AUDIT COMMITTEE

Date and Time:- **Tuesday 13 January 2026 at 2.00 p.m.**

Venue:- **Rotherham Town Hall, The Crofts, Moorgate Street, Rotherham. S60 2TH**

Membership:- **Councillors Baggaley (Chair), Allen (Vice-Chair), Blackham, Elliott and McKiernan.**

Ms. A. Hutchinson and Mr. M. Olugbenga-Babalola, Independent Members

The items which will be discussed are 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.

Under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for:-

Agenda Item 11 (Corporate Risk Register – Appendix 1) on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

Agenda Item 12 (Risk Management Directorate Presentation – Finance and Customer Services – Appendix 1) on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

Agenda Item 13 (Risk Management Directorate Presentation - Assistant Chief Executive) on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

Agenda Item 14 (Riverside Building Security and ID Badge Controls – Update) on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

5. Minutes of the previous meeting held on 25th November, 2025 (Pages 5 - 16)

To consider and approve the minutes of the previous meeting held on (insert date) as a true and correct record of the proceedings and to be signed by the Chair.

6. External Auditor - Update

7. Closure of the Accounts 2025/26 (Pages 17 - 42)

8. External Inspections, Reviews and Audits Update (Pages 43 - 67)

9. Section 17 Payments and Reduction in Cash Payments Project (Pages 69 - 73)

10. Audit Committee Forward Work Plan (Pages 75 - 81)

11. Corporate Strategic Risk Register Update (Pages 83 - 100)

12. Risk Management Directorate Presentation - Finance and Customer Services (Pages 101 - 146)

13. Risk Management Presentation - Assistant Chief Executive's Directorate (Pages 147 - 174)

14. Progress report on Riverside House Building Security and ID Badge Controls (Pages 175 - 180)

15. Items for Referral for Scrutiny

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

16. Urgent Business

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

The next meeting of the Audit Committee will be held on:-
Tuesday 17 March 2026
commencing at 2.00 p.m.
in Rotherham Town Hall.

John Edwards,
Chief Executive.

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AUDIT COMMITTEE
25th November, 2025

Present:- Councillor Baggaley (in the Chair); Councillors Blackham, Elliott and McKiernan and Michael Olugbenga-Babalola (Independent Member).

Michael Green and Greg Charnley (External Auditor – Grant Thornton) were also present.

Apologies for absence were received from Councillor Allen and Alison Hutchinson (Independent Member).

44. DECLARATIONS OF INTEREST

There were no Declarations of Interest made at the meeting.

45. QUESTIONS FROM MEMBERS OF THE PUBLIC OR THE PRESS

No questions had been received in advance of the meeting nor were there any members of the public or press in attendance.

46. 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. 54 (Risk Management Directorate Presentation – Regeneration and Environment) as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person (including the authority holding that information)).

47. MINUTES OF THE PREVIOUS MEETING HELD ON 25TH SEPTEMBER, 2025

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 25th September, 2025.

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

Further to Minute No. 36(4) (Anti-Fraud and Corruption Policy, Strategy and Self-Assessment against fighting fraud and corruption locally checklist), the following information has been received:-

“ The counter fraud training will be mandatory for all staff in Finance and Customer Services, HR and Payroll and managers at M3 level and above.”

Further to Minute No. 37(4) (Internal Audit Progress Report for the period 1st May to 31st July 2025 and Draft Audit Strategy 2025-28), the following information had been received:-

"Fleet were now proactively gathering and recording drivers' CPC information within Jaama. Random checks were made by compliance officers to ensure drivers had a valid CPC card in their possession. CPC records were now logged and checked on the waste training matrix. Drivers went into the office to log into their CPC records so the Service and Fleet could update the data into the Fleet and Service training matrix. This would ensure all previous and current records were up to date.

Driver Training and Compliance Officers (assessors) had been instructed to record all driving licence and drivers CPC details on every driving assessment form. All boxes must be populated and not left blank. Information collated would then be uploaded to Jaama. A training session had been held with training fleet officers to ensure all forms were filled in correctly. Compliance officers were to spot check sheets on a weekly basis and take corrective action if not complete."

48. AUDITED FINAL STATEMENT OF ACCOUNTS/EXTERNAL AUDIT FINDINGS (ISA 260)

Natalia Govourkhina, Head of Corporate Finance, and Michael Green, 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 30th June, 2025, for the financial year 2024/25, accompanied by a Narrative Report and draft Annual Governance Statement. The deadline for the publication of final audited accounts was 27th February, 2026.

The draft unaudited accounts had been presented to the Audit Committee on 17th June 2025 (Minute No. 6 refers) and published before the 30th June 2025 deadline.

Michael Green, External Auditor (Grant Thornton), acknowledged the early publication of the draft unaudited accounts ahead of the deadline which was earlier than the majority of their other clients and reflective of the excellent performance of the Finance Team particularly given the introduction of IFRS16 which was challenging across the sector.

The audit was substantially complete and Grant Thornton were expected to issue an unqualified opinion on the statements by 5th December, 2025. Some adjustments had been identified, largely of a technical and classification nature. The audit had also identified some unadjusted misstatements which were again very technical in nature around IFRS16, however, management had decided not to adjust.

The ISA260 set out Grant Thornton's overall conclusions from the 2024/25 audit in relation to their statutory objectives to give an opinion on the Council's financial statements. A number of changes had been recommended by Grant Thornton and accepted by the Council with adjustments made to the Council's accounts. The key points were set out in detail as part of Appendix 4 with attention drawn to the following:-

- Impairment of newly purchased Council dwellings down to their existing use value – social house, the valuation methodology as prescribed by the CIPFA Code
- Understatement of fees and charges income
- Accounting for re-valuation losses identified on subsequent recognition of IFRS16 leases accounting standard (new standard implemented in 2023-24)

There were 2 recommendations both of which were "green" i.e. low priority:-

- Presentation of short-term debtors in the notes to the accounts
  Management response – the Council will update the presentation of the short-term debtors note in 2025-26 financial statements to ensure the note is disaggregated and presented on the nature of the short-term debtors
- Calculation of accumulate absences accrual
  Management response – the Council will consider options on how to better demonstrate the basis for the accumulated absences accrual in the financial statements in 2025-26

The Value for Money work had also been concluded; findings and recommendations were contained within the Auditor's Annual Report (Minute No. 51 refers).

Discussion ensued with the following issues raised/clarified:-

- Valuation of new social housing – the adjustment did not reflect any change in what the dwellings could sell for on the open market but reflected the impact of adopting the Code-prescribed valuation methodology for Council dwellings

- The Local Government Financial Settlement for 2025/26 was only a one year allocation making it challenging to plan longer term. In terms of the Fair Funding Review 2.0 for 2026/27 the current assumption was a projected £20M increase over 3 years

Resolved:- That, having taken due regard of the external audit findings detailed within the ISA 260 report, the 2024/25 Statement of Accounts, attached as Appendix 1, be approved for publication as final together with the 2024/25 Narrative Report attached as Appendix 2.

49. FINAL ANNUAL GOVERNANCE STATEMENT 2024/25

Louise Ivens, Head of Internal Audit, presented the Council's draft Annual Governance Statement (AGS) for the 2024/25 financial year. The draft AGS was published alongside the Council's draft financial statements on 9th June, 2025.

Minor amendments had been made to the draft version submitted to the Committee in June (Minute No. 7). Each Directorate had returned the required Statements of Assurance and supporting documents with the Corporate Governance Group having reviewed the evidence contained therein. The Group had also considered which issues were of sufficient significance to require reports in the AGS. The document presented to the Committee had been reviewed by the Monitoring Officer, Strategic Director of Finance and Customer Services, the Chief Executive and the Leader.

The AGS outlined the governance arrangements in place throughout the year and how their effectiveness was monitored recognising the improvements made in the Council throughout the financial year. It also highlighted areas for further developments in 2025/26.

The full Annual Governance Statement was attached as Appendix A of the report submitted with attention drawn to the following points:-

- The Council had put in place various mitigations to avoid any further Health and Safety Executive prosecutions
- Correspondence had taken place with the Health and Safety Executive to address another issue raised with them by a member of the public. The Council would continue to engage positively with regulators to ensure that robust arrangements were in place both for securing safety for the public and employees and for ensuring that the arrangements put in place to secure safety were fully implemented
- Several claims had been made against the Council that may give rise to an Equal Pay liability, however, the validity of the claims and any associated impact remained unknown at the present time. This was in line with local authorities nationally and regionally
- The previous Chief Executive had left the Authority on 22nd June with the new postholder commencing on 23rd June, 2025. The Assistant Chief Executive had left on 31st July; the services within that Department were temporarily reporting to the Strategic Director of Finance and Customer Services
- On 15th July, 2025, the Care Quality Commission had commenced their inspection of Local Authority Adult Social Care Service. The outcome rating was awaited
- Between 28th October-7th November, 2025, Ofsted had undertaken their Inspection of Local Authority Children's Services. The report and outcome rating had not yet been received

Resolved:- That the 2024/25 Annual Governance Statement be approved.

50. INTERIM AUDITOR'S ANNUAL REPORT YEAR ENDING 31 MARCH 2025

Consideration was given to the report presented by Michael Green, Grant Thornton, which detailed the External Auditor's 2024-25 annual report for Value for Money (VFM). Under the Local Audit and Accountability Act 2014, External Auditors were required to be satisfied whether the Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office Code of Practice required External Auditors to assess arrangements under 3 areas i.e. financial sustainability, governance and improving economy, efficiency and effectiveness. The new Code required auditors to share a draft Auditor's Annual Report (AAR) with those charged with governance by a nationally set deadline each year and for the audited body to publish the AAR thereafter. This new deadline requirement was introduced from November 2025.

It was a really positive report reflective of a strong and stable Council. Whilst there were challenges around Children and Young People's Services and the Dedicated Schools Grant, the Council had managed the challenges much better than many of its peers across the country.

