

AUDIT COMMITTEE

Date and Time:- Thursday 24 September 2026 at 2.00 p.m.

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

Membership:- Councillors Baggaley (Chair), Ismail (Vice-Chair), Elliott and Monk.

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 12 (Internal Audit Progress Report) (Appendix G) on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 7 of Part I of Schedule 12A to the Local Government Act 1972 (information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime)

Agenda Item 13 (Policy, Strategy and Engagement Risk Register) 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 28th July, 2026 (Pages 5 - 14)

To consider and approve the minutes of the previous meeting held on 28th July, 2026, as a true and correct record of the proceedings and to be signed by the Chair.

6. External Audit Progress Report and Sector Update (Pages 15 - 30)

Representations of Grant Thornton (External Auditor) to present

7. Procurement Annual Update Report 2026 (Pages 31 - 54)

Karen Middlebrook, Head of Procurement, to present

8. Information Governance Annual Report (Pages 55 - 66)

Luke Sayers, Service Director, Customer, Information and Digital Services, to report

9. Code of Corporate Governance (Pages 67 - 98)

Katie Stead, Policy, Improvement and Risk Manager, to report

10. Anti-Money Laundering Policy Review (Pages 99 - 136)

Louise Ivens, Head of Internal Audit, to present

11. Counter Fraud Framework including Anti-Fraud and Corruption Policy and Strategy (Pages 137 - 189)

Louise Ivens, Head of Internal Audit, to present

12. Internal Audit Progress Report (Pages 191 - 225)

Louise Ivens, Head of Internal Audit to report

13. Policy, Strategy and Engagement Risk Management Register (Pages 227 - 244)

Katie Stead, Policy, Improvement and Risk Manager, to present

14. Audit Committee Forward Work Plan (Pages 245 - 251)

Louise Ivens, Head of Internal Audit, to present

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 24 November 2026
commencing at 2.00 p.m.
in Rotherham Town Hall.**



John Edwards,
Chief Executive.

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AUDIT COMMITTEE
28th July, 2026

Present:- Councillor Baggaley (in the Chair); Councillors Blackham, Elliott, Ismail and Monk and Michael Olugbenga-Bababola (Independent Person).

An apology for absence was received from Alison Hutchinson (Independent Person).

Also present:-

Joshua Amahwe, Head of Finance CYPs
Judith Badger, Executive Director, Corporate Services
Greg Charnley, Grant Thornton (External Auditor)
Niall Devlin, Service Director, Education and Inclusion
Natalia Govorukhina, Head of Corporate Finance
Louise Ivens, Head of Internal Audit
Rob Mahon, Service Director, Financial Services
Michelle Scales, Service Manager, Litigation and Practice
Katie Stead, Policy, Improvement and Risk Manager
Dawn Mitchel, Governance Officer

18. APPOINTMENT OF VICE-CHAIR FOR THE 2026/27 MUNICIPAL YEAR

Following the resignation of Councillor Lelliott, there was now a vacancy on the Committee and the position of Vice-Chair.

The vacancy presented an opportunity for the Council to maintain the effectiveness of the Audit Committee by appointing a replacement Member and Vice-Chair. This would ensure that the Committee continued to operate with its full complement of Members, maintain appropriate leadership resilience and was able to effectively discharge its responsibilities in relation to governance, risk management, internal control, financial reporting and audit matters.

Resolved:- That Councillor Ismail be appointed Vice-Chair of the Audit Committee for the remainder of the 2026-27 Municipal Year.

19. QUESTIONS FROM MEMBERS OF THE PUBLIC OR THE PRESS

There were no members of the public or press present at the meeting.

20. DECLARATIONS OF INTEREST

There were no Declarations of Interest made at the meeting.

21. 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. 28 (Risk Management Annual Summary 2025-26 and Corporate Strategic Risk Register) as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime).

22. MINUTES OF THE PREVIOUS MEETING HELD ON 16TH JUNE, 2026

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 16th June, 2026.

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

23. EXTERNAL AUDIT UPDATE

Greg Charnley, Grant Thornton (External Auditor), reported that the External Audit field work had commenced at the beginning of July and was currently on track to submit a detail report to the September Audit Committee meeting and the November meeting for sign off

There had been a slight change in the audit materiality which had reduced from £16.7M to £16M which reflected some of the adjustments in the previous financial year e.g. Forge Island.

Resolved:- That the update be noted.

24. UPDATE REPORT ON THE USE OF SURVEILLANCE

Michelle Scales, Service Manager, Litigation and Practice, presented an update on the Council's use of surveillance and acquisition of communication data powers under the Regulation of Investigatory Powers Act 2000 (RIPA) and the Investigatory Powers Act 2016 (IPA).

Since the last report, the Council had not used its powers under RIPA to use directed (covert) surveillance, covert human intelligence sources and informants or to acquire communications data. The annual statistical return was completed and sent to the Investigatory Powers Commissioners Office on 5th January, 2026.

