as detailed below:

	2025/26 £
Number of cases identified by NFI	7,297
Number of live cases investigated	3,780
Number of cases where the discount was removed	515
Value of extra Council Tax billed	327,374

1.22 The Council investigated the rising 18-year-olds element of the 2025/26 Single Person Discount data received through the NFI. The output from this exercise is summarised above. The table shows the number of cases investigated and the resulting additional council tax billed where discounts were removed.

The Council has also undertaken wider Single Person Discount review work using NFI data matches alongside matching to credit reference information. The comparative results for 2022/23 and 2025/26 are set out in the second table above.

The Council undertook a Single Person Discount Review in both 2022/23 and 2025/26 utilising NFI data matches along with matching to credit referencing agencies.

	2022/23 £	2025/26 £
Number of cases reviewed	19,090	19,796
Number of live cases investigated	3,953	4,011
Number of cases where the discount was removed	928	1,137
Value of extra Council Tax billed	459,763.62	631,299.42

1.23 NFI data relating to Housing Benefit awards is now reviewed on a two-year cycle and was last received in 2024/25.

Due to resource pressures within the Welfare Service, the 2024/25 Housing Benefit NFI referrals had not been reviewed at the time this report was prepared. As a result, all matches remain outstanding and have not yet been risk-assessed or investigated. This represents a known control weakness in the timeliness of proactive fraud review activity rather than evidence of proven fraud.

Management has taken action to improve resilience and capacity in this area through a revised service structure.

As part of that restructure, a dedicated Review Officer role has been established with responsibility for reviewing and progressing NFI matches.

Recruitment to this post has commenced. Once appointed, the officer will prioritise the highest-risk outstanding 2024/25 referrals and support the establishment of a more sustainable process for future cycles.

Due to ongoing resource constraints within Welfare Service, no work has been undertaken to review or process the 2024/25 NFI referrals to date. As a result, all matches currently remain outstanding and have not been risk-assessed or investigated.

This position reflects competing service priorities and reduced staffing capacity over the period in question.

A revised team structure has now been implemented within the service, designed to strengthen resilience and improve capacity for compliance and fraud-related activity. As part of this restructure:

A dedicated Review Officer role has being established with responsibility for reviewing and progressing NFI matches.

Recruitment to this position has commenced, with the aim of bringing focused resource to this area.

Once appointed, the officer will prioritise the high-risk cases of 2024/25 referrals

- 1.24 All council tax discounts awarded, other than Single Person Discounts due to the scale of case volumes, are reviewed annually and applicants are reminded of their responsibility to notify the Council of any change in circumstances. Where possible, these reviews are now undertaken digitally rather than through paper-based processes. In addition, the Council is reviewing National Non-Domestic Rates reliefs, including discretionary reliefs, as part of its wider assurance activity.
- 1.25 Where a discount is found to have been incorrectly claimed, it is removed from the billing system and the correct charge is raised. These amounts are included within the value of additional council tax billed shown in the tables above. Recovery then proceeds in line with the Council's recovery policy.

Internal Investigations 2025/26

- 1.26 Two allegations relating to potential employee fraud were reported during 2025/26. These matters were investigated and, where appropriate, recommendations have been made for management action. Where evidence indicates that referral to the police or another external body is appropriate, the Council will consider this in accordance with the circumstances of the case and relevant legal advice. The Council maintains a zero-tolerance approach to fraud.

Benefit Fraud Investigations conducted by the DWP Counter Fraud and Compliance Directorate

- 1.27 The Council no longer undertakes criminal investigations into Housing Benefit fraud. These matters are investigated by the Department for Work and Pensions (DWP) Counter Fraud and Compliance Directorate (CFCD).

- 1.28 The DWP provides management information that enables local authorities to monitor the progress and outcomes of referrals made to CFCD and to compare referral activity against wider benchmarks where data is available.
- 1.9 At the time this report was prepared, no current CFCD outcome data had been made available to the Council for inclusion in this report.

Fraud Awareness and Strategy

- 1.30 The Council communicates reminders about fraud risk through internal communication channels and maintains a mandatory online Fraud Awareness training course for staff. As of June 2026 227, people have undertaken the training which represents 63% of the staff who have access to it. 47 of those will need to retake the course during 2026/27 and 54 people have been identified as overdue to renew the training. The training is due to be refreshed every two years. We are currently in the process of identifying those people who have not taken the training to increase completion rates. In addition, people who need to renew their training are being contacted directly by their line managers.
- 1.31 Additional in-person awareness activity is being developed for employees who do not routinely have access to a computer, including front-line staff, and is planned for delivery during 2026/27. More targeted training for staff working in higher-risk areas is also being identified as part of the Council's wider fraud risk development work.
- 1.32 The Council's Anti-Money Laundering Policy, originally approved in January 2020 as part of the wider counter-fraud framework, has also been reviewed through the refresh of the Anti-Fraud and Corruption Strategy. Training for relevant officers will be delivered during 2026/27 alongside the wider programme of enhanced fraud awareness activity

2 Proposal

- 2.1 It is proposed that the Audit Committee notes this Annual Fraud Report for 2025/26, the outcomes achieved to date, and the further actions planned during 2026/27 to strengthen the Council's counter-fraud arrangements.

3 Alternative Options

- 3.1 The alternative option would be not to provide an annual fraud report to the Audit Committee. This is not recommended because it would weaken member oversight of the Council's counter-fraud arrangements and reduce the transparency of annual assurance reporting in this area.

4 Financial Implications

- 4.1 There are no direct financial implications arising from the recommendation to note this report. The report itself, however, sets out financial outcomes from proactive counter-fraud activity and identifies areas where further work may help protect public funds and reduce exposure to loss.

5. Local Government Reorganisation Implications

- 5.1 There are no direct Local Government Reorganisation implications arising from the recommendation to note this report. However, effective counter-fraud, whistleblowing and related assurance arrangements will need to be maintained through any future organisational change to ensure that governance, accountability and the protection of public funds remain effective.
- 5.2 Any future reorganisation would provide an opportunity to review and, where appropriate, strengthen counter-fraud policies, reporting routes, fraud risk assessments and investigation arrangements so that they remain proportionate and fit for purpose within any revised operating model.

6 Legal Implications

- 6.1 There are no direct legal implications arising from the recommendation to note this report. The Council's counter-fraud, whistleblowing and related arrangements operate within the relevant legislative and regulatory framework and support the Council's wider governance responsibilities.

7 Equalities Implications

- 7.1 There are no direct equalities implications arising from the recommendation to note this report.

8 Carbon Reduction/Environmental Sustainability Implications

- 8.1 There are no direct carbon reduction or environmental sustainability implications arising from the recommendation to note this report.

9 Appendices

- 9.1 None

10 Background Papers

- 10.1 None

Statutory Officer approval

Approved by: Chief Finance Officer

Date: 11 June 2026

Approved by: Monitoring Officer

Date: 11 June 2026

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Report to Audit Committee

Subject: External Audit Fees for the 2025/26 Statement of Accounts

Date: 23rd June 2026

Author: Chief Finance and Section 151 Officer

1. Purpose of the Report

To inform members of the proposed external audit fees in respect of the 2025/26 financial year.

Recommendations:

That Council:

- Note the Audit Fee for 2025/26.

2. Background

It is a requirement that the Council’s financial statements are audited on an annual basis and that in addition the auditors undertake all work necessary to support their conclusion on value for money.

the recommendation that Council approve the additional amount required.

3. Proposal

Mazars, the Council’s external auditor, have set out their proposals for the audit work and associated fee in respect of the 2025/26 audit. The audit fee covers the audit of the 2025/26 financial statements and the value for money conclusion. The total fee is £146,129 and is payable in 4 instalments as set out in the table below.

Milestone Completed	Fee Council
Annual Audit Report for y/e 31 March 2026 issued	£36,532.00
Audit Plan issued	£36,532.00
Audit 50% complete	£36,532.00
Audit 75% complete	£36,533.00
TOTAL FEE	£146,129.00

4. Financial Implications

Audit fees are set the Public Sector Audit Appointments (PSAA), who is the “appointing person” for the audit of the accounts of local government bodies that opt into its national scheme. The PSAA appoints auditors and sets the fees, which are based on a scale fee for the previous year, adapted for changes in audit requirements. The Council has no control over the scale fees that are set.

The scale fees are the standard fees for the year, and these may increase due to additional work required depending on audit requirement for that year.

External Audit Fees have increased significantly due a number of factors including a backlog of audits, increased regulatory requirements, and a limited number of qualified audit firms. These issues have led to higher costs for councils.

As with previous years and in response to the Redmond Review MHCLG have committed a further £15m to “opted in” authorities to support with the costs of strengthening their financial reporting, and other new requirements on auditors. Gedling has been awarded £17,970 for 2025/26.

Due to the backstop arrangements and the recent fraud which has delayed previous years audits, the amount of fees have been unclear, an earmarked reserve amount was set aside to fund increases in fees and supplementary fees arising from the additional work required for the fraud on an interim basis. The Redmond grant award mentioned above will be transferred to this reserve to fund any additional audit fee for the 2025/26 year that may arise on top of the scale fee.

In addition to the grant above, MHCLG have also announced in 2024/25 that they will provide up to £49m of support to help eligible bodies clear audit backlogs and cover the additional cost of rebuilding audit assurance with statutory backstop related disclaimers. Gedling was awarded £41,621 for the year 2024/25. No new payments are expected in 2025/26 to avoid payments in advance of need; however, the Government will assess build back costs and the distribution model in late 2026.

The current budget is sufficient to meet the scale fees for 2025/26 as set out in this report, any additional works that are required will first utilise the reserve set aside and any additional fees on build back will utilise the MHCLG grant above before any request for additional budget is made.

5. Legal Implications

None arising directly from this report, The Accounts and Audit Regulations 2015 mandates that Local Authorities in the UK must have external audits. It outlines the framework for audits of local authorities, including the requirement to appoint an external auditor.

6. Equalities Implications

None arising directly from this report

7. Carbon Reduction/Environmental Sustainability Implications

None arising directly from this report.

8. Appendices

Statutory Officer Approval

Approved by: Chief Financial Officer
Date: 11 June 2026

Approved by: Monitoring Officer
Date: 11 June 2026



Report to Audit Committee

Subject: Accounting Policies 2025/26

Date: 23 June 2026

Author: Chief Finance Officer and Section 151 Officer

Purpose

This report provides Audit Committee with a summary of the review and update undertaken to the Council's accounting policies for the 2025/26 Statement of Accounts. It explains the key changes made to reflect updated statutory and accounting requirements and highlights the Council's approach to the new indexation requirements for property, plant and equipment.

Recommendation(s)

THAT:

1. Members approve the Accounting Policies 2025/26, as set out in the Appendix, for application to the financial statements for 2025/26.

1 Background

- 1.1 The accounting policies have been reviewed and refreshed to ensure that they remain aligned with proper accounting practices for local authorities
- 1.2 For 2025/26, the principal framework continues to be the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, supported by International Financial Reporting Standards, the Accounts and Audit Regulations 2015, as amended, and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended.

2 Summary of Updates

- 2.1 A review of the accounting policies has been undertaken and a number of targeted updates have been made to improve compliance, clarity and consistency. The main changes made are summarised below.

- 2.2 **General Principles** – the basis of preparation section has been strengthened to refer explicitly to the current statutory and accounting framework, including the 2025/26 Code, the Accounts and Audit Regulations 2015, as amended, and the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended. The opening section has also been updated to summarise the main measurement bases used within the Statement of Accounts.
- 2.3 **Financial Instruments** – the policy has been updated to reflect the extension of the statutory override for qualifying pooled investment funds acquired before 1 April 2024. The policy now states that the override applies until 31 March 2029.
- 2.4 **Intangible Assets** – outdated wording referring to the revaluation model for intangible assets has been removed. The policy now reflects the current Code requirement that intangible assets are measured initially at cost and subsequently carried at amortised cost.
- 2.5 **Inventories** – the policy has been refreshed to state that inventories are measured at the lower of cost and net realisable value, with the latest purchase price used only as an approximation where the effect is not material.
- 2.4 **Leases** – the leases section has been rewritten to provide a clearer and more concise accounting policy aligned to IFRS 16 and current local authority practice, including the treatment of right-of-use assets, lease liabilities and statutory reserve adjustments.
- 2.5 **Property, Plant and Equipment** – the property valuation and revaluation wording has been updated to reflect the revised approach introduced by the 2025/26 Code, including quinquennial valuations supported by indexation in intervening years. A separate subsection has been added to make the Council’s approach to indexation explicit.
- 2.6 **Change in Accounting Policy Relating to Indexation**
The most significant change affecting the Council’s Property, Plant and Equipment accounting policy for 2025/26 relates to the treatment of valuation updates between full asset valuations. The 2025/26 Code requires assets measured at current value to be subject to a full valuation at least every five years, or on a five-year rolling programme, supported by indexation in the intervening years. In the limited circumstances where no appropriate index is available, a desktop valuation may be used instead in accordance with CIPFA guidance.

To reflect this change, the Council’s accounting policies have been updated to include a specific subsection on indexation within the Property,

Plant and Equipment policy. This confirms that the Council's approach aligns with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and associated CIPFA guidance. The policy now states that appropriate indices and available market evidence will be used to ensure that asset carrying amounts remain materially in line with current value at the reporting date.

This change provides a clearer basis for the Council's valuation approach going forward. It also strengthens transparency for members, auditors and other readers of the Statement of Accounts by explaining how the revised valuation cycle will operate in practice.

3 Alternative Options

- 3.1 Do nothing and retain the existing Strategy – this is not recommended as it may not reflect current risks or best practice. The review of the accounting policies forms part of the Council's wider year-end closedown and Statement of Accounts preparation process. Updating the policies helps ensure that the Council's accounting framework remains current, internally consistent and aligned with external requirements. The revised wording also supports audit readiness by clearly documenting the Council's accounting basis and the treatment of key areas affected by changes in the 2025/26 Code
- 3.2 Produce a partial update – this has been discounted in favour of a full refresh to ensure consistency and clarity.

4 Financial Implications

- 4.1 This report relates to the presentation and articulation of accounting policies within the Statement of Accounts. It does not, in itself, create any direct financial implications, but it supports the accurate presentation of the Council's financial position and ensures that the accounting policies remain aligned with current requirements.

5 Local Government Reorganisation Implications

- 5.1 There are no direct Local Government Reorganisation implications arising from this report. The report relates to the annual review and approval of accounting policies for the 2025/26 Statement of Accounts and supports compliance with the applicable accounting framework for the Council in its current form.

- 5.2 Should future reorganisation proposals progress, accounting policies and financial reporting arrangements would need to be considered as part of wider transition planning for any successor authority. However, that does not affect the recommendations within this report.
- 5.3 The proposed policy updates therefore remain appropriate for 2025/26 and provide a clear and compliant basis for the preparation of the Council's financial statements.