Grant Thornton reported on the 3 specified criteria in their Value for Money review and confirmed:-

Financial Sustainability – No significant weaknesses in arrangements identified. 2 Improvement Recommendations made to support the Council with further strengthening arrangements for financial sustainability based on its current risks and priorities

– Improvement Recommendation 1 - Ongoing pressures that could impact financial sustainability including the Dedicated Schools Grant deficit and delivery of planned savings in Children and Young People's Services
  Recommendation:– The Council should ensure financial sustainability by fully addressing pressures faced in the short and medium term including:-
  - Placing an emphasis on delivering its agreed financial trajectory in line with the Safety Valve Agreement and consider alternative arrangements to lower its forecasted deficit for 2025/26
  - Fully delivering its Children and Young People's Services savings targets in 2025/26

- Improvement Recommendation 2 – An opportunity to ensure the Council's approach to performance reporting on performance and benefit realisation of major projects reflected the strategic importance of key capital projects
  Recommendation:- The Council should ensure that regular reports to Cabinet included specific performance updates on major capital projects against planned expectations. At the appropriate stage, this should include assessments of both economic benefits delivered and financial returns compared to original projections. Insights from these evaluations should be used to inform the planning and delivery of future major capital investments

Governance – No significant weaknesses in arrangements identified. 2 Improvement Recommendations retained from 2023/24 and one further Improvement Recommendation raised surrounding waiver reporting to Members

- Improvement Recommendation 3 (recommendation retained from 2023/24)
  The Council should strengthen its risk policy by including risk escalation and de-escalation arrangements between the tiers of risk registers and including risk types and applying risk appetite to each type
- Improvement Recommendation 4 (retained from 2023/24)
  The Council should continue to strengthen its counter-fraud controls by developing a Corporate counter-fraud risk register and ensuring counter-fraud risks in Departmental risk registers were updated
- Improvement Recommendation 5 (retained from 2023/24)
  The Council should develop and publish a Procurement Strategy. This should set procurement strategic priorities that aligned with the Council's priorities such as net zero and capture changes to procurement following the Procurement Act (2023) and the national Procurement Policy Statement (2024). It should include measurable actions and indicators with clear accountabilities and an annual review process. The Strategy should be widely communicated to staff and members to raise awareness of their responsibilities

Improving Economy, Efficiency and Effectiveness – One significant weakness in arrangements continued to be identified though with substantial progress on the key recommendations from 2023/24 which were updated. Two Improvement Recommendations retained from 2023/24 and one Improvement Recommendation raised to strengthen contract management arrangements

- Key Recommendation 1 – The Council should continue to build on improvements and ensure that the stock condition survey progressed as planned. Stock condition data should be used to inform asset management and capital investment plans and should also be kept updated to manage the Council's housing stock effectively

- Key Recommendation 2 – The Council should continue to strengthen arrangements and ensure that stock condition surveys progress sufficiently. Once it was ready to do so, it should seek independent assurance over compliance with relevant standards
- Improvement Recommendation 6 (Retained from 2023/24) – The Council develop a corporate data quality policy and ensure this was used to inform a data quality review
- Improvement Recommendation 7 (Retained from 2023/24) – Consideration be given, as part of ongoing improvements in contract management, introduction of contract tiering (gold/silver/bronze), managing contracts based on risk, seeking further assurance that new arrangements in place were embedded and effective and introduced reporting on waiver activity and SFI breaches to a relevant Member-led committee

Discussion ensued with the following issues raised/clarified:-

- There had been a lot of recent changes in relation to procurement and the new Legislation that had come into force. It was an opportunity for the Council to demonstrate it prioritised a Procurement Strategy
- Grant Thornton had no concerns with regard to the progress of the stock condition survey
- Implementation of the new CAF system was not in place as yet as further work was being undertaken as to what exactly was wanted and needed and then the necessary procurement process progressed. It was not an issue of concern at the present time. Regular compliance reports were submitted to the Directorate Leadership Team and Strategic Leadership Team on compliance arrangements
- The majority of the improvement recommendations would be completed within the current financial year. However, consideration was required around the timeframes of the Data Quality Policy and how it would be delivered

Resolved:- That the update be received and the contents noted.

51. MID-YEAR TREASURY MANAGEMENT REPORT AND QUARTERLY UPDATE

Consideration was given to the report presented by Natalia Govorukhina, Head of Corporate Finance, 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 a requirement that any proposed changes to the 2025/25 Prudential Indicators were approved by Council.

This mid-year review for 2024/25 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 2024/25 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.

With regard to investments, the primary governing principle remained security over return and the criteria for selecting counterparties continued to reflect this. With regard to borrowing, the Council will maintain its strategy of being under-borrowed against the capital financing requirement. The current strategy was to delay all new borrowing as late as possible and to only enter into short term borrowing in order to minimise the interest cost to the Council. There was a discounted rate with the PWLB for borrowing long term funds specifically for HRA purposes which was available until March 2026. The borrowing position would remain under review and an update of the Strategy would be submitted to Members within the Budget and Council Tax 2026/27 report to Council in March 2026.

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, however, the future outlook remained challenging. The Bank of England had started to cut Base Rate and the cost of short term borrowing had reduced as a result with further reductions expected in the near future. The costs for long term borrowing, however, remained high reflecting the yield on UK gilts.

The continuing approach to Treasury Management had been discussed with the Council's external Treasury Management Advisers, MUFG, who had confirmed that it was a prudent approach given the current market conditions. MUFG would continue to monitor borrowing rates and inform the Council if there were opportunities to borrow at advantageous rates.

The current strategy was to maintain the Council's position of being under-borrowed against the Capital Financing Requirement. The Council was forecast to require additional borrowing before the end of 2025/26 financial year. This borrowing would be taken on a short term basis to avoid exposure to currently high interest rates in anticipation of lower rates in future years. There was a possibility of taking some long term borrowing from the PWLB at the discounted HRA rate. A further update would be provided as part of the Council's Treasury Management Strategy for 2026/27.

Discussion ensued with the following issues raised/clarified:-

- Work was taking place with the Procurement Team with regard to the appointment of Treasury Management advice as the contract held by MUFG (formerly Link Asset Services Treasury Solutions) ended in January, 2026. Tenders were currently being evaluated

- Regular meetings were held with the Treasury Management Team and the cash flow forecast reviewed, timing of when the Authority needed to borrow considered and the best value rates on the market at that point discussed. It could be that a local authority may not be able to lend the full amount desired so consideration was given to borrowing from other lenders at the same time

- The budget reflected what needed to be taken into account for the requirement for the Capital Programme. Savings could be made in-year if a project slipped and the allocated budget not required allowing the funds to be invested and no interest costs payable

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

52. RISK MANAGEMENT GUIDE REFRESH 2025

Further to Minute No. 40 of the meeting held on 28th November, 2023, Fiona Boden, Head of Policy, Performance and Intelligence, presented the refreshed Risk Management Guide.

There had been no significant changes to the Guide this year. The only substantive update related to improved clarity of the escalation and de-escalation arrangements between risk registers following recommendation IR2 from the 2023/24 Value for Money arrangements. All other changes were minor aimed at enhancing readability including updated links and revised terminology.

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 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.

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

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

(3) That risk management training for all Elected Members be arranged as soon as possible.

53. INTERNAL AUDIT PROGRESS REPORT FOR THE PERIOD 1ST AUGUST TO 31ST OCTOBER 2025

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 August to 31st October, 2025, and the key issues that had arisen.

The plan attached as part of the report showed the position up to the end of October 2025, the progress of the 2025/26 audit plan, the reports finalised between August and October 2025 and Performance Indicators for the Team.

Internal Audit provided 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 summary of all audit work concluded in the last quarter. 5 audits had been finalised since the last Audit Committee, 3 of which received Reasonable Assurance opinion and 2 Partial Assurance.

A review of the current performance indicators was detailed in Appendix D, post-audit questionnaires and results included at Appendix E and the Quality Assurance and Improvement Plan at Appendix F.

As from 1st April, 2025, the requirements of the Global Internal Audit Standards, the Application Note "Global Internal Audit Standards in the UK Public Sector" and the Code of Practice for the Governance of Internal Audit in UK Local Government applied to work on internal audit engagements commenced on or after this date. CIPFA had stated that internal audit teams would not be expected to demonstrate full conformance on this date, however, they must work in accordance with the new standards and by doing so would build up their conformance.

The Internal Audit Standards were a standing item on Internal Audit's fortnightly team meetings with a further self-assessment against the standards having been undertaken. Evidence had been collated ahead of the External Quality Assessment by CIPFA (17th November-5th December). CIPFA's report would be shared with the Committee as soon as it was available.

A recruitment process was underway due to a member of the Internal Audit Team retiring in the New Year. As a result there may be some slippage in the plan but a better indication would be known in January, 2026.

Resolved:- (1) That the Internal Audit work undertaken since the last Audit Committee, 1st August to 31st October, 2025, and the key issues that have arisen from it be noted.

(2) That the performance objectives of Internal Audit and the actions being taken by audit management in respect of meeting the performance objectives be noted.

54. RISK MANAGEMENT DIRECTORATE PRESENTATION - REGENERATION AND ENVIRONMENT

Andrew Bramidge, Strategic Director of Regeneration and Environment, presented a report providing details of the Risk Register and risk management activity within the Regeneration and Environment Directorate.

The Committee was advised that the risk register currently had 22 risks listed, 3 of which were also included on the Strategic Risk Register. One risk had been removed in July 2025, one had been merged into another risk and 5 had been added.

A regular scheduled programme of reviewing and updating Service area and Directorate level risk registers had been implemented across the Directorate. Risks were regularly discussed and reviewed at Senior Management Team and Directorate Leadership Team meetings and, where necessary, risks were escalated to the next strategic level for inclusion on the risk register.

As part of the programme to embed risk management into the culture of the Council, managers from Regeneration and Environment had attended the mandatory Risk Management Training for Managers workshops. In addition all staff were required to complete a mandatory e-learning module on risk management. A dedicated presentation on risk management was delivered at the Regeneration and Environment Manager Forum on 12th September 2025 and several managers, along with the Directorate's Risk Champion, had successfully completed the 'Essentials of Enterprise Risk Management trading' accredited by the Institute of Risk Management. Risk Champions had attended individual service area Senior Management Teams to provide an overview to support and advise managers in relation to risk register development and maintenance.

It was noted that an Internal Audit of the Regeneration and Environment Risk Register was conducted in May 2025 and confirmed as Reasonable Assurance.

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

(Appendix 1 was Exempt under Paragraph 3 (information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime, of Part 1 of Schedule 12A))

55. AUDIT COMMITTEE FORWARD WORK PLAN

Consideration was given to the proposed forward work plan for the Audit Committee for January to November 2026. The plan showed how the agenda items related to the objectives of the Committee. It was presented for review and amendment as necessary.

Resolved: That the Audit Committee forward work plan, as now submitted, be approved.

56. ITEMS FOR REFERRAL FOR SCRUTINY

There were no issues for referral to Scrutiny.

57. URGENT BUSINESS

There was no urgent business to discuss.

Rotherham Metropolitan Borough Council

Select report type
Audit Committee

Committee Name and Date of Committee Meeting
Audit Committee – 13 January 2026

Report Title
Closure of the Accounts 2025/26

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)
Sarah Driver (Principal Finance Officer)
Finance & Customer Services Directorate
01709 254299 sarah.driver@rotherham.gov.uk

Ward(s) Affected
Borough-Wide

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 2025/26, 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 sets out the Council's timetable for the production of the financial Statements. Members of the Audit Committee, as the body in the Council charged with governance, are required to formally approve the audited Statement of Accounts by the 31st January 2027, based on the revised regulations which apply until 2027/28. However, in line with the best practice, the Council's financial reporting timetable will remain in line with the 2024/25 timetable, and Members of the Audit Committee will be asked to formally approve the audited Statement of Accounts by the 30th November 2026.

Recommendations

That Audit Committee;

1. Note the timetable for the production of the Council's financial statements.
2. Note the key accounting issues and main changes to the accounts in 2025/26 listed in Appendix A;
3. Note the Council's revised Accounting Policies attached in Appendix B.

