

## **AUDIT COMMITTEE**

**Date and Time :-** Tuesday 9 January 2024 at 2.00 p.m.  
**Venue:-** Rotherham Town Hall, Moorgate Street, Rotherham. S60 2TH.  
**Membership:-** Councillor Baker-Rogers (Chair); Councillors Browne (Vice-Chair), Elliott, Mills and Wyatt  
**Mr. J. Barber, Independent Member**

The business which will be discussed is described on the agenda below and there are reports attached which give more details.

Rotherham Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair or Governance Advisor of their intentions prior to the meeting.

## **AGENDA**

### **1. Apologies for Absence**

To receive the apologies of any Member who is unable to attend the meeting.

### **2. Declarations of Interest**

To receive declarations of interest from Members in respect of items listed on the agenda.

### **3. Questions from Members of the Public or the Press**

To receive questions relating to items of business on the agenda from members of the public or press who are present at the meeting.

### **4. Exclusion of the Press and Public**

To determine whether the following items should be considered under the categories suggested in accordance with Part 1 of Schedule 12A (as amended 2006) of the Local Government Act 1972.

Agenda Item No. 10 Corporate Strategic Risk Register Update has confidential appendices so will be exempt from the press and public.  
(Exempt under Paragraphs 1 and 2 of the Act (Information relating to any individual/information which is likely to reveal the identity of an individual) of Part 1 of Schedule 12(A))

Agenda Item No. 12 (Finance and Customer Services Risk Register) has a confidential appendix so will be exempt from the press and public.  
(Exempt under Paragraph 3 of the Act (Information relating to the financial or business affairs of any particular person (including the authority holding that information))

Therefore, when considering these items, the Chair will move the following resolution:

That under Section 100(A) 4 of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in those paragraphs indicated of Part 1 of Schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006 (information relating to any individual and which is likely to reveal the identity of an individual).

**5. Minutes of the previous meeting held on 28th November, 2023 (Pages 5 - 15)**

To consider and approve the minutes of the previous meeting held on 28<sup>th</sup> November, 2023, as a true and correct record of the proceedings.

**6. Appointment of an Independent Member (Pages 17 - 20)**

**7. Closure of the Accounts 2023/24 (Pages 21 - 47)**

**8. Closure of the Accounts 2023-24 – Timetable (Pages 49 - 53)**

**9. External Inspection Reviews and Audits Update (Pages 55 - 75)**

**10. Corporate Strategic Risk Register Update (Pages 77 - 97)**

**11. Internal Audit Progress Report 1st-30th November, 2023 (Pages 99 - 117)**

**12. Risk Management Directorate Presentation - Finance and Customer Services (Pages 119 - 128)**

**13. Audit Committee Forward Work Plan (Pages 129 - 138)**

**14. Items for Referral for Scrutiny**

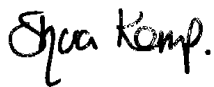
To consider the referral of matters for consideration by the Overview and Scrutiny Management Board.

**15. Urgent Business**

To consider any item which the Chair is of the opinion should be considered as a matter of urgency.

**16. Date and time of next meeting**

The next meeting of the Audit Committee will be held on 12<sup>th</sup> March, 2024 commencing at 2.00 p.m. in Rotherham Town Hall.

A handwritten signature in black ink that reads "Sharon Kemp". The signature is written in a cursive, flowing style.

SHARON KEMP,  
**Chief Executive.**

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**AUDIT COMMITTEE**  
**28th November, 2023**

Present:- Councillor Baker-Rogers (in the Chair); Councillors Browne, Elliott and Wyatt.

Apologies for absence were received from Councillor Mills and John Barber, Independent Member.

**31. DECLARATIONS OF INTEREST**

There were no Declarations of Interest to report.

**32. QUESTIONS FROM MEMBERS OF THE PUBLIC OR THE PRESS**

There were no questions from members of the public or the press.

**33. EXCLUSION OF THE PRESS AND PUBLIC**

Resolved:- That, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for Minute No. 43 (Regeneration and Environment Directorate Risk Register) as defined in the Paragraph 3 indicated of Part 1 of Schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006.

**34. MINUTES OF THE PREVIOUS MEETING HELD ON 26TH SEPTEMBER, 2023**

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 26<sup>th</sup> September, 2023.

**Resolved:-** That the minutes of the previous meeting of the Audit Committee be approved as a correct record of proceedings.

**35. AUDITED STATEMENT OF ACCOUNTS 2022/23**

Further to Minute Nos. 98 and 21 of 7<sup>th</sup> June and 26<sup>th</sup> September, 2023, respectively, Rob Mahon, Assistant Director, and Gareth Mills, on behalf of Grant Thornton, presented the Audited Final Statement of Accounts and the ISA 260 report.

The Committee noted that under the Accounts and Audit (amendment) Regulations 2022, local authorities were required to publish their unaudited accounts no later than 31st May 2023, for the financial year 2022/23, accompanied by a Narrative Report and draft Annual Governance Statement.

At present as part of the draft ISA 260 the following changes have been recommended by Grant Thornton and accepted by the Council, with adjustments made to the Council's accounts.

For the first time since International Financial Reporting Standards have been adopted by the public sector the Council had to consider a net asset position on the IAS19 valuation report. This was an assessment of the Council's current and future liabilities generated by its participation in the Local Government Pension Scheme.

Since the publication of the Draft Statement of Accounts further clarification had been provided via CIPFA Bulletin 15. This was in response to auditors' request (nationally) to provide guidance on the application of IFRIC 14 for Local Authority Local Government Pension Scheme (LGPS) plans in accordance with the Code.

The bulletin supported the requirement for the calculation of the asset ceiling and that authorities should consult their actuaries for this purpose. Prior to the official clarification the Council had worked with Grant Thornton to agree the recommended disclosure in the Final Statement of Accounts.

The actuary reported a revised net surplus/asset position and this had been recognised in the final Statement of Accounts. It should be noted that this did not impact on the Council's usable reserves and would not alter the Council's employer contributions to the pension fund.

The detailed changes to the Statement of Accounts as a result of the change were set out in the ISA 260. In addition, there were a number of minor corrections and presentational changes that have been agreed.

The Committee asked several questions on the key findings and on the Council's current and future liabilities generated by its participation in the Local Government Pension Scheme and the significant impact this was having on South Yorkshire. Prior to the official clarification the Council worked with Grant Thornton to agree the recommended disclosure in the Final Statement of Accounts and was appropriately reflected.

Gareth Mills, on behalf of Grant Thornton, presented the ISA 260 report setting out the overall conclusions from their 2022/23 audit, key findings and other matters arising from the statutory audit and preparation of the Council's financial statements and in doing so drew attention to Rotherham being in the minority of Councils managing to achieve the draft accounts deadline.

The key points were set out in detail as part of Appendix 4. The work was nearing completion and no audit adjustments were identified impacting on the Council's outturn position and useable reserves. However, there was one material adjustment to primary financial statements in relation to the valuation of the Council's share of the defined benefit pension scheme.

Management agreed to update the financial statements to amend for these adjustments and changes.

There were no matters that would require modification of the proposed audit opinion as work neared completion, subject to several outstanding matters relating to completion of the remaining elements of work, responses to equal pay claims and subsequent work, completion of internal quality review processes, reviewing the final signed version of the financial statements, obtaining/reviewing the signed letter of representation and updating the post balance sheet events review.

It was noted the Value For Money work was not yet complete and so the Annual Auditor Report could not yet be issued. It was hoped this could be discussed and agreed with management by the end of January, 2024 and presented back to the Audit Committee in March, 2024.

The Committee in receiving the information noted this was the first time that the defined benefit pension scheme had been recognised and this could be reflected differently in future years given the complexities of the new standards and the impact on useable reserves.

The Committee also sought assurances about the equal pay liabilities and if they needed to be reflected in the financial statements and were advised that due to a substantial amount of work already completed in tackling equal pay, no liability needed to be recognised.

The Committee also noted the detail within the Financial Statements relating to the other communication requirements and matters communicated to those charged with governance.

Management were satisfied that despite the many challenges Rotherham was in a much better position than some other Local Authorities.

The Committee thanked all those involved in the preparation of the Audited Final Statement of Accounts 2022/23.

**Resolved:-** That, having taken due regard of the external audit findings detailed within the ISA 260 report, the 2022/23 Statement of Accounts attached as Appendix 1 be approved for publication as final along with the 2022/23 Narrative Report attached as Appendix 2.

### **36. FINAL ANNUAL GOVERNANCE STATEMENT 2022/23**

Further to Minute No. 99 of the meeting of the Audit Committee held on 7<sup>th</sup> June 2023 the Council's draft Annual Governance Statement (AGS) was reviewed for the 2022/23 financial year. The draft AGS was published alongside the Council's draft financial statements.

This was further reviewed on 26<sup>th</sup> September 2023 ready to be published alongside the Council's financial statements. The review was now complete following receipt of comments from the External Auditors, and changes have been made to the Annual Governance Statement as a result. Most of these changes related to the updating of the position around the Council's financial strategy as well as the implementation of actions arising from the inspection of Special Educational Needs and/or Disabilities.

That review was now complete with a few points raised resulting in minor amendments to the Annual Governance Statement. The report submitted provided an update on the changes made to:-

- Updating paragraphs 3.18 to 3.31 to ensure that references to the Council's Financial Strategy refer to the most up to date position.
- Updating paragraphs 4.7 to 4.12 to reflect further progress in the implementation of the recommendations arising from Special Educational Needs and/or Disabilities (SEND) Inspection.
- The addition of references to the Head of Internal Audit's annual opinion and the role of the Chief Executive and Senior Officers in monitoring standards as key elements of the Council's governance framework in the table at paragraph 2.7.

The full Annual Governance Statement was attached as Appendix A of the report submitted.

The Committee asked for an update on the external review of the Tree Management Protocol and guidance and the Action Plan that had been produced to capture all the recommendations from the reports. Reassurance was provided in that work was ongoing to address some of the issues and the Action Plan would be closely monitored to ensure the actions recommended were completed. An update would be provided at the next meeting of the Audit Committee.

Further information was also sought on the funding arrangements following the COVID-19 pandemic and an update sought.

The Committee were advised the Council acted quickly to support local businesses. They continued to monitor the incidence and impact of Covid throughout the year and it was believed the Council came out of the situation balance neutral.

In response to a further question about the Health and Safety Executive and their investigation it was undertaking into allegations concerning hand/arm vibration, the Council was still waiting on full disclosure and associated summons to attend a hearing.

**Resolved:-** That the 2022/23 Annual Governance Statement be approved.



**37. MID-YEAR TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS MONITORING REPORT - 2023/24**

Consideration was given to the report presented by Rob Mahon, Assistant Director, which detailed how the regulatory framework of treasury management required the Council to produce a mid-year treasury review, in addition to the forward looking annual treasury strategy and backward looking annual treasury outturn report. It was also now a requirement that the prudential indicators as at the end of June 2023/24 were reported.

This mid-year review for 2023/24 incorporated the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's prudential indicators (PIs).

It was also a requirement that any proposed changes to the 2023/24 prudential indicators were approved by Council.

The monitoring as set out in the Appendix to the report was structured to highlight the key changes to the Council's capital activity (the PIs) and the actual and proposed treasury management activity (borrowing and investment).

Reference was made to the key messages for investments, borrowing and governance.

Whilst the Council's approach to Treasury Management in recent years, utilising short term borrowing in particular, had generated significant savings for the Council, essential to achieving balanced budgets, the future outlook was more challenging.

The Committee asked if there was any impact of the conflict in Ukraine, Israel and Gaza and were advised that the increase in borrowing rates could not have been projected by the Council and this more challenging position had been considered as part of the Council's updated Medium Term Financial Strategy.

With increased interest rates for borrowing, as a result of the increases in the Bank of England Base Rate, when the Council did need to borrow, it would be at much higher levels than had been assumed when setting the Council's Budget for 2023/24.

It should be noted that it was expected that borrowing rates have now peaked and would reduce over the next couple of years, linked to the projections that inflation would return back to the Bank of England's target 2% level.

**Resolved:-** That the report be received and the contents noted.

**38. INFORMATION GOVERNANCE ANNUAL REPORT 2022/23**

Consideration was given to the annual report presented by Paul Vessey, Head of Information Management on the Council's compliance with Data Protection and Freedom of Information legislation.

Appendix 1 of the report provided Freedom of Information and Right of Access Requests performance for the last four financial years.

Right of Access requests performance was below the target of 100% completion within the statutory time limits. This was due to the large number that were complex in nature involving large volumes of historical data, children's services and were often linked to CSE.

Despite performance remaining below the statutory target there had been an increase in the number of requests that have been responded to within the statutory time period.

The performance for Freedom of Information requests was below the target of 100% completion within the statutory time limits. The overall number of Freedom of Information Requests received had remained static and there had been an increase in the number of requests responded to within the statutory time period.

Analysis of the data did not raise any significant concerns during the year's performance and no valid Freedom of Information requests have been refused, except for one individual who had a Single Refusal Notice in force for vexatious requests on a specific subject. Requests could be refused if expenditure to provide the detail would exceed £450.

The Committee in noting the detail asked what would happen if the requests were not within the prescribed timeframe and it was pointed out that Freedom of information Requests were being closely monitored and were performing at around 93%. It was the Right to Access Requests that could vary substantially in complexity and workload making analysing, allocating resources and forecasting problematic. Performance would continue to be closely monitored with the focus on improvement.

It was also noted that in the event that a Right of Access Request was complex, an extension could be sought. Refusals were rare.

The differences between the two requests were provided pointing out that the key issue was to ensure that compliance with data protection and freedom of information legislation was maintained.

In terms of Appendix 2 this provided a breakdown of the number and classification of Information Security Incident for 2022/23.

The Council actively encouraged services to report any suspected data incidents and all reported cases are investigated. Monitoring information security incidents enabled the Council to proactively improve the Council's risk profile by learning lessons from an incident and reducing the likelihood of it happening again.

Two data breaches were reported to the Information Commissioner's Office in the 2022/23 financial year. One was inappropriate sharing of information and one was a cyber incident at a third-party contractor. Following full report to the Information Commissioner, no further action was required in either incident.

In noting the breaches the Committee asked what preventative action had been put in place. It was pointed out that the company involved with the cyber incident was no longer involved with the Council and steps had been taken to block certain domains. Whilst every effort was made to prevent any human error the probability of future risk was low.

The Committee asked if year on year comparisons in relation to information security incidents could be provided, which was agreed.

**Resolved:-** (1) That the Data Protection/FOI Annual Report 2022/23 be received and the contents noted.

(2) That it was a requirement that the Council continued its maintenance of its Information Governance policies and processes in compliance with legislation.

### 39. CODE OF CORPORATE GOVERNANCE

Consideration was given to the report presented by Simon Dennis, Corporate Improvement and Risk Manager, which detailed how in April 2016 the Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives published revised guidance on delivering good governance in Local Government. The Council's Code of Corporate Governance was refreshed at the time to comply with this guidance and attached as appendices were the tracked changed and clean documents.

It was good practice to review and revise the Council's Code on an annual basis and in Rotherham monitored quarterly.

The Committee were advised when questions were raised that an evaluation of the refreshed version of the Code had taken place and on comparison to other Local Authorities the Code in Rotherham had captured the necessary detail.

**Resolved:-** (1) That the refreshed version of the Code of Corporate Governance be considered.

(2) That any amendments or further development work deemed necessary be indicated.

**40. RISK MANAGEMENT GUIDE REFRESH 2023**

Further to Minute No. 54 of the meeting held on 29<sup>th</sup> November, 2022, Simon Dennis, Corporate Improvement and Risk Manager, detailed how the changes to the Risk Management Policy were approved by the Cabinet on 23<sup>rd</sup> January 2023. There were no changes proposed to the Policy this year.

Several amendments have been made to the Risk Management Guide to improve its clarity and readability and to correct a small number of typographical errors. None of the amendments changed the Council's overall risk management processes. The detail of these changes were set out as part of the report.

Over the coming year, work would continue to ensure the Council's approach to risk management was well embedded across all projects and all staff, by providing training, clear guidance, supporting the Risk Champions and reporting according to agreed timelines.

The Committee welcomed the independent review by the Council's external risk management advisor and how work was continuing to implement the principles contained in the Risk Management Guide and to further embed risk management processes across the Council's operations.

It was also noted that the Strategic Risk Register was reviewed quarterly at the Strategic Leadership Team and the Directorate Risk Registers were reviewed monthly at Directorate Leadership Team meetings, with risk owners monitoring risks on an ongoing basis. The Risk Management Group, which included the Risk Champions, continued to meet bi-monthly to co-ordinate and drive risk management development throughout the Council.

The Council also benefited from a number of free days/offers from the external risk consultants which were shared with other departments when deemed necessary. Other departments would be notified of any offers available in due course and details shared.

**Resolved:-** (1) That the report be received and the contents noted.

(2) That the refreshed Risk Management Guide be approved.

**41. INTERNAL AUDIT CHARTER REVIEW AND UPDATE**

Consideration was given to a report presented by Louise Ivens, Head of Internal Audit, which provided details of the Internal Audit Charter which was effectively the Terms of Reference of the Internal Audit Department.

It was aligned to the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN), which were mandatory for all Local Government Audit Departments. It also took account of the contents of the CIPFA Statement on the Role of the Head of Internal Audit.

The Charter must be reviewed periodically and presented to the Audit Committee for approval. The review was now complete and there were no requirements for change with minimal changes to the Charter.

**Resolved:-** That the Internal Audit Charter be approved.

**42. INTERNAL AUDIT PROGRESS REPORT FOR THE PERIOD 1ST SEPTEMBER TO 31ST OCTOBER 2023**

Consideration was given to a report presented by Louise Ivens, Head of Internal Audit, which provided a summary of Internal Audit work completed during 1st September to 31<sup>st</sup> October, 2023, and the key issues that had arisen therefrom.

The current position of the plan provided sufficient coverage for the Head of Internal Audit to provide their annual opinion at the end of the year and would be kept under review throughout the year. The plan attached as part of the report showed the position at the end of October 2023. In the year to date the service had delivered 601 days of productive work, showing it was on target for the year as a whole.

Internal Audit provides an opinion on the control environment for all systems or services which were subject to audit review. The report detailed the audit opinions and a brief summary of all audit work concluded in the last quarter. Nine audits have been finalised since the last Audit Committee, including one with Partial Assurance.

In addition to the planned audit assurance work, Internal Audit also carried out unplanned responsive work and investigations into any allegations of fraud, corruption or other irregularity. There have been no investigation reports issued since the last meeting of the Audit Committee.

Internal Audit's performance against a number of indicators was also summarised. One audit exceeded the time budget and available productive time was affected by staff training.

Reference was made to the Internal Audit Performance Indicators and whether the targets should be stretched slightly. The Audit Committee were advised that they will be reviewed in the forthcoming year, by benchmarking against other authorities and taking into consideration more detailed findings of the customer satisfaction surveys.

The Committee was advised the Audit Plan was flexible, was on track with performance and would be reviewed to ensure it focused on current risks. This would be revised and presented to the next meeting of the Audit Committee.

In terms of the “Partial Assurance” opinion on Building Security the Committee were advised that this was a follow up audit of a previous review of Building Security and a number of robust actions had already been implemented, significant improvements made and some of the risks removed entirely.

The Committee welcomed the actions already taken, but suggested a presentation be included as part of the next meeting of the Audit Committee on progress.

**Resolved:-** (1) That the Internal Audit work undertaken since the last Audit Committee, 1<sup>st</sup> September to 31<sup>st</sup> October, 2023, and the key issues that have arisen from it be noted.

(2) That the information contained regarding the performance of Internal Audit and then actions being taken by management in respect of their performance be noted.