External training was provided to all officers who were likely to be involved in the use of the powers provided under the RIPA legislation on 21st October, 2025, 13th January and 11th February, 2026. To ensure that training was up-to-date and new staff joining were aware of their roles, further training sessions would be arranged for 2026. The purpose of this

was to further reduce any potential risk arising from any unauthorised activity.

The revised Home Office Codes of Practice advised that the elected members of a local authority should review the authority's use of RIPA and set the Policy at least once a year and consider internal reports on the use of RIPA on a regular basis to ensure that it was being used consistently with the local authority's policy and that the policy remained fit for purpose.

On 8th December 2025, the Council received notification from the IPCO regarding its mandatory inspection. The Council provided the information requested on 14th January, 2026, with a meeting then taking place with the Inspector from the IPCO.

On 27th January, 2026, the Council received notification that the IPCO was satisfied with regard to the Council's ongoing compliance with RIPA 2000 and the Investigatory Powers Act 2016.

The RIPA Policy was reviewed by the Audit Committee at its meeting on 29th July, 2025 (Minute No. 21 refers) and was re-adopted with some minor amendments to provide clarity and the use of accurate terminology when referencing guidance documents. The RIPA Policy had been reviewed and, as there had been no changes to guidance or Codes of Practice, did not require significant amendment.

Discussion ensued with the following issues raised/clarified:-

- Requests for the use of RIPA were submitted to Legal Services and reviewed in accordance with the Policy, Legislation and Code of Practice and the powers utilised if deemed appropriate. However, it was seen as a last resort and other means of gathering evidence should be used. There was a lot to consider in terms of the impact on Human Rights etc.
- There was a distinct difference between covert and overt surveillance. RIPA covered covert surveillance only, looking at targeted surveillance which met the particular criteria under the Legislation. Overt surveillance e.g. cameras which would catch people flytipping did not fall under RIPA and was governed by other Legislation and Codes of Practice
- Any decisions on the provision of overt cameras in areas that were experiencing particular problems/increase in the number of cameras was an issue for the respective Service

Resolved:- (1) That the Audit Committee note that the Council had not made use of surveillance or acquisition of communication data powers under the relevant legislation.

(2) That the findings of the inspection by the IPCO and that the next inspection would take place in 2029 be noted.

(3) That the RIPA Policy with the minor amendments made to provide clarity and use of accurate terminology when referencing the relevant guidance documents be approved.

25. HIGH NEEDS/SAFETY VALVE PROGRAMME - 2025-26

Joshua Amahwe, Head of Finance CYPS, together with Niall Devlin, Service Director, Education and Inclusion, reported that the 5 year Safety Valve Agreement had ended on 31st March, 2026. The submitted report outlined the performance against the approved Safety Valve Agreement (with the Department of Education) over the 5 years of the Programme as well as the recovery plans in place to enable Rotherham to achieve financial sustainability.

The report also highlighted the financial position of the Dedicated Schools Grant (DSG) High Needs Budget in 2025-26 and the cumulative deficit position in the last year of the Safety Valve Programme.

The Safety Valve Agreement had provided a clear and ambitious framework for developing enhanced inclusive provision to meet children's SEND across the Borough. Rotherham had delivered all the conditions of its Safety Valve Agreement and had made significant progress in meeting the agreed financial recovery plan. Key achievements against the agreed conditions over the 5 year period were set out in the report but included focus on strengthening mainstream inclusion, increased specialist provision as well as improving the financial sustainability of the whole High Needs SEND budget.

Over the 5 year period, the whole Programme had been closely monitored by the Council and the submission of quarterly reports/various challenge sessions with the DfE. There had been growth in local capacity in terms of the number of SEND places in Rotherham with in excess of 500 special school places created in Rotherham as well as the creation of 10 SEND resource basis within mainstream schools and the extension of some special schools and the PRU.

Massive inroads had been made in mainstream schools by improving the level of inclusion. A high number of pupils were now supported within mainstream provision opposed to placement in specialist provision although there continued to be an increase in specialist school provision.

At the outset of the SVA, there had been a cumulative deficit of approximately £21.2M; part of that reduction stemmed from the financial support received as well as the recovery actions. A financial deficit of £3.6M was reported for the High Needs Budget for 2025-26 and had been transferred to the DSG reserves account. This reflected increased demand within the SEND system including rising numbers of pupils with

EHCPs in mainstream and specialist settings alongside inflationary cost pressures. Under the current regulations, the deficit was carried forward into the next financial year as part of the statutory protection the Government had put in place to ensure local authorities were not burdened with the deficit in DSG.

The Government had announced a High Needs Stability Grant which would fund up to 90% of historic DSG deficits accumulated by 31st March 2026 with local authorities expected to fund the remaining 10%. Based on the proposed funding methodology, the Council was expected to receive approximately £0.6M reducing its residual DSG deficit of £2.9M as at 31st March 2026.

The Grant formed part of the transition to a reformed SEND system and complemented the continuation of the statutory DSG deficit override which remained in place until 31st March 2028. Access to the Stability Grant would be conditional on each authority submitting a Local SEND Reform Plan and securing approval from the Department for Education.