List of Appendices Included

Appendix A Key accounting issues and changes to the accounts in 2025/26
Appendix B RMBC Accounting Policies

Background Papers
CIPFA Code of Practice on Local Authority Accounting 2025/26
Accounts and Audit Regulations 2015
The Accounts and Audit (Amendment) Regulations 2024

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 2025/26

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 2025/26 hasn't yet been confirmed by Grant Thornton but for information the overall materiality for the 2024/25 accounts was £15.2m, with differences of less than £0.760m being considered trivial.

2 Key Issues

Timetable

2.1 The Accounts and Audit (Amendment) Regulation 2024 extended the publication of final audited accounts to 31st January 2027 for 2025/26 accounts and then 30th November 2027 for 2026/27 and 30th November 2028 for 2027/28 accounts. The draft accounts are required to be published by the 30th June 2026, for 2025/26 accounts. The deadline extension has been introduced to address the national backlog of local authority audits. It should be noted that the Council has no backlog having kept up with the requirements for accounts publication and production.

2.2 In line with best practice, the Council's financial reporting timetable will remain in line with the 2024/25 timetable. This includes publishing draft accounts by the end of May 2026 (presented to Audit Committee in June 2026) with the fully audited accounts to be published in November 2026 following approval at the November Audit Committee, however, this depends on the available capacity of the Council's auditors.

2.3 Based on the amended deadlines, the Council's key dates on the timetable for the production of the accounts 2025/26 are as shown below.

Statement of Accounts Timetable - Amended Dates

Action	Amended Date
Unaudited Accounts, Narrative Report & Annual Governance Statement presented to Audit Committee and then published by: (Will be presented to Audit Committee in June 2026)	31 May 2026
Public Inspection of Draft Accounts	1 June to 11 July 2026
External Audit of the Council's Accounts	June to September 2026
Audited Accounts, Narrative Report & Annual Governance Statement presented to Audit Committee and then published by: (Will be presented to Audit Committee November 2025)	30 November 2026
Councils Value for Money audit completed by:	TBC by Grant Thornton

Accounts and Audit Regulations 2015 – Local elector rights

2.4 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.

2.5 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.

2.6 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.

2.7 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

2.8 In the 2025/26 CIPFA Code of Practice there is an accounting change due to CIPFA/LASAAC having regard to HM Treasury's Thematic Review on Non-investment Assets. The main changes included in the Code are:

- A revaluation expedient for property, plant and equipment, requiring valuations once every five years or on a five-year rolling basis and supported by indexation in intervening years.
- Intangible assets to be held at historical cost only.
- Transitional arrangements when applying these changes so they will be applied prospectively, with no restatement of prior year figures.

2.9 The Council is reviewing its valuation processes to ensure compliance with these new requirements. It is not anticipated that a significant change in the valuation process will be required.

2.10 Major changes to service delivery that have taken place in 2025/26 will also have a bearing on the financial statements. This includes the continuing effect of schools converting to academies.

2.11 The Council's Statement of Accounting Policies is attached as Appendix B. These policies are reviewed and updated where necessary.

2.12 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 has been extended to 1st April 2029. The Council will utilise the override again for the 2025/26 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 2025/26 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 2024 came into force on 30th September 2024 and revised the statutory deadline for publishing the audited financial statements as noted in paragraph 2.2. The deadline for the Council to produce and publish draft accounts has been extended to 30th June as noted in paragraph 2.1. Deadlines for accounts from 2028/29 and subsequent accounts will revert to deadlines as per the Accounts and Audit Regulations 2015 unless additional amendments legislation is approved.

6 Financial and Procurement Advice and Implications

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

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 (Executive Director of Corporate Services)

Appendix A

KEY ACCOUNTING ISSUES AND CHANGES TO THE ACCOUNTS IN 2025/26

Area of accounts	Issue	Action taken
Property, Plant & Equipment	In the 2025/26 CIPFA Code of Practice there is an accounting change due to CIPFA/LASAAC having regard to HM Treasury's Thematic Review on Non-investment Assets. The main changes included in the Code are: • A revaluation expedient for property, plant and equipment, requiring valuations once every five years or on a five-year rolling basis and supported by indexation in intervening years. • Intangible assets to be held at historical cost only. • Transitional arrangements when applying these changes so they will be applied prospectively, with no restatement of prior year figures.	The Council is reviewing its valuation processes to ensure compliance with these new requirements. It is not anticipated that a significant change in the valuation process will be required.
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 31st March 2029. The council will utilise the override again for the 2025/26 accounts but will need to put measures in place for when the override expires.	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 2025/26 (up to November 2025), a further primary school and a secondary school have converted to academies. 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 provides a summary of the Council's transactions for the financial year 2025/26 and its financial position as at 31 March 2026. Preparation of the annual Statement of Accounts is required under the Accounts and Audit Regulations 2015, which requires them to be prepared in accordance with proper accounting practices. These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ("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 this assessment is ensuring that information is both relevant and faithfully represented.

A key feature of relevance is materiality. Information is considered material if it's omission or misstatement could influence the decisions that users make based on the financial information presented in the Statement of Accounts. Conversely, where information is not material, there is no need to comply with the accounting principles or disclosure requirements set out in the Code.

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

The accounting policies are the principal 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 IFRS and not the way in which local government is funded. The income and expenditure reported in the Comprehensive Income and Expenditure Statement will not therefore correspond to the outturn charged to the General Fund and Housing Revenue Account (HRA) reported against the Council's budget.

Note 1 in the Notes to the Core Financial Statements, the "Expenditure and Funding 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, intangible assets and 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 – straight line 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 "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 (now DLUHC).

15 Leases and Lease-Type Arrangements

Council as Lessee

The Council adopted IFRS 16 (Leases) with effect from 1 April 2024. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset, and future rents as a liability), a right-of-use asset and a lease liability are now included on the balance sheet. The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short term leases and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the lessee's incremental borrowing rate specific to the term and start date of the lease. Lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the Council is reasonably certain to exercise; penalties for early termination if the lease term reflects the Council exercising a break option; and payments in an optional renewal period if the Council is reasonably certain to exercise an extension option or not exercise a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right of use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right of use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right of use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The right of use asset is tested for impairment if there are any indicators of impairment.

As noted at policy 16 below IFRS16 has also been applied to Service Concession Arrangements and recognition on the resultant remeasurement of the lease liability with effect from 1 April 2024.

Council as Lessor

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.

(a) Finance Leases

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

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. With effect from 1 April 2024 IFRS 16 (Leases) also applies to service concession arrangements. Under IFRS16, where indexation (or other changes in a rate) affects future service concession payments, the lease liability requires to be remeasured. Instead of expensing the increased payment, the net present value of future payments that comprise the liability is recalculated based on the revised level of payments.

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).

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument). These are classified as fair value through profit or loss. Equity investments are held for strategic purposes and are designated at FVOCI.

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.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The Council has a limited number of shareholdings which would typically be measured at FVPL; however, the Council has designated these equity investments as fair value through other comprehensive income on the basis that:

- They are not quoted in an active market; and
- They are not held for trading

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.

Rotherham Metropolitan Borough Council

Public Report

Audit Committee

Committee Name and Date of Committee Meeting:
Audit Committee – 13 January 2026

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:
Judith Badger – Strategic Director of Finance and Customer Services

Report Author(s):
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Ward(s) Affected:
All

Report Summary:

In line with the Audit Committee terms of reference, the purpose of this report is to provide an overview of the recent external inspections, reviews, and audits. The report also provides assurance that ongoing and outstanding recommendations from earlier inspections, audits and reviews, are being progressed.

The report includes 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 in implementing the recommendations since the last report in July 2025.

- Note the governance arrangements that are currently in place for monitoring and managing the recommendations.
- Continue to receive regular reports in relation to external inspections, reviews and audits and the progress made.

List of Appendices Included:

Appendix 1 - External Inspections, Reviews and Audits – December 2025

Background Papers

External audit and inspection recommendations reports to Audit Committee every six months, most recently 29 July 2025 and 14 January 2025.

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 recommendations and areas for improvement are being progressed.

1.2 The last report was presented to Audit Committee on 29 July 2025. The report referred to external inspections, reviews and audits that had taken place since January 2025, which included six new external inspections, reviews, and audits.

2. Key issues

2.1 This report focusses on progress since the last Audit Committee meeting in July 2025 and is intended to provide an overview of the outcomes of external inspections, reviews, and audits. The report also aims to provide Audit Committee with assurance that arrangements are in place for managing the Council’s response, including effective governance arrangements.

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 Six new inspections, reviews, and audits have taken place since July 2025. These include:

Adult Social Care, Housing and Public Health

Title	Date	Purpose	Outcome
The Money and Benefit Advice Service (MABAS)	November 2025	Accreditation by AQS is a requirement of the Macmillan Cancer Support contract that the team holds to provide specialist cancer advice and support to Rotherham residents.	Audit completed and passed.
Formal full CQC Inspection of Davies Court	September 2025	Comprehensive inspection assessing that the service is providing care that's safe, caring, effective, responsive to people's needs and well-led.	Overall rating good. 2 recommendations were made.
Adult Social Care (ASC) Peer Review (led by the Association of	January 2025	The peer review was commissioned by ASC to measure preparedness for Care Quality Commission	An outcome in terms of a rating is not given, but key messages, areas of strength and areas for consideration are provided. There

Directors of Adult Social Services)		(CQC) and provide assurance against the CQC assessment themes.	are 17 recommendations across the 4 CQC themes.

Children and Young People's Services

Title	Date	Purpose	Outcome
ILACS Ofsted Short Inspection	December 2025	Undertaken one in every 3-year period to assess whether local authorities previously rated good or outstanding have maintained high standards in children's services.	Outstanding with an action plan to follow. Please note that recommendations are not yet included on the Appendix 1 document due to the result having been announced shortly prior to the report being published. This detail will be included in the next Committee report.

Finance and Customer Services

Title	Date	Purpose	Outcome
Value for Money Review 2024/25	November 2025	Required annually by legislation.	There are 9 recommendations. 7 Improvement Recommendations and 2 Key Recommendations.
Statement of Accounts 2024/25	November 2025	Required annually by legislation.	Unmodified audit opinion. There are 5 recommendations. Please note that this is not yet included on the Appendix 1 document due to the result having been announced shortly prior to the report being published. This detail will be included in the next Committee report.

2.4 There are also several inspections, reviews and audits which are ongoing. These are:

- Housing Benefit Audit 2023/24 conducted by Grant Thornton commenced in May 2025
- Teachers Pensions Audit 2024/25 conducted by KPMG commenced in August 2025
- Housing Benefit Aduit 2024/25 conducted by Grant Thornton
- Pooling of Local Authority Housing Receipts 2024/25 by KPMG
- External Assessment of Internal Audit conducted by CIPFA commenced November 2025
- Formal Inspection of Adult Social Care conducted by the CQC commenced in February 2025
- Exemplar accreditation conducted by Tpas commenced in March 2025
- The Money and Benefit Advice Service conducted by the MABAS commenced in September 2025.