6 Legal Implications

- 6.1 This report supports the Council's compliance with its statutory responsibilities for preparing the Statement of Accounts in accordance with proper accounting practices for local authorities in England. The review and update of the accounting policies helps ensure that the financial statements are prepared on a consistent and legally compliant basis.
- 6.2 The relevant framework includes the Accounts and Audit Regulations 2015, which govern the preparation, signing and publication of local authority statements of accounts, the Local Authorities - Capital Finance and Accounting (England) Regulations 2003, and the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26, which sets out the proper accounting practices to be followed by local authorities.
- 6.3 Approval of the accounting policies by Audit Committee provides a clear governance basis for their application in preparing the 2025/26 financial statements. The report is therefore aligned with the Council's wider governance framework for financial reporting.

7 Equalities Implications

- 7.1 There are no direct adverse equalities implications arising from this report. The report concerns the annual review and approval of accounting policies for the preparation of the Council's Statement of Accounts and does not change service delivery, access to services or the way decisions affecting residents are made.
- 7.2 The updated accounting policies support transparency, consistency and good governance in financial reporting. An Equality Impact Assessment is

not considered necessary as the report relates to internal accounting treatment rather than the development of policy or service changes with a direct impact on protected groups.

8 Carbon Reduction/Environmental Sustainability

8.1 There are no direct environmental implications arising from this report.

9 Appendices

9.1 Appendix 1 – Accounting Policies 2025/26

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:

On behalf of the Monitoring Officer

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ANNUAL STATEMENT OF ACCOUNTS 2025/26

STATEMENT OF ACCOUNTING POLICIES FOR GEDLING BOROUGH COUNCIL

1. General Principles

The Statement of Accounts summarises the Authority's transactions for the 2025/26 financial year and its position at the year end of 31 March 2026. The Authority is required to prepare an annual Statement of Accounts in accordance with the Accounts and Audit Regulations 2015, as amended, and proper accounting practices. For 2025/26, these proper accounting practices principally comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (the 2025/26 Code), supported by International Financial Reporting Standards (IFRS), together with the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, as amended.

The Statement of Accounts has been prepared on the historical cost basis, modified by the valuation of certain categories of non-current assets and financial instruments. In particular, Property, Plant and Equipment is measured in accordance with the basis applicable to each asset class, with infrastructure assets, community assets and assets under construction carried at depreciated historical cost and other operational assets carried at current value, determined as existing use value or, where appropriate, depreciated replacement cost. Investment property is measured at fair value, financial instruments classified at fair value are measured accordingly, and pension fund assets are measured at fair value.

The Statement of Accounts has been prepared on a going concern basis. As required by IAS 1, it has been assumed that the Council will continue in operation for the foreseeable future.

2. Accruals of Income and Expenditure

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

- Revenue from the sale of goods or services is recognised in accordance with the terms and conditions of the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

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- Interest receivable on investments and payable on borrowings is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Where it is doubtful that debts will be settled, the balance is written down and a charge made to revenue for the income that might not be collected.

An exception to this principle relates to electricity and similar quarterly payments, which are charged at the date of meter readings rather than being apportioned between financial years. This policy is consistently applied each year and is unlikely to have a material effect on the year's accounts.

3. **Cash and Cash Equivalents**

Cash is represented by cash in hand at the bank, cash in transit and imprest amounts. Cash equivalents are represented by deposits held in Business Reserve accounts and Money Market Funds that are repayable at call without penalty. They are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

All deposits held for fixed periods, however short, are classed as short-term investments, since they are not readily convertible to cash as they cannot be broken without the payment of penalties.

4. **Exceptional items**

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

5. **Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors**

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

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Changes in Accounting Policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

6. **Charges to Revenue for Non-Current Assets**

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

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

The Authority is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance by way of an adjusting transaction within the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 require local authorities to approve an MRP policy at the beginning of each financial year, determining how the amount to be set aside for the repayment of principal on outstanding debt is to be calculated. This policy is included in the Treasury Management Strategy Statement for 2025/26, which was approved by Council on 5 March 2025.

7. **Employee Benefits**

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Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year which employees render service to the authority. An accrual is made for the estimated cost of holiday entitlements (or any form of leave, eg time off in lieu) earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

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

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserve Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-Employment Benefits

Employees of the Authority are members of The Local Government Pensions Scheme, administered by Nottinghamshire County Council.

The scheme provides defined benefits to members (retirement lump sums and pensions) earned as employees worked for the Authority.

The Local Government Pension Scheme

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The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Nottinghamshire County Council Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – ie an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate that reflects the time value of money and the characteristics of the liability.
- The assets of Nottinghamshire County Council pension fund attributable to the Authority are included in the Balance Sheet at their fair value:
 - quoted securities – current bid price;
 - unquoted securities – professional estimate;
 - unitised securities – current bid price;
 - property – market value.

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

- Service cost comprising:
 - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
 - past service cost – the increase in liabilities as a result of scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement;
 - Net interest on the net defined benefit liability (asset), ie. net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any

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changes in the net defined benefit liability (asset) during the period as a result of the contribution and benefit payments.

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

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

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

8. Events After the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date

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when the Statement of Accounts is authorised for issue. Two types of events can be identified:

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

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

9. **Financial Instruments**

Financial Liabilities

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

For all the Authority's borrowings, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has not undertaken any repurchase or early settlement of borrowing during 2025/26.

Financial Assets

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Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

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

The Authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (ie where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

These represent loans and loan-type arrangements where repayments or interest and principal take place on set dates and at specified amounts. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet represents the outstanding principal received plus accrued interest. Interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

However, the Authority has provided car loans to employees at less than market rates (soft loans). In normal circumstances soft loans would be recognised and measured in the accounts at fair value, in accordance with the Code. However, car loans to employees have been considered at length and it has been concluded that the sum outstanding is not material. Accordingly, no additional calculations for fair value have been undertaken and car loans are recognised at the value of the sums loaned less repayments made.

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

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Expected Credit Loss Model

The Authority recognises expected credit losses on all of its financial assets held at amortised costs, either on a 12-month or lifetime basis. Only lifetime losses are recognised for trade debtors held by the Authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since the instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12 month expected losses.

Changes in loss allowances (including balances outstanding at the date of de-recognition of an asset) are debited or credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Fair Value through Profit and Loss (FVPL)

Financial assets that are measured at FVPL are recognised in the Balance Sheet when the authority becomes a party to contractual provisions of a financial instrument and are initially measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement as they occur.

The Authority holds an investment in the CCLA property fund (a pooled investment fund) which is classified as FVPL. Gains and losses on the fund are charged to the Comprehensive Income and Expenditure Statement; however, for qualifying pooled investment funds acquired before 1 April 2024, a statutory override effective until 31 March 2029 requires these gains and losses to be reversed out through the Movement in Reserves Statement to the Pooled Investment Funds Adjustment Account.

Fair Value through Other Comprehensive Income (FVOCI)

These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are accounted for through a reserve account, with the balance debited or credited to the Comprehensive Income and Expenditure Statement when the asset is disposed of. The Authority did not hold any FVOCI instruments during 2025/26.

10. Foreign Currency Conversion

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate

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applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are converted at the European Central Bank Reference Rate applicable at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

11. Government Grants and Contributions

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

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

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

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

Community Infrastructure Levy

The Authority has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the authority) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be

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used to fund a number of infrastructure projects to support the development of the area.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions set out above. CIL charges are largely used to fund capital expenditure. However, a small proportion of the charges for this authority may be used to fund revenue expenditure and to meet administrative expenses.

12. Intangible Assets

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resource being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Intangible assets are measured initially at cost and are subsequently carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired and any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

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**STATEMENT OF ACCOUNTING POLICIES
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13. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using an appropriate costing method that reflects the nature of the inventory held. Where, for practical reasons, the latest purchase price is used as an approximation of cost for stocks and stores, this is only applied where the effect is not material to the Statement of Accounts. Work in progress is measured at the lower of cost and net realisable value.

14. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use.

Properties are not depreciated but values are revalued annually and are reviewed at year-end according to the market conditions. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Investment property that meets the classification criteria for assets held for sale with a realistic expectation of disposal within the next financial year will be reclassified as Held-for-Sale Investment Property in Current Assets.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

15. Leases

Leases are accounted for in accordance with IFRS 16, which applies to local authorities from 1 April 2024. The Authority assesses its contractual arrangements to determine whether they contain a lease and, where

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applicable, recognises lease transactions in accordance with the Code and the requirements of IFRS 16.

The Authority as Lessee:

As lessee, the Authority recognises a right-of-use asset and a corresponding lease liability at the commencement date of a lease, except for short-term leases of 12 months or less without a purchase option and leases of low-value assets, where the recognition exemptions available under IFRS 16 are applied. Rentals payable in respect of exempt leases are charged to the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease term, or another systematic basis if more representative of the pattern of benefit.

The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability adjusted for lease payments made at or before commencement, any lease incentives received, initial direct costs incurred and any provision for dismantling or restoration obligations. Unless the Code requires an alternative basis, right-of-use assets are subsequently measured using the cost model and are depreciated over the shorter of the asset's useful life and the lease term, unless ownership transfers to the Authority at the end of the lease term.

The lease liability is initially measured at the present value of lease payments over the lease term, discounted using the interest rate implicit in the lease where that can be readily determined, or otherwise the Authority's incremental borrowing rate. The lease liability is subsequently remeasured where there is a change in the lease term, a reassessment of a purchase option, a change in amounts expected to be payable under residual value guarantees, or a change in future lease payments resulting from a change in an index or rate. Any such remeasurement is recognised as an adjustment to the right-of-use asset, unless the carrying amount of that asset has been reduced to nil, in which case any further adjustment is recognised in the Comprehensive Income and Expenditure Statement.

Right-of-use assets are subject to depreciation, revaluation and impairment requirements in accordance with the Code and the accounting policies applied to the relevant underlying asset class. Statutory arrangements apply to ensure that these accounting charges do not fall directly on the General Fund Balance, with the required adjustments made through the Movement in Reserves Statement.

The Authority is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent

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annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The Authority does not currently have any qualifying right-of-use assets.

The Authority as Lessor:

Finance Leases

A lease is classified as a finance lease where it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain representing the Authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal) matched by a lease (long term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- A charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received) and
- Finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the

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future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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

The Authority does not currently have any finance leases as lessor.

Operating Leases

Where the Authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the balance sheet. Rental income is credited to the appropriate service revenue account in the Net Cost of Services in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease.

16. Overheads and Support Services

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

17. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment. The Authority operates a de minimis level of £5,000 in recognising and valuing assets.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (ie. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price;

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

The authority does not capitalise borrowing costs incurred whilst assets are under construction.

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-specific Grant Income line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure, community assets and assets under construction – depreciated historical cost;
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value.

Where non property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Indexation

The Authority's approach to indexation aligns with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and associated

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CIPFA guidance. Assets measured at current value are subject to full valuation at least every five years, or as part of a five-year rolling programme, with indexation applied in the intervening years using appropriate indices and available market evidence to ensure that carrying amounts remain materially in line with current value at the reporting date.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amounts are not materially different from current value at the year-end. Full valuations are undertaken at least every five years, or as part of a five-year rolling programme, with indexation applied in the intervening years using appropriate indices having regard to the nature of the asset and available market evidence. Where no suitable index is available, a desktop valuation may be used in accordance with CIPFA guidance. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains may be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, they are accounted for as follows:

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

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

Impairment

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

Where impairment losses are identified, they are accounted for as follows:

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- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against the balance (up to the amount of the accumulated gains);
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.
- Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (ie freehold land and certain Community Assets) and assets that are not yet available for use (ie assets under construction).

Depreciation is calculated on the following bases:

- Buildings – straight line allocation over the useful life of the property as estimated by the valuer;
- Vehicles, plant, furniture and equipment – straight-line allocation over useful life of the asset as advised by a suitably qualified officer;
- Infrastructure – straight line allocation over estimated useful life.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-Current Assets Held for Sale

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When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previous losses recognised in the surplus or deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to Non-Current Assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have to be recognised had they not been classified as Assets Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

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

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment, or set aside to reduce the Authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in Movement in Reserve Statement.

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

18. **Provisions, Contingent Liabilities and Contingent Assets and Reserves**

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Provisions

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

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

Contingent Liabilities

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

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

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Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

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

Reserves

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

Certain reserves are kept to manage the accounting processes for non-current assets, retirement and employee benefits and do not represent usable resources for the authority – these reserves are explained in the relevant policies.

19. **Revenue Expenditure Funded from Capital Under Statute (REFCUS)**

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

20. **VAT**

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

21. **Fair Value Measurement**

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The Authority measures some of its non-financial assets i.e. investment assets and some of its financial instruments at fair value at each reporting date. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability; or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The Authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interests.

When measuring the fair value of a non-financial asset, the authority takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of a fair value measurement are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices in active market for identical assets or liabilities that the authority can access at the measurement date;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 – unobservable inputs for the asset or liability.

22. **Collection Fund**

As a billing authority, Gedling Borough Council is required to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and non-domestic rates (NDR). The Council acts as an agent, collecting and distributing council tax and NDR income on behalf of the major preceptors (including central government for NDR) and, as principals, collecting council tax and NDR for themselves. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risk and rewards

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that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The transactions of the Collection Fund are wholly prescribed by legislation. Billing authorities have no discretion to determine which receipts and payments are accounted for within the Fund and which are outside it.

Gedling's share of non-domestic rating income and its own council tax demand are paid out of the Collection Fund and credited to the Comprehensive Income and Expenditure Statement (CIES). The transactions presented in the Collection Fund Statement are limited to the cash flows permitted by statute for the financial year, however each authority will recognise income on a full accruals basis, ie. sharing out in full the surplus or deficit on the Collection Fund at the end of the year, even though it will be distributed to, or recovered from, the relevant authorities in a subsequent financial year. The difference between the accrued income included in the CIES and the estimated income share or demand is reversed out via the Movement in Reserves Statement, and transferred to the Collection Fund Adjustment Account.

There is no requirement for a separate Collection Fund Balance Sheet. Instead Collection Fund balances are distributed across the balance sheets of the billing authority, central government, and precepting authorities. In Gedling's accounts this is represented by the establishment of a debtor or creditor position with each organisation for the difference between the preceptors' and central government's share of business rates income or council tax demand and the cash collected, and settlement of the surplus/deficit on the Collection Fund.

Gedling's Balance Sheet includes the authority's share of the year end balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals. Where debtor balances are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

As the billing authority, Gedling Borough Council's Cash Flow Statement includes in 'operating activities' only its own share of the council tax and non-domestic rating income collected with movements in the debtor/creditor position with preceptors and central government being included in the Cash Flow Statement as 'financing activities'.