Local authorities were required to submit their Local SEND Reform Plan by 19th June 2026 setting out how they would transition to the reformed SEND system and increase early intervention, inclusion and mainstream capacity. Plans must demonstrate a clear pathway towards the Government's vision for a more inclusive SEND system.

It was expected that the Stability Grant funding would continue during the transition although funding would be proportionate rather than unlimited. Local authorities would be required to maintain robust financial management whilst continuing to deliver appropriate, high quality support for children and young people with SEND. Delivery of approved Local SEND Reform Plans would be a key component of the approach. Given the funding uncertainty, it was difficult at present to assess how much the DfE would support the ongoing in-year High Needs deficits. The position would continue to need to be closely managed and factored into the Council's budget setting processes.

Discussion ensued with the following issues raised:-

- Approval of the Local SEND Reform Plan was important as it released future funding in terms of addressing the cumulative deficit
- Modelling work had been carried out to assess what the next 2-3 years would look like based on projected numbers of pupils expected to be in the system and accessing support. It was expected to be in the region of £19M and took account of the recovery actions of the plans in place

- The £19M was made up of the £2.9M carried forward from 2025/26, anticipated £7M for 2026/27 and approximately £9M for 2027/28
- The Government had indicated that it was looking to provide financial support up to 2027/28 in terms of the High Needs Stability Grant
- Based on Government guidance, there was a complicated formula for SVA authorities which did not give 90% funding for 2025/26 but would be applicable once out of the SVA
- The expectation that the 90% would be ongoing came from the Fair Funding Review, discussions with the DfE and the need to address the ongoing pressure on the system

Resolved:- (1) That the performance against the Safety Valve Agreement and the recovery actions to manage the Dedicated School Grant (DSG) deficit in Rotherham be noted.

(2) That the 2025/26 financial position of the DSG High Needs Budget and cumulative DSG deficit at the end of the Safety Valve Programme be noted.

26. TREASURY MANAGEMENT MONITORING REPORT Q1 2026-27

Natalia Govorukhina, Head of Corporate Finance, presented the 2026-27 quarter 1 review as recommended by CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021. The submitted report detailed performance against Treasury Management activities as well as incorporating the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's Prudential Indicators.

It was also explained that it was a requirement that any proposed changes to the 2026/27 Prudential Indicators were approved by Council.

The monitoring, as set out in Appendix A, highlighted the key changes to the Council's capital activity (the PIs) and the actual and proposed Treasury Management activity (borrowing and investment). The review indicated performance had not changed from that set out in the approved Treasury Management Strategy.

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.

The Council would maintain its strategy of being under-borrowed against the Capital Financing Requirement (CFR). The Council had refinanced £50M of temporary borrowing in the year to date.

It was anticipated that further short term borrowing would be required before the end of 2026/27. As reported previously, the Council would predominantly adopt a short term borrowing strategy to cover this borrowing need in anticipation of lower interest rates in the medium term. There was a discounted rate with the PWLB for borrowing long term funds specifically for Housing Revenue Account purpose. This was available until March 2027. Depending upon the prevailing interest rate position, the Council may utilise this rate for some long term borrowing, however, the borrowing position would remain under review.

Whilst the Council's approach to Treasury Management in recent years, utilising short-term borrowing, had generated significant savings for the Council, it was essential to achieve balanced budgets, the future outlook was more challenging. There was increased uncertainty around the future direction of interest rates as markets responded to the recent conflict in Iran.

The Council had undertaken £50M of temporary borrowing in the year to date of which £20M was refinanced with the existing lender.

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

It was noted that this was Natalia's last meeting as she was leaving the Authority. Joshua Amahwe would be taking over Natalia's role.

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

(2) That the Committee's thanks be placed on record and Natalia wished all the best in her future employment.

27. EXTERNAL INSPECTIONS, REVIEWS, AND AUDITS UPDATE

Consideration was given to a report presented by Katie Stead, Policy, Improvement and Risk Manager, which provided details of recent external inspections, reviews and audits as well as a summary of progress against the recommendations from all external inspections, reviews and audits setting out details of arrangements for ensuring the accountability and governance around their implementation.

Since the last report to Committee in January 2026 (Minute No. 64 refers), 6 new external inspections, reviews and audits had been completed. In total 37 recommendations or areas of improvement were listed on the

tracker of which 21 had been completed since the last report; 16 remained ongoing of which 7 were delayed including 2 that were delayed by more than 12 months. The reasons for the delays were summarised within Appendix 1 of the report submitted.

There had been 2 inspections to Rotherham residential children's homes since January both of which identified significant improvements achieved.

Discussion ensued with the following issues raised/clarified:-

- The reasons behind the ongoing delay in implementing the 2 improvements identified at the 2024 Ofsted SEND visit were complex and regularly discussed by management
- A revised target date for completion of the 2023/24 Value for Money arrangements had been agreed (September 2026)

Resolved:- (1) That the recent external inspections, reviews and audits which have taken place and the progress made in implementing the recommendations since the last report in January 2026 be noted.