(3) That a presentation on progress be included on the next agenda of the Audit Committee.

#### 43. **REGENERATION AND ENVIRONMENT DIRECTORATE RISK REGISTER**

Paul Woodcock, Strategic Director Regeneration and Environment, supported by Simon Moss (Planning, Regeneration and Transport) and Sam Barstow (Community Safety and Street Scene), presented a report providing details of the Risk Register and risk management activity within the Regeneration and Environment’s Directorate.

The Committee were advised there were two of the Directorate risks also on the Strategic Risk Register.

The report detailed the key risks on the current Regeneration and Environment Risk Register which were directorate wide and across the workforce. There were recruitment challenges in certain areas which was reflective of the wider economy.

The Committee made reference to and expressed their concern about the four risks (red rating) and an explanation as to how the risk was being managed and measured was provided.

It was, therefore, suggested that the risk management activity in the Regeneration and Environment Directorate be included on the agenda of the 12<sup>th</sup> March, 2024 meeting of the Audit Committee for a progress update.

**Resolved:-** (1) That the progress and current position in relation to risk management activity in the Regeneration and Environment Directorate be noted.

(2) That the risk management activity in the Regeneration and Environment Directorate be included on the agenda of the 12<sup>th</sup> March, 2024 meeting for a progress update.

**44. AUDIT COMMITTEE FORWARD WORK PLAN**

Consideration was given to the proposed forward work plan for the Audit Committee covering the next year. The plan showed how the agenda items related to the objectives of the Committee. It was presented for review and amendment as necessary.

The only amendments were for the addition of the Value for Money Opinion for a verbal update at the January meeting and then to be on track for presentation at the March meeting.

**Resolved:** That the Audit Committee forward work plan, as now submitted, be approved, subject to the inclusion indicated above.

**45. ITEMS FOR REFERRAL FOR SCRUTINY**

There were no items for referral.

**46. URGENT BUSINESS**

There was no urgent business to be considered.

**47. DATE AND TIME OF NEXT MEETING**

**Resolved:-** That the next meeting of the Audit Committee take place on Tuesday, 9<sup>th</sup> January, 2024, commencing at 2.00 p.m. at the Town Hall.

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**Committee Name and Date of Committee Meeting**

Audit Committee – 09 January 2024

**Report Title**

Audit Committee – Appointment of an Independent Member

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report**

Jo Brown, Assistant Chief Executive

**Report Author(s)**

Emma Hill, Head of Democratic Services

[Emma.hill@rotherham.gov.uk](mailto:Emma.hill@rotherham.gov.uk)

**Ward(s) Affected**

Borough-Wide

**Report Summary**

On 19 July 2023, Council resolved to amend the Audit Committee Terms of Reference to include provision for a second independent member. Prior to this, the Committee was comprised of five Councillors and one independent person.

Following the amendment to the Terms of Reference, a recruitment exercise had been undertaken. This report is submitted for the Audit Committee to recommend that the Council appoints Alison Hutchinson until January 2028 (4 year term).

The term of the current independent member, John Barber will expire in 2024. During the recruitment exercise a second candidate was also considered to be suitable for the role. This report recommends that Michael Olugbenga-Babalola is appointed to the role when the current independent member's term expires.

**Recommendations**

1. That Council be asked to note the appointment of Alison Hutchinson as an Independent Member of the Audit Committee until January 2028 (4 year term).
2. That Council be asked to note the appointment of Michael Olugbenga-Babalola as an Independent Member of the Audit Committee for a term of 4 years upon cessation of the term of the current independent member, John Barber.

**List of Appendices Included**

None

**Background Papers**

[Report - Annual Review and Adoption of the Consultation - Council - 19 July 2023](#)  
[Audit Committee Terms of Reference](#)

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**  
Council – 17 January 2024

**Council Approval Required**

Yes

**Exempt from the Press and Public**

No

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**1. Background**

- 1.1 In 2015, the Council amended the Terms of Reference of the Audit Committee to include provision for the appointment of an Independent Member.
- 1.2 At its meeting on 14 March 2023, the Audit Committee approved proposals to recommend to Council amendments to the Terms of Reference for the Committee. This was considered following updates to the CIPFA Guidance for audit committees and these recommendations were adapted for this Council.

**2. Key Issues**

- 2.1 Following the change to the Terms of Reference, a recruitment process was undertaken. Two candidates were considered suitable for the role. One role is currently occupied by John Barber, whose term will cease in 2024.
- 2.2 Alison Hutchinson and Michael Olugbenga-Babalola are considered to have the appropriate skills and experience required of independent members of the Audit Committee.

**3. Options considered and recommended proposal**

- 3.1 Option 1  
Appoint Alison Hutchinson to the vacant position– this is the recommended option as a thorough recruitment process was undertaken and Alison was a successful candidate. Appoint Michael Olugbenga-Babalola as the second independent member, to take up the role once John Barber’s term of office ceases.
- 3.2 Option 2  
Refuse to appoint – this is not recommended as the Terms of Reference for the Audit Committee require two Independent Persons on the membership. Refusal to appoint either candidate would mean that the Council would have to restart the recruitment process.

**4. Consultation on proposal**

- 4.1 There has been no consultation on this proposal.

**5. Timetable and Accountability for Implementing this Decision**

- 5.1 If Audit Committee resolve to recommend the appointment to Council, the report will be presented for Council approval on 17 January 2024.
- 5.2 If approved by Council in January 2024, the decision would be implemented with immediate effect.
- 5.3 The Head of Democratic Services is responsible for actioning the appointment.

**6. Financial and Procurement Advice and Implications**

- 6.1 The allowance for the Independent Members of the Audit Committee is £745 per annum and is already included in the budget for Member Allowances. Any costs associated with the recruitment of an Independent Member have been met within existing budgets. There are no further financial or procurement implications associated with this proposal.

**7. Legal Advice and Implications**

- 7.1 There are no legal implications associated with this proposal beyond ensuring that the Council complies with the provisions of the Constitution, which is discussed earlier in this report.

**8. Human Resources Advice and Implications**

- 8.1 There are no Human Resources implications associated with this proposal.

**9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 There are no implications of children and young people or vulnerable adults arising from this report.

**10. Equalities and Human Rights Advice and Implications**

- 10.1 There are no equalities or human rights implications arising from this report.

**11. Implications for CO<sub>2</sub> Emissions and Climate Change**

- 11.1 There are no implications for CO<sub>2</sub> Emissions and Climate Change.

**12. Implications for Partners**

- 12.1 There are no implications for partners associated with this report.

**13. Risks and Mitigation**

- 13.1 The appointment of a second suitably skilled and experienced independent member will strengthen the review of risk management by the Audit Committee and consequently improve the Council's governance arrangements.

**Accountable Officer(s)**

Emma Hill, Head of Democratic Services

Louise Ivens, Head of Internal Audit

This report is published on the Council's [website](#).

**Committee Name and Date of Committee Meeting**

Audit Committee – 09 January 2024

**Report Title**

Closure of the Accounts 2023/24

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report**

Judith Badger, Strategic Director of Finance and Customer Services

**Report Author(s)**

Ian Bagshaw (Finance Manager – Financial Accounting)

Finance & Customer Services Directorate

01709 249938 [ian.bagshaw@rotherham.gov.uk](mailto:ian.bagshaw@rotherham.gov.uk)

**Ward(s) Affected**

Borough-Wide or Choose an item.

Choose an item.

**Report Summary**

The principal objective of the Council's annual financial statements is to make the Council accountable to a range of local and national stakeholders over the stewardship of its resources.

It is therefore important that the Council's financial statements are prepared in accordance with recognised accounting standards so that they can be relied upon by users of the accounts.

This report brings to Members attention the main changes to the local authority accounting framework in 2023/24, including their effect on the Council's accounting policies, and to the statutory framework for preparing and reporting local authority financial statements (the Accounts and Audit Regulations 2015).

The report also reminds Members that the Audit Committee, as the body in the Council charged with governance, will need to formally approve the audited Statement of Accounts. This approval is covered in more detail elsewhere on the agenda and is the end of September for the current year.

**Recommendations**

1. Audit Committee is asked to note the key accounting issues and main changes to the accounts in 2023/24 listed in Appendix A;
2. Audit Committee is asked to note the Councils revised Accounting Policies attached at Appendix B.

**List of Appendices Included**

Appendix A Key accounting issues and changes to the accounts in 2023/24

Appendix B RMBC Accounting Policies

**Background Papers**

CIPFA Code of Practice on Local Authority Accounting 2023/24

Accounts and Audit Regulations 2015

The Accounts and Audit (Amendment) Regulations 2022

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## **Closure of the Accounts 2023/24**

### **1. Background**

- 1.1 The Code of Practice on Local Authority Accounting (the Code) together with the Accounts and Audit Regulations set the accounting and statutory framework for local authority financial reporting.
- 1.2 The Code is based on internationally recognised accounting standards (International Financial Reporting Standards (IFRS)). These form the basis for large private sector companies financial reporting. However, the funding of Local Government by central government and local tax payers is in some key aspects very different from that under IFRS. This makes local authority financial statements complex and difficult to interpret due to the need to reconcile the Council's financial performance and financial position under IFRS with that under the arrangements for funding local government.
- 1.3 The introduction of the faster closedown requirements from 2017/18 presented challenges and as part of meeting the challenges CIPFA encourage local authorities to focus on material items only in their financial reporting. Materiality for financial reporting purposes is fundamental. It determines the amount by which items or disclosures within the financial statements would need to be misstated before it would influence the understanding or a decision a reader of the accounts might make. An item is not material if its omission or misstatement would not influence such decisions or understanding. The Council's materiality level for 2023/24 hasn't yet been confirmed by Grant Thornton but for information the overall materiality for the 2022/23 accounts was £9.409 million, with differences of less than £470,000 being considered trivial.

### **2. Key Issues**

#### **Timetable**

- 2.1 Although the historic decision to bring forward the timetable for publishing Local Authorities financial statements was a major challenge the Council successfully met the 2017/18 and 2018/19 timeframes in closing its accounts. However, members will be aware that due to the unprecedented circumstances due to COVID 19 the closure of accounts deadlines were extended in 2019/20, 2020/21 and 2021/22.
- 2.2 The Accounts and Audit (amendment) Regulations 2022 came into force on 22<sup>nd</sup> July 22 and extended the deadline for the publication of final audited accounts to 30<sup>th</sup> November for 2021/22 accounts and then 30<sup>th</sup> September for 2022/23 accounts and the following 5 years. The deadline for publishing unaudited accounts reverted back to the 31<sup>st</sup> May for the 2022/23 accounts. The Council met this deadline but due to capacity issues in the audit industry fully audited accounts were not signed off and published until December 2023. The Council

is confident that the closure deadlines can be met for 2023/24 accounts. Meeting the 30th September deadline for final audited accounts will depend on the available capacity of the Council's auditors.

### **Accounts and Audit Regulations 2015 – Local elector rights**

- 2.3 The Local Audit and Accountability Act 2014 confers on local electors the right to inspect the accounting records, books, deeds, vouchers, contracts, bills and other documentation relating to the financial year in question. It also gives them the right to question the auditor about the accounting records or make a formal objection on a matter of public interest or because they think an item of account may be unlawful.
- 2.4 Under the Accounts and Audit Regulations 2015, local electors can only exercise their rights of inspection and to question the auditor or make formal objections for a single period of 30 working days commencing the day after the unaudited accounts have been published.
- 2.5 As accountability to the local electorate is an important part of the governance of the Council, notice of the inspection period will be advertised on the Council's website in advance of the unaudited financial statements being published.
- 2.6 A further consideration is that in order for the inspection period to commence, the Annual Governance Statement and Narrative Report (introduced by the Accounts and Audit Regulations 2015) will need to be published alongside the Council's unaudited financial statements on the Council's website. The timetable for preparing the Annual Governance Statement and Narrative Report is therefore being co-ordinated with the publication of the draft unaudited Statement of Accounts to meet this requirement.

### **Local Authority Accounting Framework**

- 2.7 The implementation of IFRS 16 within Local Authorities has now been confirmed as taking place in 2024/25. This disclosure will see the removal of operational leases, with lessees expected to recognise all leases on their balance sheet as a right of use asset and a liability to make the lease payments. Although implementation of the standard will take place in 2024/25 there will be the need for an assessment of the impact of the new standard as part of the 2023/24 accounting process.
- 2.8 Major changes to service delivery that have taken place in 2023/24 will also have a bearing on the financial statements. This includes the continuing effect of schools converting to academies.
- 2.9 The Council's Statement of Accounting Policies is attached as Appendix B. These policies are reviewed and updated where necessary.



- 2.10 There is a national issue with Local Authority treatment for infrastructure assets. This relates to the way components of infrastructure expenditure are derecognised when new expenditure is incurred. A statutory override came into force in December 2022 that allowed LA's to assume that the carrying amount to derecognise is zero. This enabled auditors to give an unqualified audit opinion on the Council's accounts. This override is in force until 31<sup>st</sup> March 2025. The council will utilise the override again for the 2023/24 accounts. The Council is working to assess the processes that need to be put in place to ensure the treatment of infrastructure assets is compliant when the statutory override expires.

### **3. Options considered and recommended proposal**

- 3.1 There is no discretion on whether to comply with the Code or the Accounts and Audit Regulations. The purpose of the recommendations is simply for Audit Committee to note the changes to the local authority accounting framework in 2023/24 and to note the actions being taken by officers to ensure that they are being implemented.

### **4. Consultation on proposal**

- 4.1 Close liaison continues to be maintained with the Council's External Auditors to ensure that complex accounting issues and action taken in response to changes to the local authority accounting framework are agreed in advance of the financial statements being prepared.

### **5. Timetable and Accountability for Implementing this Decision**

- 5.1 The Accounts and Audit (amendment) Regulations 2022 came into force on 22<sup>nd</sup> July 2022 and revised the statutory deadline for publishing the audited financial statements to 30 September for 2022/23 accounts and the subsequent 5 years. The deadline for the Council to produced and publish draft accounts reverted back to the 31<sup>st</sup> May for the 2022/23 and subsequent accounts as per the Accounts and Audit Regulations 2015.

### **6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)**

- 6.1 There are no financial or procurement implications directly associated with closure of the accounts, other than the impact on the audit fee of having good quality financial statements and supporting working papers which meet Grant Thornton's expectations.

### **7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)**

- 7.1 None, other than ensuring compliance with the requirements of the Accounts and Audit Regulations 2015.

**8. Human Resources Advice and Implications**

8.1 There are no Human Resource implications arising from the report.

**9. Implications for Children and Young People and Vulnerable Adults**

9.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

**10. Equalities and Human Rights Advice and Implications**

10.1 There are no implications arising from this report to Equalities and Human Rights.

**11. Implications for Partners**

11.1 The NHS requires information on how the pooled budgets operated under the Better Care Fund have been spent to an earlier timetable than that of the Council. Arrangements have been made to ensure this earlier timetable is met. There are no other implications arising from this report to Partners.

**12. Risks and Mitigation**

12.1 Robust project management arrangements have been put in place to ensure that the timetable is adhered to and quality standards met.

**13. Accountable Officer(s)**

Judith Badger (Strategic Director of Finance & Customer Services)

## Appendix A

**KEY ACCOUNTING ISSUES / CHANGES TO THE ACCOUNTS**

Area of accounts	Issue	Action taken
IFRS 16 Leases	<p>IFRS 16 removes the previous lease classifications of operating and finance leases for lessees and it requires that a right-of-use asset be recognised for all leases (there are exemptions for short-term and low value leases) with a corresponding lease liability representing the lessee's obligation to make lease payments for the asset.</p> <p><b>The implementation of IFRS 16 is now confirmed to be taking place in April 2024. As part of the Council's accounts for 2023/24 it must disclose the estimated impact of IFRS 16.</b></p>	Initial assessments of any operational leases the Council holds is being carried out with a view to preparing a draft note for the 2023/24 accounts on the impact of the IFRS, further work is being done to ensure the Council is compliant by April 2024.
Infrastructure Assets	There is a national issue with local authority treatment for infrastructure assets. This relates to the way components of infrastructure expenditure are derecognised when new expenditure is incurred. A statutory override came into force in December 2022 that allowed LA's to assume that the carrying amount to derecognise is zero. This enabled auditors to give an unqualified audit opinion on LA accounts. This override is in force until 31 <sup>st</sup> March 2025. The council will utilise the override again for the 2023/24 accounts but will need to put measures in place for when the override expires.	Initial work is taking place to identify what information is required to account for infrastructure assets. This will ensure the Council is compliant when the override expires.
Schools converting to academy	During the course of 2023/24, a further primary school and 2 special schools have converted to an academy. The impact on the Council's balance sheet and income and expenditure has yet to be determined but is likely to be material.	The Narrative Report will highlight the impact.

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## **A STATEMENT OF ACCOUNTING CONCEPTS AND POLICIES**

### **1 General Principles**

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 ("the Code"), supported by International Financial Reporting Standards (IFRS).

The objective of the Statement of Accounts is to provide information about the Council's financial performance, financial position and cash flows that is useful to a wide range of stakeholders in assessing the Council's stewardship of its resources.

Fundamental to making this assessment is that information is both relevant and faithfully represented.

A key feature of relevance is materiality. Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information presented in the Statement of Accounts. Conversely, there is no need to comply with the accounting principles or disclosure requirements of the Code where information is not material.

Information is faithfully represented if it is complete, unbiased and properly determined using appropriate estimation techniques and judgements.

The accounting policies are the principle bases, conventions, rules and practices that specify how the effects of transactions and other events are reflected in the Statement of Accounts. The accounting policies and estimation techniques selected are those that best assist users in their understanding of the financial information presented or disclosed in the Statement of Accounts. The expectation is that this will be achieved by selecting accounting policies that are compliant with the Code.

Consistent policies are applied both within the year and between years. Where policies have changed the reason and effect is disclosed.

The underlying assumptions made in preparing the Statement of Accounts are that financial performance is reported on an accruals basis and that the Council is a going concern.

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

The CIES is reported using total cost principles under international financial reporting standards and not the way in which local government is funded. The income and expenditure reported in the CIES will not therefore correspond to the outturn charged to the General Fund and HRA reported against the Council's budget.

Note 1 in the Notes to the Core Financial Statements, the "Funding and Expenditure Analysis" provides a high level reconciliation of the expenditure analysis reported in the CIES to the net amount charged to the General Fund and HRA which is to be met by taxpayers and council house tenants together with additional disclosure on material reconciling adjustments.

## **2 Changes in Accounting Policies and Estimates and Errors**

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied unless the Code specifies that the change should be applied prospectively.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change.

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

## **3 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.

The general principle is that revenue is measured at the fair value of the consideration received which, in most transactions, will be the amount of cash and cash equivalents receivable. This position is in accordance with IFRS 15 Revenue from Contracts with Customers.

Revenue is recognised when the Council satisfies a performance obligation by transferring a promised good or service to a service recipient, this can be over a period of time or at a point in time.

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 those rendered by the Council's officers) are recorded as expenditure when the services are received, rather than when payments are made.

Interest payable on borrowings (other than that capitalised on qualifying assets) and receivable on investments 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 have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Where the Council acts as an agent for another party, income and expenditure are recognised only to the extent that commission is receivable by the Council for the agency services rendered or the Council incurs expenses directly on its own behalf in rendering the services.

## **4 Overheads and Support Services**

Support services are operated, managed and reported as separate segments they are not apportioned across services but instead reported separately in their own right in the Comprehensive Income and Expenditure Statement. Under the Council's current structure such costs predominantly fall within Assistant Chief Executive's or Finance and Customer Services Directorates.

## **5 Debtors**

Debtors are recognised when the Council has delivered or tendered a supply of goods or services. They are recognised and measured at fair value when revenue has been recognised, except for a financial asset where they form part of the asset's carrying value (see accounting policy note 21). Amounts paid in advance of the receipt of goods/services are recognised as a prepayment.