2.5 Appendix 1 provides a high-level of overview of the recommendations and areas for improvement as well as the progress the Council has made in responding to these. Once recommendations and areas for improvement are complete or closed and have been reported to Audit Committee, they will be removed from the list. Where possible to do so, recommendations and actions have been grouped together under themes.

2.6 In total 7 recommendations or areas for improvement have been completed since the last report. There are 29 recommendations or areas for improvement which remain ongoing, and one is yet to start. Of those ongoing, six of these are delayed, with one delayed by more than 12 months. The reasons for the delays are summarised within Appendix 1.

2.7 With regards to residential children's homes inspections, recommendations and progress are considered monthly with oversight from the "Regulation 44" visits and Ofsted. This is more frequent than the Audit Committee schedule and therefore any recommendations and progress against these are not included within the reports to Audit Committee.

2.8 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

2.9 Please note that all updates provided in both Appendix 1 and 2 have been included in red to make them more visible.

3. Lessons learnt

3.1 The Council continues 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.

3.2 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'.*

4. Options considered and recommended proposal

4.1 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 2025.

4.2 Audit Committee to note the governance arrangements that are currently in place for monitoring and managing the recommendations.

4.3 Audit Committee to continue to receive regular reports in relation to external inspections, reviews and audits and the progress made.

5. Consultation on proposal

5.1 Not applicable to this report.

6. Timetable and Accountability for Implementing this Decision

6.1 The timescale for each recommendation varies depending on the individual inspection or audit. Target dates for each are included on Appendix 1.

6.2 The next report will be presented to Audit Committee in July 2026.

7. Financial and Procurement Advice and Implications

7.1 There are no direct financial and procurement implications as a result of this report.

7.2 Audits relating to finance and procurement and any related recommendations are outlined in the main body of the report.

8. Legal Advice and Implications

8.1 There are no direct legal implications arising from the recommendations within this report.

8.2 Audits relating to legal services and any recommendations are outlined above.

9. Human Resources Advice and Implications

9.1 There are no Human Resources implications.

10. Implications for Children and Young People and Vulnerable Adults

10.1 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.

11. Equalities and Human Rights Advice and Implications

11.1 When implementing changes and 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.

12. Implications for CO2 Emissions and Climate Change

12.1 There are no direct C02 emissions and climate change implications.

13. Implications for Partners

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

14. Risks and Mitigation

14.1 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.

15. Accountable Officer(s)

Fiona Boden, Head of Policy, Performance and Intelligence

Approvals Obtained from:-

Judith Badger, Strategic Director of Finance and Customer Services

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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Appendix 1: External inspections, reviews and audits recommendations/areas for improvement – Updates as of 28 November 2025

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
Children and Young People's Services						
Ofsted Focused Visit *To review the arrangements for children in need or subject to a child protection plan.* *Usually undertaken every three years as part of the ILACS Inspection Programme.*	Focused visit: 14 and 15 May 2024 Published: 12 July 2024	**Overall outcome:** The response to children who are subject to child-in-need and child protection planning is very effective. A stable senior leadership team is unstinting in its determination to make children in Rotherham safer and improve their outcomes. Strong corporate support ensures a whole-council approach to understanding children's vulnerability and responding to risk and need. Four areas for improvement were identified. **Overall progress:** An action plan is in place to address the recommendations from the peer review. Progress is overseen by the CYPS Evidence Challenge Panel and CYPS DLT. One area for improvement is complete.				
		Area for improvement 1: Identify children's unique needs and characteristics to better inform their plans and how they will be helped and supported. And **Area for improvement 4:** Reduce length of children's plans as these are overly long. Note: The progress updates for Area for Improvements 1 and 4 have been combined as they relate to both areas for improvement.	Oct-24	Revised target TBC		**Significant delay** This delay is specific to two plans – children in care and child protection. Whilst progress has been made on both, they are still in the development test phase across CYPS and One Support.
		Area for improvement 2: Reduce Child and Adolescent Mental Health Services (CAMHS) waiting lists.	Dec-25	N/A		**In progress and on track**

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
Ofsted Area SEND inspection of Rotherham Local Area Partnership *To review the special educational needs and/or disabilities (SEND) arrangements.*	Inspection date: 30 September 2024 - 4 October 2024 Report published: 14 November 2024	**Overall outcome:** The local area partnership's special educational needs and/or disabilities (SEND) arrangements typically lead to positive experiences and outcomes for children and young people with SEND. The local area partnership is taking action where improvements are needed. The next full area SEND inspection will be within approximately five years. Ofsted and the Care Quality Commission ask that the local area partnership updates and publishes its strategic plan based on the recommendations set out in this report. Two areas for improvement were identified. **Overall progress:** The final report and recommendations from the inspection were published on the 14 November 2024. As recognised in the report, work was already ongoing prior to the inspection in relation to the two areas for improvement and will continue. Progress will be monitored by the local area SEND and AP Partnership board and overseen by the CYPS Evidence Challenge Panel and SEND Executive Board.				
		Area for improvement 1: • New and revised EHCPs are consistently compliant with statutory guidance. The target is for 50% to be compliant by December 2025; and 60% compliant by September 2026.	September 2026	N/A		**In Progress and On Track**
		Area for improvement 2: • Improve oversight of waiting lists through regular reporting to SEND Partnership Board. • Evidence sustained compliance to a trajectory to reduce neurodevelopmental assessment waiting times. • Evidence sustained compliance to a trajectory to reduce occupational therapy waiting times.	March 2026	N/A		**In progress and on track**

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
		• Evidence sustained compliance to a trajectory to reduce waiting times for speech and language therapy.				
Adult Care, Housing and Public Health						
Housing Revenue Account (HRA) Business Plan Review The review was commissioned by the Housing Service and carried out by Savills. The aim of it was to: Carry out a full review of business plan assumptions Provide advice on reserves levels, insurance approaches and stock investment assumptions (while awaiting stock condition data) Review the current development viability model (ongoing) Provide benchmarking Information.	November 2024	**Overall outcome:** Key messages on reviewing the 2024/25 HRA Business Plan assumptions: • Viable but prudent business plan. • Ambitious development programme compared to other authorities of a similar size. • Lower than average level on capital investment in existing stock. • Opportunity to utilise revenue resources within the business plan in a different way • Adopt a strategic approach moving forwards to assess capacity and headroom within the business plan. This will be done through an Investment Framework consisting of a number of metrics. • Carry out scenario modelling and stress testing to understand how changing assumptions impact the HRA Business Plan and identify risks. **Overall Progress:** A HRA Business Plan governance structure has been put in place via the HRA Business Plan Review Group. The Group meets quarterly and is chaired by the AD of Housing/AD of Finance. The group review the performance of the HRA against the HRA Business Plan, ensuring the strategic financial management of the HRA Business Plan over the medium/long term. An Investment Framework Workplan has been put in place and progress is monitored via the HRA Business Plan Review Group				
		Recommendation 1: - Metrics, capacity & headroom	April 2025	March 2026		**In progress and on track** Working with Finance, metrics have been developed to monitor the financial performance of the business plan. This, alongside stress testing, has been used to inform the 2026/27 HRA Business Plan. This has included identifying headroom for future investment in both new and existing stock.
		Recommendation 2: - Stress Testing & Risk	April 2025	March 2026		**In progress and on track** The stress testing of HRA Business Plan assumptions has been included as part of the 2026/27 HRA Business Plan process. The outcomes will inform a risk register which will

<table>
<tr><th>Title and purpose</th><th>Date</th><th>Outstanding recommendations</th><th>Original target date for completion</th><th>Revised target date for completion</th><th>Status</th><th>Progress update</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td>be reviewed and monitored by the HRA Business Plan Review Group.</td></tr>
<tr><td rowspan="5">Adult Social Care Peer Review (led by the Association of Directors of Adult Social Services - ADASS)

The peer review was commissioned by ASC to measure preparedness for the Care Quality Commission (CQC) and provide assurance against the CQC assessment.</td><td rowspan="5">January 2025</td><td colspan="5">Overall outcome: An outcome, in terms of a rating, is not provided. However, key messages, areas of strength and areas for consideration are provided:

• Strong political and corporate support for adult social care and confidence in the adult social care leadership team to deliver.
• Strong relationships with partners, demonstrated through the work of the Safeguarding Adults Board and the shared commitment to continued investment in prevention and health partnerships (amongst many examples).
• Evidence that a person-centred and strengths-based approach is becoming increasingly embedded.
• Access to and investment in learning and development opportunities and the learning and development team.
• A robust approach to quality and risk management, with providers appreciating the benefit of high support - high challenge.
• Zero delays for home care and good capacity for supported living for some people.
• Celebrate more the good work that is happening.
• Robust assurance and performance system in place. More focus is needed on articulating the outcomes and experience of people.
• Further work to embed the voice of people with lived experience in day-to-day work and change initiatives.
• Recruitment and retention is a challenge, although the existing workforce are committed and proud to work in Rotherham - “I wish I had come here earlier”, “We want the best for people”, “I love the people I work with”, “Best job ever”.

Overall progress: Recommendations cover the 4 themes against which CQC will assess local authorities: Working with People, Providing Support, Ensuring Safety and Leadership.
The programme of work is being overseen by the Adult Social Care Regulatory Assurance Board.</td></tr>
<tr><td>THEME 1: Working with People</td><td>March 2026</td><td>N/A</td><td></td><td>In progress and on track</td></tr>
<tr><td>THEME 2: Providing Support</td><td>March 2026</td><td>N/A</td><td></td><td>In progress and on track</td></tr>
<tr><td>THEME 3: Ensuring Safety</td><td>December 2025</td><td>N/A</td><td></td><td>Complete</td></tr>
<tr><td>THEME 4: Leadership</td><td>March 2026</td><td>N/A</td><td></td><td>In progress and on track</td></tr>
<tr><td>Formal full CQC Inspection of Davies</td><td>September 2025</td><td colspan="5">Overall outcome: Overall rating of GOOD. Recommendations were made relating to medication storage, administration of thickener and the embedding of audits.</td></tr>
</table>

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
Court (***The Care Quality Commission (CQC)***) *Comprehensive inspection assessing that the service is providing care that's safe, caring, effective, responsive to people's needs and well-led.*		**Overall progress:** Changes have been made to how thickener is administered and who can prescribe this. The medication check-in process has been updated to reflect feedback from the inspection process.				
		Theme 1 – Safe: Improvements could be made to the storage of prescribed thickeners for people's drinks, body maps for pain patches and protocols for 'as and when' medication.	November 2025	N/A		**Complete**
		Theme 2 – Well-led: New systems need to be embedded for audits and reviews and sustained into practice.	January 2026	N/A		**Complete**
Regeneration and Environment						
Sports Ground Safety Authority – Local Authority Audit (***Sports Ground Safety Authority (SGSA)***) *An audit by the National regulator to assess the Council's delivery of statutory functions under the Safety at Sports Grounds Act 1975. The audits are carried out at a frequency determined by risk assessment.*	29 August 2024	**Overall outcome:** Excellent progress has been made with the recommended actions from the previous audit with all items being completed satisfactorily. The Council was rated as low risk and three recommendations were made. **Overall progress:** Recommendations one and three have been accepted the one remaining outstanding recommendation will be implemented within the next 6 months.				
		Recommendation 2: A tabletop exercise that included stadium staff and emergency services has not taken place for some time and the LA will ensure this is carried out by the club this season. (review date August 2026)	Review date August 2026	N/A		**In progress and on track**
Finance and Customer Services						