(2) That the governance arrangements that were currently in place for monitoring and managing the recommendations be noted.

(3) That the Audit Committee continue to receive regular reports in respect of external inspections, reviews and audits and the progress made.

28. RISK MANAGEMENT ANNUAL SUMMARY 2025-2026 AND CORPORATE STRATEGIC RISK REGISTER UPDATE

Katie Stead, Policy Improvement and Risk Manager, submitted the Risk Management Annual Summary 2025-26 and Corporate Strategic Risk Register (CSRR) update.

The report summarised the principal risk management activity that had been carried out in the Council throughout the past financial year. It also covered a wider range of topics than the regular report on the Corporate Strategic Risk Register and aimed to reflect both the movements in strategic risks that had occurred over the period together with the key elements of the Council's risk management activity throughout the year.

Risk Management

As set out in the Risk Management Policy and Guide, individual Service Management Teams and Directorate Leadership Teams had reviewed their risk registers in line with the Policy and Strategy.

Corporate Strategic Risk Register

The Register was formally reviewed by the Strategic Leadership Team at quarterly meetings.

The programme of Audit Committee risk register reviews for the 2025-26 financial year was completed as planned. A new annual cycle had been established under which the Committee reviewed all Directorate risk registers at least once during the next 12 months and the CSRR twice within the same period.

Movements in the heat map were compared to the risks on the CSRR reported to Committee in January, 2026. At the start of 2025/26 the CSRR had comprised of 14 risks with none assessed as red. The total number of strategic risks had increased to 16 with 5 risks added and 3 removed following successful management. Of those risks, one was raised and removed within 2 reporting points.

By the end of 2025/26, 4 risks on the CSRR were rated as red 3 of which related to new risks that had been escalated up to the CSRR during 2025/26 whilst the remaining risk was escalated from amber to red throughout the year.

In 2024/25 there had been a slight increase in the risk profile throughout the year for the first time in 3 years; this had continued into 2025/26 and active management throughout the year had supported the successful management of this profile.

Appendix 1 contained the complete CSRR including information on current mitigations in place and what were still to be delivered. It also set out the current target level of risk for each risk.

Discussion ensued with the following issues raised/clarified:-

- Further discussion would take place as to whether hanging baskets off lighting columns was to be included within SLT45 (highways structures inspection regime)
- SEND education/financing was included within SLT16 (financial plans and budget gap) and incorporated the financial position and sustainability of the Council
- Work was on track to meet the timetable set by the Chief Executive with regard to the review of failure to manage and deliver regeneration programmes (SLT37)
- The equal pay litigation was a lengthy and legal process with the risk being assessed along the way

It was hoped that a member and development training session would take place in September on risk management

AUDIT COMMITTEE - 28/07/26

Resolved:- That the annual summary of risk management activity and updates to the Corporate Strategic Risk Register be noted.

(Appendix 1 was exempt under Paragraph 3 (information relating to the financial or business affairs of any particular person (including the Council) of Part 1 of Schedule 12A))

29. DRAFT AUDIT COMMITTEE 2025-26 ANNUAL REPORT

Consideration was given to a report presented by Louise Ivens, Head of Internal Audit, which summarised the work undertaken by the Audit Committee. Production of this report complied with current best practice for audit committees. It allowed the Audit Committee to demonstrate it had fulfilled its terms of reference and share its achievements with the Council.

The Audit Committee Annual Report 2025/26 included details of the main outcomes and improvements, Committee membership during that period, a summary of the work undertaken, information on self-assessment evaluation and training and development along with listing the Committee's Terms of Reference.

Resolved: That the draft Audit Committee Annual Report 2025/26 be approved for submission to Council.

30. AUDIT COMMITTEE FORWARD WORK PLAN

Consideration was given to the proposed forward work plan for the Audit Committee for September 2026 to July 2027. 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.

31. ITEMS FOR REFERRAL FOR SCRUTINY

There were no items for referral.

32. URGENT BUSINESS

There was no urgent business to be considered.

Rotherham Metropolitan Borough Council

Audit progress report and sector updates

16 September 2026

Agenda

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Audit Progress Report

Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a summary of emerging national issues and developments that may be relevant to you.

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications: [Local government | Grant Thornton](#)

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either Liz or Greg.

We continue to bring specialists to our update conversations where appropriate to share any learning from our position as a leading audit supplier to the local government sector.

You will also have access to our annual Chief Accountant Workshops and any other networking opportunities we create for the various stakeholders.

Liz Luddington

Key Audit Partner & Engagement Lead

T: 0161 953 6410

E: Liz.A.Luddington@uk.gt.com

Greg Charnley

Engagement Senior Manager

T: 0113 200 2558

E: Greg.F.Charnley@uk.gt.com

Winnie Oduor

Engagement Assistant Manager

T: 0161 953 6451

E: Winnie.G.Oduor@uk.gt.com

Progress as at 15 September 2026

Financial Statements Audit

Officers' engagement in the audit process and timely response to auditor requests have been good to date and, based on our past experience of working with the Council, we expect this to continue up to the point of concluding our audit.