## **6 Creditors**

Creditors are recognised when the Council receives a supply of goods or services. They are recognised and measured at fair value of the consideration payable except for a financial liability where they form part of the liability's carrying value (see accounting policy note 21). If consideration is received but the revenue does not meet the revenue recognition criteria, a receipt in advance is recognised.

## **7 Tax Income (Council Tax, and National Non-Domestic Rates)**

### Council Tax

Council Tax collection is an agency arrangement. Income shown within the Comprehensive Income & Expenditure Statement is the Council's share of the year's accrued income. The difference between this and the amount transferred to the General Fund under statute (representing the demand on the Collection Fund for the year together with the Council's share of the previous year's surplus or deficit which is distributed or recovered) is taken to the Collection Fund Adjustment Account. Debtors are shown exclusive of the proportions attributable to major preceptors.

### National Non-Domestic Rates (NNDR)

NNDR collection is an agency arrangement. Business rate income within the Comprehensive Income & Expenditure Statement is the Council's share of the accrued business rate income for the year. The difference between this and the amount transferred to the General Fund under statute (representing the Council's share of the estimated business rate income for the year together with the Council's share of the previous year's surplus or deficit which is distributed or recovered) is taken to the Collection Fund Adjustment Account. The central share (after allowable deductions) of business rate income is paid out of the Collection Fund to central government. Growth in business rate income in an Enterprise Zone area, business rate income from renewable energy schemes and from businesses in New Deal areas is wholly attributable to the Council and transferred in full to the General Fund on an accruals basis. Debtors are shown exclusive of the proportions attributable to major preceptors.

## **8 Inventories**

Inventories are measured at the lower of cost and net realisable value except where acquired through a non-exchange transaction when cost is assumed to be equal to fair value at the acquisition date.

Inventories are measured at the lower of cost and current replacement cost where held for distribution at no charge or for a nominal charge.

The cost attributed to identify inventory is assigned using the first-in, first-out (FIFO) basis.

## **9 Cash and Cash Equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

## 10 Provisions, Contingent Liabilities and Contingent Assets

### Provisions

A provision is recognised when:

- there is a present obligation (legal/constructive) as a result of a past event,
- it is probable a resource outflow will be required to settle the obligation, and
- a reliable estimate of the amount can be made.

For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and is 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 each reporting date and adjusted to reflect current best estimates. 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.

If some or all of the expenditure required to settle a provision is expected to be reimbursed (e.g. an insurance claim), this is recognised when it is virtually certain that if the obligation is settled reimbursement will be received. The reimbursement is treated as an asset but the amount recognised does not exceed the amount of the provision.

### Contingent Liability

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

A contingent liability is not recognised in the financial statements but disclosed as a note to the accounts. If it becomes probable that a resource outflow will be required for an item previously dealt with as a contingent liability, a provision is recognised.

### Contingent Asset

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

A contingent asset is not recognised in the financial statements but disclosed as a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential. If it has become virtually certain an inflow will arise and the asset's value can be measured reliably, a debtor and related revenue are recognised.



## 11 Reserves

The Council sets aside specific amounts as usable reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. 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/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated 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 unusable reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources for the Council – these reserves are explained in the sections relating to the relevant policies.

## 12 Government and Non-Government Grants

Government grants and third-party contributions, including donated assets are recognised as due when there is reasonable assurance that;

- the Council will comply with the conditions attached to them, and
- the grants and contributions will be received.

Where conditions of grant remain outstanding which could give rise to grant being repaid, grant is carried in the balance sheet as grant received in advance.

Conditions are stipulations that give the grant funder or donor the right to the return of their monies if it is not used for the purpose specified.

Revenue grants or contributions are credited to the relevant service line within net cost of services if specific or to Taxation and Non-Specific Grant Income if general or non ring-fenced.

Capital grants are credited to Taxation and Non-Specific Grant Income as general grant, but then reversed out of the General Fund Balance in the Movement in Reserves Statement. Where capital grant has been recognised but has yet to be used to finance capital expenditure, it is credited to the Capital Grants Unapplied Account within reserves. Capital grant that has been used for financing purposes is transferred to the Capital Adjustment Account.

## 13 Non-current Assets – Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

### Recognition

Expenditure on the acquisition and creation of or which add to Property, Plant & 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 Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

### Measurement

Assets are initially measured at cost, comprising:

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

- the initial estimate of the costs of dismantling, removing or restoring an asset where the Council has an obligation to do so and is required to make provision for these costs.

**Borrowing Costs** - The Council has adopted a policy under IAS 23 'Borrowing Costs' to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. In implementing a policy of capitalisation of borrowing costs the Council has determined what it sees as a qualifying asset and what the borrowing costs are, that are to be capitalised.

- **Qualifying Assets** – Assets that take a substantial period of time to get ready for their intended use or sale, where this would cause a significant balance of borrowing costs to accrue.
- **Borrowing costs** – Where the Council borrows to specifically fund a scheme the amount that is capitalised is the actual cost of borrowing less investment income. Where funds are borrowed generally a capitalisation rate is used based on the weighted average of borrowing costs during the period.

The Council only capitalises borrowing costs when in addition to the above it becomes probable that the capital expenditure will result in future economic benefits or service potential to the Council; and that the borrowing costs can be measured reliably.

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 bases:

- infrastructure, community assets – depreciated historical cost,
- property, plant and equipment and intangible assets under construction are measured at historical cost,
- dwellings – current value based on existing use value for social housing (EUV-SH),
- all other assets – current value based on existing use (existing use value – EUV) for non-specialised operational assets where there is an active market or where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost.
- Should an asset be re-classified as a Surplus Asset, it will be measured at fair value. Should an asset be re-classified as an Asset Held for Sale, it will be measured at the lower of carrying value and fair value less cost to sell.

Depreciated historical cost is used as a proxy for current value for relatively short life assets such as vehicles, plant and equipment.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum they are revalued every five years. In support of this the Council carries out an annual review of its assets for impairment. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains unless they reverse a previous revaluation or impairment loss in which case they are credited to the relevant service line within net cost of services.

Where decreases in value are identified, the revaluation loss is accounted for by:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains),

- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

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

## Impairment of Assets

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

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

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

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

## Disposals

The carrying amount of an item is derecognised:

- on disposal through, for example, sale, donation, granting of a finance lease or transfer, or
- when no future economic benefits or service potential are expected from its use or disposal as a result, for example, of it being abandoned, scrapped or decommissioned.

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. Fair value is the price that would be received from the selling the asset in an orderly transaction between market participants under the conditions prevailing at the end of the reporting period. Fair value for social housing being disposed of under Right to Buy (RTB) legislation is the discounted RTB value. Depreciation is not charged on Assets Held for Sale.

Assets held solely to earn rentals or for capital appreciation purposes are classified as investment properties.

Non-operational property, plant and equipment which do not meet the criteria for reclassification as either Assets Held for Sale or investment properties are held within property, plant and equipment as Surplus Assets. Surplus Assets are carried in the balance sheet at their fair value and revalued immediately prior to disposal if the current carrying value is materially different in order that the proper gain or loss on disposal can be determined.

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited

to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals is payable to the Government. 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 Council's underlying need to borrow (the Capital Financing Requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

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

## Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives, the depreciable amount being an asset's depreciated historic cost or fair value at the start of the financial year. No depreciation is charged in the year in which an asset is first made ready for use. A charge is made in the year in which an asset is derecognised or classified as held for sale. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the Council's valuer (Council dwellings over 30 Years, other buildings and non-operational properties up to 100 years)
- vehicles – a reducing balance method over the useful life of the asset, as advised by a suitably qualified officer (Up to 10 years)
- infrastructure – straight-line allocation over determined useful life of the asset
- plant, equipment and computers – straight-line allocation over the useful life of the asset as advised by a suitably qualified officer (plant and equipment up to 15 years and computers/office equipment up to 10 years).

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. Componentisation will take place as assets are acquired, enhanced, replaced or revalued.

Revaluation gains/losses 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.

## **14 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 Non-Current Assets attributable to the service.

The Council is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. This is known as the Minimum Revenue Provision (MRP) and the policy is detailed below. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

Depreciation, revaluation and impairment losses represent a “real” charge to the HRA to be met by rent payers. Depreciation, revaluation and impairment losses are determined in accordance with the new “Item 8 Credit and Item 8 Debit (General) Determination” which came into effect from 1 April 2017. That determination allows the Council to reverse out impairment and revaluation gains and losses relating to both council dwellings and non-dwellings.

#### Minimum Revenue Provision (MRP)

Prudent provision (MRP) is made annually for the repayment of debt relating to capital expenditure financed by borrowing or credit arrangements. The amount charged is determined having regard to the relevant statutory requirements and related guidance on MRP issued by MHCLG.

## **15 Leases and Lease-Type Arrangements**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification. Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets. The Council will recognise a lease where the contract for the individual asset exceeds £25k.

### **(a) Finance Leases – Council as Lessee**

An asset held under a finance lease is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease’s inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the asset – applied to write down the lease liability, and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The apportionment is done in such a way as to produce a constant rate of interest on the outstanding liability in each period over the lease term

An asset recognised under a finance lease is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset’s estimated useful life.

The Council is not required to raise council tax to cover depreciation, revaluation and impairment losses arising on leased assets. Instead, a Minimum Revenue Provision is made towards the deemed capital investment in accordance with statutory requirements and the

Council's policy for determining MRP. Depreciation, revaluation and impairment losses are therefore replaced by the revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

## (b) Operating Leases – Council as Lessee

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

## (a) Finance Leases – Council as Lessor

Where the Council grants a finance lease over an asset, 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 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 Council'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 (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- an amount to write down the net investment in the lease including 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 will be 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 future rentals are paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset. 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 appropriated from the Capital Adjustment Account to the General Fund Balance in the Movement in Reserves Statement.

## (b) Operating Leases – Council as Lessor

Where the Council grants an operating lease over an asset, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## 16 PFI and PPP Arrangements

Private Finance Initiative (PFI) and similar contracts fall within scope of IFRIC 12 and are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment. The only exception to this is where PFI assets are transferred to academies under 125 year lease arrangements, at the point of transfer the assets are removed from the Council's balance sheet.

PFI assets are initially recognised at their fair value when they are first made available for use balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment (this is normally based on the relevant elements of capital cost in the operator's financial model). Initial direct costs to the Council are added to the carrying amount of the asset. Any upfront contributions made by the authority to the PFI operator, either in the form of a cash lump sum or transfer of property that will not be used to provide services under the arrangement, are applied to write-down the PFI liability at the contribution's value agreed in the operator's financial model when the PFI asset is first made available for use.

PFI assets under construction are recognised on the balance sheet where the terms and conditions of the contractual obligation are such that the economic benefit of the asset flows to the Council at that time, similar to an asset that a Council constructs or develops for its own use.

Non-current assets recognised on the Balance Sheet are re-valued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement,
- finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement,
- contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement,
- payment towards liability – applied to write down the Balance Sheet liability due to the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease),
- lifecycle replacement costs – Recognised as additions to Property, Plant and Equipment in the Balance Sheet as the scheduled works are carried out and the expenditure is incurred. Where the profile of lifecycle expenditure actually incurred by the PFI operator differs significantly from the projected profile included within the PFI model adjustments are made to account for the difference. A prepayment is recognised where planned expenditure paid for through the unitary payment exceeds the actual amount incurred by the PFI operator. An additional liability is recognised where planned expenditure is less than that actually incurred. The prepayment/additional liability is carried forward in the balance sheet until the expenditure is actually incurred/settled, or, in the case of a prepayment when there is no longer an expectation that it will eventually be incurred by the PFI operator at which point it is charged to revenue. Lifecycle replacement costs which represent the refurbishment or replacement of major components are capitalised as Property, Plant and Equipment in accordance with Accounting Policy 13.

## **17      Investment Properties**

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 from the selling the asset in an orderly transaction between market participants under the market conditions prevailing at the end of the reporting period. Investment Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received and expenditure incurred in relation to investment properties are credited/charged to the Financing and Investment Income line in the Comprehensive Income and Expenditure Statement.

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.

## **18      Intangible Assets**

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Council 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 is not capitalised). Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. 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.



## 19 Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset is charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. This includes transformational expenditure on reform projects capitalised under the capital receipts flexibilities implemented with effect from 1 April 2016 under the Local Government Act 2003. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

## 20 Heritage Assets

Heritage assets' principal purpose is to contribute to knowledge and culture and are assets which are preserved in trust for future generations for their artistic, cultural, environmental, historical, scientific or technological associations. They are recognised on balance sheet at cost or value. Where they are carried at value, the most appropriate and relevant valuation method is used including, e.g., insurance values. Revaluations are carried out as and when necessary in order to keep carrying values current (there is no requirement for them to be revalued at least every 5 years).

Operational heritage assets (i.e. those that are being held for their heritage characteristics, but are also used for other activities or services) are accounted for as operational assets.

Depreciation is not provided on heritage assets where they have indefinite lives.

Revaluation gains and losses and impairments of heritage assets are accounted for in the same way as for Property, Plant and Equipment.

## 21 Financial Instruments

### Financial Assets

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

- amortised cost,
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).
- **Treasury Investments:**

Those valued at **Amortised Cost** – assets that have fixed or determinable payments but are not quoted in an active market. These assets are Solely for Principal and Interest (SPPI), and the contractual terms of the financial asset give rise on specified dates to the cash flows that are solely payments of principal and interest, and they are part of the Council's Business Model. Whist Money Market Funds (MMF) behave as Amortised Cost, strictly they are FVPL, but there is little material difference in accounting, as such the Council will treat them as Amortised Cost.
- **Non-Treasury Investments:**

These are assets that have may have a quoted market price and/or do not have fixed or determinable payments, and the contractual terms of the financial asset give rise on specified dates to the cash flows that are solely payments of principal and interest, although where, for instance a loan is provided to a third party (SPPI), and is for a policy reason, then it would be at Amortised cost too. Where it is not Amortised cost, this classification has two further sub sets for valuation:

- **Fair Value through Comprehensive Income (FVOCI)**, policy driven investments (not solely for profit), activity, which would normally simply be equity stakes in joint companies etc.
- **Fair Value through Profit and Loss (FVPL)**, assets held purely for commercial investment (primarily for profit), firstly to raise monies/profit, that will be used to support the execution of normal service functions.

## (a) 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 (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

When the Council makes loans at less than market rates (soft loans) a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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

## (b) Fair Value Through Profit or Loss (FVPL) and Fair Value through Comprehensive Income (FVOCI)

These are assets that have a quoted market price and/or do not have fixed or determinable payments. Of this classification those assets that are policy driven investments, not used to solely generate profit, but to actively support the execution of normal service functions are to be valued at Fair Value through Other Comprehensive Income (FVOCI). They are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. Where the asset has fixed or determinable payments, then this would be Amortised Cost (as above) with annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council. In practice FVOCI is likely to contain only service equity investments.

Assets are maintained in the Balance Sheet at fair value. Fair value is measured by reference to prevailing interest or market rates using an appropriate valuation technique.

Changes in fair value are posted to Other Comprehensive Income and Expenditure. Movements in impairment loss allowances are debited/ credited to Surplus or Deficit on the Provision of Services (with a compensating credit/debit not against the carrying amount of the asset but to Other Comprehensive Income and Expenditure to offset movements against

gains/losses on fair value). Cumulative gains/losses on fair value are posted to the Surplus or Deficit on the Provision of Services on derecognition.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses)

## (c) Fair Value Through Profit and Loss (FVPL)

Those FVPL assets that are held purely for commercial investment (primarily for profit) and therefore have not been nominated as FVOCI will be accounted for as FVPL. All gains and losses posted to Surplus or Deficit on the Provision of Services as they arise.

## Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month (i.e. the normal expectation of loss for this category of investment, no event occurring) or lifetime basis (whereby the initial assessment of risk has changed significantly by an event occurring). The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the 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 an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses. The authority holds loans with two local businesses. It does not have reasonable and supportable information that is available without undue cost or effort to support the measurement of lifetime expected losses on an individual instrument basis. It has therefore assessed losses for the portfolio on a collective basis.

## Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value this being the price that would be paid in an orderly transaction between market participants on the date on which the liability is recognised. Ordinarily, this will be the transaction price, such as the principal amount of a loan received. Thereafter they are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

The amount of interest charged to the HRA is determined on a fair and equitable share basis by reference to the HRA's Capital Financing Requirement.

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. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

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

Where the Council has entered into financial guarantees that are not required to be accounted for as financial instruments they are reflected in the Statement of Accounts to the extent that provisions might be required, or a contingent liability note is needed, under the policies set out in the section on Provisions, Contingent Liabilities and Contingent Assets.

## 22 **Employee Benefits**

### Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a credit to the Accumulating Compensated Absences Adjustment Account via the Movement in Reserves Statement.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis at the earlier of when the Council can no longer withdraw an offer of those benefits or when the Council recognises the cost of restructuring.

Redundancy payments are charged to the relevant service line in the Comprehensive Income and Expenditure Statement.

### Post-Employment Benefits

Employees of the Council are members of three separate pension schemes:

- The National Health Service Pension Scheme, administered by the NHS Business Services Authority (NHSBSA).
- The Teachers' Pension Scheme, administered by Teachers' Pensions on behalf of the Department for Education.
- The Local Government Pensions Scheme (LGPS), administered by South Yorkshire Pensions Authority.

All three schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

The arrangements for both the National Health Service and Teachers' schemes mean that liabilities for these benefits cannot be identified specifically to the Council. These schemes are therefore accounted for as if they were a defined contributions scheme – no liability for future payments of benefits is recognised in the Balance Sheet and the Public Health and Children's and Education Service line in the Comprehensive Income and Expenditure Statements are charged with the employer's contributions payable to the National Health Service and Teachers' Pensions Scheme in the year.

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

- The liabilities of the South Yorkshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds. In determining these liabilities, an assumption has been made on the advice of our actuaries that 50% of employees retiring will take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension.
- The assets of the South Yorkshire Pension Fund attributable to the Council are included in the Balance Sheet at their fair value.
- The change in the net pensions asset/liability is analysed into the following components:
  - current service cost – the increase in liabilities as 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 arising from current year decisions as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - net interest – interest receivable on the fair value of plan assets held at the start of the period adjusted for changes in plan assets during the year as a result of contributions and benefit payments less the interest payable on pension liabilities both determined using the discount rate based on high quality corporate bonds used to measure the defined benefit obligation at the beginning of the period – debited/credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
  - re-measurements - return on plan assets (net of admin expenses and excluding amounts included in net interest) and actuarial gains/losses that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions are debited/credited to the Pensions reserve as Other Comprehensive Income and Expenditure.
  - contributions paid to the South Yorkshire pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities are not accounted for as an expense.
- In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations 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 balance that arises on the Pensions Reserve thereby measures the 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.

Accounting Standard IAS19 (Employee Benefits) states an entity shall recognise the net defined benefit liability/asset in the statement of financial position. In line with IAS19 and IFRIC14 (the standard that limits the recognition of the asset), when the actuary determines a defined benefit asset, the asset is recognised at the lower of the surplus in the defined benefit plan and the asset ceiling calculated by the actuary.

### Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) 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.

## **23     Value Added Tax (VAT)**

VAT payable is included only to the extent that it is irrecoverable from HM Revenue & Customs, whilst VAT receivable is excluded from income. The net amount due from/to HMRC at the end of the financial year is included within debtors or creditors.

## **24     Events after the Reporting Period**

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the audited 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 the Strategic Director Finance and Customer Services authorises the audited Accounts for issue are not reflected in the Statement of Accounts.