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
2023/24 Statement of Accounts *(Grant Thornton)* *Annual audit of the 2023-2024 Value for Money Arrangements conducted by Grant Thornton.*	November 2024	**Overall outcome:** The Council received a clean audit opinion again (unmodified), this is the best outcome that can be received on local authority accounts. The auditors were again positive in assessing the Council's Financial Controls, Governance and standing and praised the effective work of the team, senior management in finance in ensuring that continues to be the case in challenging conditions. The Council continues to be one of a handful of Council's that has all its accounts signed off, with many a number of years behind. There were five recommendations made to support the Council's work towards new accounting changes that have not yet come into force, along with suggested control improvement in the Council's IT environment. **Overall progress:** All recommendations are on track for delivery, with two completed already, the main work will be completed as part of the production of the 2024/25 accounts.				
		Rec 2: We recommend: • Management to further improve the valuation instructions to the in-house valuer by referencing for example, applicable LG Code guidance; and • Council's RICS qualified valuation expert to prepare a formal Terms of Engagement document and agree with management, further to the receipt of management valuation instructions	March 2026	N/A		**Complete**
		Rec 4: Where possible, generic accounts should be removed, and individuals should have their own uniquely identifiable user accounts created to ensure accountability for actions performed. Alternately, management should	March 2026	N/A		**In progress and on track**

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
		implement suitable controls to limit access and monitor the usage of these accounts (i.e. through increased use of password vault tools / logging and periodic monitoring of the activities performed). Where monitoring is undertaken this should be formally documented and recorded				
		Rec 5: It is recommended that security event logs are reviewed on a regular basis for example daily or weekly, ideally by an IT security personnel / team who are independent of those administrating [the application] and its underlying database. Any issues identified within these logs should be investigated and mitigating controls implemented to reduce the risk of reoccurrence	March 2026	N/A		**In progress and on track**
2023/24 VFM Arrangements *(Grant Thornton)* *Required annually by legislation.*	November 2024	**Overall outcome:** The Council received a positive outcome in its Value for Money report from Grant Thornton. Findings noted the Council's improvement journey and commented that the Council's financial position is strengthening, though referenced that the Local Authority financial environment remains challenging with a number of Local Authorities issuing S114 notices due to the rising demand and inflation challenges facings the sector. The report noted the Councils robust Budget and Medium-Term Financial Strategy and its clear narrative about how the Council is addressing the challenges it faces and planned ahead coherently for the future.				

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
		The report also noted that the Council had identified some significant challenges around its buildings and housing stock linked to compliance and condition surveys that it had set out clear plans to address. To support the Council in dealing with these challenges Grant Thornton have put forward 4 key improvement recommendations working with Council officers. 10 new recommendations made. 2 are key improvement recommendations and 8 are improvement recommendations where the Council can choose to implement or not. **Overall progress:** Work is underway to implement the 2 key improvement recommendations and give due consideration to 8 improvement recommendations as to whether the Council should implement these or not. One improvement recommendation has so far been considered and cleared (IR5) and as work progresses on the improvement recommendations options will be considered that will lead to either the implementation of the recommendation or the recommendation from Council officers that a recommendation is not implemented.				
		REC KR1: The Council needs to: • continue improving its HRA compliance data robustness and validity. • ensure contract management arrangements are put in place with its HRA contractors. • improve compliance with decent homes standards. • work to improve its understanding of category 1 hazards in its housing stock. • continue improving vulnerability policies for the HRA in line with emerging best practice from the regulators. • use the stock condition data to inform its asset	TBC	N/A		**In progress and on track**

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
		management and capital investment plans.				
		Rec KR2: The Council should: • Undertake stock condition surveys to develop its understanding of its assets, their state and their level of health and safety compliance. • Put in place management plans and landlord inspections where required and ensure it is getting value for money for its assets. • Ensure it has an assets management system for its properties and other assets and that data in the system is accurate, enabling management of health and safety compliance. • Ensure compliance contract management is put in place and regular performance monitoring of these contracts is put in place.	Sept 2026 March 2026 March 2027 March 2026	N/A		**In progress and on track**

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
		Rec IR1: The Council needs to develop a Capital Strategy	March 2026	N/A		**Complete**
		REC IR2: The Council could strengthen its risk policy by including risk escalation and de-escalation arrangements between the tiers of risk registers and including risk types and applying risk appetite to each risk type.	March 2026	N/A		**Complete** **Note** – although situated under FCS for the purposes of reporting, the Assistant Chief Executive's directorate are responsible for implementation of this recommendation.
		REC IR3: The Council should consider enhancing internal audit progress papers by giving more detail on completed audits including an executive summary of each report completed in the period in part 1 papers to the Audit Committee.	March 2026	N/A		**Complete**
		REC IR4: The Council should continue to strengthen its counter-fraud controls by developing a corporate counter-fraud risk register and ensuring counter-fraud risks in departmental risk registers are updated. It also needs to enhance its counter-fraud plan.	March 2026	N/A		**In progress and on track**
		Rec IR6: The Council should develop and publish a Procurement Strategy.	March 2026	N/A		**In progress and on track**

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
		This should set procurement strategic priorities that align with the Council's priorities such as net zero and capture changes to procurement following the Procurement Act (2023) and the national Procurement Policy Statement (2024). It should include measurable actions and indicators with clear accountabilities and an annual review process. The Strategy should be widely communicated to staff and members to raise awareness of their responsibilities.				
		REC IR7: The Council should develop a corporate data quality policy and ensure this is used to inform a data quality review. It could look to the national data quality framework to guide this work.	March 2026	N/A		**In progress and on track** **Note** – although situated under FCS for the purposes of reporting, the Assistant Chief Executive's directorate are responsible for implementation of this recommendation.
		Rec IR8: The Council should put in place a corporate process to improve contract management and ensure contractor performance is effectively managed, and data is verified across the	March 2026	N/A		**Complete**

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
		Council's contracts and that contracts are in place in highways.				
2024/25 Value for Money Arrangements *(Grant Thornton)* *Required annually by legislation.*	November 2025	**Overall Outcome:** The Council received a positive outcome in its Value for Money report from Grant Thornton. Findings noted the Council's improvement journey and commented that the Council's financial position is strengthening, though referenced that the Local Authority financial environment remains challenging with a number of Local Authorities issuing S114 notices due to the rising demand and inflation challenges facings the sector. The report noted the Councils robust Budget and Medium-Term Financial Strategy and its clear narrative about how the Council is addressing the challenges it faces and planned ahead coherently for the future. The report also noted that the Council had identified some significant challenges around its buildings and housing stock linked to compliance and condition surveys that it had set out clear plans to address. To support the Council in dealing with these challenges Grant Thornton have continued to report 2 Key Recommendations. There are 7 Improvement Recommendations and 2 Key Recommendations, the majority of which are actions carried forward from the 2023/24 VFM report as the action required more than 12 months to deliver.				
		IR1: The Council should ensure financial sustainability fully address pressures faced in the short and medium-term. This includes: • Placing an emphasis on delivering its agreed financial trajectory in line with the Safety Valve Agreement and consider alternative arrangements to lower its forecasted deficit for 2025/26. • Fully delivering its children and young people's services (CYPS) savings targets in 2025/26.	March 2026	N/A		**In progress and on track**
		IR2: The Council should ensure that regular reports	March 2026	N/A		**Complete**

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
		to Cabinet include specific performance updates on major capital projects against planned expectations. At the appropriate stage, this should include assessments of both economic benefits delivered and financial returns compared to original projections. Insights from these evaluations should be used to inform the planning and delivery of future major capital investments.				
		IR3: Recommendation is the same as IR2 from the 2023/24 VFM arrangements.	March 2026	N/A		**Complete**
		IR4: Recommendation is the same as IR4 from the 2023/24 VFM arrangements.	March 2026	N/A		**In progress and on track**
		IR5: Recommendation is the same as IR6 from the 2023/24 VFM arrangements.	March 2026	N/A		**In progress and on track**
		IR6: Recommendation is the same as IR7 from the 2023/24 VFM arrangements.	March 2026	N/A		**In progress and on track**
		IR7: As part of ongoing improvements in contract	March 2026	N/A		**In progress and on track**

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
		management, the Council should consider: • Introducing contract tiering (gold/silver/bronze). • Managing contracts based on risk. • Seeking further assurance that new arrangements in place are embedded and effective. • Introducing reporting on waiver activity and SFI breaches to a relevant Member-led committee, at least annually and ideally more frequently, to allow enhanced monitoring and challenge of themes and trends.				
		KR1: The Council should continue to build on improvements and ensure that the stock condition survey progresses as planned. Stock condition data should be used to inform asset management and capital investment plans and should also be kept updated to manage the Council's housing stock effectively.	TBC	N/A		**In progress and on track**
		KR2: The Council should continue to strengthen arrangements and ensure	TBC	N/A		**In progress and on track**

Title and purpose	Date	Outstanding recommendations	Original target date for completion	Revised target date for completion	Status	Progress update
		that stock condition surveys progress sufficiently. Once it is ready to do so, it should seek independent assurance over compliance with relevant standards.				
Assistant Chief Executive's directorate						
LGA Corporate Peer Challenge *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.*	June 2023	**Overall outcome:** Positive feedback received which stated: "Rotherham Metropolitan Borough Council serves the town well and is today an impressive organisation. Being named the 'Most Improved Council' in the country at the Local Government Chronicle (LGC) Award in 2022 provides ample evidence that it is now in a very good place. It is ambitious and has well-established and robust foundations, along with several notable and commendable practices that other councils can learn from" and seven recommendations made. **Overall progress:** Action plan agreed by Cabinet in September 2023 included 20 actions which are being progressed. Progress is overseen by the Strategic Leadership Team and where relevant, actions for 2024-25 were included in the Year Ahead Delivery Plan.				
		Recommendation 3: Use the significant investments underway to expand and attract private sector investment at scale, maximising its potential and supporting a more inclusive economic future.	March 2026	n/a		**In progress and on track** **1 action remains in progress** **Note** – although situated under ACEX for the purposes of reporting, the Regeneration and Environment Directorate are responsible for implementation of this action.

Status key

Complete	Recommendations/areas for improvement are fully complete
In progress and on track	Recommendation/area for improvement on track to be delivered by the original agreed deadline
In progress and partly delayed	Recommendation/area for improvement progressing, however target date behind the original agreed deadline

Significant delay	Recommendations/area for improvement delayed by more than twelve months past the original agreed deadline
No action required or outcome unknown	No recommendation/area for improvement, or the outcome is not yet known

Residential Children's Homes – Inspection Outcomes

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

Following inspection, the children's home will receive an overall judgement based on the experiences and progress of children and young people, of Outstanding, Good, Requires Improvement to be Good, or Inadequate.