Audit Progress

- We commenced our audit fieldwork in early July and remain on track to issue our audit opinion by end November 2026.
- The majority of our audit samples were issued by the end of August.
- We intend to meet management's expectation for work to be well progressed with all significant risk areas of the audit, which can give rise to material findings, by the end of September.
- In particular, we are underway with assessing the Council's adoption of the new indexation requirement applicable to land and buildings for the first time in 2025/26, and this assessment shall continue throughout September. This is the sole change in accounting standard applicable to this year's accounts audit and we shall continue to complete and review this work by the end of this month. This is so that, if significant queries arise, finance officers and management have sufficient time to respond to and resolve these ahead of the Audit Findings (ISA260) Report, which we plan to share in draft with management and then present to Committee in November 2026.

In addition, the Council's draft financial statements are subject to a technical review this year termed a 'hot review'. This is a biennial review and strong engagement from the finance team will be key to progressing and closing out the review. This process has already started with the Grant Thornton team sharing the technical queries log on 20 August with completed responses from the finance team expected later this month. The Council has a consistent track record of completing past 'hot reviews' to a good standard, and we have no concerns to flag at this stage.

Financial Statements Audit Progress as at 15 September 2026

Audit area	Stage	Stage completion
Valuation of Land and Buildings including Surplus Assets (significant risk)	In progress	
Valuation of Council Dwellings (significant risk)	In progress	
LGPS Defined Benefit Pension Scheme Net Surplus (significant risk)	In progress	
Journals entry testing (significant risk)	In progress	
Property, Plant and Equipment - Additions, Disposals, Depreciation	In progress	
Investment Property	In progress	
Debtors	In progress	
Creditors	In progress	
Bank and Cash	In progress	
Borrowings	Complete	
PFI Liabilities	In progress	
Reserves (including Capital Expenditure and Financing and MRP Charge)	In progress	
Employee Expenses	In progress	
Other Service Expenditures (including Audit Fees, Pooled Budget & Joint Arrangements testing)	In progress	
Housing Benefits Expenditure	Complete	
Gain/Loss on the Disposal of Assets	In progress	
Interest Payable and Similar Charges	Complete	
Fees, charges and other income	In progress	
HRA rental income	In progress	
Grant income (inc. DSG)	In progress	
Internal recharges	In progress	
Income from Council Tax and Business Rates	In progress	
Expenditure and funding analysis	In progress	
Officers' remuneration	Complete	
Financial instruments	In progress	
Related party transactions	In progress	
Legal fees testing and enquires of Monitoring Officer	In progress	
Cash flow statement	Complete	

Progress as at 15 September 2026

Value for Money

Under the 2020 Audit Code of Practice, we are required to undertake sufficient work to satisfy ourselves that the authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

In our Audit Plan, we reported the findings from our VFM risk assessment to you at your June 2026 Audit Committee against the following three reporting criteria:

1. Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services
2. Governance: how the body ensures that it makes informed decisions and properly manages its risks
3. Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

Our 2025/26 risk assessment regarding your arrangements to secure value for money has identified one ongoing risk of significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness. This was identified as a result of the significant weakness in arrangements reported in our 2024/25 Auditor's Annual Report.

The ongoing risk of significant weakness relates to compliance requirements for the buildings held within the Council's Housing Revenue Account and its corporate buildings.

We are now in the process of following up on progress against the two key recommendations made in the prior year:

- HRA housing compliance - ensuring the programme of stock condition surveys and defect remediation across fire, asbestos, lifts and water safety continues through to completion. We shall consider the degree of progress made in completing stock condition surveys on HRA dwellings and completing necessary remediation of defects identified from the condition surveys.
- Corporate buildings compliance and condition data - continuing with the programme of condition surveys to build greater understanding of the corporate buildings estate, each building's condition, and the level of health and safety compliance. We shall consider the progress made in completing stock condition surveys on the Council's corporate buildings and the Council's arrangements to remediate any defects/areas of non-compliance identified.

Our detailed VFM work began in August. Since our work commenced, we have held meetings with the Council's Executive and Service directors to obtain further understanding of the progress the Council has made in responding to the significant weakness identified in prior years. When we reach the concluding stage of our work, we shall discuss the findings and recommendations with management and obtain management responses to the recommendations. Our Auditor's Annual Report will be reported to the Audit Committee in November 2026.

Progress as at 15 September 2026 (continued)

Meetings

Since commencing our work in respect of the audit year 2025/26, we have continued to meet with the Chief Executive and Executive Director of Corporate Services on a quarterly basis. We meet regularly with finance officers throughout the audit process.

Audit Fees

PSAA published their scale fees for 2025/26: [2025/26 audit fee scale - PSAA](#)

For Rotherham Metropolitan Borough Council, the PSAA scale fee for 2025/26 audit of the Council is £429,398. This fee is derived from the procurement exercise carried out by PSAA in 2022. It reflects both the increased work auditors must now undertake as well as the scarcity of audit firms willing to do this work.