Report to Audit Committee

Subject: Update of Risk Management Framework

Date: 23 June 2026

Author: Deputy Chief Executive

Purpose

To seek approval to recommend updates to the Risk Management Strategy to Cabinet for adoption.

Recommendation

That Members:

- 1) Recommend to Cabinet, the adoption of the amended Risk Management Framework at Appendix 1 to this report.

1 Background

- 1.1 In March 2024, Cabinet approved a new Risk Management Framework following recommendation from Audit Committee. This framework has driven the change to the risk management processes across the organisation. Since the adoption of the framework, significant work has been undertaken to improve the way the Council manages and reports risk and following an internal audit of the risk management process in August 2025 which resulted in a substantial assurance for design and moderate assurance for effectiveness, a further review of the framework was completed in December 2025.
- 1.2 The Accounts and Audit Regulations 2015 require the Council to ensure that it has a sound system of internal controls which includes the effective management of risk. As the Council moves towards a period of change with Local Government Reorganisation, a more focused approach has been taken to the setting of Council priorities for 2026-28 through the approval of the Gedling Legacy Plan which sets out the Council's priorities for the next 2

years.

- 1.3 In order to support delivery of the Gedling Legacy Plan, a review of the Council's current governance structures has been undertaken. In particular, consideration has been given to the effectiveness of the Council's Corporate Risk Board and Budget and Performance Board which are officer boards established to ensure better and more effective management of risk and performance across the organisation. As a result of the review and following consultation with Senior Leadership Team and risk board members, it has been recommended that the Corporate Risk Board merge with the Council's Budget and Performance Board. This will ensure better alignment in the review of performance, budget and risk. In addition, the reporting of all three has been aligned to mirror the budget reporting process of 4 monthly reporting. The Risk management Framework has been updated to reflect this change.
- 1.4 Following recommendations from Audit Committee in relation to the current Corporate Risk Register and the need to reflect Local Government Reorganisation within it, a review of the Corporate Risk register has been undertaken by the Corporate Risk Board and Senior Leadership Team to ensure that corporate risks truly reflect the rising risks facing the organisation at the current time including LGR and other external impacts which present a risk to the organisation.
- 1.5 The Corporate Risks have been amended and have reduced from 13 to 10 Corporate Risks they can be found at Appendix 2 of the Risk Framework. The key changes are:
- Some of the risk headings have been combined to ensure more effective tracking, for example, performance has been linked with projects and priorities, ICT and Data Security have been combined.
 - A new risk has been added in relation to Local Government Reorganisation (LGR).
 - The current corporate risk of capacity has been removed as it is recognised that this is in fact an outcome of a number of other risks including potentially LGR.
 - A new risk of compliance has been added to ensure effective management of risks in relation to compliance with health and safety, procurement, data protection and a range of other legislative requirements.

- Finally, the Environment risk has been expanded to cover any external environment or socio-economic risk which may impact the organisation including, climate change, emergency planning events and war. The new Corporate Risks are included at Appendix of the Risk Management Framework.

1.6 The Risk Appetite statement, within the framework is a declaration of the Council's risk appetite and must be agreed, along with the Framework by Cabinet. Based on the risk scoring matrix, the Council's risk appetite level has been set at Moderate – Tending always towards exposure to only modest level of risks in order to achieve acceptable outcomes. It is against this risk appetite level that risks are assessed and scored. Whilst this is the Council's overall risk appetite, every risk will be assessed and in some instances, a higher level of risk may be acceptable depending on the outcomes delivered. In practical terms this will be visible to Audit Committee through quarterly reporting of risks to the Committee. It is not proposed that there are any changes to the Council's risk appetite at this time.

2 Proposal

2.1 It is proposed that the Audit Committee, recommend the amendments to the Risk Management Framework at Appendix 1 to Cabinet for approval. The amendments are shown in red for clarity.

3 Alternative Options

3.1 The Committee could determine not to recommend amendments to the Risk Framework for adoption, however the framework has been reviewed based on input from, Senior Leadership Team and risk owners and is considered to be necessary to ensure the framework remains fit for purpose and reflects the Council's current arrangements for managing risk and the current key risks facing the organisation.

4 Financial Implications

4.1 There are no direct financial implications arising from this report.

5 Legal Implications

5.1 The Accounts and Audit Regulations 2015 require the Council to have sound systems of internal control in relation to risk. This Framework supports this requirement.

6 Equalities Implications

6.1 Appendix 2 Equality Impact Assessment

7 Carbon Reduction/Environmental Sustainability Implications

7.1 There are no carbon reduction/environmental sustainability implications arising from this report.

8 Appendices

8.1 Risk Management Framework Amended
Equality Impact Assessment

9 Background papers

9.1 None

10 Local Government Reorganisation

10.1 The Corporate Risks have been reviewed and amended to reflect the risks associated with LGR.

Statutory Officer approval

Approved by the Chief Financial Officer

Date:

Drafted by the Monitoring Officer

Risk Management Framework

March 2024

Reviewed December 2025

[Reviewed June 2026](#)

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Introduction

This Risk Management Framework pulls together a number of key elements to ensure that the Council establishes and maintains effective risk management. The overarching Framework includes;

- i) The Risk Management Policy, Strategy and Risk Appetite Statement which sets out the Council's approach to risk management and;
- ii) The Risk Management Toolkit, which sets out the processes that managers will follow to deliver effective risk management.

Part 1 - Risk Management Policy & Strategy

1. Risk Management Policy Statement

We recognise risk management is a vital activity which underpins and forms part of the vision, values, and corporate priorities of the Council as set out in the Gedling [Legacy](#) Plan. In addition, by having an effective risk management framework in place it will provide the communities we serve with confidence that we can deliver on the priorities we have promised.

The Council promotes continuous improvement and strives to be efficient and effective in all areas of service delivery. This requires the adoption of new ways of working and a willingness to change which sometimes has risks associated with it.

Risk is always present in every activity that we do, and our risk management framework sets out to be proactive in the identification, assessment, and management of key areas of risk. We seek to embed effective risk management within the operation and decision-making process of the Council. Risk management needs to be an integral part of all processes, projects and strategic decisions made, this will include procurement and contracting arrangements. Wherever we work with partners or third parties we will ensure that they are aware of and work in line with our risk management framework.

Our aim is to have a risk management framework that is fit for purpose and appropriate to the size and nature of our operations. We aim to ensure that our risk management framework has a consistent, well communicated, and formal process operating effectively within the Council.

In order to assist in effective decision making it is essential for us as strategic leaders to define the level of risk exposure that we think is acceptable. This is set out in the Risk Appetite Statement. This should inform decision makers on the level of risk that they can take and areas where additional controls will need to be implemented to manage risks being taken.

The risk management framework and the effective management of risks is a key part of the Governance Framework of the Council. Its implementation will provide assurance to all our stakeholders that risk identification and management has a key role in the delivery of the Gedling [Legacy](#) Plan and strategic objectives [including the progression through Local Government reorganisation](#).

The Council accepts its legal and moral duties in taking informed decisions about how best to control and minimise the downside of risk, whilst still maximising opportunity and benefiting from positive outcomes.

Through this framework we will involve, empower, and give ownership to all employees and members to identify and manage risk. Risk management will be supported by regular discussions and appropriate actions by Cabinet, SLT and

the [Corporate Budget Performance and Risk Board](#) including the regular review of significant risks and reviewing actions to reduce those risks to an acceptable level. The management of risk will be an integral part of strategic and operational planning, as well as being embedded in the day-to-day operation, development, monitoring, and overview of the Council.

[Name]
Chief Executive

[Name]
Leader of the Council

2. What is Risk Management

Risk Management is the process whereby an organisation methodically addresses the risks which may stop them from achieving their corporate objectives. The focus of good risk management is the identification and treatment of the risks to minimise any impact or maximise benefit.

A risk is defined as the “effect of uncertainty on objectives” by the International Organisation for Standardisation (ISO 31000). An effect is a positive or negative deviation from what is expected, and that risk is often described by an event, a change in circumstances or a consequence. By accepting this definition, the Council recognises that taking the right risks in an informed way can be beneficial to the objectives and that risk management is not just a negative process used to stop opportunities being taken.

Risk Management should be a continuous and developing process connected with the organisation’s strategy and the delivery of it in the past, present, and future. It should be embedded into the culture of the organisation and led by the most senior leaders and managers.

3. Why does the Council need to carry out Risk Management?

Risk management is a management tool which should form part of the governance system of every public service organisation. When applied appropriately, risk management can be very beneficial. It can help organisations achieve their stated objectives and deliver on intended outcomes. It can also help managers to demonstrate good governance, better understand their risk profile and better mitigate risks (particularly uninsurable risks). Externally it can help the organisation to enhance political and community support and satisfy stakeholders’ expectations on internal control.

The Council does not operate in isolation and is subjected to constant challenges and external changes which may pose a threat to the delivery of the Gedling [Legacy](#) Plan strategic objectives or provide new opportunities which have to be considered and addressed on an ongoing basis. Risk management processes provide a mechanism by which these issues and their impact can be identified, assessed, monitored and relevant actions taken to address them.

Some of the most recent examples of the landscape the Council operates in include:

- Covid 19 Pandemic
- Cost of living crisis
- Economic downturn
- Limited finances for Local Government
- Organisational resilience pressures
- Recruitment difficulties for key roles

- New ways of working - partnerships, outsourcing, commissioning
- Brexit
- Innovative technologies
- Agile/remote working methods
- Climate Change
- Local Government Reorganisation

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Whilst it is good business practice and essential for good governance processes the Council also has a legal requirement to have a risk management process in place.

The Accounts and Audit Regulations 2015 state:

“A relevant authority must ensure that it has a sound system of internal control which—

(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives.

(b) ensures that the financial and operational management of the authority is effective; and

(c) includes effective arrangements for the management of risk.”

Ultimately by having an effective, embedded Risk Management Framework in place to influence its decision making the Council can benefit by helping to ensure:

- The objectives set in the Gedling [Legacy](#) Plan can be delivered.
- All employees and Members understand the desired culture in relation to risk,
- Decisions to take appropriate risks in certain areas can be made from an informed viewpoint.
- The Council can protect its reputation.
- Operational and financial efficiency is ensured as resources are not lost by taking unnecessary risks.
- The Council can maximise opportunities.
- The Council can demonstrate good governance processes.
- Assets are protected.

4. Risk Management Strategy

i. Governance and Infrastructure

Sponsorship and Positioning of Risk Management

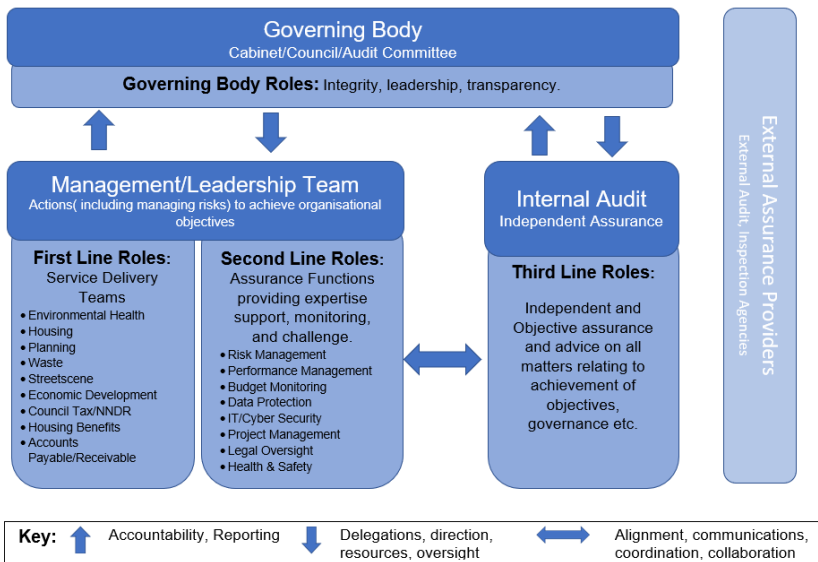
Risk Management needs to be embedded throughout the Council and underpin all of its activities. It is a key governance process and needs to have direction and leadership from the very top of the organisation; as well as being relevant and responsive to the staff delivering services on the ground. The risk matrix and risk appetite statement contained in this strategy will be used across the Council to ensure that a collective understanding and language is adopted when talking about risks.

The Cabinet and SLT are responsible for giving direction, approving the Risk Management Framework, and taking ownership of the Corporate Risk Register. They will ensure that all decisions are taken in accordance with the Council's agreed risk appetite.

The Council's [Budget, Performance and Corporate Risk Board](#) sits beneath SLT and meets every ~~other~~ month to assess risk levels across the organisation [aligning rising risks with performance and budget data](#). The ~~Risk~~ Board is made up of the Deputy Chief Executive, s.151 officer, Assistant Directors and Senior Managers with responsibility for risk. This board reports risk issues to SLT as they arise and ensures regular updating of departmental risks to support an accurate Corporate Risk register.

The Chief Executive will act as the sponsor for the Risk Management Framework at a strategic level and with the support of the Director responsible for Audit and the Chief Financial Officer, will ensure that SLT decisions are taken in line with the Risk Management Framework.

Management and other corporate reporting/assurance functions will help to monitor and report on the effective delivery of the Risk Management Framework in line with the Institute of Internal Auditors' "3 Lines Model" as set out below:



Roles and Responsibilities

All employees and Members have a role to play in the management of risk as it is a key part of day-to-day service delivery and management of the Council. However certain individuals or groups have specific responsibilities in the oversight and implementation of risk management, more detail on these is set out below.

Risk Management Sponsor (CEO)

- Champion risk management at the strategic level.
- Ensure regular discussions are held on Risk Management and the Council's risks.
- Encourage SLT and senior managers to ensure they have effective risk management arrangements in place for their service areas.

Risk Manager (Director responsible for Audit and Chief Financial Officer)

- Coordinate the organisation's risk management activity.
- Develop and maintain with SLT the risk management framework, methodologies, and tools.
- Chair and oversee the Council's [Corporate Budget, Performance and Risk Board](#)
- Highlight any significant new or worsening risks to SLT, Audit Committee and the Cabinet for review and action.
- Assist in the delivery of the risk management process and aggregation of risk profiles across the organisation.

- Provide risk management guidance, training, and advice.
- Provide the link between risk management and other related disciplines, for example, insurance, business continuity, safeguarding, data protection, cyber security, emergency planning, and health and safety.
- Promote and share best practice risk management across the organisation.

Cabinet

- Approve the Risk Management Framework which includes policy, strategy, and Risk Appetite for the Council.
- Provide assurance to stakeholders that risks are being effectively managed.
- Within individual portfolios understanding and enabling informed risk within their portfolio areas
- Ensuring application of the Risk management framework to support decision making.