## **25     Exceptional Items**

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

## **26     Interests in Companies and Other Entities**

Where the Council exercises control, shares control or exerts a significant influence over another entity, and the Council's interests are material in aggregate, it will prepare Group Accounts. The Council's interest in another entity can be contractual or non-contractual and may be evidenced by, but is not limited to, the holding of equity or debt instruments in the entity as well as other forms of involvement such as the provision of funding, liquidity support, credit enhancement and guarantees.

The Council has control over another entity, where it is able to direct the activities of that entity such that it is has exposure to or rights over variable returns and can use its power over the entity to affect the returns it receives.

Shared control with another party or parties in a joint venture arises where decisions about activities that significantly affect returns require the unanimous consent of the parties sharing control including the Council.

The Council can exert a significant influence over an associate where the Council has the power to participate in the financial and operating policy decisions of an entity which fall short of control or joint control.

The Council's single entity financial statements include the income, expenditure, assets, liabilities, reserves and cash flows of the local Council maintained schools within the control of the Council.

Where local Council maintained schools convert to academies during the year, the assets, liabilities and reserves of the school are deconsolidated from the Council's single entity accounts at their carrying amount at the date of conversion unless the school has a deficit for which the Council retains responsibility. The Non-Current Assets of the school are derecognised when the Council relinquishes control over school premises which it had held as a local Council maintained school through ownership, legally enforceable rights or some other means.

Interests in companies and other entities are recorded in the Council's balance sheet as financial assets at cost, less any provision for losses.

## **27      Acquisitions and discontinued operations**

Transfers of functions to or from other public sector bodies are accounted for with effect from the date of transfer. Assets and liabilities are transferred at their carrying value at the date of transfer unless otherwise agreed and the balance sheet restated to reflect the value of assets brought onto or removed from the balance sheet. The financial effect of functions transferred, to or from the Council are disclosed separately in the current year as "transferred in" or "transferred out" operations. The financial effect of functions transferred to another public sector body are disclosed separately in the comparative year to enable the performance of continuing operations to be compared on a like for like basis.

A function in this context is an identifiable service or business operation with an integrated set of activities, staff and recognised assets and/or liabilities that are capable of being conducted and managed to achieve the objectives of that service or business operation.

Discontinued operations are activities that cease completely. Income and expenditure relating to discontinued operations are presented separately on the face of the Comprehensive Income and Expenditure Statement.

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Select report type  
Audit Committee

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**Committee Name and Date of Committee Meeting**

Audit Committee – 09 January 2024

**Report Title**

Closure of the Accounts 2023/24 – Timetable

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report**

Judith Badger, Strategic Director of Finance and Customer Services

**Report Author(s)**

Ian Bagshaw (Finance Manager – Financial Accounting)

Finance & Customer Services Directorate

01709 249938 [ian.bagshaw@rotherham.gov.uk](mailto:ian.bagshaw@rotherham.gov.uk)

**Ward(s) Affected**

Borough-Wide or Choose an item.

Choose an item.

**Report Summary**

The principal objective of the Council's annual financial statements is to make the Council accountable to a range of local and national stakeholders over the stewardship of its resources.

It is therefore important that the Council's financial statements are prepared in accordance with recognised accounting standards so that they can be relied upon by users of the accounts.

This report brings to Members attention the Council's timetable for the production of the financial statements, that Members of the Audit Committee, as the body in the Council charged with governance, will need to formally approve the audited Statement of Accounts by the 30<sup>th</sup> September, based on the revised regulations which have now been implemented for 6 years (2022/23 to 2027/28).

**Recommendations**

1. Audit Committee is asked to note the timetable for the production of the Council's financial statements.

**List of Appendices Included**

**Background Papers**

CIPFA Code of Practice on Local Authority Accounting 2023/24

Accounts and Audit Regulations 2015

The Accounts and Audit (Amendment) Regulations 2022

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

**Council Approval Required**

No

**Exempt from the Press and Public**

No

## **Closure of the Accounts 2023/24**

### **1. Background**

- 1.1 The Code of Practice on Local Authority Accounting (the Code) together with the Accounts and Audit Regulations set the accounting and statutory framework for local authority financial reporting.
- 1.2 The Code is based on internationally recognised accounting standards International Financial Reporting Standards (IFRS). These form the basis for large private sector companies financial reporting. However, the funding of Local Government by central government and local tax payers is in some key aspects very different from that under IFRS. This makes local authority financial statements complex and difficult to interpret due to the need to reconcile the Council's financial performance and financial position under IFRS with that under the arrangements for funding local government.
- 1.3 Members will recall that following the Covid 19 outbreak March 2020 that the requirement for the production of the Statement of Accounts was delayed initially for 2019/20 and then for the financial years 2020/21 and 2021/22. The Accounts and Audit (Amendment) Regulations 2021 (SI no 2021/263) came into force on 31<sup>st</sup> March 2021 and extended the publication of the Statement of Accounts for the two financial years (2020/21 and 2021/22). Subsequently the Accounts and Audit (Amendment) Regulation 2022 came into force on 22<sup>nd</sup> July 2022. These amended regulations extended the publication of final audited accounts to 30<sup>th</sup> November for 2021/22 accounts and require the draft accounts for financial years 2022/23 to 2027/28 to be published by the 31<sup>st</sup> May and final audited accounts by the 30<sup>th</sup> September. These regulations also require Authorities to publish a notice on their website if they fail to publish their draft accounts by 1<sup>st</sup> August.
- 1.4 In the production of the Councils accounts for 2022/23, the Council met the requirement for draft accounts to be published by 31<sup>st</sup> May. Due to capacity issues in the audit industry fully audited accounts were not signed off and published until December 2023. The accounts received an unqualified audit opinion. The Council is confident that the closure deadlines can be met for 2023/24 draft accounts. However, meeting the 30th September deadline for final audited accounts will depend on the available capacity of the Council's auditors.

### **2. Key Issues**

#### **Timetable**

- 2.1 Based on the amended deadlines, the key dates on the timetable for the production of the accounts 2023/24 are as shown below.

**Statement of Accounts Timetable - Amended Dates**

<b>Action</b>	<b>Amended Date</b>
Interim audit of the Councils accounts	TBC by Grant Thornton
Unaudited accounts, Narrative Report & Annual Governance Statement presented to Audit Committee and then published by: (Will be presented to Audit Committee on 25 June 2024)	31 May 2024
Public Inspection of Draft Accounts	1 June to 10 June 2024
External Audit of the Councils Accounts	June to September 2024
Audited accounts, Narrative Report & Annual Governance Statement presented to Audit Committee and then published by: (Will be presented to Audit Committee on 26 September 2024)	30 September 2024
Councils Value for Money audit completed by:	TBC by Grant Thornton

2.2 At present the Council's external auditor Grant Thornton has not confirmed their audit plan for the Councils 2023/24 accounts.

**3. Options considered and recommended proposal**

3.1 There is no discretion on whether to comply with the Code or the Accounts and Audit Regulations. The purpose of the recommendations is simply for Audit Committee to note the timetable for the production of the accounts in 2023/24.

**4. Consultation on proposal**

4.1 Close liaison continues to be maintained with the Council's External Auditors to ensure that complex accounting issues and action taken in response to changes to the local authority accounting framework are agreed in advance of the financial statements being prepared.

**5. Timetable and Accountability for Implementing this Decision**

5.1 The statutory deadline for publishing the unaudited financial statements is 31<sup>st</sup> May, with the statutory deadline for publishing the audited financial statements of 30<sup>th</sup> September.

**6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)**

- 6.1 There are no financial or procurement implications directly associated with closure of the accounts, other than the impact on the audit fee of having good quality financial statements and supporting working papers which meet Grant Thornton's expectations.

**7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)**

- 7.1 None, other than ensuring compliance with the requirements of the Accounts and Audit Regulations 2015 and the revised Regulations that came into force on the 22<sup>nd</sup> July 2022.

**8. Human Resources Advice and Implications**

- 8.1 There are no Human Resource implications arising from the report.

**9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

**10. Equalities and Human Rights Advice and Implications**

- 10.1 There are no implications arising from this report to Equalities and Human Rights.

**11. Implications for Partners**

- 11.1 The NHS requires information on how the pooled budgets operated under the Better Care Fund have been spent to an earlier timetable than that of the Council. Arrangements have been made to ensure this earlier timetable is met. There are no other implications arising from this report to Partners.

**12. Risks and Mitigation**

- 12.1 Robust project management arrangements have been put in place to ensure that the timetable is adhered to and quality standards met.

**13. Accountable Officer(s)**

Judith Badger (Strategic Director of Finance & Customer Services)

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**Public Report****Audit Committee**

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**Committee Name and Date of Committee Meeting:**

Audit Committee – 9 January 2024

**Report title:**

External inspections, reviews, and audits update

**Is this a Key Decision and has it been included in the Forward Plan?**

No

**Strategic Director Approving Submission of the Report:**

Jo Brown – Assistant Chief Executive

**Report Author(s):**

Tanya Lound (*Corporate Improvement and Risk Officer*)

Assistant Chief Executive's Department

[tanya.lound@rotherham.gov.uk](mailto:tanya.lound@rotherham.gov.uk)

Simon Dennis (*Corporate Improvement and Risk Manager*)

Assistant Chief Executive's Department

[simon.dennis@rotherham.gov.uk](mailto:simon.dennis@rotherham.gov.uk)

**Ward(s) Affected:**

All

**Report Summary:**

In line with the Audit Committee terms of reference, the purpose of this report is to provide details of the recent external inspections, reviews, and audits as well as to provide assurance that outgoing and outstanding recommendations from earlier inspections, audits and reviews, are being progressed.

The report provides a summary of progress against the recommendations from all external inspections, reviews and audits and sets out the details of arrangements for ensuring the accountability and governance around their implementation.

**Recommendations:**

That Audit Committee:

- Note the recent external inspections, reviews and audits which have taken place and the progress made relating to ongoing recommendations
- Note the governance arrangements in place for monitoring and managing the recommendations
- Continue to receive regular reports.

**List of Appendices Included:**

None

**Background Papers**

External audit and inspection recommendations reports to Audit Committee on 11 January 2022, 28 July 2022, 10 January 2023, and 27 July 2023.

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

None

**Council Approval Required**

No

**Exempt from the Press and Public**

No



## **External audits, inspections, and reviews update**

### **1. Background**

- 1.1 In line with the Audit Committee terms of reference, the purpose of this report is to provide details of the recent external inspections, reviews and audits across the Council and assurance that ongoing and outstanding recommendations, relating to those that have taken place previously, are being progressed.
- 1.2 The last report was presented to Audit Committee on 27 July 2023. The report referred to external inspections, reviews and audits that had taken place since January 2023, which included nine new external inspections, reviews and audits that had taken place since January 2023, resulting in fourteen recommendations and areas for improvement. Of these six had been implemented and were complete, eight remained ongoing and were in progress and the outcome was not yet known for one of the audit reviews conducted.
- 1.3 Ongoing recommendations/areas for improvement relating to external inspections, reviews and audits that took place prior to January 2023 included twenty-nine that had been implemented and were complete, forty-seven remained ongoing and were in progress, five of which were delayed and four required no further action.

### **2. Key issues**

- 2.1 This report provides an overview of key areas of concern relating to external inspections, reviews, and audits, including action taken or to be taken and the associated governance arrangements. This is intended to provide the Audit Committee with assurance that appropriate arrangements are in place for managing the Council's response, in line with the Audit Committee's responsibilities.
- 2.2 Governance arrangements are in place for monitoring and managing external inspection, review, and audit recommendations within each directorate. Regular progress against the recommendations is also reported and considered by the Strategic Leadership Team.
- 2.3 Seven new inspections, reviews, and audits have taken place since July 2023. These resulted in six recommendations or areas for improvement. Of these, one is complete; two are in progress and three are not yet scheduled to start.
- 2.4 Fourteen ongoing recommendations/areas for improvement relating to external inspections from reviews and audits that took place prior to July 2023 have been completed since the last report. Forty-eight remain in progress, five of which are delayed (1 of which is delayed more than 12 months).
- 2.5 The status ratings applied to demonstrate the current position for each inspection, review, and audit include:

Complete	All recommendations/areas for improvement are fully complete
In progress and on track	All recommendations/areas for improvement are on track to be delivered by the original agreed deadline
In progress and partly delayed	Recommendations/areas for improvement progressing, however target date for one or more area is behind the original agreed deadline
Significant delay	All recommendations/areas for improvement delayed or one area delayed more than twelve months past the original agreed deadline
No action required	There are no recommendations/areas for improvement, or the outcome is not yet known

2.6 An update for each directorate is provided below.

### 3. Children and Young People's Services

3.1 The outcome of two new inspections of the RMBC children's residential homes have been received since the last report. Further details are provided below.

3.2 Of the recommendations from external inspections, reviews and audits that took place prior to July 2023, six recommendations/areas for improvement have been completed since the last report and three recommendations are in progress but delayed.

3.3 The tables below provide a summary of new and ongoing external inspections, reviews, and audits.

<b><u>New</u></b> external inspections reviews and audits		
Title	Date	Outcome
<i>Pegasus House Children's Residential Home (Ofsted)</i>	30 May 2023	<b>Good rating</b>
Beech Tree Lodge Children's Residential Home (Ofsted)	30 October 2023	<b>Good rating</b>

#### 3.4 Inspections of RMBC Children's Residential Homes (Ofsted)

3.4.1 Residential children's homes are inspected by HMI Ofsted under the Social Care Common Inspection Framework (SCCIF) to evaluate the impact of care and support on the experiences and progress of children.

3.4.2 Following inspection, the children's home receives an overall judgement based on the experiences and progress of children and young people, of outstanding, good, requires improvement or inadequate.

3.4.3 There are two new residential home inspections to report, which are included in the table above.

- 3.4.4 The outcome of the inspections is confidential and not in the public domain. Therefore, the recommendations and progress against these are not included within this report.

<b>Ongoing</b> external inspections reviews and audits ( <i>those reported previously which had ongoing recommendations</i> )						
Title	Date	Outcome	No recs	Implemented:		Status
				At last report	Since last report	
Joint Area SEND Inspection ( <i>Ofsted and CQC</i> )	5-9 July 2021	No formal overall outcome from the inspection. A letter providing four recommendations has been published.	4	0	4	<b>Complete</b> (4 recs complete)
Inspection of Local Authority Children's Services (ILACS) Short Inspection ( <i>Ofsted</i> )	June 2022	Services provided to children and families by the Council rated as 'good' across the board.	4	0	2	<b>Significant delay</b> (2 areas for improvement complete; 2 in progress but delayed. 1 of the actions delayed, is delayed more than 12 months past original target date)
Child Sexual Exploitation review ( <i>Rotherham Safeguarding Children Partnership</i> )	March - May 2022	The review team were assured that the concerns in the briefing paper provided regarding Child Sexual Exploitation (CSE) were taken seriously, acted upon, and dealt with appropriately.	7 areas for improvement	6	0	<b>In progress and partly delayed</b> (6 areas for improvement complete and 1 area delayed)

### 3.5 Joint Area Special Educational Needs and/or Disabilities (SEND) inspection (*Ofsted and CQC*)

- 3.5.1 Between 5–9 July 2021 Ofsted and the Care Quality Commission conducted a joint inspection of the local area of Rotherham to judge the effectiveness of the area in implementing the Special Educational Needs and/or Disabilities (SEND) reforms as set out in the Children and Families Act 2014.
- 3.5.2 A letter detailing the findings was published on 19 October 2021.
- 3.5.3 A formal Written Statement of Action (WSOA) was jointly developed with the Clinical Commissioning Group (CCG) which set out the key actions and timelines to address the following areas of improvement:
- The variability in the quality of Education, Health and Care plans, including the contribution of health and social care partners

- The effectiveness of the graduated response to identify and meet children and young people's needs, especially in key stages one and two
- The quality of provision for children and young people's preparation for, and transition to, adulthood
- Communication with all parents and carers of children and young people with SEND about the local offer, and the accessibility of the very valuable information included within the local offer.

3.5.4 The final Support and Challenge meeting took place with the Department for Education (DfE) on the 20 June 2023. This focused on Rotherham Local Area's Written Statement of Action (WSOA).

3.5.5 The DfE signed off the Local Area's WSoA and noted the considerable progress the Local Area has made in its focus on the impact relating to the day-to-day lived experiences of children, and young people with SEND and their families.

3.5.6 The Council is now awaiting a full inspection, under the new SEND inspection framework.

### **3.6 Inspecting local authority services for children (ILACS) Short Inspection (Ofsted)**

3.6.1 Every three years Ofsted conduct an inspection to review the effectiveness of local authority services and arrangements for Children and Young People. The inspection was conducted in June 2022.

3.6.2 The review findings were published in August 2022 and services provided to children and families by the Council were rated as 'good' across the board.

3.6.3 There were four areas for improvement and two have been completed since the last report:

- **Area for improvement:** Assessment of the identity needs of children when planning for their future. **Progress:** development and training session commissioned; a whole service event focused on children's identity will be an annual event; the Practice Standards have been reviewed and are now available on the Rotherham Learning Academy; a benchmarking exercise took place.
- **Area for improvement:** The quality of individual case audits to inform wider service learning. **Progress:** A Learning Leadership Group has been established to drive quality; regular assurance meetings established; monthly meetings in place to review the outcomes from audits; new audit data tool in place; enhanced quality assurance report; revised quality assurance framework.

3.6.4 Two areas remain in progress, one of which is delayed more than 12 months past original target date:

- **Area for improvement:** Consideration of previous history and current circumstances when responding to 'Front Door' contacts and child protection concerns. **Progress:** New audit and moderation tools have been implemented and audit findings are presented at the CYPS Performance Assurance Board. Dip sampling of cases has taken place as well as revised processes. The target date has changed from November 2022 to February 2024 to allow for audits to be undertaken to assure that practice is embedded prior to closure of this action.
- **Area for improvement:** The level of ambition for individual care leavers, the support for them to achieve their aspirations and the detailing of this in pathway plans. **Progress:** Joint development sessions and quality assurance sessions have taken place across the service, as well as monthly deep dives. Benchmarking is also being undertaken. The target end date for this action has been extended from June 2023 to January 2024 to enable inclusion of a commitment in the care leavers covenant and care leavers improvement plan.

3.6.5 Actions are monitored through the Children and Young People's Services Improvement Plan and reported for review and challenge to the Directorate Leadership Team.

### **3.7 CSE review (*Rotherham Safeguarding Children Partnership*)**

- 3.7.1 An Independent Review was commissioned by the Chief Officers from Rotherham Metropolitan Borough Council (RMBC), South Yorkshire Police (SYP), and The Clinical Commissioning group (CCG, now Integrated Care Systems ICSs) following concerns raised in a Conservative Briefing paper dated 3 November 2021. The briefing suggested that Child Sexual Exploitation (CSE) was a continuing problem in Rotherham and that the response from the police and Council was not effective enough.
- 3.7.2 The review was approved by Council Motion on 10 November 2021 and undertaken by an Independent Review Project Team.
- 3.7.3 The review was split into two stages and conducted between March – May 2022.
- 3.7.4 The review team were assured that the concerns regarding Child Sexual Exploitation (CSE) were taken seriously, acted upon, and dealt with appropriately. The review also concluded that services in Rotherham have strong leadership, accountability and locally developed multi-agency relationships which take a robust approach to addressing CSE in Rotherham. The review team found no evidence that CSE may be occurring on the same scale as in the past as detailed in the Jay report in 2014.
- 3.7.5 The review did not make any recommendations, and instead made seven suggestions in recognition that there is always room for improvement.
- 3.7.6 Six areas of improvement are complete, and one remains in progress which relates to:

- **Area for improvement:** Keeping children and young people safe (further training and awareness that recognises the changing landscape of CE/CSE to more online abuse to keep children and young people and adults at risk, including those with Special Educational Needs and Disability (SEND) safe).  
**Progress:** Work is ongoing to address this area for improvement and a training package for frontline staff is being developed through a multi-agency steering group. Awareness raising is also ongoing, including the sharing of messages across the partnership on spotting the signs of exploitation through social media and other channels. As reported in the last report, despite the progress made, the target date for this action has changed from March 2023 to March 2024 due to a change in the executive group membership that allocated the funding and staffing changes.