This fee remains subject to the financial statements and working papers being of a good standard, no significant changes in scope to the audit, management being responsive to audit requests and providing sufficient appropriate audit evidence when requested and the Council playing its part in working with Grant Thornton to achieve a slightly earlier audit close this year (end November 2026, compared with 9 December in 2024/25).

Events

We provide a range of workshops and network events.

Events taking place include a webinar exploring the roles and responsibilities of Audit Committee Chairs and members, and how the Audit Committee functions within a wider governance landscape. The webinar was held on Thursday 2 July.

On 25 September 2026, we will be hosting a webinar on grants delivery, unpacking how to tackle funding uncertainty; achieve consistency; reduce administration friction; and build capacity. To attend, members and officers can: [Register here](#).

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date	Status
Audit Plan We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council’s 2025/26 financial statements.	June 2026	Completed June 2026
Audit Findings (ISA260) Report The Audit Findings Report will be reported to the Audit Committee.	November 2026	Not yet due
Auditor’s Report This includes the opinion on your financial statements.	November 2026	Not yet due
Auditor’s Annual Report on VFM arrangements This report communicates the key outputs of the audit, including our commentary on the Council’s value for money arrangements.	November 2026	Not yet due

Sector Updates

Adult Social Care

Audit Committees should seek to understand how risks surrounding Adult Social Care are mitigated within their Council.

CQC findings:

On 14th July 2026, CQC published [key findings from their assessment programme of all 153 local authorities in England with adult social care responsibilities](#).

CQC highlighted that the majority of local authorities are rated 'good', but are mainly at the lower end of the scoring threshold for 'good'. Key themes in the report act as a roadmap for strengthening the sector:

- ❖ Prevention
- ❖ Safeguarding
- ❖ Transitions from Children's to Adult's services
- ❖ Unpaid carers
- ❖ Equity in experience and outcomes
- ❖ Co-production (partnerships with voluntary, community, faith and social enterprise organisations)
- ❖ Commissioning.

Other recent developments in relation to the Adult Social Care sector:

- ❖ **29th July 2026** – [The Prime Minister set out his commitment to reform adult social care and deliver a National Care Service](#).
- ❖ **29th July 2026** – Baroness Casey launched a “big conversation on care”, [an online survey](#) intended to inform work to develop a National Care Service.
- ❖ **4th August 2026** – ADASS published [Learning from Safeguarding Adults Reviews: How can they have national impact?](#)



Children's Social Care

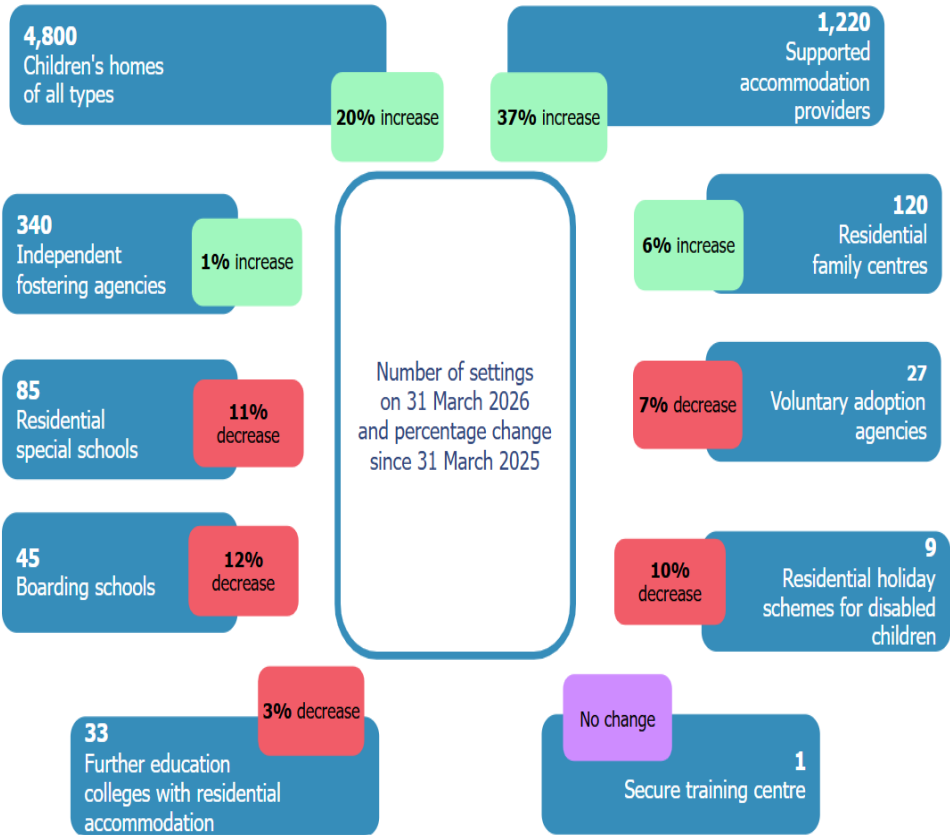
Audit Committees should seek to understand how the risk of unregistered placements is being mitigated by their Council.