Audit Committee

- Gain assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements, and the top-level ownership and accountability for risks.
- Support the development and review of the Council's Risk Management Framework.
- Oversee the risk management framework, and its implementation in practice.
- Review key risks to the Council and controls in place via the Corporate Risk Register.
- Oversee the integration of risk management in governance and decision-making processes.
- Review arrangements to coordinate and lead risk management.

SLT

- Regularly review the risk management framework to ensure it underpins the organisation's strategy and objectives.
- Recommended the Risk Management Framework to Cabinet for approval.
- Approve the processes to be used by management to manage and monitor risks.
- Review the key risks across the organisation, consider their importance against strategic objectives and action further controls.
- Allocate sufficient resources to address the top risks.
- Report on key risks and controls in line with the organisation's risk management strategy.
- Create an environment and culture where risk management is promoted, facilitated, and appropriately undertaken by the organisation and is embedded in all decision making.
- Champion risk management activities, educate colleagues, and raise awareness of the benefits of managing risk effectively.

- Follow the risk management process as detailed in the Strategy including maintaining the Corporate Risk Register and monitoring actions.
-

Corporate Budget Performance and Risk Board

- Ensure an effective risk control framework is in place and operating effectively across all service areas.
- Embedding risk awareness across the Council.
- Working with members to set risk appetite and tolerance.
- Identifying and assessing strategic risks that could impact Council objectives and identifying mitigatory actions.
- Prioritising and categorising risks, and related actions.
- Assigning risk owners and timescales for completion of remediation or mitigation.
- Tracking actions to completion (including related audit actions), escalating to SLT where necessary.
- Monitoring risk levels across the organisation including considering and stress testing individual and multi-variate risks and impacts.
- Reporting on the Council's risk profile and strategic risk to SLT and Audit Committee.

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Risk Owners (Assistant Directors and Senior Managers)

- Communicate the benefits of risk management across operational areas for which they are responsible.
- Help facilitate the risk management process and risk reporting procedures across operational areas.
- Help ensure key stakeholder commitment.
- Ensure risk management processes and risk reporting procedures are completed in line with the organisation's risk management framework for each area under team member's responsibilities.
- Monitor and review the key risks in each area of responsibility regularly but ~~quarterly~~ four monthly as a minimum.
- Ensure risk management is explicitly considered in framing Service Plans, Projects and business cases.
- Ensure risk management is explicitly reflected in decision making.
- Ensure completion of action plans associated with risk mitigation.
- Manage risk effectively in each area of responsibility.
- Complete the risk management process and risk reporting procedures as per the organisation's guidelines.
- Complete, track and monitor the progress of action plans.

All Employees

- Understand and comply with the risk management processes and guidelines of the organisation.

- Monitor work on an ongoing basis to identify new and emerging risks and escalate as required.

Internal Audit

- Create an audit plan aligned with the key Corporate Risks.
- Review and challenge the effectiveness of the risk management framework.
- Review the progress of planned actions.
- Test and validate existing controls.

ii. Culture

To be effective in the long term and to support good governance, effective risk management needs to be embedded into the Council's Culture.

It is important that this Culture is seen to run from the top of the Council down. SLT and Senior Managers should set an example to others when it comes to embracing the importance of effective, embedded risk management in all processes. All managers need to support the roll-out of this framework and ensure that risk management processes once established are followed by all employees.

To do this, it will be necessary to provide relevant training and awareness of the Council's Risk Management Framework to all employees. A training and communication plan will be developed to ensure the framework is effectively rolled out and embedded into the Council and that all employees see that they have a vital role to play.

An essential element needed to embed the Council's risk management into the Council's culture is ensuring that there is a collective understanding of risks and that a common language is used when it comes to quantifying and discussing risks. To achieve this the risk matrix within this framework and the definitions for levels of risk should be used consistently across the Council. This adds clarity so that the level and definition of a risk is understood and means the same thing to everyone regardless of which section or function is talking about it. Unless there is a very good reason any assessments associated with risks should utilise the agreed risk matrix and definitions and operate in line with the Council's agreed risk appetite.

It is also important that the Council's Risk Appetite Statement and risk processes are understood by those we work closely with in partnerships and in contracts. Wherever possible the Council's risk management processes should be used when working with partners and contractors.

All employees and managers need to take ownership and accountability for their role in the Risk Management process as set out in the "roles and responsibilities" section of the strategy. Employees at all levels should be encouraged to raise

emerging risks that they have identified with their line managers with the knowledge that the information will be considered and acted on appropriately where necessary.

In addition to training and awareness the Chief Executive, as the Risk Management Sponsor, will oversee the risk management culture at SLT. They will do this by encouraging positive messages relating to risk management and challenging poor risk management practices such as the failure to adequately consider risk implications when making important decisions or the failure to review levels of risk within service areas or complete actions to mitigate risks within agreed timescales.

As part of embedding Risk Management into the culture of the Council it is important that everyone understands the current position of Risk Management and where we want to get to. To do this we are adopting the ALARM National Performance Model for Risk Management in Public Services which can be found at appendix 1. An initial assessment has been made by SLT and against each of the criteria. The assessment has shown that the Council is at the current level for each category:

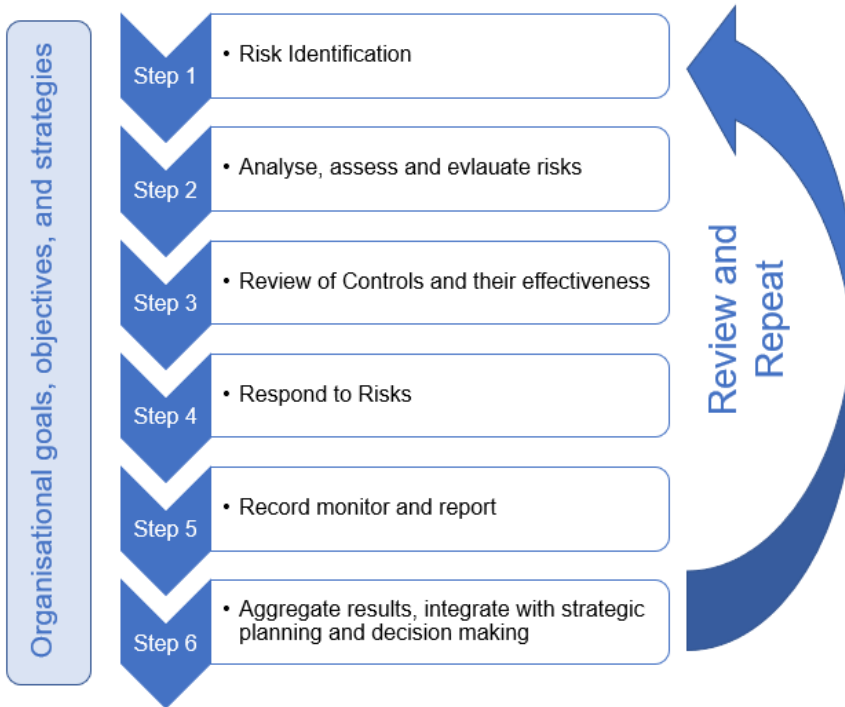
Category	Rating (1-5)	Rating 2025
Leadership and Management	3	4
Strategy and Policy	3	4
People	3	4
Partnership, Shared Risk and Resources Processes	3	3
Processes	3	3
Risk Handling and Assurance	2	4
Outcomes and Delivery	2	3

It is recognised that it is unlikely that the Council will be able to achieve the rating of “5 - Driving” in all categories due to limited resources and competing demands on officer time. Therefore, it has been agreed by SLT that the target will be to achieve at least Level 4 rating- Embedded and Working in each category by April 2025 moving to Level 5 rating - Driving by the end of the Framework 2027.

Since the adoption of the framework in 2024, the Council has had an audit of its risk management processes. In light of the findings of the audit, there has been a further assessment of the ALARM framework. The amended scores are shown in the table above. Overall this shows an improvement in the overall picture for risk management.

5. Management of Risks

The Council will implement an ongoing cyclical review process for the management of risks. As set out in the diagram below.



6. Risk Appetite Statement

Risk appetite can be defined as the amount and type of risk an organisation is willing to accept in the pursuit of its objectives.

The Council's overall risk appetite is set out in reference to the risk appetite definitions below which include the colours used in the risk matrix to show levels the relevant levels of risk. Escalation and reporting thresholds will be reassessed periodically to ensure risks are reported and reviewed within suitable defined limits.

Category	Definition	Risk Levels
Avoid	No appetite. Not prepared to take risk.	N/A
Adverse	Prepared to accept only the very lowest levels of risk, with the preference being for ultra-safe delivery options, while recognising that these will have little or no potential for reward/return	Negligible Risk (Blue)
Cautious	Willing to accept some low risks, while maintaining an overall preference for safe delivery options despite the probability of these having mostly restricted potential for reward/return.	Low Risk (Green)
Moderate	Tending always towards exposure to only modest levels of risk in order to achieve acceptable outcomes	Modest Risk (Yellow)
Open	Prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.	Medium Risk (Orange)
Hungry	Eager to seek original/creative/pioneering delivery options and to accept the associated substantial risk levels in order to secure successful outcomes and meaningful reward/return.	High Risk (Red)

Cabinet have agreed that the Council's current overall base risk appetite is defined as moderate.

This means the Council remains open to innovative ways of working and to pursue options that offer potentially substantial rewards, however, also carry a moderate level of risk. The Council's preference is for safe delivery options, especially for those services required by statute and ideally all actions should be within this agreed risk appetite. This means that options should only be pursued if they can be managed as a yellow or lower risk.

However, in an organisation, such as a local authority, where service delivery is diverse and risks take many forms, risk appetite may vary according to the specific circumstances being assessed. For example, an option may be considered to improve the Town Centre that is seen to have a higher level of risk for the Council than the moderate appetite would allow but where the ultimate outcome would bring significant benefits if successfully implemented.

Where an option or decision is being pursued that is deemed to be at a higher level of risk than Moderate then additional controls/safeguards will need to be put in place. This will include formal agreement from the three Statutory Officers (S151 Officer, Monitoring Officer, and Head of Paid Service) and the appropriate decision maker at member level to pursue the option, and increased levels of monitoring and reporting of the risk will need to be established.

7. Risk Matrix

To assist in the management of risks the Council has adopted a 4 x 4 matrix. This has the risk appetite displayed through the use of colour coding of the squares. With the Impact across the top on the x-axis and the likelihood down the side on the y-axis.

	Minor/Non-Disruptive Impact (1)	Moderately Disruptive Impact (2)	Serious Consequences (3)	Major Consequences (4)
Very Likely (4)	4 (Yellow)	8 (Orange)	12 (Red)	16 (Red)
Probable (3)	3 (Yellow)	6 (Orange)	9 (Orange)	12 (Red)
Possible (2)	2 (Green)	4 (Yellow)	6 (Orange)	8 (Orange)
Unlikely (1)	1 (Blue)	2 (Green)	3 (Yellow)	4 (Yellow)

The matrix has been colour coded in line with the Council's risk appetite as follows.

Risk Levels	Colour
Negligible Risk	Blue
Low Risk	Green
Modest Risk	Yellow
Medium Risk	Orange
High Risk	Red

The risk matrix is supported by the following definitions.

LIKELIHOOD

4	Very Likely >90%	<ul style="list-style-type: none"> • Event expected to occur. Has occurred and will continue to do so without action being taken. • Indication of imminent occurrence • There are external influences which are likely to make our controls ineffective
3	Probable 60-90%	<ul style="list-style-type: none"> • There is a moderate exposure to the risk. • Reasonable to expect event to occur within a year. • Has occurred in the past. • Is likely to occur within the Council's planning cycle. • There are external influences which may reduce effectiveness of controls
2	Possible 30-60%	<ul style="list-style-type: none"> • There is a low exposure to the risk. • Little likelihood of event occurring - 1 in 10 years • There is a potential for external influences which may reduce effectiveness of controls
1	Unlikely 0-30%	<ul style="list-style-type: none"> • Extremely remote • Not expected to occur but may do so in exceptional circumstances - 1 in 100 years. • There are few or no external influences which may reduce effectiveness of controls

IMPACT

Score	Description	Indicative Guidelines
4	Major Consequences	<p>The consequence is so bad that urgent action must be taken to improve the situation or prevent it worsening. External support from the Government or other agencies is likely to be needed:</p> <ul style="list-style-type: none"> • Catastrophic loss, delay, or interruption to services • Level of financial loss, additional costs, or loss of assets which the Council is unable to resource without additional Government/External support. • One off event which would de-stabilise the Council over several years. • The risk will cause the objective not to be reached, causing damage to the organisation's

		<p>reputation.</p> <ul style="list-style-type: none"> • Will attract medium to long-term attention of legislative or regulatory bodies. • Major complaints • Significant adverse media interest • Death or life-threatening injury
3	Serious Consequences	<p>The consequences are sufficiently serious to require attention by Cabinet and/or full Council:</p> <ul style="list-style-type: none"> • Loss of key assets or services for an extended time period. • Longer term impact on operational efficiency or performance of the Council or crucial service areas • Financial loss, additional costs or loss of assets which would need a Council decision as the scale of the loss would be outside the Council's budget & policy framework. • The risk would destabilise the Council in the short term. • The intended objectives are unlikely to be met leading to negative impact on the Council's reputation and a significant number of complaints. • Will lead to attention for regulators and External Auditors for a significant time. • Major accident/injuries (but not life-threatening)
2	Moderate/ Disruptive	<p>The consequence is sufficient to require attention by Leadership Team and cannot be managed within a Service Area</p> <ul style="list-style-type: none"> • Significant loss, delay, or interruption to a service. • Medium term impact on operational efficiency or performance • Financial loss, additional costs or loss of assets that is within the Council's budget & policy framework but needs a Statutory Officer decision, Leadership Team decision, Cabinet decision or needs to be drawn to Cabinet's attention. • The risk will cause some elements of the objective to be delayed or not achieved, causing potential damage to the organisation's reputation. • May attract medium to short term attention of legislative or regulatory bodies. • Significant complaints