Where requirements or recommendations are made, an action plan is developed which is submitted to Ofsted detailing the progress.

The Children Act 1989 Guidance and Regulations stipulates the requirement for monthly oversight visits to Children's Homes. These visits, known as Regulation 44 Visits, are carried out under **Regulation 44 of the Children's Homes Regulations 2015**. All residential children's homes in Rotherham receive an Independent Reg 44 visit monthly, undertaken by an Independent Person from NYAS (an independent children's rights charity). The registered Person from National Youth Advocacy Service (NYAS) seeks independent scrutiny of the home and makes best use of information to ensure continuous improvement, this includes independent oversight of any requirements or recommendations following a previous visit and/ or inspection. Ofsted reviews the content of Regulation 44 reports to inform the next inspection and uses the information to decide if we need to take any other action.

All Ofsted reports are published in the public domain; however the identity (location) of the homes remain confidential and are not disclosed in the reports. Recommendations and progress against recommendations are considered monthly with oversight from the Reg 44 visits and Ofsted. This is more frequent than the Audit Committee schedule and therefore any recommendations and progress against these are not included within these reports as they would be out of date before they were published.

The following table provides the current ratings for our seven registered children's homes.

Residential Children's Home	037521	2662265	2597567	2629335	2775749	2759142	2812398	2832444 (Awaiting first inspection – only registered 16/07/25)

Date of Full Inspection	11 June 2024	20 May 2025	05 April 2025	06 August 2024	09 September 2025	15 January 2025	20 August 2025	
Overall experiences and progress of children and young people	Good	Good	Good	Requires Improvement to be good	Good	Good	Good	
Sub judgements								
How well children and young people are helped and protected	Good	Good	Good	Requires Improvement to be good	Good	Good	Good	
The effectiveness of leaders and managers	Good	Good	Good	Requires improvement to be good	Good	Good	Good	

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Public Report
Audit Committee

Committee Name and Date of Committee Meeting
Audit Committee – 13 January 2026

Report Title
Section 17 Payments and Reduction in Cash Payments Project

Is this a Key Decision and has it been included on the Forward Plan?
No

Strategic Director Approving Submission of the Report
Nicola Curley, Strategic Director of Children and Young People's Services

Report Author(s)
Stuart Williams, Assistant Director Children's Social Care
stuart.williams@rotherham.gov.uk

Ward(s) Affected
Borough-Wide

Report Summary
The purpose of this report is to provide assurance to the Audit Committee in relation to the actions taken and progress relating to the implementation of the recommendations made regarding the partial assurance Internal Audit report on Section 17 Payments and Reduction in Cash Payments Project.

Recommendations
That the Audit Committee note the contents of the report.

List of Appendices Included
N/A

Background Papers
None

Consideration by any other Council Committee, Scrutiny or Advisory Panel
None

Council Approval Required
No

Exempt from the Press and Public
No

1. Background

1.1 Section 17 (S17) of the Children Act 1989 defines the duties of a Local Authority in safeguarding and promoting the general welfare of a child in need. Financial assistance in terms of goods or services, or in exceptional circumstances cash, can be provided to a child, parent or carer to address the identified needs to safeguard and promote a child's welfare where there is no legitimate source of financial assistance or prevent a child entering local authority care.

1.2 The Audit gave a 'Partial Assurance' and provided six recommendations for implementation. Four recommendations have been completed with the outstanding two scheduled for completion by the end of January 2026.

2. Key Issues

2.1 **Recommendation one: Section 17 Policy.**

2.1.1 This recommendation noted that the Section 17 policy is dated 2019 and remains a 'draft' policy.

2.1.2 The agreed action was for the policy to be updated and endorsed by Children and Young People Service Directorate Leadership Team.

2.1.3 The Policy has been reviewed and updated to reflect national guidance and best practice. This is scheduled to be presented at Children and Young People Service DLT on 20th January 2026.

2.1.4 Pending the approval of the revised policy clear guidance has been issued to all staff as a reminder as to when Section 17 should be used and the process that is expected to be followed.

2.2 **Recommendation two: Non-compliance with CYPS Business Services Financial Guidance and Processes document.**

2.2.1 This recommendation includes issues as follows:

- Contradiction in who is responsible for authorising payments above £50,
- Failure to consistently provide receipts specifically for payments to families,
- Timely presentation to Resource Panel by Social Workers,
- Incorrect coding for NRPF as Section 17.

2.2.2 The revised Section 17 policy is clear in terms of the expectations of staff to comply with CYPS Business Services Financial Guidance. The CYPS Business Services Financial Guidance and Processes document has also been updated (November 2025) and has been shared to ensure compatibility of both processes/policies.

2.2.3 Since the audit activity Business Services have developed a process flowchart that has been shared which will support with knowledge/understanding of expectation following monies/funds being shared with families. Clear receipting process, and subsequent reminder and escalation process has been included.

2.3 **Recommendation three: Training**

2.3.1 Examples of non-compliance with procedures suggested that officers with S17 responsibilities would benefit from training on the new policies and procedures.

2.3.2 All staff have received updates in relation to the expectations relating to Section 17 payments. A working group of staff have supported the development of the revised Section 17 policy and updates to staff will be continual. This will also form part of staff induction across the whole Service.

2.4 **Recommendation Four: Resource Panel Terms of Reference (TOR)**

2.4.1 The recommendation noted that these terms of reference were last updated in September 2023 and that there were inconsistencies with the financial approval limits across other guidance.

2.4.2 The TOR have been updated since the audit activity and will be presented to Children and Young People Services DLT along with the Section 17 policy on 20th January 2026.

2.4.3 All approval limits across the Section 17 policy, the Resource Panel TOR and the CYPS Business Services Financial Guidance and Processes have been reviewed to ensure alignment and consistency.

2.5 **Recommendation Five: Cash transactions.**

2.5.1 This recommendation highlights that cash transactions should be kept to a minimum and only used in absence of other option.

2.5.2 Actions are in place to reduce cash payments and cash usage is shared with managers on a regular basis. Those asked to approve requests for cash are aware of the need to challenge the suitability of this before approving.

2.6 **Recommendation Six: First Response Team Cash Float**

2.6.1 The recommendation noted that the Insurance Team has not been made aware of the First Response Team's small cash float.

2.6.2 Since the audit activity the Insurance Team are aware and have recorded the use of a cash float within the First Response Service and registered the safe which is used as suitable.

3. Options considered and recommended proposal

3.1 No further options considered and recommended that the actions as outlined are progressed to completion. Ongoing review of the outcome of the audit activity to be considered by Children and Young People Services.

4. Consultation on proposal

4.1 The outcome of the audit, the action plan, and the progress to date have been discussed with the Directorate Leadership Team. The Strategic Direcor has updated the Cabinet Member in relation to the findings of the audit and subsequent action taken.

5. Timetable and Accountability for Implementing this Decision

5.1 The Assistant Director for Children's Social Care is accountable for implementing the actions identified in the audit report. All actions are scheduled to be completed by January 2026.

6. Financial and Procurement Advice and Implications

6.1 The report provides an update on actions and therefore there are no direct financial & procurement implications arising from the report.

7. Legal Advice and Implications

7.1 The report provides an update on actions and therefore there are no direct legal implications arising from the report.

8. Human Resources Advice and Implications

8.1 The report provides an update on actions and therefore there are no direct Human Resources implications arising from the report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 The report provides an update on actions and therefore there are no direct implications for Children and Young People and Vulnerable Adults arising from the report.

10. Equalities and Human Rights Advice and Implications

10.1 The report provides an update on actions and therefore there are no direct equalities and human rights implications arising from the report.

11. Implications for CO_2 Emissions and Climate Change

11.1 The report provides an update on actions and therefore there are no direct climate change implications arising from the report.

12. Implications for Partners

12.1 The report provides an update on actions and therefore there are no direct implications for partners arising from the report.

13. Risks and Mitigation

13.1 Implementation of the actions agreed during the audit will help to mitigate the risks it identified.

Accountable Officer(s)
Stuart Williams – Assistant Director Children's Social Care.

Report Author: Stuart Williams – Assistant Director Children's Social Care.
This report is published on the Council's website.

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Rotherham Metropolitan Borough Council

Public Report
Audit Committee

Committee Name and Date of Committee Meeting
Audit Committee – 13 January 2026

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.ivens@rotherham.gov.uk

Ward(s) Affected
Borough-Wide

Report 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.

Recommendations
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 that 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 direct financial or procurement implications 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 and Human Rights implications arising from this report.

11. Implications for CO_2 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.

Accountable Officer(s)
Louise Ivens, Head of Internal Audit

Report Author: Louise Ivens, Head of Internal Audit.
Tel 01709 823282 E mail louise.ivens@rotherham.gov.uk

This report is published on the Council's website.

Audit Committee Forward Work Plan

Meeting Date	Key Responsibility	Agenda Item	Author
March 2026	Governance Risk and Control	Chief Executive Presentation	John Edwards
	Treasury Management	Treasury Management Quarterly Update	Rob Mahon
	Governance Risk and Control	Procurement Annual Report	Karen Middlebrook
	Internal Audit / Governance Risk and Control	IA Progress Report	Louise Ivens
	Internal Audit	IA Annual Plan	Louise Ivens
	Internal Audit	Global Internal Audit Standards Internal Audit External Assessment, Quality Assurance and Improvement Plan and Audit Charter	Louise Ivens
	Governance Risk and Control	Risk Management Directorate Presentation - Children and Young People's Service	Nicola Curley
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens
June 2026	Financial Reporting	Draft Statement of Accounts	Rob Mahon
	Governance Risk and Control	Draft Annual Governance Statement	Judith Badger
	External Audit	External Audit Plan and Progress Update	Grant Thornton

	Treasury Management	Treasury Management Outturn and summary Prudential Indicators	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
July 2026	External Audit	External Audit Progress Report	Grant Thornton
	Treasury Management	Treasury Management Quarterly Update	Rob Mahon
	Governance Risk and Control	Dedicated Schools Grant/High Needs/Safety Value Programme	Joshua Amahwe
	Governance Risk and Control	Risk Management Annual Report and Corporate Strategic Risk Register	TBC
	Governance Risk and Control	External Audit and Inspection Recommendations	TBC
	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
September 2026	Financial Reporting Governance Risk and Control Internal Audit / Governance Risk and Control Governance Risk and Control Governance Risk and Control Governance Risk and Control Audit Committee Accountability	Update on Statement of Accounts Information Governance Annual Report IA Progress Report Risk Management Directorate Presentation - Assistant Chief Executive Code of Corporate Governance Anti-Fraud and Corruption Policy and Strategy and Anti Money Laundering Policy review and update Audit Committee Forward Work Plan	Rob Mahon Paul Vessey Louise Ivens TBC TBC Louise Ivens Louise Ivens
November 2026	Financial Reporting Governance Risk and Control External Audit Treasury Management	Audited Final Statement of Accounts Audited Final AGS External Audit Findings (ISA 260) Mid-Year Report on Treasury Management and quarterly update	Rob Mahon Judith Badger Grant Thornton / Rob Mahon Rob Mahon

	Governance Risk and Control	Risk Management Guide	TBC
	Governance Risk and Control	Risk Management Directorate Presentation - Regeneration and Environment	Andrew Bramidge
	Internal Audit / Governance Risk and Control	IA Progress Report	Louise Ivens
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens
January 2027	Financial Reporting	Final Accounts closedown and accounting policies	Rob Mahon
	Governance Risk and Control	External Audit and Inspection recommendations	TBC
	Governance Risk and Control	Strategic Risk Register	TBC
	Governance, Risk and Control	Risk Management Directorate Presentation - Finance and Customer Services and Assistant Chief Executives Directorate	Judith Badger
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens

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Rotherham Metropolitan Borough Council

Public Report with Exempt Appendices
Audit Committee

Committee Name and Date of Committee Meeting
Name of Committee – 13 January 2026

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
Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)
Fiona Boden, Head of Policy, Performance and Intelligence
Fiona.boden@rotherham.gov.uk

Chloe Harrop, Corporate Improvement Officer
Chloe.harrop@rotherham.gov.uk

Ward(s) Affected
Borough-Wide

Report Summary
This report forms part of the Audit Committee's remit to regularly consider risk management.