3.7.7 The Rotherham Safeguarding Children's Partnership are responsible for monitoring progress.

#### 4. Adult Care, Housing and Public Health

- 4.1 One peer review has taken place since the last report and six recommendations were made. Further details are provided below.
- 4.2 Of the recommendations from external inspections, reviews and audits that took place prior to July 2023, three areas for improvement have been completed since the last report and twelve remain in progress.
- 4.3 The tables below provide a summary of new and ongoing external inspections, reviews, and audits.

<b><u>New</u> external inspections reviews and audits</b>				
Title	Date	Outcome	Number of recs	Status
Safeguarding Peer Review (LGA)	11-13 July 2023	Key Messages overall included: <ul style="list-style-type: none"> <li>• Pride and commitment in Rotherham</li> <li>• Voices are listened to, but not yet heard at the RSAB</li> <li>• You can go much further on collaboration and constructive challenge</li> <li>• To be an outstanding SAB you need sufficient resources to support it and robust processes to plan and deliver on your strategy</li> <li>• Mainstream the pockets of excellent practice</li> <li>• Celebrate your good work!</li> </ul>	6	<b>In progress and on track</b>  1 recommendation complete, 2 in progress and 3 will commence January 2024.

#### **4.4 Safeguarding Peer Review (LGA)**

- 4.4.1 The Rotherham Safeguarding Adults Board (the RSAB) requested that a peer challenge be undertaken by the Local Government Association (LGA). The work was commissioned by the Independent Chair on behalf of the RSAB. The Board was seeking an external view on the effectiveness of the RSAB which included the relationships with the three statutory partners. The RSAB will use the findings of this peer challenge as a marker on its journey of improvement.
- 4.4.2 The team were on-site for three days from 11 July to 13 July 2023.
- 4.4.3 Key Messages within the feedback report included: pride and commitment in Rotherham; voices are listened to in Rotherham, but not yet heard at the RSAB; can go much further on collaboration and constructive challenge; to be an outstanding SAB you need sufficient resources to support it and robust processes to plan and deliver on your strategy; mainstream the pockets of excellent practice; celebrate your good work!
- 4.4.4 To support RSAB on its improvement journey the peer team made the following recommendations:
1. Use the groups and mechanisms which already exist in your partner organisations to start the work to increase voice in the work of the Board. Take time to think what questions you would want to ask these groups
  2. Set aside some time for a development session to better understand the relevance of the various meetings, who attends them and why. We recommend reconsideration of the best way to include representation of the independent care provider market
  3. Review how the SAB sets its agendas to encourage oversight of broader safeguarding related matters arising from partnership working
  4. Ensure you have robust SMART plans which you can track and monitor. Look to other Boards for good practice and templates in this area
  5. Explore how best you can use the data and information to identify areas for improvement, celebrate successes and answer the 'so what' questions
  6. Consider whether partners' understanding regarding the safeguarding pathways and expectations around these is sufficiently clear and shared and whether there are strategic or operational changes which can ensure better alignment.
- 4.4.5 All recommendations have been grouped into three discussion points/themes; these include:

- Theme 1 – Strengthening the User Voice. This theme includes recommendation 1 and a working group will be established in January 2024
- Theme 2 – Governance, strengthening board arrangements. This theme covers recommendations 2,3 and 4. Improvement action 2 is complete and a development day was held with all partners on 3 November 2023. Furthermore, work has begun in changing the structure of the Board and its subgroups and the Executive Group has been redesigned. Further work will continue in January 2024
- Theme 3 – Making the best use of data and information. This theme covers recommendations 5 and 6 and a working group will be established in January 2024.

4.4.5 The RSAB are responsible for monitoring progress.

<b>Ongoing</b> external inspections reviews and audits <i>(those reported previously which had ongoing recommendations)</i>						
Title	Date	Outcome	No recs	Implemented:		Status
				At last report	Since last report	
Exemplar accreditation of housing tenancy engagement (Tpas)	October 2022	Excellent outcome.  Exemplar accreditation achieved with All 7 themes achieving an individual PASS status.	16 Improvements/ comments received, relating to 6 areas of good practice.	1	3	<b>In progress and on track</b>  (4 areas for improvement complete and 12 are in progress)

## 4.5 Exemplar accreditation of housing tenancy engagement (Tpas)

- 4.5.1 In October 2022 the Council achieved the standard to achieve Tpas 'Exemplar' status which will run until 2024. Tpas Exemplar is for organisations who have been awarded the Tpas PRO accreditation three times and have consistently demonstrated their exemplar approach to engagement. It is comprehensive, visionary and time focused, ensuring organisations remain a beacon of excellent practice for engagement.
- 4.5.2 The Council received an excellent outcome and exemplar accreditation was achieved with all seven themes achieving an individual 'pass' status.
- 4.5.3 Six of the themes had a total of sixteen areas for improvement/comments and there were also six areas of good practice identified.
- 4.5.4 Since the last report, a further three areas for improvement/comment have been completed and four are now complete in total. Those completed since the last include:



- Area that sets out key staff and their responsibilities on the website
- Widened how wider tenants can put forward their ideas for a review either via the framework activities or an on-going survey on the website
- Considered adding to the website the Tenant Scrutiny Panel minutes and who is on the panel as well as how people could contribute/join the group.

4.5.5 The remaining twelve outstanding areas for improvement/comments are scheduled to be completed between December 2023 – June 2024.

4.5.6 Detailed timelines for each recommendation and progress will be performance managed as agreed via the new Tenant Engagement Framework 2022-25 Action Plan and reported to the Housing Involvement Panel.

## 5. Regeneration and Environment Services

5.1 Two inspections/reviews have taken place since the last report and no recommendations/areas for improvement were made. Further details are provided below.

5.2 Of the recommendations from external inspections, reviews and audits that took place prior to July 2023, three recommendations are now complete, and one area for improvement remains in progress and is slightly delayed.

5.3 The tables below provide a summary of new and ongoing external inspections, reviews, and audits.

<b><u>New</u> external inspections reviews and audits</b>				
<b>Title</b>	<b>Date</b>	<b>Outcome</b>	<b>Number of recs</b>	<b>Status</b>
DVLA Assurance Report (DVLA)	August 2023	DVLA's audit opinion is that RMBC handle DVLA registered keeper data in a strong, controlled environment, ensuring that the data is secure at all times and is only accessible to those with a demonstrable business need.  Due to the internal controls that are in place, RMBC present as a low risk to the agency, in how they process and store the personal data received from DVLA.	0	<b>No action required.</b>  There were no recommendations made.
Changing Places Fund – Statement of Grant Assurance (Department for Levelling Up, Housing and Communities)	October 2023	Full assurance received based on statement of assurance. The level of assurance dictated the grant determination received; the Council was in the first tranche of the grant determination, showing strong practice.	0	<b>No action required.</b>  There were no recommendations made.

<b>Ongoing</b> external inspections reviews and audits <i>(those reported previously which had ongoing recommendations)</i>						
Title	Date	Outcome	Number of recs	Implemented:		Status
				At last report	Since last report	
Quest Foundation Review (Quest)	January 2023	Learning from the review included consideration of website information, answering of phones and social media information due to this being corporate and not specific to individuals.	3 areas for improvement.	0	2	<b>In progress and partly delayed</b>  (2 areas for improvement complete and 1 in progress and slightly delayed)
Tree Management Protocol & Guidance Independent Review (Treeconomics)	March 2023	Protocol found to be in line with industry standards, however capacity to deliver within the service lacking and levels of inspections were felt to be above what is required nationally.	7	6	1	<b>Complete</b>  (7 recommendations complete)

#### 5.4 Quest Foundation Review (Quest)

- 5.4.1 The Quest Foundation Review (QFR) provides a scored and benchmarked insight into real-life, 'live' customer service experiences from people who have traditionally been excluded from physical activity opportunities, including people from lower socio-economic groups, culturally diverse communities, disabled people and people with long-term health conditions.
- 5.4.2 The Council received a Quest Foundation Review in January 2023 and the finding received in February 2023 included three areas for improvement.
- 5.4.3 Two areas for improvement are now complete including:
- **Area for improvement:** Work to ensure the phone is answered in a timely manner. **Progress:** All front of house staff have undertaken customer service essential training refresher and there are now online signups for swimming lessons and sports activities. These methods will continue to be monitored.
  - **Area for improvement:** The need for site specific posts targeting socially excluded groups on Twitter. **Progress:** All sites are being encouraged to ensure that activities are promoted via social media with a focus on priority groups.
- 5.4.4 One area for improvement remains in progress and is slightly delayed:
- **Area for improvement:** The need for information on Places Leisure website relating to transgender use of changing facilities. **Progress:** The Places Leisure policy is being assessed to ascertain what elements can be displayed on the soon to be revamped website. To be reviewed March 2024.

5.4.5 Learning from the review included consideration of website information, answering of phones and social media information due to this being corporate and not specific to individuals.

5.4.6 Places Leisure are acting upon findings and progress will be reviewed in March 2023.

## **5.5 Tree Management Protocol & Guidance Independent Review (*Treeconomics*)**

5.5.1 The independent review was conducted in March 2023 to review and benchmark the Council's Tree Management Protocol & Guidance document against four similar sized authorities, assess its practicality and feasibility and propose amendments for improvement and strengthening.

5.5.2 The protocol was found to be in line with industry standards, however capacity to deliver within the service was lacking and levels of inspections were felt to be above what is required nationally. Seven recommendations were made, and the one remaining recommendation is now complete:

- **Recommendation:** Annual Ash Dieback surveys are not required for all ash trees. For ash in high use/high risk areas, annual inspections may be necessary, however in lower risk areas, inspections should consider the level of risk, stage of dieback and the capacity to carry out remedial action.  
**Progress:** The Tree Management Protocol and Guidance has been updated to clarify that only ash trees in high-risk locations will be inspected on an annual basis. For additional reassurance, the Council's insurers are reviewing the protocol. In addition, an Ash Dieback Plan has now been produced which sets out the Council's approach to managing Ash Dieback across the borough, along with a detailed action plan for delivery.

5.5.3 All recommendations have been documented in the Tree Service Action Plan and overseen by the Tree Service Task & Finish Group.

5.5.4 Lessons learned include conducting benchmarking exercises when undertaking new policy development.

## **6. Finance and Customer Services**

6.1 Two audits have taken place since the last report and no recommendations were made. Further details are included below.

6.2 Of the external inspections, reviews and audits that took place prior to July 2023, two recommendations are now complete and three remain in progress, one of which are delayed. Further details are provided below.

6.3 The tables below provide a summary of new and ongoing external inspections, reviews, and audits.

<b>New</b> external inspections reviews and audits				
Title	Date	Outcome	Recommendations	Status
Teachers Pension Audit 2022/23 (KPMG)	July – November 2023	Clean report	0	<b>No action required.</b> There were no recommendations made.
Statement of Accounts Audit 2022/23 (Grant Thornton)	August – December 2023	Clean report	0	<b>No action required.</b> There were no recommendations made.

<b>Ongoing</b> external inspections reviews and audits <i>(those reported previously which had ongoing recommendations)</i>						
Title	Date	Outcome	Recommendations	Implemented:		Status
				At last report	Since last report	
Customer Service Peer Review (LGA)	June 2022.  Findings received November 2022.	The Council has a vision to provide improved customer access and experience. However, there is more work to do to ensure that everyone is bought into the improved customer access and experience approach.	27 actions relating to six recommendations.	26	0	<b>In progress and partly delayed</b>  (26 improvement actions complete and 1 in progress but slightly delayed)
2021/22 VFM arrangements (Grant Thornton)	March 2023	Council's financial position is strengthening.  Identified small number of improvement recommendations to further enhance finance, governance, and performance arrangements.	3 new recommendations.  1 follow up recommendation which is ongoing.	0	2	<b>In progress and on track</b>  (1 recommendation and 1 follow up recommendation complete. 2 remain in progress and on track)

## 6.4 Customer Service Peer Review (LGA)

- 6.4.1 In June 2022 the LGA conducted a peer review of Customer Services. The Council requested the review to assess progress against the outcomes set out in the Council Plan and suggest any improvement opportunities based on experience and knowledge of best practice in other authorities. The review looked at the current position and performance of customer service across the Council.

6.4.2 The findings received in November 2022 stated that overall 'Rotherham Council has a vision to provide improved customer access and experience. The aim is that whatever part of the Council a resident or customer contacts, they receive the same standard of service. There have been some corporate changes to working patterns, systems, and processes to achieve this vision. It appears to the peer team that it is heading in the right direction, but that there is more work to do to ensure that everyone is bought into the improved customer access and experience approach.'

6.4.3 The report included twenty-seven areas for improvement focussed around six recommendations. These included:

- Ensure that there is a corporate approach to improved customer access and experience
- Improve internal communication and co-ordination
- Consider greater involvement of councillors in corporate priority programme and project management
- Improve co-ordination of corporate strategies, services and teams
- Explore ways to use technology to improve customer experience
- Involve key stakeholders to help service improvements.

6.4.4 Only one of the twenty-seven areas for improvement remains ongoing relating to the second recommendation. The action is to create a shared post calendar to enable a better understanding of when services are contacting residents and businesses on mass and enable customer service to support. This activity has been delayed from June 2023 to December 2023.

6.4.5 The Strategic Customer Experience Board oversees implementation of the improvement actions.

## **6.5 2021/22 VFM arrangements (Grant Thornton)**

6.5.1 Grant Thornton conducted the annual audit of the 2021-2022 Value for Money Arrangements and the findings were received on 6 March 2023.

6.5.2 The audit findings noted the Council's improvement journey and commented that the Council's financial position is strengthening, albeit the level of useable reserves in proportion to the Council's spend being lower than most peer authorities. The report identified a small number of improvement recommendations to further enhance finance, governance, and performance arrangements.

6.5.3 Two recommendations are now complete, these include:

- **Recommendation:** In line with the Council's Risk Management Guide, recommended the Council draws out the Corporate Strategic Risk Register and associated public risk reporting, the degree of risk appetite and the possible upside of taking on a degree of managed risk. **Progress:** The detailed Risk Register was presented to Audit Committee in September 2023 which included further mitigating actions and target score, which addresses the degree of risk appetite the Council is willing to take. Work will continue to

raise awareness and understanding of risk appetite through training and the Risk Management Guide refresh.

- **Follow up recommendation:** Following on from the Ofsted and CQC SEND inspection, the Council should have a clear Written Statement of Action (WSOA), a clear action plan for implementation and formal monitoring and challenge by the Improving Lives Select Committee. **Progress:** The final Support and Challenge meeting took place with the Department for Education (DfE) on the 20 June 2023. See update under Children and Young Peoples Services section above.

6.5.4 Two recommendations remain in progress, these include:

- **Recommendation:** Refine existing arrangements for monitoring the capital programme to ensure the spend programme and timing of capital expenditure remains accurate and supports delivery of the programme and Council Plan. **Progress:** The Council is continuing to embed the Capital Governance Principles including reporting and escalation via the Capital Programme, Monitoring and Delivery Board. The review into delivery of Regeneration and Environment capital schemes is progressing. This action is ongoing.
- **Recommendation:** Consider streamlining KPI performance report to provide a more summarised and integrated performance, finance, and risk reporting. **Progress:** The suite of KPIs will be considered when the new plan for 2025 is developed.

6.5.5 Implementation of the recommendations is overseen by the Finance and Customer Services Directorate.

## 7. Assistant Chief Executive Directorate

7.1 No new external peer review has taken place since the last report.

7.2 Of the external inspections, reviews and audits that took place prior to July 2023, the findings from the LGA Corporate Peer Challenge have now been received and seven recommendations were made. Suggestions from the Equality Framework informal peer challenge remain in progress. Further details are provided below.

7.3 The table below provides a summary of ongoing external inspections, reviews, and audits.

<b>Ongoing</b> external inspections reviews and audits <i>(those reported previously which had ongoing recommendations)</i>						
Title	Date	Outcome	Recommendations	Implemented:		Status
				At last report	Since last report	
Equality Framework for Local Government - Rotherham Council Informal Peer Challenge ( <i>Doncaster Council</i> )	March – April 2022.  Findings received May 2022.	Peer team agreed with the Council's Self-assessment (Suggested developing level) and acknowledged that the Council provided the required level of information and documentation to evidence this.  Stated the Council appear to be aware of their current position and have detailed activity planned to gain an 'Excellent' rating.	22 suggestions for consideration around focused around 4 themes.	0	0	<b>In progress and on track</b>  (All 22 suggestions have been embedded and progressed within the Council's Equality Framework Action Plan).
Corporate Peer Challenge (LGA)	5 – 8 June 2023	The feedback was very positive, and included: <ul style="list-style-type: none"> <li>• The Council serves the town well and is today an impressive organisation</li> <li>• Ample evidence that the Council is now in a very good place. Ambitious, well-established, and robust foundations, along with notable and commendable practices that others can learn from</li> <li>• Strong and visible political and managerial leadership at borough and sub regional level</li> <li>• Excellent and effective Member and officer relationships built on mutual trust</li> <li>• Staff are motivated, dedicated and determined to deliver the best outcomes for residents.</li> </ul>	7 recommendations	Outcome unknown at the last report.	0	<b>In progress and on track</b>  (All 7 recommendations are in progress)

#### 7.4 Equality Framework for Local Government - Rotherham Council Peer Challenge (*Doncaster Council*)

7.4.1 Between March – April 2022 the Council received an informal, desktop peer assessment of the Council's progress judged against the KLOEs of the Equality Framework for Local Government by Doncaster Council.

7.4.2 The findings were received in May 2022 and twenty-two suggestions were made for consideration around the four themes from the Equality Framework for Local Government (EFLG). All are on track for completion in June 2025:

- **Suggestion:** Understanding and Working with your Communities (three actions). **Progress:** Consultation and engagement toolkit updated, and two training sessions delivered schedule for staff; a new model of equalities engagement is being implemented; recruitment for a dedicated officer to drive equalities; data from the Census has been used to update ward profiles and the Rotherham Data Hub; Strength based-working approach e-learning module rolled out; Community Reference Group reviewed.
- **Suggestion:** Leadership and Organisational Commitment (four actions). **Progress:** Corporate EDI Steering Group has been formed; EDI Operational Group formed to drive activity; Equalities Annual Report outlines learning from case studies of equalities outcomes; member development process being refreshed which will include raising awareness of equalities.
- **Suggestion:** Responsive Services and Customer Care (five actions). **Progress:** Commissioning toolkit launched, which includes EDI; a package of measures being developed to assist contract managers to secure social value outcomes from contracts including around equalities and the real living wage; customer service management systems now includes equality questions; Service Plan templates updated to further embed EDI; Equalities Annual Report outlines learning from case studies of equalities outcomes.
- **Suggestion:** Diverse and Engaged Workforce (ten actions). **Progress:** The Workforce Plan is being implemented including eight internal staff representative groups formed - mentoring scheme introduced, networks forward plan designed and update provided to EDI Steering Group; the Hybrid Working Policy has been reviewed and replaced with the Working Location Policy; Discover Well-being offer refreshed and communicated.

7.4.3 The comments from the peer challenge have been shared with the Corporate Equality, Diversity, and Inclusion Steering Group and are being progressed via the Council's Equality Framework Action Plan. This has been developed to deliver the Council Equality, Diversity and Inclusion Strategy, including our ambition to achieve 'excellent' in the Equality Framework for Local Government in 2025.