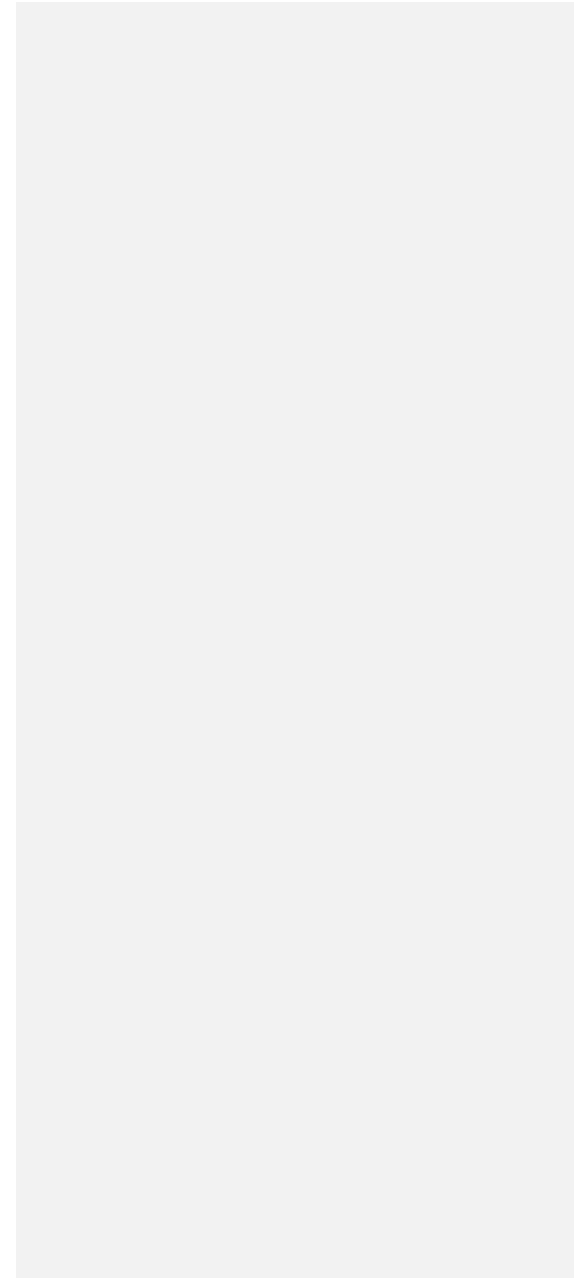
		<ul style="list-style-type: none"> • Serious accident / injury (but not life threatening)
1	Minor/Non-Disruptive	<p>The consequences can be dealt with as part of the normal day-to-day business by the Team Manager and the Head of Service:</p> <ul style="list-style-type: none"> • Minor loss, delay, or interruption to services • Short term impact on operational efficiency or performance • Negligible financial loss • The risk will not substantively impede the achievement of the objective, causing minimal damage to the organisation's reputation. • No or minimal external interest. • Isolated complaints • Minor accident / injury

Appendix 1 - ALARM National Performance Model for Risk Management in Public Services

Scale	Leadership & Management	Strategy and Policy	People	“Partnership, Shared Risk and Resources Processes”	Processes	Risk Handling and Assurance	Outcomes and Delivery
Driving 5	Leadership uses consideration of risk to drive excellence through the organisation, with strong support and reward for well managed risk-taking	Strategy and Policy are closely aligned to risk management and the threat of failing to achieve objectives	All staff are empowered to be responsible for risk management. The organisation has a good record of innovation and well-managed risk-taking. Absence of a blame culture	Clear evidence of improved partnership delivery through risk management and that key risks to the community are being effectively managed	Management of risk and uncertainty is well integrated with all key business processes and shown to be a key driver in business success	Clear evidence that risks are being effectively managed throughout the organisation. Considered risk-taking part of the organisational culture	Risk management arrangements clearly acting as a driver for change and linked to plans and planning cycles
Embedded and Working	Leadership is supportive of the risk management process, engages actively and ensures it is embedded throughout the organisation	Risk management principles are reflected in the organisation's strategies and policies. Risk framework is reviewed, developed, refined, and communicated	A core group of people have the skills and knowledge to manage risk effectively and implement the risk management framework. Staff are aware of key risks and their responsibilities	Sound governance arrangements are established. Partners adequately support one another's risk management capability and capacity	A framework of risk management processes in place and used to support service delivery. Robust business continuity management system in place	Evidence that risk management is being effective and useful for the organisation and producing clear benefits. Evidence of innovative risk-taking	Very clear evidence of very significantly improved delivery of all relevant outcomes and showing positive and sustained improvement
Working 3	Leadership take part sporadically in the risk management process and provide some resources	A basic risk strategy and related policies exist and are partially implemented	An individual with Risk Management responsibilities is in place with the correct skills and experience	Risk with partners and suppliers is managed across organisational boundaries but inconsistently	Risk management processes used to support key business processes. Early warning indicators and lessons learned are reported. Critical services	Clear evidence that risk management is being effective in all key areas, capability assessed within a formal assurance framework and against best practice standards	Clear evidence that risk management is supporting delivery of key outcomes in all relevant areas

Scale	Leadership & Management	Strategy and Policy	People	“Partnership, Shared Risk and Resources Processes”	Processes	Risk Handling and Assurance	Outcomes and Delivery
					supported through continuity plans		
Happening 2	Leadership are aware of risk management process but do not actively participate	The need for a risk strategy and risk-related policies has been identified and accepted but not implemented	Risk management is an informal part of a single person’s role within the organisation	Approaches for addressing risk with partners are being developed and implemented	Some stand-alone risk processes have been identified and are being developed. The need for service continuity arrangements has been identified	Some evidence that risk management is being effective. Performance monitoring and assurance reporting being developed	Limited evidence that risk management is being effective in, at least, the most relevant areas
Engaging 1	Leadership are not providing guidance with regards to risk management objectives, culture, or practices	The need for a risk strategy and risk-related policies has not been identified. The risk management system is undocumented with few formal processes present	No risk management roles or associated skills are in place within the organisation and there is little desire to implement this	No risk management considerations are given to partnerships	No stand-alone risk processes have been developed	No clear evidence that risk management is being effective	No clear evidence of improved outcomes

Part 2 - Risk Management Toolkit



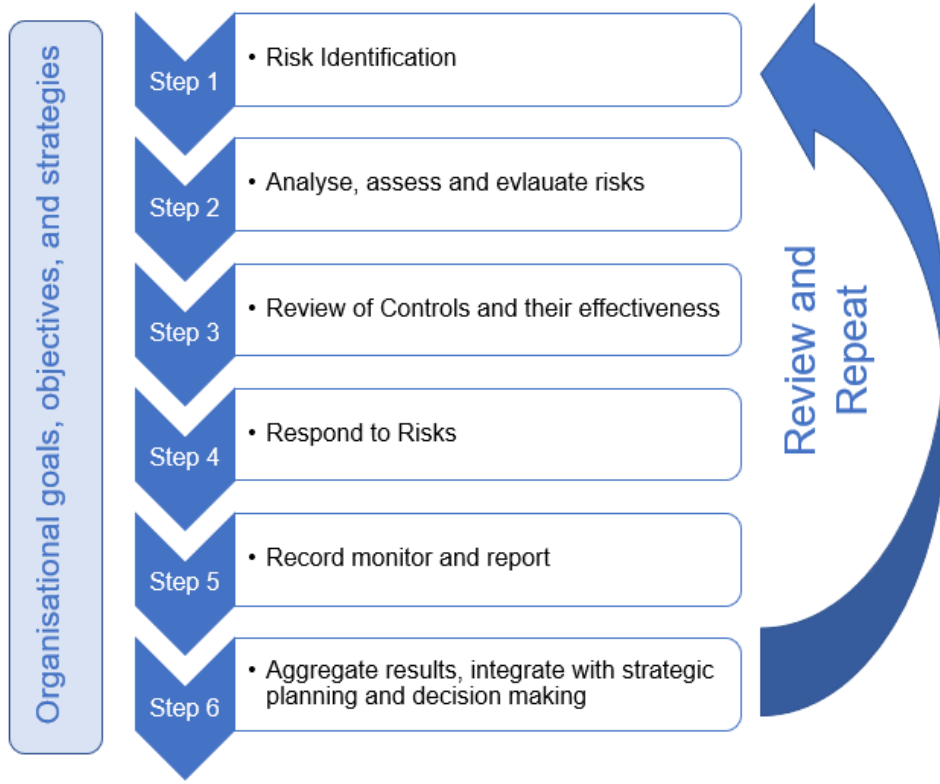
1. Risk Management Process

The risk management process is continuous. It involves identifying the risks, prioritising them and implementing actions to mitigate the top risks on an ongoing basis.

Risks to an organisation can have positive and negative impacts, opportunities should be seen as positive risks and if identified early can be managed well, and the benefits realised.

The Council is adopting a risk management process that can be used to identify and score both positive and negative risks. This process should be embedded across the Council to improve informed decision making and increase delivery if the key objectives. All managers and employees should use the tools and techniques when making decisions whether there is a corporate requirement for a formally documented risk register relating the function/process or not.

The Council's risk management process can be broken down into six steps as shown below.



i. Risk Identification

Risk identification is one of the first major components of a best practice risk management process. The purpose of risk identification is to generate a comprehensive inventory of risks based on events that might create, prevent, accelerate, or delay the achievement of the organisation's objectives. In order to do this, it is beneficial for all risks to be identified at each level of the organisation; however, we accept that resources are not available to corporately support formal risk registers for all operational functions.

The Council has therefore set a requirement for formal risk registers to be maintained at specific levels of the organisation or for specific reasons, but additional risk registers could be maintained below these to assist managers and to inform the formal risk registers. It is hoped in time that Managers will see the benefit of maintaining risk registers for all of their functions and not just those mandated by this framework.

The first stage of any risk management exercise is to identify the risks that are currently affecting the Council or may do so in the future. To do this a number of steps should be considered.

1. Review the existing risk registers and ask:
 - a. Have any of the existing risks changed significantly?
 - b. Are any risks missing?
 - c. Are there any changes in the next 12 months that could present a risk?
2. Identify new and emerging risks - this could be done via horizon scanning, monitoring relevant industry press, monitoring legislation, known changes to policies.
3. Review previous losses, events, incidents and identify anything useful from the lessons learnt reports.

Risks should not be assessed in isolation and a number of people may be involved in this process including other team or project members. You should use tools such as SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis to try to ensure all areas are covered. Appendix 2 also includes some risk descriptions applied to the Corporate Risk Register which can be used as a guide.

At this stage do not try to limit your thoughts or just roll forward the risks you have previously identified - it is important that you try to include fresh thinking on new and emerging risks every time a risk register is reviewed.

Each risk will be captured in a template on the Council's performance management system and will include:

- a reference number,
- short name
- a description,
- the name of the risk owner (the risk owner should be someone with knowledge of the risk and be senior enough to ensure that all actions are completed)
- the date the risk was first identified and
- the current controls
- Link to the Corporate Risk register reference
- Risk scores (gross, residual, risk appetite)

Written guidance has been created to assist risk owners on how to input risks into the Council's performance management system. In general terms the identification and wording of risks needs to be clear and concise. Risk writing should follow the model proposed by the Government's Orange book guidance for the management of risk. The Orange Book guidance for the management of risk defines risk as 'the effect of uncertainty on objectives' and states that it should usually be expressed in terms of causes, potential events, and their consequences. These are:

- ▶ **Cause.** An element which alone or in combination has the potential to give rise to risk.
- ▶ **Event.** An occurrence or change of a set of circumstances and can be expected which does not happen or something that is not expected which does happen.
- ▶ **Consequence.** The impact that could happen if the risk was to materialise.

If the risk is not adequately defined, it is difficult to demonstrate what actions might be needed to reduce the risk. For example the following risk statement :

“Users unable to use available technology” – is too broad and provides no information as to which technology, why there is a use issue ie is it inadequate training or is it because there is an issue with the technology which prevents users being able to use it? This could be several risks in one, each risk should be identified with the associated cause and consequence.

ii. Analyse, assess and evaluate risks.

Once the risks have been identified it is important to be able to prioritise them in some way so that attention and resources can focus on the areas most likely to have the largest impact on the delivery of the Council’s objectives. In order to do this the risks are assessed against two criteria.

- Impact - this is the effect that the risk would have on the delivery of the Council’s objectives if it were to occur.
- Likelihood - this is how likely the risk is to occur.

Once scores are calculated we can plot where the risk sits on the risk matrix and give the risk an overall score by multiplying the Impact and Likelihood scores

$$\text{Impact} \times \text{Likelihood} = \text{Risk Score. E.g. } 4 \times 3 = 12$$

The risk score is calculated twice once for the Gross Risk which is the worst-case scenario without any controls in place. The controls already in place to address the risk should then be recorded and the Residual Risk Score is calculated taking the effect of these into account. Finally all risks will be assessed against a target level based on risk appetite.

In order to assist with scoring, a scale for each of these has been determined and these are set out in the risk matrix above. As with the identification of the risks it is useful for more than one person to be involved in the scoring of the risks as this avoids the scoring being skewed by an individual’s subjective view.

The way one person sees a risk may differ from another due to many factors including past experience, personal views on the importance of an area and how that person can personally influence the risk. When a group reviews the scores, these personal influences can be smoothed out.

iii. Review of controls and their effectiveness

By calculating both the Gross and Residual Risk Scores it highlights the effectiveness of the controls but also the importance of them operating effectively. Managers may believe a risk is being well managed, but the controls are not operating effectively.

It is therefore important that managers do take some time to assess the effectiveness of the controls that they have in place and make use of other information at their disposal to do this. This should be done at the time the risk register is being produced but also on an ongoing basis as the risk register is being reviewed.

There are many tools which operational managers should be using directly as part of their role as the 1st Line such as:

- Sample checking a sample of transactions to see they have followed the correct process/been properly authorised.
- Checking staff are aware of the correct processes to follow.
- 1 to 1s and monitoring of staff.

Managers can also make use of information from the 2nd Line functions to give them information relating to the effectiveness of the controls they have in place. Lots of information available to Managers can be considered as Key Risk Indicators (KRI) when used to inform the identification of risks and the success in the implementation of the agreed risk reduction methods. The following could be considered as Key Risk Indicators:

- Customer Complaints
- Data Protection Breach information
- Legal Compliance information
- Vacancy/Sickness data
- Performance Management Information
- Accident reports
- Budget Monitoring information
- Project issue logs
- Implementation Timelines - planned vs actual

Managers can also take account of the findings of Internal Audit work who provide assurance on the effectiveness of controls as the 3rd Line function.

iv. Response to Risk

Where a risk is found to be at a level that is unacceptable to the Council and outside of its risk appetite then some action is needed to address the risk. There are four main ways that the Council can respond to an unacceptably high risk:

- **Terminate** (avoidance)

the Council can simply avoid the risk altogether where this is possible. So, if it is looking at a new development or project to implement but the risk is very high for little return then we should decide not to progress with that decision. Alternatively, we could decide to stop a high-risk activity that we are carrying out if we do not have to deliver that service. This should be the first response we look to; however, it is recognised that the Council is often not able to avoid high risk/undesirable activities.

- **Treat** (reduction)

We can implement additional controls to reduce the likelihood an/or the impact of a risk to an acceptable level. This is the most common response to a risk that the Council will take. All controls/actions must be SMART actions and monitored through performance management.

- **Transfer**

This involves transferring the cost of the risk to a third-party for example by insurance, contracting out work, or outsourcing the service. This can work in specific situations e.g., transfer a specific function such as Leisure provision or an insurance policy for vehicle damage in an accident, but unfortunately most business risks cannot be managed by this method.