The report is the regular report on the Corporate Strategic Risk Register and aims to cover the movements in strategic risks that have occurred over the period.

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 – Full Corporate Strategic Risk Register at 8 December 2025

Background Papers
Report to Audit Committee; 29 July 2025 (Annual Risk Management Summary 2024-2025)

Report to Audit Committee; 14 January 2025 (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 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.

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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 communities, 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.

1.2 This report aims to summarise the principal risk management activity that has been carried out within the Council since the last report to the Committee in July. 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

2.1 The Council's Risk Management Policy and the separate Risk Management Guide both state that risk management is the responsibility of all Council officers. This is further set out in section 4.9 of the Policy where the specific responsibilities of all members and officers are detailed. In this section, 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 focusing on risk and risk management.

2.2 As well as the key responsibilities set out in the Policy, the Council has a group of Risk Champions. Each Directorate has at least one Risk Champion who leads on risk for their Strategic Director. This group is responsible for co-ordinating risk management across the Council.

2.3 In the reporting period, overall strategic responsibility for risk management rested with the Assistant Chief Executive role. During this time, interim arrangements were in place with the responsibilities of the Assistant Chief Executive covered by the Strategic Director of Finance and Customer Services and with day-to-day responsibility delegated to the Assistant Director of Human Resources and Head of Policy, Performance and Intelligence. The team working on corporate risk management also includes a "Corporate Improvement and Risk Officer" role. The team's responsibilities are wider than corporate risk management, but the presence of the additional post ensures that there is resilience in the Council's risk management activity.

2.4 On 17th December 2025, Staffing Committee approved the recommendation to appoint to the retitled Assistant Chief Executive role (now titled Director of Policy, Strategy and Engagement) and refer the process to the Senior Officer Appointments Panel. Current arrangements will be retained until an appointment to this role is made on a permanent or interim basis.

3. Risk Management Process

3.1 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. The Council aims to achieve best practice, through DLTs considering risk at every meeting, but in a way that is proportionate to the risks being faced by the services in question.

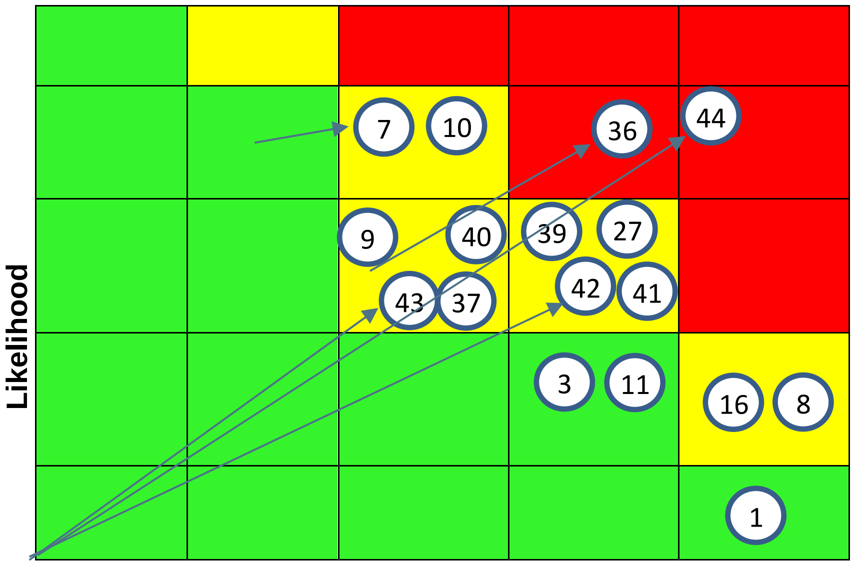
3.2 The CSRR has been formally reviewed by the Strategic Leadership Team (SLT) through its meeting cycle. The regular cycle of quarterly reviews has been in place throughout the 2025-26 financial year and remains in place to date.

3.3 The CSRR is also reported regularly to the Audit Committee alongside the annual "deep dives" of Directorate Risk Registers. Additionally, the Head of Policy, Performance and Intelligence, 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.

4. Corporate Strategic Risk Register at 8 December 2025

4.1 The current "heat map" for the strategic risks included in this update of the register is shown in the table below. Movements in this heat map are compared to the risks reported in June 2025, which was presented to the Audit Committee in July 2025. Since that report, one risk has been removed from the risk register, and three risks have been added. The risk that has been removed was risk SLT39 which related to sufficient staff to enable delivery of statutory duties. This has been de-escalated from the CSRR and is now being managed across individual directorates.

4.2 Three risks have also been added to the risk register since the last report, risks SLT42, SLT43 and SLT44. Both SLT42 and SLT43 relate to Health and Safety, with SLT42 relating to non-compliance with legislative requirements and SLT43 relating to loss of key staff and skills within Health and Safety. SLT44 has also been added to the CSRR and relates to Equal Pay Litigation. There has been minimal movement in the register, with only two risks (SLT36 and SLT07) moving since the last report, both increasing in risk score.



4.3 In general terms, strategic risks change more slowly over time than operational risks. The table below shows the longer-term pattern of assessed risk on the CSRR level, covering a two-year period. Since July 2024, 11% of risks monitored at a strategic level have reduced in assessed level, 39% have remained stable and 50% have either increased or are new to the register. This shows that the Council's overall risk position is broadly stable.

Number	Risk Summary	Jul 24	Dec 24	Jun 25	Dec 25	Two-year risk movement (December 2025 compared to July 2024) ↓ = Risk level reduced, or risk removed ↑= Risk level increased or new risk → = Risk level static
SLT01	Children's safeguarding	5	5	5	5	→
SLT03	Failure to deliver the Council Plan due to the pressures generated by the cost-of-living crisis	8	8	8	8	→
SLT07	Response to a future pandemic	8	8	8	12	↑
SLT08	Failure to enhance community cohesion	8	15	10	10	↑
SLT09	Inconsistent communications damage reputation and	6	9	9	9	↑

	inward investment					
SLT10	Failure to attract new business and investment	9	12	12	12	↑
SLT11	Risk of ineffective joint working with key partners	8	8	8	8	→
SLT16	Financial plans and budget gap	10	10	10	10	→
SLT27	Health and Safety and operational risks from property	10	25	12	12	↑
SLT 36	Insufficient resources committed to Carbon Reduction Plan	9	9	9	16	↑
SLT37	Failure to manage and deliver projects	9	9	9	9	→
SLT38	Business Continuity - Closure of the PTSN Network	15	10	-	-	↓
SLT39	Maintaining a sufficient, skilled, workforce to deliver statutory services	12	12	12	-	↓
SLT40	Council housing assets do not comply with regulatory standards	9	9	9	9	→
SLT41	Impact of the reduction in funding of the Integrated Care Board	-	-	12	12	→
SLT42	Non-compliance with Legislative requirements in Health and Safety	-	-	-	12	N/A new risk added.

SLT43	Loss of key staff in Health and Safety	-	-	-	9	N/A new risk added.
SLT44	Equal Pay Litigation	-	-	-	20	N/A new risk added.

4.4 As noted in paragraph 4.1, since it's last full update reported in July 2025, the CSRR has seen three new risks added and one removed (de-escalated) from the register. In total, there remains 16 risks on the CSRR.

4.5 Appendix 1 shows the full CSRR at 8 December 2025. This document shows current mitigations in place and makes clear what mitigations are 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.

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 4.3 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. Risk and Mitigation

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 years.

14 **Accountable Officer(s)**

Fiona Boden Head of Policy, Performance and Intelligence

Report Authors: *Fiona Boden,*
Head of Policy, Performance and Intelligence
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Chloe Harrop
Corporate Improvement Officer
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This report is published on the Council's website

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

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Public Report with Exempt Appendices
Audit Committee

Committee Name and Date of Committee Meeting
Audit Committee – 13 January 2026

Report Title
Finance and Customer Services Directorate 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 of Finance and Customer Services)

Report Author(s)
Andrew Dyson, Directorate Risk Champion
andrew.dyson@rotherham.gov.uk

Ward(s) Affected
All

Report Summary
Directorate risk registers are received annually by the Audit Committee.

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

Recommendations
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.

List of Appendices Included
Appendix 1 – Finance and Customer Services Directorate Risk Register.

Background Papers
Finance and Customer Services Risk Register to the Audit Committee in January 2025.
Corporate Strategic Risk Register report to the Audit Committee in July 2025.

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

Council Approval Required
No

Exempt from the Press and Public
Yes, the appendix.

An exemption is sought for the covering report and 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 and 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 2025.

1.2 This Risk Register is for all Directorate activities.

1.3 The current Finance and Customer Services Directorate Risk Register has seventeen entries (Appendix 1).

1.4 Due to the nature of the work of the Finance and Customer Services Directorate some significant Directorate risks also feature on the Council's Strategic risk register, these are referenced below:

- **FCS1 & SLT16 Directorates failing to deliver services within budget.**
  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.

- **FCS19 & SLT27 Operational Property Estate**
  Risk detail: The Council's maintenance programme needs to be designed to ensure that the estate is operational and there needs to be sufficient resources to deal with issues arising and maintain the agreed average 20% per annum which ensures that the Council has a 5-year rolling programme of condition surveys in place. The stock condition programme surveys are delivered in accordance with agreed policy and procedure.
  .

2. Key Issues

2.1 There are five services within the Finance and Customer Services Directorate:

- Financial Services
- Customer, Information and Digital Services
- Legal Services
- Internal Audit
- Property and Facilities Services

2.2 Risks are discussed and reviewed at the Directorate Leadership Team (DLT), by individual members of DLT and, where necessary, risks are escalated to the next strategic level for inclusion on the risk register.