7.4.4 Implementation of the Equality Framework Action Plan is overseen by the Equality, Diversity, and Inclusion Steering Group.



## **7.5 Corporate Peer Challenge (*Local Government Association*)**

- 7.5.1 There is an expectation that councils receive a peer review every five years to provide robust, strategic, and credible challenge, whilst also enhancing capacity and helping to avoid insularity.
- 7.5.2 The Local Government Association (LGA) conducted the Council's Corporate Peer Challenge in June 2023, focused on ensuring that the Council has the capacity, governance, leadership, and finances to deliver its ambition. There was also a particular focus on the work the Council is doing to create an inclusive economy.
- 7.5.3 The Corporate Peer Challenge Team was made up of six experienced and skilled peers and they were on site for 3.5 days, between the 5<sup>th</sup> and 8<sup>th</sup> June 2023.
- 7.5.4 The feedback report was received and presented to Cabinet in September 2023, along with an action plan in response. The report included seven recommendations in total and all remain in progress:
- Celebrate the Council's achievements!
  - Develop an externally facing compelling and positive narrative of place
  - Use the investments underway to expand and attract private sector investment
  - Develop effective pathways and mechanisms for local people
  - Review performance management with a focus on impact and improvement in outcome
  - Develop a clearer and shared understanding of integrated locality working; increase the pace of digital transformation to improve the customer experience
  - Continue to keep the MTFS under review and continue to report to Members on a regular basis.
- 7.5.5 A detailed action plan has been developed and is monitored internally, overseen by the Strategic Leadership Team.
- 7.5.6 The LGA are conducting a progress review visit on 21 December 2023 and the finding will be publicised on the Council and LGA website.

## **8. Lessons learnt**

- 8.1 The Council will continue to share learning from external inspections, reviews and audits across services and other directorates, where appropriate, to prevent future concerns/problems arising and enhance service delivery.
- 8.2 See paragraphs 5.4.3 and 5.5.4 regarding examples of learning being considered.

- 8.3 Furthermore, the LGA Corporate Peer Challenge report noted that the Council had *‘opened itself to a range of peer reviews to support a learning culture’*. The report also stated, *‘The council has undergone an impressive transformation and has many exemplary and commendable practices that other councils can learn from’*.

## **9. Options considered and recommended proposal**

- 9.1 Audit Committee to note the recent external inspections, reviews and audits which have taken place and the progress made in implementing the recommendations since the last report in July 2023.
- 9.2 Audit Committee to note the governance arrangements that are currently in place for monitoring and managing the recommendations.
- 9.2 Audit Committee to continue to receive regular reports in relation to external inspections, reviews and audits and the progress made.

## **10. Consultation on proposal**

- 10.1 Not applicable to this report.

## **11. Timetable and Accountability for Implementing this Decision**

- 11.1 The timescale for each recommendation varies depending on the individual inspection or audit.
- 11.2 The next report will be presented to Audit Committee in July 2024.

## **12. Financial and Procurement Advice and Implications**

- 12.1 There are no direct financial and procurement implications as a result of this report.
- 12.2 Audits relating to finance and procurement and any related recommendations are outlined in the main body of the report.

## **13. Legal Advice and Implications**

- 13.1 There are no direct legal implications arising from the recommendations within this report.
- 13.2 Audits relating to legal services and any recommendations are outlined above.

## **14. Human Resources Advice and Implications**

- 14.1 There are no Human Resources implications.

## **15. Implications for Children and Young People and Vulnerable Adults**

- 15.1 The recommendations in relation to inspections in both Children and Young People's Services and Adult Social Care have direct implications on the quality of services provided to children, young people and vulnerable adults. Completing the recommendations will improve outcomes for these groups.

## **16. Equalities and Human Rights Advice and Implications**

- 16.1 When implementing changes/improvements services are to consider the impacts on services users and communities, including an individual or group with a protected characteristic. This may require the completion of an equality analysis to advance and maximise equality as well as eliminate discrimination and negative consequences.
- 16.2 As outlined in paragraph 7.4 an Informal Peer Challenge took place in March – April 2022 and actions are being progress via the existing Council's Equality Framework Action Plan.

## **17. Implications for CO2 Emissions and Climate Change**

- 17.1 There are no direct CO2 emissions and climate change implications.

## **17. Implications for Partners**

- 17.1 Partnership approaches are key to improving services and the improvements need to be of a multi-agency nature and owned cross the partnership.

## **18. Risks and Mitigation**

- 18.1 There is a risk that actions are reported as completed without substance, it is important that arrangements are in place as part of the respective quality assurance regimes and monitored through performance management, evidencing not just completion of actions, but the associated outcomes. As governance arrangements are strengthened, these risks become mitigated.

## **19. Accountable Officer(s)**

Simon Dennis, Corporate Improvement and Risk Manager

Tanya Lound, Corporate Improvement and Risk Officer

### **Approvals Obtained from:-**

Jo Brown, Assistant Chief Executive

**This report is published on the Council's website or can be found at:**

<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories>

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Public Report with Exempt Appendices  
Audit Committee

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**Committee Name and Date of Committee Meeting**

Audit Committee – 09 January 2024

**Report Title**

Corporate Strategic Risk Register Update

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report**

Jo Brown, Assistant Chief Executive

**Report Author(s)**

Simon Dennis (*Corporate Improvement and Risk Manager*)

Assistant Chief Executive's Department

Extension 22114

[simon.dennis@rotherham.gov.uk](mailto:simon.dennis@rotherham.gov.uk)

**Ward(s) Affected**

Borough-Wide

**Report Summary**

This report forms part of the Audit Committee's remit to consider the Corporate Strategic Risk Register (CSRR) regularly. The report summarises the current risk register and provides a short summary of our risk management arrangements.

**Recommendations**

1. The Audit Committee is asked to consider and note the updates to the Corporate Strategic Risk Register and make any comments as necessary.

**List of Appendices Included**

Appendix 1 – Summary Corporate Strategic Risk Register at 13<sup>th</sup> December 2023

Appendix 2 – Full Corporate Strategic Risk Register at 13<sup>th</sup> December 2023

## **Background Papers**

Report to Audit Committee; 28<sup>th</sup> June 2022 (Annual Risk Management Summary 2021-2022)

Report to Audit Committee; 29<sup>th</sup> November 2022 (Risk Management Strategy and Policy 2022)

Report to Audit Committee; 10<sup>th</sup> January 2023 (Corporate Strategic Risk Register update)

Report to Audit Committee; 26<sup>th</sup> September (Annual Risk Management Summary 2022-23 and Corporate Strategic Risk Register Update)

## **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

This paper is not intended to be circulated to other Committees or Panels and is produced solely for the Audit Committee.

## **Council Approval Required**

No

## **Exempt from the Press and Public**

Yes.

*An exemption is sought for Appendices 1 and 2 under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains information that refers to the affairs of third parties.*

*It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because failure to do so may result in disclosure of information about the financial or business affairs of Council suppliers and partners.*

## Corporate Strategic Risk Register Update

### **1. Background**

1.1 The Council's ongoing risk and assurance aims are to:

- Provide Members and Senior Officers with an understanding of the key risks facing the Council and its community, and to show how these risks are being effectively mitigated.
- Implement and maintain a fluid process for business-as-usual management of risks relevant to our objectives, outcomes, services and assets.
- Align reporting mechanisms for finance, risk, audit and performance providing members and senior officers triangulated risk and assurance profiles.
- Continue to meet the requirements of our external auditor and compliance providers.

1.2 This report aims to summarise the principal risk management activity that has been carried out within the Council throughout the past financial year. It also summarises the key movements in Strategic Risks that have occurred over the period and updates the Committee on the current risks on the Corporate Strategic Risk Register (CSRR).

### **2. Risk Management Responsibilities and Process**

2.1 The Council's Risk Management Policy and Guide states that risk management is the responsibility of all Council officers. This is further set out in section 6.2 of the Policy and Guide where the specific responsibilities of all members and officers are detailed. All employees are required to:

- Understand risk and their role in managing risks in their daily activities, including the identification and reporting of risks and opportunities.
- Support and undertake risk management activities as required.
- Attend relevant training courses focussing on risk and risk management.

2.2 As well as the key responsibilities set out in the Policy and Guide, the Council has a group of Risk Champions. Each Directorate has at least one Risk Champion who leads on risk for their Strategic Director. The Risk Champions, Assistant Chief Executive and the Corporate Improvement and Risk Manager form the Risk Champions Group. This group is responsible for co-ordinating risk management across the Council.

2.3 Overall strategic responsibility for risk management rests with the Assistant Chief Executive, with day-to-day responsibility assigned delegated to the Corporate Improvement and Risk Manager. The team working on corporate risk management also includes a "Corporate Improvement and Risk Officer". The team's responsibilities are wider than corporate risk management, but the presence of the additional posts ensures that there is resilience in the Council's risk management activity.

2.4 There are Risk Champions in place for the following Directorates and Services:

- Children's and Young People's services
- Regeneration and Environment
- Finance and Customer Services
- Adult Social Care, Housing and Public Health (Housing)
- Adult Social Care, Housing and Public Health (Adult Care)
- Adult Social Care, Housing and Public Health (Public Health)
- Assistant Chief Executive's

2.5 In most cases, each Directorate also has a substitute or deputy Risk Champion who can stand in for the primary Risk Champion when required.

2.6 The Risk Champions' Group meets bi-monthly and has done so consistently over the past twelve months.

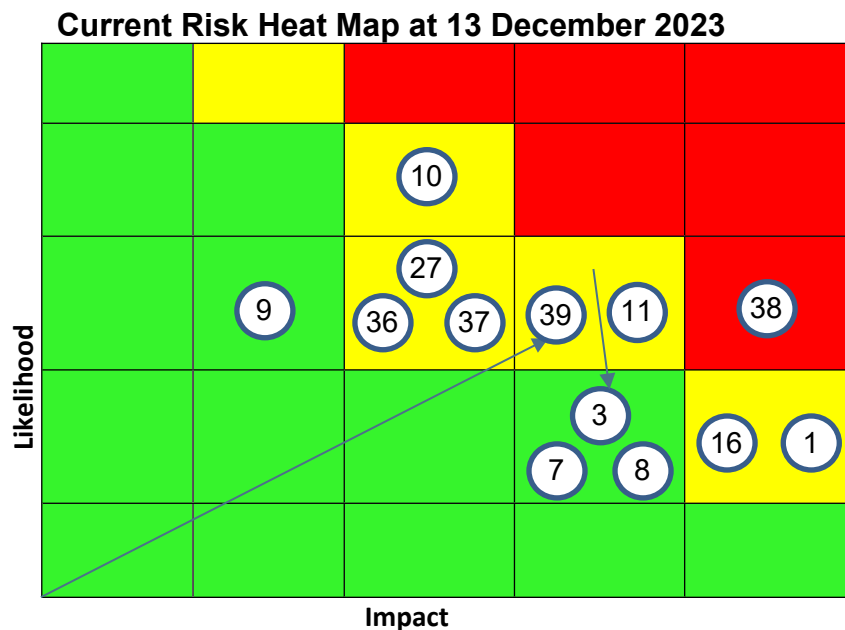
2.7 As set out in the Risk Management Policy and Guide, individual Service Management Teams (SMTs) and Directorate Leadership Teams (DLTs) have reviewed their risk registers in line with the Risk Management Policy and Strategy. Typically, teams review their registers every four to twelve weeks depending on the individual meeting cycle and the significance of the risks they are managing. We aim to achieve the best practice of DLTs considering risk at every meeting, but in a way that is proportionate to the risks being faced by the services in question.

2.8 The CSRR has been formally reviewed by SLT and a regular cycle of quarterly reviews has been in place throughout the financial year. It is also reported regularly to the Audit Committee alongside the annual "deep dives" of Directorate Risk Registers. Finally, the Corporate Improvement and Risk Manager, through the Risk Champions, ensures updates are obtained from all risk owners, reviews each update, and draws attention to issues or missing risk register updates.

### **3. Corporate Strategic Risk Register at 13 December 2023**

3.1 The current "heat map" for the strategic risks included in this update of the register is shown in the table below. One risk has been removed since the last report (SLT04 relating to sustained improvement in Children's Services) and one new risk has been added (SLT39 relating to the need to maintain a sufficient, skilled workforce, hence the arrow moving from zero to its current position). The current "heat map" for the strategic risks appears over the page, along with an indication of their movement since the last report.





- 3.2 The table below shows that the long-term level of assessed risk has continued to reduce over the last two years. This reflects the increasing grasp on the key risks that need to be managed at a strategic level as well as the continued improvement following the reduction in the impact of the pandemic. Since July 2022, 25% of risks monitored at a strategic level have reduced in assessed level, just over 56% have remained stable and 19% have increased or are new to the register.

Number	Risk Summary	Jul 22	Dec 22	Jul 23	Dec 23	Risk Movement (Jul 2022 compared to Dec 2023) ↓ = Risk level reduced ↑ = Risk level increased → = Risk level static
SLT01	Children's safeguarding	10	10	10	10	→
SLT03	Failure to deliver the Council Plan due to the pressures generated by the cost-of-living crisis	12	12	12	8	↓
SLT04	Making sustainable improvement in Children's Services	10	10	10	-	↓
SLT07	Response to a future pandemic	5	8	8	8	↑
SLT08	Failure to enhance	8	8	8	8	→

	community cohesion					
SLT09	Communications fail to be of sufficient quality	6	6	6	6	→
SLT10	Failure to attract new business and investment	12	12	12	12	→
SLT11	Risk of lack of effective partnership working	12	12	12	12	→
SLT16	Financial plans and budget gap	10	10	10	10	→
SLT22	Failure to comply with Mental Capacity Act/DoLs	9	9	-	-	↓
SLT27	Health and Safety and operational risks from property	9	9	9	9	→
SLT 35	Impact of the COVID pandemic	15	6	-		↓
SLT 36	Insufficient resources committed to Carbon Reduction Plan	9	9	9	9	→
SLT37	Failure to manage and deliver projects	9	9	9	9	→
SLT38	Business Continuity - Closure of the PTSN Network	-	-	15	15	↑
SLT39	Maintaining a sufficient, skilled, workforce	-	-	-	12	↑

- 3.3 As noted in paragraph 3.1, since the last report in July 2023, there has been one new risk added to the CSRR and one risk has been removed or de-escalated from the register. In total, there remain 13 risks on the CSRR.
- 3.4 Appendices 1 and 2 are prints of the complete CSRR in two versions. Appendix 1 is the summary version that the Committee would normally review. Appendix 2 is the full, detailed, version of the CSRR. This more detailed version includes additional information on current mitigations in place and makes clearer what mitigation is still to be delivered. The document also sets out the current target level of risk for each risk. This final column is an expression of the Council's risk appetite for that risk. The document at Appendix 2 is being adopted by individual Directorates and has replaced the former spreadsheet-based version of the risk register.

- 3.5 As can be seen from the current version of the CSRR, eight of the thirteen risks on the register have been in situ for a number of years. Whilst they have been regularly updated and amended, these core risks are now over seven years old and a deeper review is needed. A project has recently commenced to regenerate the CSRR from scratch. This has involved a workshop with the Council's Strategic Leadership Team to consider the performance risks, wider sector risks and other risks currently facing the Council. These are being developed into a new series of risks and will be presented at a future Committee meeting.

#### **4. Training Summary**

- 4.1 Risk Management training is a fundamental element of the Council's approach to risk management. There are four core elements of the training programme which are:
- A two-hour risk management course for all M2 managers and above. This course is run by the Corporate Improvement and Risk team at least quarterly (and more frequently if required)
  - A two-day risk management training course which is run each year by an external provider who are accredited by the Institute of Risk Management (IRM). This course is open to all staff but is a requirement for all Risk Champions and their deputies.
  - An online training course for all staff which is delivered through the e-learning system.
  - Specific training as required – this includes for elected members delivered as part of the member development programme and to Leadership Teams when required.
- 4.2 Take up of the M2 manager course remains very high, with a further 45 managers attending the courses run since the annual report in July 2023. The remaining courses are close to fully booked and additional courses will be set up as required.
- 4.3 The two-day IRM accredited course was run in March 2023. Twelve staff successfully completed this course and, as a result, have received IRM accreditation following a short assessment and test. Again, the level of take up of this course is very encouraging and it will be run again in early 2024.
- 4.4 A course for elected members was run in February 2022 and was attended by fifteen members. A recording of this course remains on the member training database for members to access when convenient.
- 4.5 Over the course of the last twelve months, risk management training events have been run for Strategic Leadership Team (SLT), a joint session with SLT and Assistant Directors (SLT/ADs) and the Council's Wider Leadership Team (WLT), which includes all the Council's Heads of Service.

- 4.6 As reported previously, following extensive development, the online training tool for risk management has now been relaunched. This short e-learning tool is required completion for all staff within a three-month time frame. Staff are allowed three months to complete the course and are also expected to re-complete it once every three years.

## **5. Options considered and recommended proposal**

- 5.1 Not applicable.

## **6. Consultation**

- 6.1 The risks included in this report have been drawn from Directorate Risk Registers and the Strategic Risk Register.

## **7. Timetable and Accountability for Implementing this Decision**

- 7.1 Not applicable.

## **8. Financial and Procurement Implications**

- 8.1 The risks contained in the table at section 3.2 require ongoing management action. In some cases, additional resources may be necessary to implement the relevant actions or mitigate risks. Any additional costs associated with the management of these risks will be contained within overall budgets or otherwise reported through the monthly financial monitoring arrangements and to Cabinet if appropriate.

## **9. Legal Implications**

- 9.1 There are no direct legal implications arising from the risk register. Any actions taken by the Council in response to risks identified will consider any specific legal implications.

## **10. Human Resources Implications**

- 10.1 There are no Human Resources implications associated with the proposals.

## **11. Implications for Children and Young People and Vulnerable Adults**

- 11.1 The Strategic Risk Register incorporates the CYPS risks that are of significance at a corporate / strategic level.

## **12. Equalities and Human Rights Implications**

- 12.1 Proposals for addressing individual risks within the register incorporate equalities and human rights considerations where appropriate.

**13. Implications for Partners and Other Directorates**

- 13.1 The actions relating to any issues affecting partners are reflected in the risk register and accompanying risk mitigation action plans.

**14. Risks and Mitigation**

- 14.1 It is important to review the effectiveness of our approach to capturing, managing and reporting risks on an ongoing basis. This report sets out how the approach to risk management will be developed over the course of the coming year.

**15. Accountable Officer:**

Simon Dennis (Corporate Improvement and Risk Manager)

Approvals Obtained from: -

Jo Brown, (Assistant Chief Executive)

**This report is published on the Council's website or can be found at:**

Not Applicable for the Appendices – Private Report

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By virtue of paragraph(s) 1, 2 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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of the Local Government Act 1972.

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**Committee Name and Date of Committee Meeting**

Audit Committee – 9<sup>th</sup> January 2023.

**Title**

Internal Audit Progress Report for the period 1<sup>st</sup> November 2023 to 30<sup>th</sup> November 2023.

**Is this a Key Decision and has it been included on the Forward Plan?**

No.

**Strategic Director Approving Submission of the Report**

Judith Badger, Strategic Director, Finance and Customer Services.

**Report Author(s)**

Louise Ivens, Head of Internal Audit

Tel: 01709 823282 Email: [louise.iven@rotherham.gov.uk](mailto:louise.iven@rotherham.gov.uk)

**Ward(s) Affected**

All wards.

**Report Summary**

This Progress Report provides the committee with an up to date position on the Internal Audit Plan, a summary of Internal Audit work completed during the period 1<sup>st</sup> November 2023 to 30<sup>th</sup> November 2023 and the key issues that have arisen from it, and the status of actions arising from audits. It also provides information regarding the performance of the Internal Audit function during the period.