- **Tolerate** (accept)

The Council decides to accept the risk and do nothing. This may be acceptable for low risks but is often not an acceptable solution for the higher more significant risks so should be considered as a last resort option. When using this option, it will still be necessary to monitor and review the risk.

When making the decision on which of the options above you want to follow you should consider:

- Existing best practices to treat the risk.
- Critical controls that you will need to achieve the required risk score reduction as part of the risk treatment or mitigation plan.
- Costs associated with different treatment options against associated benefits.
- How other organisations mitigate the same risk.

Action Plan

Most of the options above require an action plan to be produced, this will need to include the following key information for each SMART action identified against the risk:

- The Action being taken.
- A person responsible making sure the action is completed.
- A target date for the action to be completed.

All actions must be recorded and updated on the performance management system..

Escalation of Risk

The change of a risk level within Departmental Risk registers may, if the risk level has become unacceptable escalate the corresponding risk on the Corporate risk Register. These escalating risks will be identified and reported through the Council's performance management system and highlighted to SLT and Audit Committee during ~~quarterly~~ four monthly review/report of the Corporate Risk Register.

Assessment of risk on individual projects or proposals which are scored above the council's risk appetite level should have been considered by statutory officers and appropriate controls identified prior to presenting such decisions to the relevant executive or non-executive decision makers.

v. Reporting, Monitoring and Communication

Risk Registers

The Council has developed a corporate template which should be used for all risk registers completed in relation to Council activities and partnerships. This can be found on the Council's performance management system.

To ensure consistency and compliance with the Council's Risk Appetite the Corporate Template **must be used** to record risks for the following mandated risk registers:

- Corporate Risk Registers (One for each Council)
- Departmental Risk Registers maintained by Managers
- Risk Registers for Major Projects (including Transformation Projects)
- Risk Registers for Contracts
- Risk Register for ICT and Cyber Threats

SLT will coordinate and collate the Corporate Risk Register with support from managers who will be responsible for Departmental and other Risk Registers.

Due to limited resources the Risk Management function is unable to provide direct support to assist with the compilation and management of other risk registers but will offer advice and guidance to managers and other employees tasked with compiling them.

Risk Registers should be seen as an essential tool to aid in management decision making and should be recorded and reported to the appropriate bodies and meetings within the Council.

Corporate Risk Registers

This is the Council's overarching risk register setting out the most significant risks that may prevent the Council from achieving its strategic objectives as set out in the Gedling Plan.

The full Corporate Risk Register is compiled and monitored by SLT on a ~~quarterly~~ four monthly basis. This includes the Action Plans and progress against the actions.

A summary of the risks along with comments on the current position/progress in dealing with the risk is presented the relevant Audit Committee ~~quarterly~~ four monthly.

The Chief Executive will oversee the compilation of the Corporate Risk Registers and s.151 Officer will collate management updates but is not responsible for the content of the Corporate Risk Register.

Where risks are escalated within Departmental or other Risk Registers, above a score of 12 (red) , these will be considered in line with the linked Corporate Risk and the Corporate Risk Register updated.

The Corporate Risk register template can be found at appendix 2 to this document.

Departmental Risk Registers

Each of the Departmental managers or Assistant Directors will maintain a Departmental Risk Register which will set out the key risks for the whole service area, scoring of risks will be in line with this framework. It is anticipated that these will contain more risks than the Corporate Risk Register and should help to identify the highest risks which need to be considered for inclusion in the Corporate Risk Register.

The Departmental Risk Registers can include major risks not directly associated with the achievement of the corporate plan. It is anticipated that the Departmental Risk Registers will capture the most important risks relating to the major projects and contracts in each area as well as the key operational risks being faced relating to service delivery.

Departmental Risk Registers will be monitored by the relevant Director and their Heads of Service but can be shared with SLT for information purposes and to assist with the compilation and review of the Corporate Risk Register. They will not routinely be reported to Members or Committees.

Project Risk Registers

These must be completed at the planning stages and throughout the life of the project as part of project initiation through to delivery. The Project Manager is responsible for ensuring that a risk register is completed. The risk register should be updated regularly and monitored by the Project Board and Project Sponsor. The Risk register should be scored in line with this framework.

Where external Project Managers take on the role of compiling risk registers, they should be asked to use the Corporate Template and Risk Matrix, or approval must be sought in advance to use an alternative format. Where an external person/organisation takes ownership of the risk register for a project managers need to ensure it covers all of the risks and not just those the third party considers important. Where necessary a Council specific risk register should also be compiled for the project to ensure all risks are captured for example to include a risk that the third-party project manager fails to deliver to agreed specification/timescale. Managers should not look to delegate their role and responsibilities in the risk management process to a third party.

Key risk from Project Risk Registers may be escalated to Directorate Risk Registers and ultimately the Strategic Risk Register.

Contract Risk Registers

A risk register must be completed as part of the management of all strategically important contracts and partnerships. For example, acquisition of key software solutions, significant outsourcing contracts or contracts that support key functions of the Council. As a general guide contracts with a value in excess of £10,000 may require a risk assessment depending on their significance, contracts over £75,000 will require a risk assessment. They should be completed by the relevant Team Managers and monitored by the Head of Service.

The details in these risk registers should help to inform decision making in relation to the management and monitoring of the Contract/Partnership and should help to improve the quality of risk management implications when any committee reports are prepared in relation to the Contract/Partnership.

Key risks from Contract/Partnership risk registers may be escalated into the Directorate Risk Registers and ultimately the Corporate Risk Register.

ICT/Cyber Risks

A risk register must be completed to assess the Council's risk of cyber or ICT security issues. This should be completed by the ICT team and may be impacted by the acquisition of new software solutions.

The details in these risk registers should help to inform decision making in relation to the management and security of the Council's digital systems and networks and should help to improve the quality of risk management implications when any decisions are taken in relation to ICT infrastructure. In addition, the risk register will identify controls required or in place to manage such security risks.

Key risks from cyber risk registers may be escalated into the Directorate Risk Registers and ultimately the Corporate Risk Register. Details on this register are likely to be confidential and access restrictions to this register will be put in place to ensure any insecurities, if applicable are not placed in the public domain thereby increasing risk.

Risk Management Reports

When reporting and monitoring risk registers quarterly~~four~~ monthly, it is important the following information is provided to the people/committee receiving the update:

- assurance that all exposure to risk has been identified, assessed and relevant mitigating control evaluated,
- Clear record of any SMART actions to mitigate risk and progress against those actions.
- a view on whether the exposure the risk is increasing or decreasing for the Council,
- links between different levels of risk registers where relevant,
- how the results of the risk management process are informing decision making,
- the risk management framework and in particular the risk appetite and scoring has been applied consistently across the Council.

Below the Corporate Risk Register it is more important that the risk registers are living documents, regularly monitored, and used to inform decision making by the relevant managers rather than being reported periodically as the focus of a detailed formal reports. They should be reviewed and updated on a quarterly~~four~~ monthly basis as a minimum.

Risk Monitoring

There are two key elements for managers to consider when monitoring risks:

1. Monitoring risk response effectiveness

As the Council and the environment it operates in is constantly changing, it is important to regularly review the risk register to ensure that the risks and agreed actions to mitigate them are still appropriate and being effective.

The use of Key Risk Indicators and the work of Internal Audit are tools that can help managers to monitor the effectiveness of risk responses.

2. Monitoring the risk profile

The Council's risk profile will be constantly changing with changes in the strategic direction of the Council and the impact of external factors such as Government policy, new initiatives, emerging issues. When monitoring the risk profile, it is always good to start with these three basic questions:

- Are there any risks missing from the risk register that should be included?
- Have any of the risks in the risk register changed significantly in terms of impact and/or likelihood and require additional mitigation efforts?
- Is there anything planned in the next 12 months that may give rise to a key risk?

vi. Integration with Strategic Planning and Decision Making

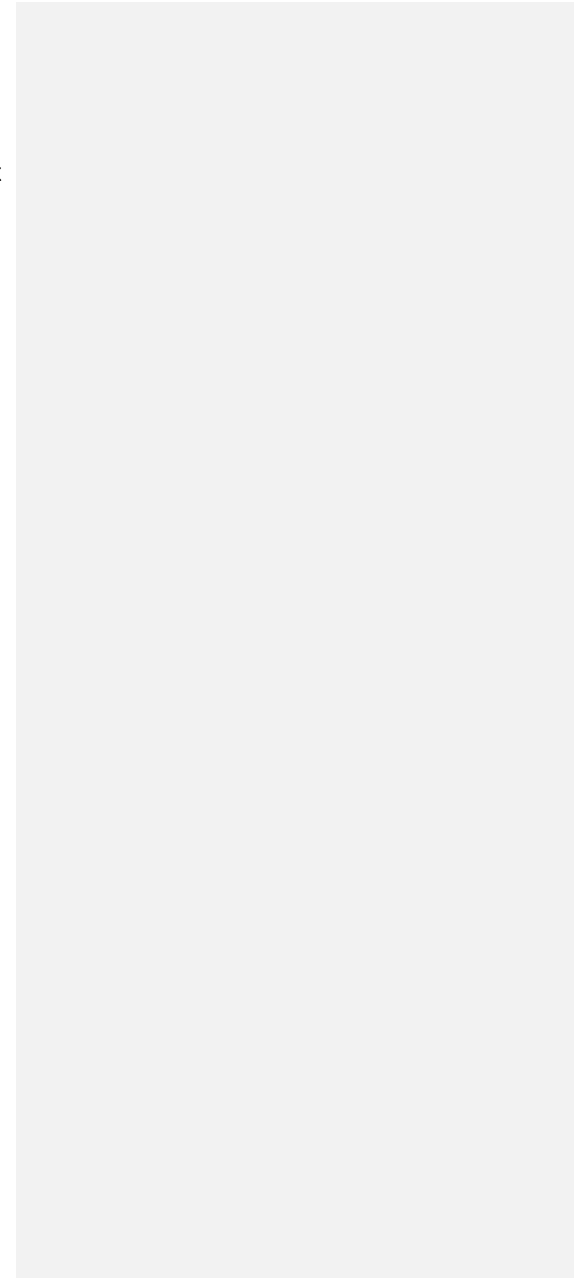
Risk Management and Strategic Planning are fundamentally linked, and it is impossible to carry one out effectively without the other. Strategic Planning is about deciding what the Council is trying to achieve in the medium to long term. Risk Management is about identifying the risks that may stop the Council from achieving those strategic goals.

Whilst it is important that risks are managed at all levels of the Council and for all activities we deliver; with limited resources it is important that the majority of the effort is targeted on the identification and management of risks that could affect the corporate objectives.

When taking decisions, officers and members need clear information about the risks associated with that decision so information about risks should be included in all decision reports.

SLT have a responsibility in ensuring decision reports with poor or missing risk implications do not progress.

Heads of Service should take responsibility for ensuring all reports in their Service area have appropriate risk implications set out before the report is submitted to SLT for review.



Appendix 2 - Corporate Risk Register Template

The risk category and descriptors are given as a prompt to help you to identify the operational risks in services and forms the basis of the Corporate Risk Register. The list is not exhaustive and is only a guide. In departmental registers you should also consider risks that are specific to your service area.

Many risk categories overlap and/or can be considered to be consequences of another category, however the risk category allocated should be based on the 'root cause' of the risk (e.g., an IT system failure may cause financial or reputational consequences but the 'root cause' lies within the IT / Technology category)

This is only a template, the risk registers will be held on the performance management system so may look slightly different in lay out but all information should be captured. At each ~~quarterly~~ four monthly review the risk escalation or de-escalation will be identified.

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<u>Risk Ref No</u>	<u>Corporate Risk</u>	<u>Descriptor</u>	<u>Legacy Plan Objective</u>	<u>Risk Owner</u>	<u>Key Risk driver</u>	<u>Gross Risk</u>	<u>Risk Appetite</u>	<u>Residual Risk</u>	<u>Controls</u>
<u>1</u>	<u>Financial Resilience</u>	<u>This refers to the ability of the Council to meet its financial commitments and/or the scale and pace of budget cuts. This relates to income and</u>	<u>Critical Foundations and Safe Transition to a new Authority</u>		<u>Financial Impact</u>		<u>4</u>		

		<p>expenditure and includes internal budgetary pressures, savings/growth considerations, external economic changes etc.</p>							
2	<p><u>Environmental and socio-economic impacts</u></p>	<p>This refers to the environmental/socio-economic impact on the public – it could be related to virus type illnesses or environmental incidents such as flooding which impact on health or related to events which have an impact on the natural environment such as pollution/contamination. It also relates to incidents which have an economic/social impact which are outside the Council's control for</p>	<p><u>Enabling healthier, safer connected communities</u></p>		<p><u>Reputation – adverse publicity</u></p>				

		example, war, or emergency incidents such as power outage							
<u>3</u>	<u>Contractual/partnership</u>	This refers to both the risks regarding partnership / contractual activities and the risks associated with the partnership / contract delivering services to the agreed cost and specification.	<u>Provide Responsive, reliable and value for money services</u>		<u>Financial Impacts</u>				
<u>4</u>	<u>Reputation</u>	This relates to public perception / expectation and the impact of media attention.	<u>Council</u>		<u>Adverse publicity</u>				
<u>5</u>	<u>Infrastructure/Assets</u>	This looks at the loss, protection and damage of physical assets and takes into account the need to maintain, protect, insure and plan for unexpected loss.	<u>Shape Places to be proud of</u>		<u>Health and safety/Financial</u>				
<u>6</u>	<u>Statutory Compliance</u>	This refers to changes to and breaches of current	<u>Critical Foundations and</u>		<u>Financial impact - Service</u>				

		law leading to additional workloads, fines, intervention by regulatory bodies etc.	<u>Safe Transition to a new Authority</u>		<u>delivery - challenge</u>			
<u>7</u>	<u>Digital and Data</u>	This relates not only to the impact of Internal technology failure but also changing technological demands and the ability to meet the pace and scale of change.	<u>Critical Foundations and Safe Transition to a new Authority</u>		<u>Transformation objectives and financial</u>			
<u>8</u>	<u>Priorities and Project Delivery</u>	This relates to the effective management and delivery of the Legacy Priorities including key projects	<u>Provide Responsive, reliable and value for money services</u>		<u>Reputation/financial</u>			
<u>9</u>	<u>Fraud/bribery/Misconduct</u>	Relates to improper actions committed against the Council either internally or by third parties. Including frauds, bribery, money laundering and misconduct e.g.,	<u>Critical Foundations and Safe Transition to a new Authority</u>		<u>Financial</u>			

		theft, falsification of timesheets.							
10	<u>Local Government Re-organisation</u>	Relates to the impact of Local Government re-organisation on the organisation in terms of preparedness, capacity impacts, data readiness	<u>Critical Foundations and Safe Transition to a new Authority</u>		<u>Financial, capacity, compliance</u>				

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Equality Impact Assessment



Name of project, policy, function, service or proposal being assessed:		Risk Management Framework			
The main objective of (please insert the name of accessed document stated above):		Ensure the Council has robust risk management processes in place			
<p>What impact will this (please insert the name) have on the following groups? Please note that you should consider both external and internal impact:</p> <ul style="list-style-type: none"> • External (e.g. stakeholders, residents, local businesses etc.) • Internal (staff) 					
Please use only 'Yes' where applicable		Negative	Positive	Neutral	Comments
<u>Gender</u>	External			x	
	Internal			x	
<u>Gender Reassignment</u>	External			x	
	Internal			x	
<u>Age</u>	External			x	
	Internal			x	

<u>Marriage and civil partnership</u>	External			x	
	Internal			x	
<u>Disability</u>	External			x	
	Internal			x	
<u>Race & Ethnicity</u>	External			x	
	Internal			x	
<u>Sexual Orientation</u>	External			x	
	Internal			x	
<u>Religion or Belief (or no Belief)</u>	External			x	
	Internal			x	
<u>Pregnancy & Maternity</u>	External			x	
	Internal			x	
<u>Other Groups</u> (e.g. any other vulnerable groups, rural isolation, deprived areas, low income staff etc.)	External			x	
	Internal			x	

Please state the group/s: _____					

Is there is any evidence of a high disproportionate adverse or positive impact on any groups?	Yes	No	Comment Whilst there are no specific equality implications in respect of the risk strategy, equality risks need to be captured as part of the risk management process.
Is there an opportunity to mitigate or alleviate any such impacts?	Yes	No	Comment
Are there any gaps in information available (e.g. evidence) so that a complete assessment of different impacts is not possible?	Yes	No	Comment

In response to the information provided above please provide a set of proposed action including any consultation that is going to be carried out:

Planned Actions	Timeframe	Success Measure	Responsible Officer

Authorisation and Review

Completing Officer	
Authorising Head of Service/Director	
Date	
Review date (if applicable)	



Report to Audit Committee

Subject: Corporate Risk Management Review Quarter 4 2025/26

Date: 23 June 2026

Author: Chief Finance and Section 151 Officer

1. Purpose of the Report

To update members of the Audit Committee on the current level of assurance that can be provided against each corporate risk.