2.3 As part of the programme to embed risk management into the culture of the Council, all M3 managers from the Finance and Customer Services Directorate are required to attend the mandatory "Risk Management Training for Managers" workshops. New managers are invited to attend workshops as soon as possible after commencement in role. All staff are also required to complete a mandatory risk management e learning module.

2.5 The Finance and Customer Services Risk Register being presented to Audit Committee uses the Council's detailed risk template, which includes both existing controls and actions, as well as further mitigations. The register also includes both the current score with existing measures and the target score.

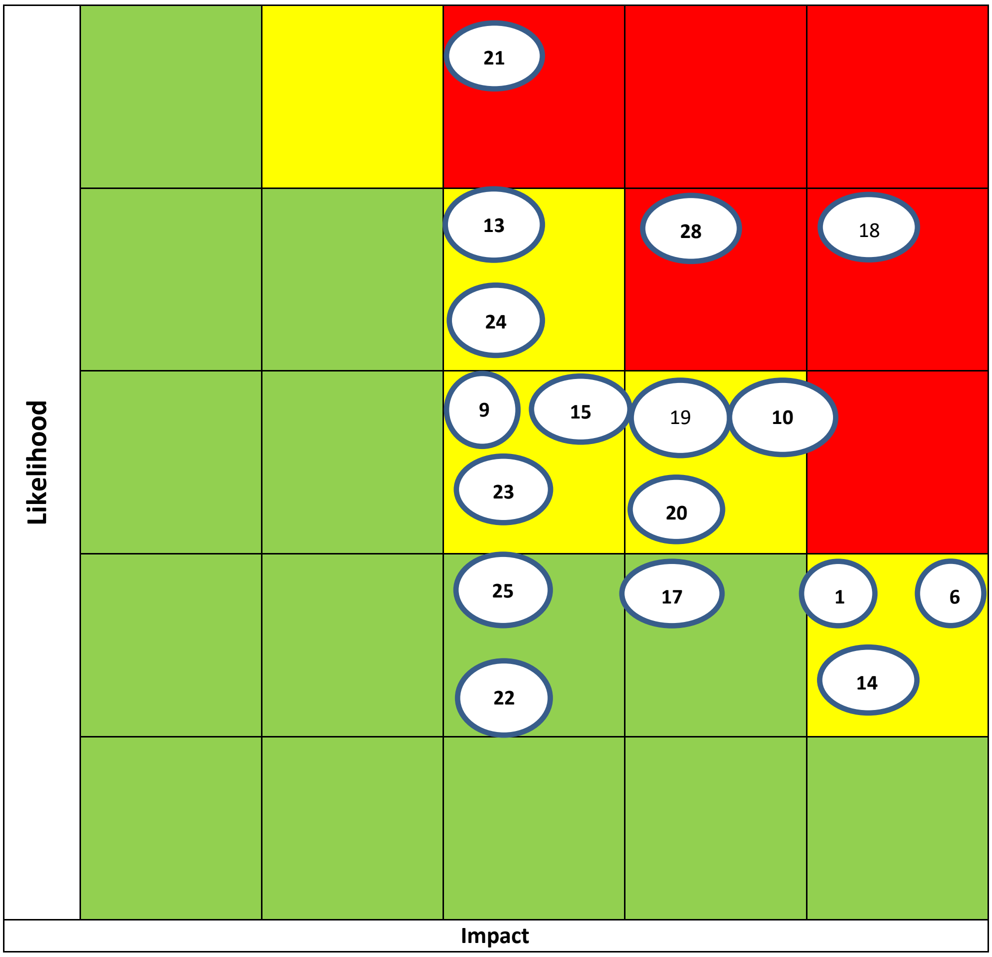
2.6 Four risk items have been removed since the last report to Audit Committee in January 2025.

Risk No	**Business objective**	**Risk Detail**	**Change since last report**
FCS16	Maintaining a balanced budget and securing financial resilience of the Council so that core Council services can be delivered and the needs of residents met.	Ongoing rise in household living costs /inflation with consequent impact on disposable income and financial security of Rotherham Residents and Businesses.	*Risk deleted*
FCS26	To maintain a safe and operational Property Estate.	Risk to the structural failure of the roofing elements of buildings through the identification of Reinforced Autoclaved Aerated Concrete, (RAAC) within the initial construction.	*Risk deleted*
FCS27	Meeting the Governments statutory School Food Standards across all Council School Catering Contracts.	The Council does not meet the legal requirement for School Food Standards due to a lack of training and knowledge, increased costs of food products and/or availability through the supply chain.	*Risk deleted*
FCS29	Ensure all catering units have effective processes to manage food -hygiene for all customers.	Poor food hygiene standards and safety.	*Risk deleted*

2.7. Risk FCS17 – '*To maintain service operations and business continuity'* was removed from the Council's Strategic risk register in July 2025.

2.8 The "heat map" on the next page for the Finance and Customer Services Risk Register is based on the current scores in December 2025:

Current Risk Heat Map at December 2025



2.9 The table below shows the risk movement since the last report in January 2025:

Number	Risk	Dec 24	Dec 25	Risk Movement (FCS Jan 24, Estates March 24, Facilities March 24 compared to Jan 25) ↓ = Risk level reduced, or risk removed ↑= Risk level increased or new risk → = Risk level static
FCS1 (SLT1)	Directorates failing to deliver services within budget due to rising demand, complexity or control. Failure to delivery Budget savings programmes.	10	10	→
FCS6	Failure to protect children due to understaffing of the Children and Legal Team. Key risk elements include inability to recruit and retain permanent staff with the required professional expertise, also availability and retention of Locums, the increasing demand for this work and its increasing complexity.	10	10	→
FCS9	Lack of planning and effective engagement with external auditors could lead to	3	9	↑

	deadlines not being achieved. Challenges from closing the 2024/25 accounts with the audit only finishing in November 2025 may impact deliverability of accounts 2025/26.			
FCS10	Business Rates & Council Tax increases along with external pressures such inflation, energy that are impacting the cost of living may impact collection rates. Major businesses that fall into financial difficulty can significantly shift the Councils NNDR collection position.	9	12	↑
FCS13	Failure to effectively plan for procurement activity including contract renewals/expiry and produce 18 month (minimum) 3-5 years preferred procurement pipeline recommended as best practice by Cabinet Office.	12	12	→
FCS14	Significant service and business disruption from cyber-attack and/or data loss/breach and consequential financial penalty.	10	10	→
FCS15	Failure to comply with relevant information management and information security compliance legislation. This includes a failure to provide timely and appropriate responses to requests for information via FOI and Subject Access Requests.	9	9	→
FCS16	Ongoing rise in household living costs /inflation with consequent impact on disposable income and financial security of Rotherham Residents and Businesses.	10	N/A	Deleted
FCS17	Impact on business continuity following the closure of the PSTN in January 2027.	10	8	↓
FCS18	Availability of land for burial.	20	20	→.
FCS19	The Council's maintenance programme needs to be designed to ensure that the estate is operational and there needs to be sufficient resources to deal with issues arising and maintain the agreed average 20% per annum which ensures that the Council has a 5-year rolling programme of condition surveys in place. The stock condition programme surveys are delivered in accordance with agreed policy and procedure.	20	12	↓
FCS20	By not having a planned scheme of works, identified through surveys, buildings could fall into a state of disrepair impacting on the ability for pupils to be educated. Budgets will not be prioritised, leading to high cost of future repair and a reactive approach to works.	20	12	↓
FCS21	Failure to fund and deliver the heat decarbonisation plan that has been produced for 40 core operational buildings with an estimated £14.3m investment required to achieve the NZ30 target. If additional smaller sites are included this is projected to cost £21m.	15	15	→
FCS 22	The Council does not have in place the proper and required elements to ensure the safety of our buildings and ensure compliance with the relevant fire safety regulations.	9	6	↓

FCS23	Potential risk to customers, staff, information and property by intruders accessing the council's buildings.	12	9	↓
FCS24	Failure to maintain and comply with statutory and legislative compliance and approved codes of practice.	12	12	→
FCS25	Budget overspends arising from increased costs of energy for the property estate.	15	6	↓
FCS26	Risk to the structural failure of the roofing elements of buildings through the identification of Reinforced Autoclaved Aerated Concrete, (RAAC) within the initial construction.	15	N/A	Deleted
FCS27	The Council does not meet the legal requirement for School Food Standards due to a lack of training and knowledge, increased costs of food products and/or availability through the supply chain.	6	N/A	Deleted
FCS28	The cost of operating and providing services outweighs the income generated and the services becomes non-sustainable. Schools drop out of the current SLA's due to affordability of service and greater competitiveness in the marketplace.	16	16	→
FCS29	Poor food hygiene standards and safety.	8	N/A	Deleted

2.10 Three of the seventeen risks on the Finance and Customer Services Risk Register are currently assessed as being a high risk, marked as 'Red' on Appendix 1. These are:

- **FCS18 Burial space in cemeteries**
  Risk detail: Availability of land for burial.

- **FCS21 Fund and deliver the heat decarbonisation plan.**
  Risk detail: Failure to fund and deliver the heat decarbonisation plan that has been produced for 40 core operational buildings with an estimated £14.3m investment required to achieve the NZ30 target. If additional smaller sites are included this is projected to cost £21m.

- **FCS28 Services become financially untenable.**
  Risk detail: The cost of operating and providing services outweighs the income generated and the services becomes non-sustainable.
  Schools drop out of the current SLA's due to affordability of service and greater competitiveness in the marketplace.

2.11 Risk Register entries are closely linked to the Service Plans, Team Plans, Reports and Service meeting agendas across the directorate.

2.12 Progress against key actions to mitigate the above risks is monitored through management team meetings.

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 reviewed quarterly by the Directorate Leadership Team. A strategic Risk Champions Forum is also in place, and the Finance and 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 There are no direct financial or procurement implications arising from this report. Financial implications linked to risk mitigations are closely scrutinised and monitored.

7 Legal Advice and Implications

7.1 There are no direct legal implications arising from the Finance and Customer Services Directorate Risk Register. Any actions taken by the Council in response to risks identified will consider any legal implications.

8 Human Resources Advice and Implications

8.1 There are no direct Human Resources implications arising from this report. However, the risks contained in the Finance and Customer Services Risk Register (Appendix 1).

9 Implications for Children and Young People and Vulnerable Adults

9.1 There are no direct implications arising from this report. Children and young people and vulnerable adult implications linked to risk mitigations are closely scrutinised and monitored.

10 Equalities and Human Rights Advice and Implications

10.1 There are no direct equality implications arising from this report.

11 Implications for CO2 Emissions and Climate Change

11.1 **FCS32** includes CO2 emissions and climate change implications from this report.

12 Implications for Partners

12.1 Actions relating to issues affecting partners are reflected in the risk register and closely scrutinised and monitored.

13 Risks and Mitigation

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

14 **Accountable Officer(s)**

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