Tackling dependency on unregistered children's homes

Supply and demand pressures in recent years have forced many local authorities to rely on placing children in unregistered homes, which offer less protection than they are entitled to. Pressure to prevent this practice is escalating, but councils overall need more children's homes than they used to, putting them at risk of malpractice:

- ❖ **2nd July 2026** – Ofsted published [research on sufficiency of children's homes places in England](#) – highlighting that issues with workforce capacity, affordability of housing and lack of foster carers have contributed to a sharp growth in local authorities' use of unregistered children's homes.
- ❖ **7th July 2026** – Ofsted launched an [open consultation](#) on proposals to improve how it inspects and regulates children's social care providers. The original proposals aimed, amongst other things, at tackling the “shadow system” of children living unprotected in illegal settings.
- ❖ **30th July 2026** – [Ofsted's official statistics](#) show that there was a 20% increase in the use of children's homes overall in 2026.
- ❖ **5th August 2026** – Ofsted won its first successful prosecution of an illegal children's home provider.

Source: [Ofsted main findings: children's social care in England 2026 - GOV.UK](#)



Making the Annual Governance Statement matter

Audit Committees are responsible for approving the AGS (sometimes with Full Council too) and should seek assurance it reflects a robust review against the CIPFA/SOLACE principles, a well-developed Code of Corporate Governance, and a clear assessment of effectiveness.

-  An evidence-based, candid view of strengths, weaknesses and planned improvements
-  Effectiveness is a qualitative judgement — not just a policy checklist
-  The review and drafting of the AGS should always be internally led
-  Senior officers must show genuine ownership, directed by members
-  An organisation-wide understanding of how governance works in practice

“

The AGS is a key indicator of the effectiveness of a council’s governance framework and a potential early warning sign of wider governance weaknesses.

Grant Thornton UK, July 2026

[Read our full article →](#) Published 20 July 2026

Best Value – have your say

New consultation to take part in

The Ministry of Housing, Communities and Local Government (MHCLG) is currently seeking views on revised statutory guidance for local and strategic authorities in England on compliance with the Best Value Duty.

A new consultation opened on Citizen Space on 15th July 2026, and will remain open until 11:59pm on 7th October 2026. This follows the government's March 2026 publication of Lessons learnt from best value interventions 2025. All local authorities are encouraged to take part in the new consultation, to help shape guidance going forward.

There has been a significant increase in the number of councils entering best value intervention since 2020. The government is aiming to learn from direct council experiences to improve policy, practice, and central government's relationship with local government. For the first time, MHCLG has undertaken structured engagement with all councils in statutory and non-statutory interventions exploring their challenges, recovery actions, and outcomes.

To have your say on the revised guidance and what should happen next, follow this link:

[Consultation on revised Best Value guidance - Ministry of Housing, Communities and Local Government - Citizen Space](#)



Audit Committee resources

Commentary from Grant Thornton on recovering the accounts preparation and audit timetable:

[Local audit reset: What comes after the backstop? | Grant Thornton](#)

Latest guidance and learning from Grant Thornton on local government reorganisation and devolution:

[Navigating the future: The dual challenge of local government reorganisation and devolution | Grant Thornton](#)

[Dual delivery - How can areas successfully reorganise local government and implement devolution at the same time?](#)

[Learning from the new unitary councils](#)

Grant Thornton learning on procurement and contract management:

[Local government procurement and contract management](#)

Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk, LGA Senior Adviser, for more information.

CIPFA Application Note: Global Internal Audit Standards in the UK Public Sector

[Global Internal Audit Standards in the UK Public Sector | CIPFA](#)

CIPFA Good Governance

[Delivering Good Governance in Local Government Addendum](#)

The Three Lines of Defence Model (IIA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>



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Committee Name and Date of Committee Meeting

Audit Committee – 24 September 2026

Report Title

Procurement Annual Update Report for 2026

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

No

Executive Director Approving Submission of the Report

Judith Badger, Executive Director of Corporate Services

Report Author(s)

Karen Middlebrook, Head of Procurement
01709 334755 or karen.middlebrook@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This report seeks to provide an update on procurement activity undertaken since the last update provided to Audit Committee in March 2025.

Recommendations

1. That Audit Committee note the content of the report and support the work being undertaken.

List of Appendices Included

Appendix 1 Procurement Strategy 2026 - 2031

Background Papers

1. [Procurement Act 2023](#)
2. [Procurement Regulations 2024](#)
3. [The Health Care Services \(Provider Selection Regime\) Regulations 2023](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