Recommendations:

That Members:

- Note the current risk level and actions identified within the Corporate Risk Register.

2. Background

The current Risk Management Strategy & Framework was approved and adopted by Cabinet on 28 March 2024 and updated in December 2025. The Council's risk profile is tracked through the Council's risk management system, Ideagen.

All risks are scored using the scoring matrix in the framework (appendix 2) and all scores have been provided to show the gross risk (risk level at it's highest level without controls), the residual risk (the current risk score with controls) against the risk appetite score of the Council which is currently moderate, as approved within the framework.

As part of risk review, where departmental risks increase to red this is likely to impact on the overall corporate risk linked to that departmental risk.

The risk framework sets out the context on how risks are to be managed. It defines the key role for the Audit Committee as providing independent assurance to the Council with regard to the effectiveness of the risk management framework and the associated control environment. This includes the

monitoring of the framework and ensuring the implementation of all audit actions.

3. Corporate Risk Register

The Corporate Risk Register is a key enabler of the Strategy and Framework and provides assurance on the key risks identified as corporate risks. All risks are now monitored through the Council's Corporate Risk Board which meets every other month. In 2026/27 the Corporate Risk Board has been merged with the Budget and Performance Board and will now meet monthly. Any significant risk changes raised through the board and flagged in departmental registers are then highlighted to Senior Leadership Team to determine any mitigatory actions.

There has been a lot of work on actions and movements in Departmental Risks (which are being monitored by departments) over quarter 4 which demonstrates positive engagement from risk owners. The overall Corporate Risks show two risks increasing, and eleven staying the same in Q4.

There has been a slight increase to Risk 5 – Contractual Partnerships. This follows an increased risk in relation to the capacity of the Council's procurement function. The risk level has increased from 6-9 so remains amber, however a review of the procurement service needs to be undertaken early in 2026/27 to ensure adequate capacity moving forward. The risk has arisen due to potential impacts on the shared service provider as a result of Local Government Reorganisation.

There has also been a slight increase in Risk 3 – Health and Safety from 6-9. This risk remains amber however it has increased due to departmental risks rising to red in respect of health and safety. This reflects a reduction in the reporting of near misses and a lack of engagement with certain departments on following through reports of incidents through to investigation. This does not enable effective mitigation of risks. In addition, there is reported poor engagement in relation to occupational health from Environmental Services which poses a risk to staff safety and wellbeing. Training to staff on effective reporting and investigation of incidents and better engagement with occupational health is required.

All other corporate risks have remained the same in quarter 4 after several reductions in risk reported in quarter 3. Whilst a number of actions have been completed further mitigatory actions on risks have been delayed due to capacity and need completion to reduce risk levels more widely.

The Council's risk appetite is moderate, ideally all risks should be yellow or below, it is however accepted that the Council may take a higher tolerance to risk in some areas versus the reward, this decision is taken on a case-by-case basis.

The Corporate Risk Register and supporting comments as at the end of March 2026 are appended to this report, and this includes a summary of all control gaps identified on the Council's Corporate Risk Register and any actions added to reduce the risk level further.

4. Financial Implications

None arising directly from this report.

5. Legal Implications

None arising directly from this report, the report is to provide reporting, in line with the Council’s Risk Management Framework which is a requirement of the Accounts and Audit Regulations 2015.

6. Equalities Implications

None arising directly from this report, although EIA of all risks should be considered as part of any actions identified and controls in place.

7. Carbon Reduction/Environmental Sustainability Implications

None arising directly from this report, although Carbon Management forms part of the Environment category on the Corporate Risk Register.

8. Appendices

Appendix 1 - Corporate Risk Register Monitoring – Quarter 4, period ending 31 March 2026

Appendix 2 - Risk Management Scoring Matrix

Appendix 3 – Risk Definitions

Statutory Officer Approval	
Approved by:	Chief Financial Officer
Date:	
Approved by:	Monitoring Officer
Date	

APPENDIX 2 - RISK MANAGEMENT SCORING MATRIX AND RISK APPETITE

	Minor/Non-Disruptive Impact (1)	Moderately Disruptive Impact (2)	Serious Consequences (3)	Major Consequences (4)
Very Likely (4)	4 (Yellow)	8 (Orange)	12 (Red)	16 (Red)
Probable (3)	3 (Yellow)	6 (Orange)	9 (Orange)	12 (Red)
Possible (2)	2 (Green)	4 (Yellow)	6 (Orange)	8 (Orange)
Unlikely (1)	1 (Blue)	2 (Green)	3 (Yellow)	4 (Yellow)

Risk Levels	Colour
Negligible Risk	Blue
Low Risk	Green
Modest Risk	Yellow
Medium Risk	Orange
High Risk	Red

APPENDIX 3 – RISK DEFINITIONS

LIKELIHOOD

4	Very Likely >90%	<ul style="list-style-type: none"> • Event expected to occur. Has occurred and will continue to do so without action being taken. • Indication of imminent occurrence • There are external influences which are likely to make our controls ineffective
3	Probable 60-90%	<ul style="list-style-type: none"> • There is a moderate exposure to the risk. • Reasonable to expect event to occur within a year. • Has occurred in the past. • Is likely to occur within the Council's planning cycle. • There are external influences which may reduce effectiveness of controls
2	Possible 30-60%	<ul style="list-style-type: none"> • There is a low exposure to the risk. • Little likelihood of event occurring - 1 in 10 years • There is a potential for external influences which may reduce effectiveness of controls
1	Unlikely 0-30%	<ul style="list-style-type: none"> • Extremely remote • Not expected to occur but may do so in exceptional circumstances - 1 in 100 years. • There are few or no external influences which may reduce effectiveness of controls

IMPACT

Score	Description	Indicative Guidelines
4	Major Consequences	<p>The consequence is so bad that urgent action must be taken to improve the situation or prevent it worsening. External support from the Government or other agencies is likely to be needed:</p> <ul style="list-style-type: none"> • Catastrophic loss, delay, or interruption to services • Level of financial loss, additional costs, or loss of assets which the Council is unable to resource without additional Government/External support.

		<ul style="list-style-type: none"> • One off event which would de-stabilise the Council over several years. • The risk will cause the objective not to be reached, causing damage to the organisation's reputation. • Will attract medium to long-term attention of legislative or regulatory bodies. • Major complaints • Significant adverse media interest • Death or life-threatening injury
3	Serious Consequences	<p>The consequences are sufficiently serious to require attention by Cabinet and/or full Council:</p> <ul style="list-style-type: none"> • Loss of key assets or services for an extended time period. • Longer term impact on operational efficiency or performance of the Council or crucial service areas • Financial loss, additional costs or loss of assets which would need a Council decision as the scale of the loss would be outside the Council's budget & policy framework. • The risk would destabilise the Council in the short term. • The intended objectives are unlikely to be met leading to negative impact on the Council's reputation and a significant number of complaints. • Will lead to attention for regulators and External Auditors for a significant time. • Major accident/injuries (but not life-threatening)
2	Moderate/ Disruptive	<p>The consequence is sufficient to require attention by Leadership Team and cannot be managed within a Service Area</p> <ul style="list-style-type: none"> • Significant loss, delay, or interruption to a service. • Medium term impact on operational efficiency or performance • Financial loss, additional costs or loss of assets that is within the Council's budget & policy framework but needs a Statutory Officer decision, Leadership Team decision, Cabinet decision or needs to be drawn to Cabinet's attention.


		<ul style="list-style-type: none"> • The risk will cause some elements of the objective to be delayed or not achieved, causing potential damage to the organisation's reputation. • May attract medium to short term attention of legislative or regulatory bodies. • Significant complaints • Serious accident / injury (but not life threatening)
1	Minor/Non-Disruptive	<p>The consequences can be dealt with as part of the normal day-to-day business by the Team Manager and the Head of Service:</p> <ul style="list-style-type: none"> • Minor loss, delay, or interruption to services • Short term impact on operational efficiency or performance • Negligible financial loss • The risk will not substantively impede the achievement of the objective, causing minimal damage to the organisation's reputation. • No or minimal external interest. • Isolated complaints • Minor accident / injury


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Corporate Risk Register Q4 2025/26






Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
CR001	Finance	12	4	6		Tina Adams	This refers to the ability of the Council to meet its financial commitments and/or the scale and pace of budget cuts. This relates to income and expenditure and includes internal budgetary pressures, savings/growth considerations, external economic changes etc.	Set budget for 2026/27 and the next medium- term plan (FEB 26) Completed. Agree a set of new efficiencies for delivery (Feb 26. Completed Progress individual service budget reviews and zero based budgeting, Waste competed PASC to be carried out in 2025-26. Work ongoing into 2026/27 Further work on Trade waste to understand total cost of service delivery In progress. Ongoing work into 2026/27. Mid Year Review if MTFP (Oct 26) Completed. Upgrade Core Financial	Some overspends relating to staffing issues and related service issues have resulted in significant overspends. Whilst these have been offset by savings generated in other areas the risk of continuing overspends remains significant until service and staffing issues can be resolved. Budget management work within the environment department continues with some dedicated finance resource put in place to enable the detailed analytical work to be undertaken. Due to the ongoing service issues that are directly impacting on budget, this


Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
Page 218								System and Migrate to Cloud Phase 1 (Completed) Transfer Various Functions from Citrix based to web based system (Phase 2 Completed)	work is not expected be concluded quickly and will be ongoing for several months at least. The 26/27 budget was approved at Full Council in March and is balanced. New efficiencies were identified and approved, however but has become apparent that due to some transformation work now not being undertaken in light of LGR the longer term efficiencies will not be realised and will need to come out of the MTFP or be replaced by new efficiencies. Overall the risk remains the same as reported in Quarter 3.
	CR002	Capacity Service Delivery	9	4	9		Tina Adams; Mike Hill; Francesca Whyley	This is about ensuring that sufficient capacity is available to deliver services which meet statutory obligations,	Roll out training and awareness of changes to absence management policy with managers (MAY


Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
Page 219							Council objectives etc and public expectation.	<p>26) Further assess capacity requirement for LGR and resources needed (JULY 2026)</p> <p>Complete Succession Planning process mapping (DEC 26) Managers survey results to be assessed (JULY 2026) Introduction of Mental health first aiders to support staff (SEPT 2026)</p>	resource needed for LGR at this stage has been undertaken with a project support officer now working on the "no regrets" data gathering work and supporting workstreams. Now holding regular briefings with staff on LGR and internal governance process established to ensure effective communication. Capacity continues to be something to watch but no rise in risk levels in Q4, notice from some staff in finance and Property services is likely to impact next reporting period.
	CR003	Health & Safety At Work	12	3	9		Francesca Whyley	<p>This refers to Occupational Health & Safety.</p> <p>Actions for quarter 3 include:</p> <ul style="list-style-type: none"> Continuation of the rollout of Reactec for arm and hand vibration monitoring with 	Slight increase in risk level in Q4 following departmental risk rising to red. Likelihood of injury has increased as failure to engage

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
Page 220								<p>particular emphasis on cemeteries staff. (Jun 26)</p> <ul style="list-style-type: none"> Deal with identified gaps in health and safety training and inductions in Environmental services including emphasis on reporting near misses and providing information for incident reports- Matrix now completed but training to be delivered. (Jun 26) Finalise risk assessments in parks. (JUL 26) More regular fire drills to improve response (JUL 26) 	<p>effectively in the reporting of near misses and accidents or failure to follow through on reporting of incidents so appropriate mitigations can be put in place. Also improved engagement with occupational health required.</p> <p>Actions in relation to training and risk assessments in Waste and Parks have fallen slightly behind. Additional resource has been provided to assist in update of risk assessments with support from Health and safety team.</p>
	CR004	Environmental	12	4	9		Francesca Whyley	<p>This refers to the environmental impact on the public - it could be related to virus type illnesses or</p> <p>Emergency Plan review completion and sign off (JUN 26) Review carbon management plan</p>	<p>Significant work undertaken in Q4 including testing emergency planning exercise for a cyber</p>

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
							environmental incidents such as flooding which impact on health or related to events which have an impact on the natural environment such as pollution/contamination.	(MAY 26)	incident. Business Continuity Plans completed and new emergency on call rota established. The threat level has raised nationally to critical so no reduction in local risk level this quarter.
CR005 Page 221	Contractual Partnerships	12	4	9		Francesca Whyley	This refers to both the risks regarding partnership / contractual activities and the risks associated with the partnership / contract delivering services to the agreed cost and specification.	Agree KPI's for inclusion in Orbis contract (MAR 26) Complete Social Value Policy (JAN 26) Deliver Contract Management Training (JUL 26) Review procurement arrangements with SSP (JUN 26)	Social Value Policy has been approved by Cabinet and ongoing monitoring of outputs will be required. Potential impact on capacity in the procurement team due to LGR impacts on SSP provider, need to review provision early 2026/27 to ensure adequate capacity in procurement function. Capacity has delayed roll out of procurement training in Q4. Risk level increase slightly 6-9 as more