**Recommendations**

The Audit Committee is asked to:

- 1) Note the Internal Audit work undertaken since the last Audit Committee, 1<sup>st</sup> November 2023 to 30<sup>th</sup> November 2023, and the key issues that have arisen from it.
- 2) Note the information contained regarding the performance of Internal Audit and the actions being taken by management in respect of their performance.

**List of Appendices Included**

Appendix A – Internal Audit Plan 2023/24

Appendix B – Summary of work completed since the last meeting

Appendix C – Internal Audit Performance Indicators

**Background Papers**

Public Sector Internal Audit Standards and Associated Local Government Application Note.

Accounts and Audit (England) Regulations 2015.

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**  
No.

**Council Approval Required**  
No.

**Exempt from the Press and Public**  
No.

## **Internal Audit Progress Report for the period 1<sup>st</sup> November 2023 to 30<sup>th</sup> November 2023**

### **1. Background**

- 1.1 CIPFA guidance for Audit Committees in Local Authorities gives the Audit Committee a clear role in supporting the effectiveness of the internal audit process. This role is reflected in the Terms of Reference of the committee. To fulfil this role the committee receives updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work. In addition, it receives information on performance relative to the audit plan.
- 1.2 Public Sector Internal Audit Standards require that the Head of Internal Audit reports periodically to the Audit Committee. This is reflected in the Audit Charter which provides for Progress Reports to be presented to the Audit Committee regarding the audit plan and progress against it; resource requirements; the results of audit activities; the tracking of audit recommendations; and the performance of the audit team.
- 1.3 This report includes the position up to the end of November 2023 on the completion of the annual plan for 2023/24, the reports finalised in November 2023 and performance indicators for the team.

### **2. Key Issues**

#### **2.1 Internal Audit Annual Plan**

Internal Audit produced a risk based Annual Audit Plan for 2023/24 and presented it to the Audit Committee at its meeting on 14<sup>th</sup> March 2023. A revised plan was presented at the July meeting. The plan has been amended following discussions with DLT colleagues to ensure it remains relevant and is focused on current risks. The revised plan provides sufficient coverage for the Head of Internal Audit to provide their annual opinion at the end of the year and will be kept under review during the remainder of the year. The plan is attached, showing the position at the end of November 2023. In the year to date the department has delivered 688 days of productive work, showing it is on target for the year as a whole.

#### **2.2 Audit Work Undertaken During the Period**

Internal Audit provides an opinion on the control environment for all systems or services which are subject to audit review. These are taken into consideration when forming our overall annual opinion on the Council's control environment. There are four possible levels of assurance for any area under examination, these being "Substantial Assurance", "Reasonable Assurance" "Partial Assurance" and "No Assurance". Audit opinions and a brief summary of all audit work concluded since the last Audit Committee are set out in **Appendix B**. Four audits have been finalised since the last Audit Committee.

- 2.3 In addition to the planned audit assurance work, Internal Audit also carries out unplanned responsive work and investigations into any allegations of fraud, corruption or other irregularity. There have been no investigation reports issued since the last committee meeting.

## 2.4 Internal Audit Performance Indicators

Internal Audit's performance against a number of indicators is summarised in **Appendix C**. One audit report was issued outside of the target time and available productive time was affected by staff training and sickness.

## 2.5 Management Response to Audit Reports

Following the completion of audit work, draft reports are sent to or discussed with the responsible managers to obtain their agreement to the report and commitment to the implementation of recommendations. This results in the production of agreed action plans, containing details of implementation dates and the officers responsible for delivery. Draft reports are copied to the relevant Head of Service and Assistant Director and final reports are also sent to the Strategic Director.

Confirmation of implementation of audit recommendations is sought from service managers when the implementation date is reached. This is automated, with alerts being sent out a week before the due date to the Responsible Manager and Head of Service, and overdue alerts sent out weekly, copied into the Assistant and Strategic Director. Managers should enter the system and provide an update on the action – either implemented or deferred.

Summary reports of outstanding actions are produced monthly and distributed to Strategic Directors. At the present time there are ten actions that have been deferred from their original due dates, nine of which relate to Rothercare where the service is working on a new business operating model.

## 3. Options considered and recommended proposal

- 3.1 This report is presented to enable the Audit Committee to fulfil its responsibility for overseeing the work of Internal Audit. It provides a summary of Internal Audit work completed and the key issues arising from it for the period from 1<sup>st</sup> November 2023 to 30<sup>th</sup> November 2023 and information about the performance of the Internal Audit function during this period.

## 4. Consultation on proposal

- 4.1 The Internal Audit plan was produced after consultation with management teams. All Internal Audit reports referred to in this report have been discussed and agreed with management in the respective service areas.

## 5. Timetable and Accountability for Implementing this Decision

- 5.1 The Audit Committee is asked to receive this report at its 9<sup>th</sup> January 2024 meeting.

## **6. Financial and Procurement Advice and Implications**

- 6.1 There are no direct financial or procurement implications arising from this report. The budget for the Internal Audit function is contained within the budget for the Finance and Customer Services Directorate.

## **7. Legal Advice and Implications**

- 7.1 The provision of Internal Audit is a statutory requirement for all local authorities that is set out in the Accounts and Audit (England) Regulations 2015. These state:

*“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”*

- 7.2 Internal Audit also has a role in helping the Council to fulfil its responsibilities under s.151 of the Local Government Act 1972, which are:

*“each local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”*

## **8. Human Resources Advice and Implications**

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

## **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 This document includes a report of progress against delivery of the Internal Audit Plan. A significant proportion of the Plan is devoted to the examination of risks facing Children and Young People's Services and Adult Social Care.

## **10. Equalities and Human Rights Advice and Implications**

- 10.1 There are no direct Equalities and Human Rights Implications arising from this report.

## **11. Implications for CO2 Emissions and Climate Change**

- 11.1 There are no direct CO2 and Climate Change implications arising from the report.

## **12. Implications for Partners**

- 12.1 Internal Audit is an integral part of the Council's Governance Framework, which is wholly related to the achievement of the Council's objectives, including those set out in the Council Plan.

**13. Risks and Mitigation**

13.1 An effective Internal Audit Department helps to minimise the Council's exposure to risk.

**14. Accountable Officer**

Louise Ivens, Head of Internal Audit.

Tel 01709 823282 Email [louise.iven@rotherham.gov.uk](mailto:louise.iven@rotherham.gov.uk)



## Internal Audit Plan 2023/24 Revised November 2023

<b><u>CORPORATE</u></b>					
Audit	Risk Register and Rating	Audit Classification	Auditable Area	Number of days	Planned Quarter
Contract Management		Risk Based	A review of the tracking and management of contract delivery by contract managers, to provide assurance on how outcomes and outputs are tracked.	15	2
<b>Total planned days – Corporate</b>				<b>15</b>	

<b><u>ASSISTANT CHIEF EXECUTIVE</u></b>					
Audit	Risk Register and Rating	Audit Classification	Auditable Area	Number of days	Planned Quarter
Payroll 22/23	ACX20	Systems Based	Provide assurance on key processes for carrying out reconciliations and error resolution and prevention.	5	FINAL
Big Hearts Big Changes (BHBC)	ACX23	Risk Based	Provide assurance on the governance arrangements to ensure the effective delivery of the BHBC programme.	9	FINAL
Council Plan	ACX27	Risk Based	Provide assurance on the governance arrangements and that performance measures are being accurately reported.	7	FINAL
Payroll 23/24	ACX20	Systems Based	Annual review of payroll as a fundamental system.	20	4

Workforce Plan	ACX32	Risk Based	Review of the impact of the Workforce Plan on the workforce.  Deferred to the 2024/25 Audit Plan to allow time for the revised OD structure to bed in and for the AD HR to be in place.	(10)	
Establishment Control		Risk Based	Review of the management of vacancies and their disestablishment, and the match between HR and Finance establishments.	15	3
Risk Management		Risk Based	Review of the effectiveness of Risk Management.	15	4
Annual Governance Statement		Risk Based	Review of the process for the production of the AGS, after changes introduced in 2023.  The AGS has been finalised and approved. To consider whether this audit is required as part of the 2024/25 audit planning process.	(10)	
Declarations of Interest		Risk Based	Review of officers' Declarations of Interest, after the introduction of new procedure.	10	FINAL
<b>Total planned days – Assistant Chief Executive</b>				<b>81</b>	

### **ADULT CARE HOUSING AND PUBLIC HEALTH**

Audit	Risk Register and Rating	Audit Classification	Auditable Area	Number of days	Planned Quarter
Housing Management System		Risk Based	Review and provide assurance on the adequacy of the new housing management system.	1	FINAL

Transition from Children's Care to Adult Care		Risk Based	Review progress in implementing the Ofsted action plan and provide an assurance on the processes taken to address the weaknesses highlighted within the action plan.	9	DRAFT
Waiting Lists		Risk Based	Management request – addition to the plan. Review of mechanisms in place for dealing with waiting lists for assessments for care.	1	FINAL
Liberty Protection Safeguards.	ACHPH R3 (ACI R5)	Risk Based	Provide an assurance on the Council's readiness to transfer to the new Liberty Protection Safeguards regulations.	20	DRAFT
Health & Safety Legislation and Corporate Responsibilities for Council Homes.	ACHPH R9 (H-R12)	Risk Based	To review compliance with Health and Safety regulations with regard to smoke and carbon monoxide alarms.	10	4
Housing and Estates – Anti Social Behaviour	H – R10	Risk Based	Review of current procedures and to ensure compliance with legislation.	10	DRAFT
Housing and Estates – Management of Estate Environment	H – R11	Risk Based	Review of procedures in place to ensure effective management of the estate environment.	10	2
Local Government Ombudsman's Reports		Risk Based	Management request to examine Ombudsman's report for the last two years and report on how the Council responded to any findings and if any lessons learned were acted upon.	15	4
LGA Peer review			Change in scope to review the robustness of the response to the findings of the LGA peer review and action plan.		
Public Health		Risk Based	Review of drug and alcohol working partnerships including needs assessments and plans.	(15)	

			To remove from the plan no longer required.		
Health Funded Clients		Follow Up	Follow up of Partial Assurance audit in 2022/23	5	WIP
Housing Rents		Risk Based	Change in scope to review compliance against the 2023 Rent Standard.	10	4
Homes England		Risk Based	Review of grant funding drawdowns after new processes have been implemented.	5	WIP
<b>Total Planned Days – Adult Care and Housing</b>				<b>96</b>	

<b><u>CHILDREN AND YOUNG PEOPLES SERVICE</u></b>					
Audit	Risk Register and Rating	Audit Classification	Auditable Area	Number of days	Planned Quarter
Commissioning Services	CPQ43	Risk Based	Review of commissioning policies in place to support safeguarding of children and young people; health and safety and Governance, which need to be in place by all contract holders. Assurance would assist Commissioning develop their quality assurance framework.	5	WIP
Youth Offending		Risk Based	Review of progress after HMIP review and peer review	1	FINAL
Supporting Families		Risk Based	Management request – addition to the plan. Review of new systems being developed to prepare for changes to government requirements.	9	Ongoing advice
Early Help Provision	ES6	Risk Based	Consider the recently published independent review of children's social care report and where areas of concern could be applicable to RMBC. Review to also consider Universal and targeted help.	15	4

Social; Emotional and Mental Health Needs (SEMH)	ES17	Risk Based	Scope of the audit to be finalised with CYPS, based upon Local Area Provision and inclusion pathways.	15	WIP
Safeguarding	SCF3	Risk Based	Review of procedures for placing 16+ children with external provider regulated accommodation	10	WIP
Unaccompanied Asylum-Seeking Children (UASC)	SCF6	Risk Based	Review of procedures for age assessments of UASC.	10	DRAFT
Special Education Needs and Disability (SEND)	CYPS03	Risk Based	Review of Education, Health and Care Plans (EHCP) across all the domains, including Health and Social Care Partners.	20	WIP
Schools CRSA		Risk Based	Conduct the annual school's Control and Risk Self-Assessment to form the basis for school visits.	10	WIP
Schools Themed Audits		Risk Based	Sample visits to schools, based on the results of the self-assessment.	20	4
<b>Total Planned Days - Children and Young People's Services</b>				<b>115</b>	

## **FINANCE AND CUSTOMER SERVICES**

### **Finance**

Audit	Risk Register and Rating	Audit Classification	Auditable Area	Number of days	Planned Quarter
NNDR	FCS2	Systems Based	Fundamental System. Review of new processes in respect of NNDR reliefs to provide a level of assurance of compliance with these.	1	FINAL

Procurement Governance	Operational Risk.	Risk Based	Review procurement procedures and assess Directorate adherence to them. To include, where applicable, a review of Directorate procedures.	8	WIP
Debtors		Systems Based	Review debtors procedures and assess Directorate adherence to them. To include, where applicable, a review of Directorate procedures.	2	FINAL
Rebate Scheme		System Based	To review the processes used to pay the one-off Council Tax Energy rebate payment to RMBC residents	1	FINAL
Council Tax		Systems Based	Fundamental System. Scope of the audit to be agreed with Assistant Director Finance, to include core systems not currently being externally stored.	10	4
Contract Renewals and Expiry		Systems Based	Review of Directorate compliance with procedures for planning for renewing contracts, in line with Cabinet Office Best Practice.	20	WIP
Creditors		Systems Based	Fundamental System. Audit resources to examine procedures regarding move towards “faster payments”, scope to be finalised with the Assistant Director Finance.	10	4
Capital Programme		Systems Based	Review the updated capital procedures and provide assurance that they are being complied with and that expenditure is appropriately approved, controlled and monitored.	15	WIP
<b><u>Customer Information &amp; Digital Services</u></b>					
Hosted & Cloud-based systems	Operational Risk	Risk Based	Provide assurance on the IG policies & procedures for cloud-based storage platforms, including recovery, protection & security arrangements.	1	FINAL
Application Management	Salford Risk Assessment	Risk Based	Review of controls around access control, system availability. Specific applications to be agreed.	10	4
PCI/DSS	Salford Risk Assessment	Risk Based	Technical audit to be carried out by Salford IAS	10	WIP

Customer Digital Programme			Audit contribution to projects designed to increase efficiency.	20	Ongoing advice
<b><u>Legal Services</u></b>					
Registrars		Risk Based	Review of processes and controls after external inspection	15	FINAL
Litigation Service		Risk Based	Review of the legal support provided to Adult Care and Child Protection.  To defer to 2024/25 due to restructure of the Adult Care part of the service.	(20)	
Land Terrier		Risk Based	Review of the registration of Council land	10	3
Governance		Risk Based	Review of the operation of processes around decision-making within the Council.	15	4
<b>Asset Management</b>					
Asset Management - Estimates and Capital Programme		Management Request – From Contingency	To provide assurance on the accuracy of valuations, calculated as estimates for capital schemes that are to be included on the Capital Programme, to ensure that final costs do not excessively exceed the original estimates.	15	WIP
Asset Management – Health and Safety Compliance		Management Request – From Contingency	Review key aspects of statutory compliance within the Council's operational property estate managed by Facilities Management.	10	4
Asset Management - Acquisitions		Management Request – From Contingency	Provide assurance on the end to end management of properties once acquired by the Council.	15	4

<b>Total Planned Days – Finance and Customer Services and Asset Management</b>	<b>193</b>
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<b><u>REGENERATION AND ENVIRONMENT</u></b>					
<b>Audit</b>	<b>Risk Register and Rating</b>	<b>Audit Classification</b>	<b>Auditable Area</b>	<b>Number of days</b>	<b>Planned Quarter</b>
Waste	CSS13	RISK BASED	To provide assurance on the efficient and effective management of waste collection data, reporting and invoicing.	17	DRAFT
Cash collection and income		RISK BASED	Review the arrangements for the collection, monitoring, reconciliation of cash and other forms of income from various establishments.	13	WIP
Building Security Follow Up		FOLLOW UP	Follow Up of Partial Assurance audit.	1	FINAL
Home to School Transport	R&E 8 & CST 15	RISK BASED	Provide assurance on the effectiveness of the Home to School Transport service.  To be deferred until 2024-25 due to capacity/resource pressures within the service.	(10)	
Vehicle Operators Licence	R&E39 & CSS44	RISK BASED	Review compliance with regulatory requirements	10	WIP
Fire Strategy	R&E25 & PRT38	RISK BASED	Provide assurance that RMBC as the corporate landlord has an effective fire strategy.	10	DRAFT
Building Control		RISK BASED	Provide assurance after changes in regulations around payments and inspection visits.	10	DRAFT



Trading Standards		RISK BASED	Review of the operation of Trading Standards.	15	WIP
Green Spaces		RISK BASED	Review over the Health and Safety controls around Green Spaces.	15	4
Tree Service follow-up	R&E52 & CST9	RISK BASED	Follow up of No Assurance audit in 2022/23	10	WIP
Museum Collections follow-up	CST11	RISK BASED	Follow up of Partial Assurance audit in 2022/23	5	FINAL
Hand Arm Vibration		RISK BASED	To review compliance with the Vibration at Work Guidance	10	FINAL
Hellaby Stores		RISK BASED	To assess the adequacy of the internal control arrangements surrounding the operation of the stores at Hellaby depot	10	FINAL
<b>Total Planned Days – Regeneration and Environment</b>				<b>126</b>	

<b><u>OTHER</u></b>	<b>Provision</b>	<b>Used</b>
Grants	100	48
Provision for investigations	150	60
Pro-active fraud	40	13
Contingency	60	34
Follow Up	20	9
<b>Other Work Total</b>	<b>370</b>	<b>180</b>
<b>Overall Plan Total</b>	<b>1000</b>	

### Summary of Audit Work Completed since the last meeting

Note:- Internal Audit uses an Executive Summary and reporting structure which gives four levels of overall assurance for areas under examination. Within each area audited an overall assurance opinion is assessed as being either “Substantial Assurance”, Reasonable Assurance”, “Partial Assurance” or “No Assurance”, taking into account the results of all the risks assessed.

Audit Area	Assurance Objective	Final Report issued	Overall Audit Opinion	Summary of Significant Issues
<b>Assistant Chief Executive</b>				
One Council (BHBC)	To provide assurance that the One Council (BHBC) overall programme objectives can be effectively monitored and accurately reported.	28.11.23	Reasonable	Controls were generally in place. Recommendations were raised regarding ensuring consistency in the level of scrutiny, value and engagement for all workstreams, (as the Climate Change Workstream has an internal as well as an external role), and that the risk appetite is formally assessed and documented for all parts of the One Council (BHBC) programme and is aligned to risk mitigation for risk ACX23.
<b>Finance and Customer Services</b>				
Registrars	To provide assurance that the registrars service is responding to and implementing the recommendations in the General Registration Office report. Confirm that the service is being delivered within the identified resources and charges are being implemented appropriately.	22.11.23	Substantial	Controls were in place. One recommendation was raised regarding undertaking a complete reconciliation to ensure all income due for ceremonies and certificates is received and to aid budget monitoring.

Audit Area	Assurance Objective	Final Report issued	Overall Audit Opinion	Summary of Significant Issues
<b>Regeneration and Environment</b>				
Museums Collection Follow Up	The audit was to provide assurance that the agreed actions from the previous Museum Collections audit were implemented.	9.11.23	Substantial	All recommendations had been implemented and no further recommendations were raised.
Kerbside Waste Collection Data	To provide assurance on the efficient and effective management of kerbside waste collection data, reporting and invoicing.	14.11.23	Substantial	Controls were in place. One recommendation was raised regarding the documentation of procedures to cover tasks and checks involved in the preparation of data for quarterly reporting to DEFRA.