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
									probable that capacity for procurement will be impacted due to LGR process impacting SSP.
CR006	Reputation	12	4	4		Mike Hill; Francesca Whyley	This relates to public perception / expectation and the impact of media attention.	Ensure communications plans in place for key projects (Leisure Transformation/LGR) (Mar 26) Roll out external news updates (Q4) Effective communications plan for Garden waste Scheme Launch (Feb 26)	Risk level reduce last quarter but remains the same for Q4. Comms plans completed for Leisure, effective working with central comms cell for LGR and increased communication with staff through briefings. Positive engagement with garden waste campaign completed in Q4. External news updates rolled out. Capacity following structural changes in comms need to be kept under review
CR007	Infrastructure Assets	16	4	9		Mike Hill; Francesca Whyley	This looks at the loss, protection and damage of physical assets and takes into account the need to maintain, protect, insure and plan	Asset management strategy sign off (JUN 26) Review outcome of temporary accommodation for	Risk level remains unchanged as mitigatory actions not yet completed. Capacity issues in property services have delayed

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
Page 223							for unexpected loss.	suitability and establish maintenance programme.(JUN 26) Maintenance and compliance schedules to be combined across Leisure, properties and Housing. (JUN 26) Complete demolition contract for Front Street (April 26)	approval of Asset Management Strategy and Plan but due for approval early 2026/27. Demolition of Front Street properties is essential procurement complete but contracts need signing off. Ongoing issues with leisure assets resulting in brief closures for pool maintenance at Calverton and Arnold. Delay in receiving condition surveys for assets and TA has also delayed production of Asset management plan for those sites, expected now early 2026/27 which may impact risk.
	CR008	Legislative	12	4	6		Francesca Whyley	This refers to changes to and breaches of current law leading to additional workloads, fines, intervention by regulatory bodies etc.	Project Plan to be developed for future waste changes for simpler recycling March 2026 and Food Waste October 2027 (Jul 26)

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
Page 224								<p>Prepare project plan for roll out of Martyn's Law (JUN 26)</p> <p>Review costings for changes to facilities once guidance published (JUL 26)</p> <p>Preparation for planning changes (AUTUMN 2026)</p>	<p>plan for food waste trial to Cabinet in July 2026.</p> <p>Martyn's Law preparation needs reviewing early 26/27.</p> <p>Renter's Rights Act changes continuing</p>
	CR009	ICT Technology	12	4	6		Francesca Whyley	<p>This relates not only to the impact of Internal technology failure but also changing technological demands and the ability to meet the pace and scale of change.</p>	<p>Start Review ICT policies (JUN 26)</p> <p>Recruitment is now complete and all should be in post early 2026/27. Risk level remains the same, lots of positive work in Q4 to improve intranet security and bring externally hosted websites in line with corporate website to improve security.</p> <p>Other work undertaken to</p>

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
									improve ICT security.
CR010	Projects	12	4	4	■	Tina Adams; Mike Avery; Francesca Whyley	This relates to the effective management of projects to achieve delivery that is on time, to budget and that meet the needs of the organisation.	Est Complete RIBA 3 and 4 for Carlton Active (NOV 26) Decommissioning of Richard Herrod Centre(MAY 26) Complete contract for demolition of Front Street (JUN 26)	No change in risk level. Progression with Carlton Active Project with approval to RIBA 3 and 4. Ambition Arnold project needs progression through demolition of Front Street need to review risk level next reporting period. Performance at year end is good with all projects on track. Need to review this risk category for 2026/27 Annual Delivery Plan approved for 2026/27 with new milestones Performance Boards reviewed to align with new Gedling Legacy plan priorities
CR011	Fraud Bribery Misconduct	12	4	6	■	Tina Adams	Relates to improper actions committed against the Council either internally or by third parties. Including	Renew Anti-Fraud Strategy - Draft Completed in discussion with Internal Audit	Anti Fraud and Corruption Strategy completed and aligned to new guidance, will be going to Audit Committee

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
							frauds, bribery, money laundering and misconduct e.g., theft, falsification of timesheets.	(Scheduled for Audit Committee in June 26) Revised Departmental Fraud Risk Assessments- (Oct 2025- Match 26) Ongoing Actions for Quarter 4 <ul style="list-style-type: none"> Chase up user who are overdue on renewing fraud awareness training - (SEPT 25) complete Consider alternate training methods' for front line staff - This is proving challenging due to resources and logistics of in person training. Alternate methods of training are being explored, however cost is a limiting factor. Proposals will come forward in 2026/27. New Training System and Policy being Drafted to include 	in June 26. Staff with access to a computer has much improved in the last quarter of 2025/26, due to direct contact with staff who were overdue. Results are being compiled. Training for staff without a computer still poses a challenge due to resources, alternate options are being explored with costings. Options will be considered in early 2026/27. The Agresso system risk is currently being considered by SLT who have determined that some risk will need to be accepted due to some option being undeliverable within a reasonable cost. Mitigations are being considered in terms of which audit logs are available and how they

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
								<p>monitoring of Mandatory Training (JAN 26) completed</p> <ul style="list-style-type: none"> • Consider internal audits recommendations on Agresso user access – SLT have agree an option but need some further work on audit logs available within the system. Will take to Audit Committee in 2026/27 once fully agreed, • Complete update on Anti Fraud Strategy and ensure alignment with Gedling priorities Will be going to Audit Committee in June 26. • Implement other internal audits recommendations on the anti fraud strategy (Mar 26) in progress some still outstanding updated being made to Internal Audit. 	<p>can be used to reduce risks. All Agresso user access is now sitting with ICR which has reduced fraud risk significantly. The risk remains the same as quarter 3..</p>

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
								<ul style="list-style-type: none"> • Ensure new requirements of the Economic crime and corporate transparency act are embedded into the anti fraud strategy At Audit Committee in June 26. • Publicise Fraud Communication on Staff Intranet – every 3 months (Complete) • Review, revise and publicise Fraud Response Plan – Completed Will be at Audit Committee in June 26. • In Person training to be undertaken for staff who don't have access to a computer – Logistics and alternate options being considered, (September 26) • Forensic review of other ICT systems including Civica – (In 	

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
								progress – March 2026) – Delayed due to supplier issues will reconvene in 2026–27. User Access review and centralisation (July 2025) – Completed for Agresso	
CR012	Service Standards Performance Management	9	4	4	■	Francesca Whyley	This relates to the setting of acceptable standards and levels of output for a service area and the processes put in place to ensure these are delivered and managed appropriately	Ensure ADP cascaded through 1:1s (MAY 26) Update milestones for 2026/27 on Jura (JUN26)	ADP completed for 2026/27. Performance in Q4 positive with majority of milestones completed. Need to cascade actions for 2026/27 through one to ones
CR013	Information Data	12	4	9	■	Francesca Whyley	Security – this relates to physical and IT security on site and in-transit or inappropriate disclosure of information.	Review Register of Processing Activity in line with audit recommendations (SEP 26) Training on new IDV policy (JUL 26) Review Retention policies (Jul 26)	Risk level remains the same, RoPA review almost completed but review still required of Retention and Disposal policy which has been delayed due to capacity in Legal Services. Audit of FOIs completed

Code	Corporate Risk	Gross Risk	Risk Appetite	Current Risk Score	Trend Icon	Assigned To	Description	Further Action	Q4 Review
								<p>Changes to complaints/FOIs etc system (JUL 26)</p> <p>Review DPIA processes and raise awareness (FEB 26)</p>	<p>with positive outcome. Data Security now a sub-group of LGR Governance workstream.</p>



Report to Audit Committee

Subject: Recruitment of co-opted Audit Committee Member

Date: 23 June 2026

Author: Deputy Chief Executive and Monitoring Officer

Purpose

To seek approval to commence recruitment for another co-opted member on to Audit Committee.

Recommendation

That Members:

- 1) Authorise the Deputy Chief Executive to commence the recruitment process for one independent co-opted member to join the Audit Committee
- 2) Establish an interview panel of 3 members drawn from the membership of the Audit Committee; and
- 3) Agree that the panel, shall bring a recommendation as to appointment to Council
- 4) Agree that the remuneration to Independent Co-opted Members on the Committee be reviewed

1 Background

- 1.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) position statement on audit committees in local authorities and police bodies in England and Wales issued in 2022 sets out the purpose, model, core function and membership of an audit committee. The statement took into account recommendations from the Independent review into the Oversight of Local Audit and Transparency of Local Authority Financial Reporting by Sir Tony Redmonds in 2020 ("the Redmond Review").

- 1.2 In particular the Redmond Review, recommended that Local Authorities appoint at least one independent member to Audit Committee to ensure they have the necessary expertise to carry out their role effectively. As a result of this recommendation, CIPFA were asked to strengthen their guidance in this regard.
- 1.3 The CIPFA position statement builds on the Redmond Review recommendation and states that “CIPFA recommends that each authority audit committee should include at least two co-opted independent members.” This guidance is considered best practice and a number of authorities have already co-opted one or two independent members to Audit Committee. The Independent Members should have the appropriate knowledge and experience to fulfil the role and support the Committee, including sound financial and accounting knowledge. CIPFA have provided some guidance on the person specification required for the role.
- 1.4 The ultimate appointment of the co-opted member, and the effective change in the Audit Committee make -up would require approval from Council.
- 1.5 In March 2024, Audit Committee approved the recruitment of two co-opted members onto Committee. After a recruitment exercise was undertaken, there was only one suitable candidate and in July 2024, Council approved the appointment of Jonathan Causton as an independent co-opted member onto Audit Committee.

2 Proposal

- 2.1 It is proposed that the Audit Committee, in line with CIPFA guidance agrees to the commencement of a recruitment exercise to try and co-opt a second independent member onto Audit Committee. Application packs will be prepared in line with CIPFA guidance and the roles advertised through the Council’s usual recruitment processes.
- 2.2 Applicants will be shortlisted by the Deputy Chief Executive and Chief Financial Officer in consultation with the Chair of Audit Committee and it is proposed that Committee establish an interview panel, of at least 3 members from the Committee to undertake the interview process and recommend suitable candidates for appointment to Council.

3 Alternative Options

- 3.1 The Committee could determine not to recruit another co-opted member to the Committee, however this would be contrary to CIPFA recommendation. It was always envisaged that a second recruitment exercise be run but this was never commenced due to capacity.

4 Financial Implications

- 4.1 On appointment, the co-opted member will be entitled to receive the co-opted members' allowance agreed as part of the Members' Allowances Scheme. The current level of allowance to co-opted members on Audit Committee has not been reviewed since the appointment in July 2024. It is proposed that the Independent Remuneration Panel review the current rates.

5 Legal Implications

- 5.1 Audit Committee do not have authority to appoint independent members to the Committee or agree payment levels so any recommendations must be considered by Council and pay levels considered by the Independent Remuneration panel as they form part of the Member's Allowance Scheme. Whilst it is not a statutory requirement to appoint co-opted members, it is considered best practice by CIPFA for the effective performance of Audit Committees and the Committee should have regard to this.

6 Equalities Implications

- 6.1 There are no equalities implications arising from this report. The recruitment process for the co-opted roles will be inclusive and accessible.

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 There are no carbon reduction/environmental sustainability implications arising from this report.

8 Appendices

- 8.1 Appendix 1 – Job description

9 Background papers

- 9.1 None

10 Local Government Reorganisation

- 10.1 It is recognised that if appointed, the role will only be in existence at this authority until vesting day on the new authority, however, it will be expected that any future Audit Committee established will have independent members and this will be a good opportunity for someone to gain experience in the role and support this Council with key audit decisions as we prepare for LGR.

Statutory Officer approval

Approved by the Chief Financial Officer

Date:

Drafted by the Monitoring Officer

Gedling Borough Council Independent Co-Opted member of The Audit Committee

Job Description

Role

The Independent Member supports the Audit Committee in its role to provide independent assurance to the members of Gedling Borough Council, and its wider citizens and stakeholders, on the adequacy of the risk management framework, the internal control environment of the Council. The Committee provides an independent review of Gedling Borough Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

Role Purpose

As a member of the Audit Committee:

- To review the Council's corporate governance arrangements including the Local Code of Corporate Governance.
- To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, considering internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
- To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- To consider and 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 review the assessment of fraud risks and potential harm to the council from fraud and corruption.
- To consider and monitor the counter-fraud strategy, actions, and resources.
- To have regard to the requirements of the Chair of the Committee and the professional advice of senior officers of the authority including Chief Finance Officer and the Monitoring Officer.
- To consider and approve the annual statement of accounts. Considering 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 ensure that effective audit functions are in place (both internal and external).
- 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.

Person Specification

Essential criteria for this role are as follows (unless stated as desirable):

- Commitment to the Councils Corporate Strategies and values.
- Able to work in a way that demonstrates this commitment and to communicate this enthusiasm to others.
- An ability to be objective, independent and impartial.
- Able to demonstrate an understanding of the legal duties, liabilities and responsibilities of the Council and of the difference between governance functions and management functions.
- Previous board or committee experience is desirable.
- Experience of working in a regulatory environment, ideally with knowledge of financial, audit, risk management or Legal and corporate governance.
- A professional accountancy, financial or legal qualification and recent and relevant financial/legal experience.
- An ability to understand complex situations and reports, as well as the statutory background to those reports.
- Ability to work well as part of a diverse team.
- Strong environmental and strategic awareness and ability to identify emerging external factors that may impact on strategy implementation or plans.
- A good communicator with excellent leadership and interpersonal skills, objective and independent and able to challenge supportively.
- A commitment to Nolan's seven principles of public life, selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- A commitment to adhere to Gedling Borough Councils Code of Governance.
- Be able and willing to devote the necessary time to the role.
- Digitally capable (or be willing to undertake any necessary training) to access information, reports, and communicate electronically.
- Have a commitment to the Council's Equality, Diversity and Inclusion policy and share in its active promotion.
- Good character, without established links to any political party.

Term of Appointment

- You must be a person who:

- Is not a current member or an officer of any local authority,
 - Has not at any time in the last 12 months (ending with the date of that person's appointment) been a member of or an officer of any local authority,
 - Is not the spouse or civil partner of a member or an officer of any local authority.
 - Is not currently a contractor with Gedling Borough Council.
- As an independent member of the Audit Committee, you will normally be expected to attend up to 4 Audit Committee meetings a year (which are usually held in the evening at Gedling Borough Council offices), and to provide further advice and input from time to time.
- You will be required to attend training events relevant to the role as necessary.
- Appointments to the Committee will normally be for a period of up to xxx years, which may be extended for further periods of up to xxx years provided the person concerned still meets the criteria for membership of the Committee.
- The role is paid at £xxx

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