## Definitions

Rating	Definition
Substantial Assurance	<p>Substantial assurance that the system of internal control is designed to achieve the service's objectives and this minimises risk.</p> <p>The controls tested are being consistently and effectively applied. Recommendations, if any, are of an advisory nature (1 star) to further strengthen control arrangements.</p>
Reasonable Assurance	<p>Reasonable assurance that the system of internal control is designed to achieve the service's objectives and minimise risk. However, some weaknesses in the design or inconsistent application of controls put the achievement of some objectives at risk.</p> <p>There are some areas where controls are not consistently and effectively applied and / or are not sufficiently developed. Recommendations are no greater than medium (2 star) priority.</p>
Partial Assurance	<p>Partial assurance where weaknesses in the design or application of controls put the achievement of the service's objectives at risk in a significant proportion of the areas reviewed.</p> <p>There are significant numbers of areas where controls are not consistently and effectively applied and / or are not sufficiently developed. Recommendations may include high priority (3 star) and medium priority (2 star) matters.</p>
No Assurance	<p>Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes service objectives to an unacceptable level of risk.</p> <p>There is significant non-compliance with basic controls which leaves the system open to error and / or abuse. Recommendations will include high priority (3 star) matters and may also include medium priority (2 star) matters.</p>

**Appendix C****Internal Audit Performance Indicators**

<b>Performance Indicator</b>	<b>Target</b>	<b>April to June 2023</b>	<b>July to August 2023</b>	<b>Sept to October 2023</b>	<b>Nov 2023</b>
Draft reports issued within 15 working days of field work being completed.	90%	80%	100%	89%	75%
Chargeable Time / Available Time.	80%	83%	75%	74%	71%
Audits completed within planned time	90%	90%	88%	83%	100%
Client Satisfaction Survey.	100%	100%	100%	100%	100%

**Comments received in the Client Satisfaction Surveys**

Two surveys were received during November.

**Good**

The auditor's support throughout the review was extremely helpful to me as this was the first Internal Audit Review that I have been involved in as a HoS. She provided additional time to walk through each recommendation and provided additional clarity as needed.

It was conducted very professionally by the auditor and I was kept well informed throughout.

**Suggested improvements**

None identified.

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Public Report with Exempt Appendices  
Audit Committee

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**Committee Name and Date of Committee Meeting**

Audit Committee – 09 January 2024

**Report Title**

Finance & Customer Services Risk Register

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report**

Judith Badger (Strategic Director, Finance & Customer Services)

**Report Author(s)**

Andrew Dyson (Directorate Risk Champion)  
01709 823875 andrew.dyson@rotherham.gov.uk

**Ward(s) Affected**

All Wards

**Report Summary**

This report provides an update to Audit Committee on the current position of the Finance & Customer Services Directorate Risk Register and Risk Management activity within the Directorate.

**Recommendations**

Audit Committee is asked to note the progress and current position in relation to Risk Management activity in the Finance & Customer Services Directorate.

**List of Appendices Included**

Appendix 1: Finance & Customer Services Risk Register

**Background Papers**

Finance & Customer Services Directorate Risk Register report to Audit Committee 10 January 2023.

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

**Council Approval Required**

No

**Exempt from the Press and Public**

Yes.

An exemption is sought for Appendix 1 under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains information that refers to the affairs of third parties.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because failure to do so may result in disclosure of information about the financial or business affairs of Council suppliers and partners.



## Finance & Customer Services Directorate Risk Register Update

### 1. Background

- 1.1. The Finance and Customer Services Risk Register was last presented to the Audit Committee in January 2023.
- 1.2 There are four Services within the Finance & Customer Services (FCS) Directorate:
  - Financial Services
  - Customer, Information and Digital Services
  - Legal Services
  - Internal Audit.
- 1.3 Asset Management Services have transferred to the Directorate on a temporary basis to enable the Regeneration and Environment Directorate to focus on delivering the capital programme. The Asset Management Risk Register will be presented to the Audit Committee at its March meeting.
- 1.4 The Finance & Customer Services Directorate level Risk Register currently has nine risk items listed (**Appendix 1**), of which two FCS risks are included on the Corporate Risk Register.
- 1.5 The corporate risks for the directorate are described below:








#### Finance and Customer Services


- **SLT16 (FCS1) Maintaining a Balanced Budget and medium-term financial strategy that enables the continued delivery of core Council services and ensures the ongoing financial resilience of the Council.**  
Risk detail: Directorates failing to deliver services within budget. Finance Settlements from Government being inadequate to meet service costs and demand increases. Economic factors impacting negatively on Business Rates and Council Tax income.
  - **SLT38 (FCS17) 'Closure of PTSN in December 2025'**  
Risk detail: Certain business activities, services to residents and emergency /back-up contingency measures which are dependent on the PSTN are compromised.
- 1.6 Risks are regularly discussed and reviewed at the Directorate Leadership Team (DLT) and, where necessary, risks are escalated to the next strategic level for inclusion on the appropriate risk register to the Strategic Leadership Team.
  - 1.7 Risks are owned and updated by the relevant Assistant Director or Head of Service/Service Manager. Updated risk registers are uploaded and retained on the corporate SharePoint system which is accessed via the intranet.

- 1.8 As part of the ongoing programme to embed Risk Management into the working culture of the Council, all M2 and M3 managers within Finance & Customer Services are encouraged to attend corporate Risk Management training. New and/or redeployed managers are asked to attend future training events. All staff are also required to complete a mandatory risk management e learning module.

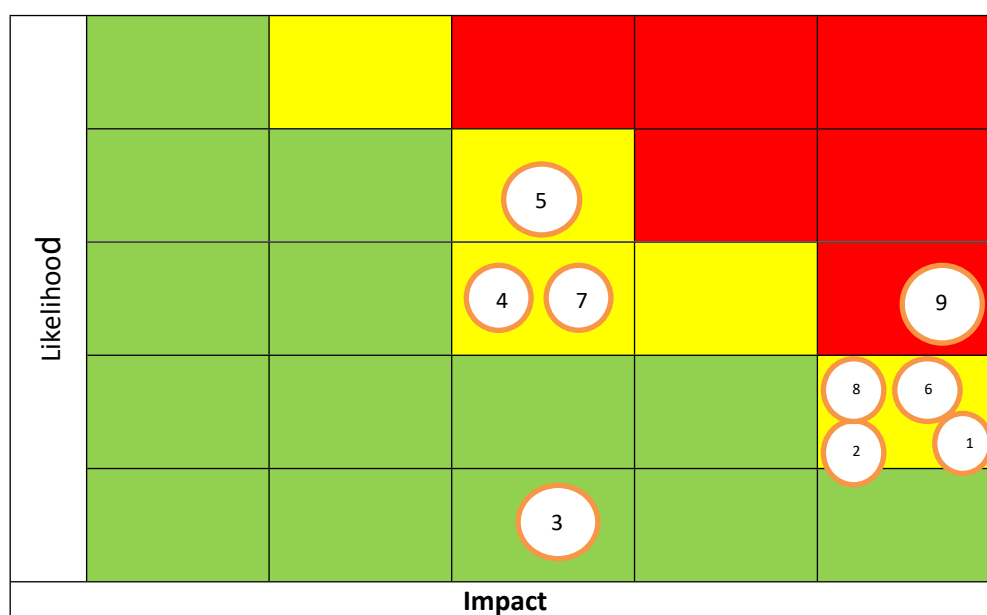
## 2. Key Issues

- 2.1 The new risk referenced **FCS17 (SLT38) 'Closure of PSTN in December 2025'** has a current risk score that falls within the red risk category. Planned mitigation is recorded to achieve a green risk rating. There are no other red rated risks included within the Finance & Customer Services Directorate risk register.
- 2.2 Risk Register entries are closely linked to the Service Plans, Team Plans, Reports and Service meeting agendas across the directorate.
- 2.3 Progress against key actions to mitigate the above risks is monitored through management team meetings.
- 2.4 The table below shows the risks reported in January 2023 and a comparison with current risk scores:

Progress (arrows)	No	Risk Ref	Risk Description	Current Risk Score 10 <sup>th</sup> Jan 2023	Current Risk Score 9 <sup>th</sup> Jan 2024	Notes
	1	SLT16 FCS1	Balanced Budget medium term.	10	10	Risk reviewed and the score is unchanged.
	2	FCS6	Child Protection Litigation Service	10	10	Risk reviewed and the score is unchanged.
	3	FCS9	Accurate Draft Statement of Accounts	3	3	Risk reviewed and the score is unchanged.
	4	FCS10	Council Tax Collection rate	9	9	Risk reviewed and the score is unchanged.
	5	FCS13	Modern Procurement Service	12	12	Risk reviewed and the score is unchanged.
	6	FCS14	Cyber attack	10	10	Risk reviewed and the score is unchanged.
	7	FCS15	Customer Information	9	9	Risk reviewed and the score is unchanged.

			and Digital Service			
	8	FCS16	Balanced budget	10	10	Risk reviewed and the score is unchanged.
	9	FCS17	Closure of PSTN in December 2025	N/A	15	N/A new risk

2.7 The 'heat map' for the Finance and Customer Services Risk Register using the Current Risk scores is shown in the table below:



### 3. Options considered and recommended proposal

3.1 The Audit Committee is asked to note the progress and current position in relation to risk management activity in the Finance and Customer Services Directorate and comment as required.

### 4. Consultation on proposal

4.1 The Corporate/Strategic Risk Register is reviewed quarterly by the Strategic Leadership Team and the Finance and Customer Services Risk Register is regularly discussed and reviewed at the Directorate Leadership Team (DLT) and, where necessary, risks are escalated to the Strategic Leadership Team.

4.2 A strategic meeting of Risk Champions takes place bi-monthly, and the Finance & Customer Services Directorate is actively represented at all meetings.

## **5. Timetable and Accountability for Implementing this Decision**

5.1 Not applicable.

## **6. Financial and Procurement Advice and Implications**

6.1 The risks contained in the register require ongoing management action. In some cases, additional resources may be necessary to implement the relevant actions or mitigate risks. Any additional costs associated with the risks are reported to Finance & Customer Services DLT if required.

## **7. Legal Advice and Implications**

7.1 There are no direct legal implications arising from the risk register. Any actions taken by the Council in response to risks identified will take into account any legal implications.

## **8. Human Resources Advice and Implications**

8.1 There are no direct Human Resources implications arising from this report.

## **9. Implications for Children and Young People and Vulnerable Adults**

9.1 The Finance & Customer Services Risk Register incorporates risks that are of significance with regards to children and vulnerable adults and sets out the mitigating actions that are being undertaken to deal with these risks.

## **10. Equalities and Human Rights Advice and Implications**

10.1 Proposals for individual risks within the register incorporate equalities and human rights considerations where appropriate.

## **11. Implications for CO2 Emissions and Climate Change**

11.1 There are no CO2 emissions or climate change implications from this report.

## **12. Implications for Partners**

12.1 Actions relating to any issues affecting partners and other directorates are reflected in the risk register and accompanying risk mitigation action plans.

## **13. Risks and Mitigation**

13.1 The Finance & Customer Services Risk Register (**Appendix 1**) details the risks and mitigations.

## **14. Accountable Officer(s)**

Judith Badger	Strategic Director, Finance & Customer Services
<i>Report Author:</i>	<i>Andrew Dyson (Directorate Risk Champion)</i>
	01709 823875 andrew.dyson@rotherham.gov.uk 01709
	823875 andrew.dyson@rotherham.gov.uk

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

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**Committee Name and Date of Committee Meeting:**

Audit Committee – 9<sup>th</sup> January 2024

**Report Title:**

Audit Committee Forward Work Plan

**Is this a Key Decision and has it been included on the Forward Plan?**

No

**Strategic Director Approving Submission of the Report:**

Judith Badger, Strategic Director of Finance and Customer Services

**Report Author(s):**

Louise Ivens (Head of Internal Audit).

Tel: 01709 823282 Email [louise.iven@rotherham.gov.uk](mailto:louise.iven@rotherham.gov.uk)

**Ward(s) Affected:**

Borough-Wide.

**Executive Summary:**

The report presents to the Audit Committee a forward work plan covering the next year. The plan shows how the agenda items relate to the objectives of the Committee. It is presented for review and amendment as necessary.

**Recommendation:**

That Audit Committee review the Forward Work Plan and suggest any amendments to it.

**List of Appendices Included**

Audit Committee Forward Work Plan.

**Background Papers**

Audit Committee Terms of Reference – Constitution, Appendix 9 Responsibilities and Functions, Section 5 Terms of Reference for Committees, Boards and Panels.

**Consideration by any other Council Committee, Scrutiny or Advisory Panel:**

No

**Council Approval Required:**

No

**Exempt from the Press and Public:**

No

## **Audit Committee Forward Work Plan**

### **1. Background**

- 1.1 The Audit Committee's Terms of Reference are published in the Constitution. The attached Forward Work Plan details how the Committee meets those Terms of Reference.

### **2. Key Issues**

- 2.1 Local Government Audit Committees should comply with the Chartered Institute of Public Finance and Accountancy's Position Statement and Practical Guidance for Audit Committees. The Terms of Reference for the Audit Committee are designed to ensure the Committee meets the CIPFA standards.
- 2.2 The forward work plan is designed to ensure that the key Audit Committee responsibilities are fulfilled.

### **3. Options considered and recommended proposal**

- 3.1 The work plan for the Audit Committee is a helpful guiding document for the Committee itself and other stakeholders with an interest in the Committee's activities. The work plan for the coming year by date is presented to each Committee meeting for review and amendment.

### **4. Consultation on Proposal**

- 4.1 Relevant officers and the Audit Committee were consulted in producing the work plan.

### **5. Timetable and Accountability for Implementing this Decision**

- 5.1 The Forward Plan comprises a schedule of reports to be presented to the Audit Committee at each of its meetings during the year. Various reports have to be presented at specified meetings in order to comply with statutory requirements (for example relating to the statement of accounts and annual governance statement).

### **6. Financial and Procurement Advice and Implications**

- 6.1 There are no financial or procurement issues arising from this report.

### **7. Legal Advice and Implications**

- 7.1 There are no direct legal implications associated with this report.

### **8. Human Resources Advice and Implications**

- 8.1 There are no Human Resources implications arising from the report.

## **9. Implications for Children and Young People and Vulnerable Adults**

- 9.1 The Audit Committee reviews the management of risks across the Council including those relating to Children's and Adult Services. Review of the management of risks helps to ensure the risks are mitigated.

## **10. Equalities and Human Rights Advice and Implications**

- 10.1 There are no direct Equalities or Human Rights implications arising from this report.

## **11. Implications for CO2 Emissions and Climate Change**

- 11.1 There are no direct CO2 and Climate Change implications arising from the report.

## **12. Implications for Partners**

- 12.1 Partners will be able to take assurance on the Control's application of governance controls and management of risks from the work of the Audit Committee.

## **13. Risks and Mitigation**

- 13.1 The Audit Committee aims to comply with standards established by the Chartered Institute of Public Finance and Accountancy (CIPFA). The maintenance of a work plan is consistent with the CIPFA standards. The production of a work plan also helps the Audit Committee to ensure it achieves its terms of reference.

## **14. Accountable Officer:**

Louise Ivens, Head of Internal Audit  
01709 823282 – [louise.iven@rotherham.gov.uk](mailto:louise.iven@rotherham.gov.uk)

# Audit Committee Forward Work Plan

Meeting Date	Key Responsibility	Agenda Item	Author
March 2024		Training – Internal Audit	
	External Audit	Value for Money Opinion	Grant Thornton / Rob Mahon
	Internal Audit / Governance Risk and Control	IA Progress Report	Louise Ivens
	Internal Audit	IA Annual Plan	Louise Ivens
	Governance Risk and Control	Procurement Update	Karen Middlebrook
	Governance Risk and Control	Risk Management Directorate Presentation – Children and Young People’s Service	Nicola Curley
	Internal Audit	Public Sector Internal Audit Standards	Louise Ivens
	Internal Audit	Internal Audit Quality Assurance and Improvement Plan	Louise Ivens
	Governance Risk and Control	Risk Management Directorate Presentation – Regeneration and Environment update	Paul Woodcock
	Governance Risk and Control	Risk Management Directorate Presentation – Asset Management update	Judith Badger/Phil Horsfield/Rob Mahon

	Internal Audit / Governance Risk and Control	Building Security Partial Assurance Audit Opinion – Update on actions taken following audit review.	Judith Badger/Phil Horsfield/Rob Mahon
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens

Meeting Date	Key Responsibility	Agenda Item	Author
June 2024		Training – Statement of Accounts	
	External Audit	External Audit Progress Update	Grant Thornton
	Financial Reporting	Draft Statement of Accounts	Rob Mahon
	Governance Risk and Control	Draft Annual Governance Statement	Judith Badger
	Governance Risk and Control	External Audit Plan	Grant Thornton / Rob Mahon
	Internal Audit / Governance Risk and Control	IA Progress Report	Louise Ivens
	Internal Audit / Governance Risk and Control	Internal Audit Annual Report	Louise Ivens
	Governance Risk and Control	Risk Management Directorate Presentation – Adult Care Housing and Public Health	Ian Spicer
	Audit Committee Accountability	Audit Committee Forward Plan	Louise Ivens

Meeting Date	Key Responsibility	Agenda Item	Author
July 2024		Training	
	Governance Risk and Control	Chief Executive Presentation	Sharon Kemp
	Treasury Management	Annual Treasury Management	Rob Mahon
	Governance Risk and Control	Dedicated Schools Grant	Neil Hardwick
	Governance Risk and Control	Risk Management Annual Report and Strategic Risk Register	Simon Dennis
	Governance Risk and Control	External Audit and Inspection Recommendations	Simon Dennis
	Governance Risk and Control	Review of Surveillance and use of Regulation of Investigatory Powers	Bal Nahal
	Audit Committee Accountability	Audit Committee Annual Report	Louise Ivens
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens

Meeting Date	Key Responsibility	Agenda Item	Author
September 2024	Financial Reporting	Training	Rob Mahon
	Governance Risk and Control	Final Statement of Accounts	Judith Badger
	Internal Audit / Governance Risk and Control	Final AGS	Louise Ivens
	Governance Risk and Control	IA Progress Report	Jo Brown
	Governance Risk and Control	Risk Management Directorate Presentation – Assistant Chief Executive	Louise Ivens
	Audit Committee Accountability	Anti-Fraud and Corruption Policy and Strategy review and update	Louise Ivens
November 2024		Audit Committee Forward Work Plan	
	Financial Reporting	Training	Rob Mahon
	Governance Risk and Control	Audited Final Statement of Accounts	Judith Badger
	External Audit	Audited Final AGS	Grant Thornton / Rob Mahon
	Treasury Management	External Audit Findings (ISA 260)	Rob Mahon
	Governance Risk and Control	Mid-Year Report on Treasury Management	Paul Vessey
		Information Governance Annual Report	



	Governance Risk and Control	Code of Corporate Governance	Simon Dennis
	Governance Risk and Control	Risk Management Strategy and Policy	Simon Dennis
	Governance Risk and Control	Risk Management Directorate Presentation – Regeneration and Environment	Paul Woodcock
	Internal Audit / Governance Risk and Control	IA Progress Report	Louise Ivens
	Internal Audit	IA Charter review and update	Louise Ivens
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens
January 2025	Financial Reporting	Training	Rob Mahon
	Governance Risk and Control	Final Accounts closedown and accounting policies	Simon Dennis
	Governance Risk and Control	External Audit and Inspection recommendations	Simon Dennis
	Governance, Risk and Control	Strategic Risk Register	Judith Badger
	Internal Audit / Governance Risk and Control	Risk Management Directorate Presentation – Finance and Customer Services	Louise Ivens
	Audit Committee Accountability	IA Progress Report	Louise Ivens
		Audit Committee Forward Work Plan	Louise Ivens