N/A

Council Approval Required

No

Exempt from the Press and Public

No

Procurement Annual Update Report for 2026

1. Background

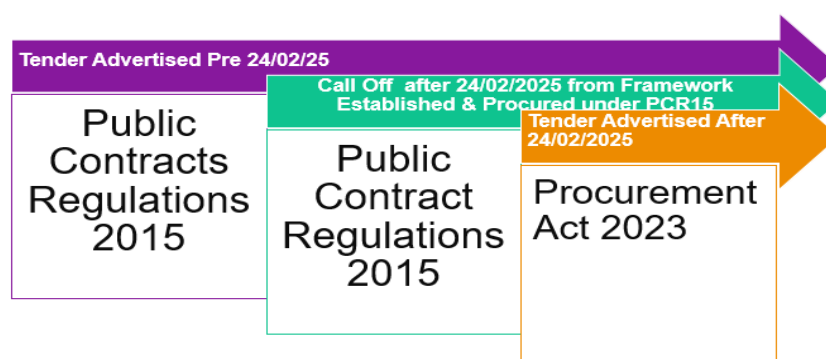
- 1.1 In 2025/26 the Council spent in excess of £450m on a wide range of goods, works and services ranging from (but not limited to) construction, transport and regeneration activity to commissioned care services for vulnerable children and adults through to business and professional services such as food, consultancy and ICT.
- 1.2 The role of the procurement function is to ensure this expenditure is made in compliance with procurement legislation (the Public Contracts Regulations 2015, Procurement Act 2023 or the Health Care Services (Provider Selection Regime) Regulations 2023) and the Council's own Financial and Procurement Procedure Rules (FPPRs). To do this it is essential that there are robust commissioning and procurement practices to ensure value for money is being achieved, ethical practices are being applied and the contracts the Council enters into are robust, deliver against key priorities and minimise risk.
- 1.3 The last annual update the Audit Committee was 11 March 2025. This report therefore seeks to provide an update for the period since this date.

2. Key Issues

2.1 Procurement Legislation

- 2.1.1 As provided in the previous 2 years Audit Committee updates, the landscape surrounding Procurement Legislation has been significantly changing. In February 2025 the new legislation (Procurement Act 2023 ("PA23")) governing public sector procurement activity was implemented for all new procurement activity commencing from the date of implementation.
- 2.1.2 Whilst the new legislation is in force, the old legislation (Public Contracts Regulations 2015 ("PCR15")) hasn't ceased to exist and will remain in force for a significant number of years to come. It will remain in force for as long as the last contract procured under the old regime is in existence.

Which Legislation Applies?



- 2.1.3. In addition, for Health-related contracts linked to Public Health activity the provisions of The Health Care Services (Provider Selection Regime) Regulations 2023 ("PSR") are applicable.
- 2.1.4 The uptake of activity under the PA23 and PSR has been slow, as the Council commenced a significant volume of large scale procurements before the changes came to allow the legislation sufficient time to bed in. However, during the period since the last update the Council has now undertaken a range of procurement exercises under all the different applicable legislation (examples include Kerbside Recycling under the PA23 and the All Age Drugs and Alcohol contract under the PSR).
- 2.1.5 Multiple pieces of legislation means it remains challenging to ensure correct processes are undertaken, notices are published and terminology/language is used, but this will become easier the more exposure the Council has in undertaking this activity.

2.2 Payment Performance

- 2.2.1 The PA23 has brought about a duty to report (twice yearly) on the Council's performance of paying its suppliers within 30 calendar days, through the publication of a Payments Compliance Notice. The first notice required publication before the deadline of 29 April 2026 covering the period 1 October 2025 to 31 March 2026. The Council's published notice can be found at the following [link](#), available on Gov.uk. This reports that the Council during this period (across all invoices paid irrespective of payment type or legislation), takes an average 12.39 days to pay, within 94.08% of invoices paid within 30 calendar days, which is supportive of the budget proposals supported in previous years to pay suppliers faster.
- 2.2.2 As the notices are open data, an analysis against the local authorities operating in the Yorkshire and Humber region where information was published has been undertaken, which sees the Council ranked 6th. Work and conversations are underway with finance colleagues about wider support to Services to improve this position.

2.3 Procurement Training

- 2.3.1 Procurement training continues to be delivered to officer across the Council as part of the Council's Management Development Programme. The training is delivered to new managers in the Council, but also to officers that feel they need a refresher. Since the last update training has been provided to c180 officers with a dedicated session delivered to the Regeneration and Environment directorate of over 60 officers.
- 2.3.2 This training sits alongside briefings on key issues relating to procurement activity to the Strategic Leadership Team (SLT), the Service Directors Group and the Wider Leadership Team.

2.4 Contract Management

- 2.4.1 As has been reported in last year's update, a Corporate Contract Management Reporting Dashboard has been implemented to capture contracts that are >£5m (inclusive of VAT) and could fall in scope of requiring contract performance notices to be published under the PA23. The dashboard is updated quarterly and reported through Directorate Leadership Teams, Executive Directors and SLT. Focussed work has taken place during this reporting period to improve the narrative that supports the performance rating of the Key Performance Indicators to ensure this is defensible if published in the public domain, and that where poor performance is identified, appropriate plans are being implemented to address the issue.
- 2.4.2 To support officers within Services with contract management responsibility, guidance has been developed to put into context the expectation and access to a comprehensive eLearning package developed by the Government Commercial Function has been provided with tracking of completions being recorded and reported back to SLT.

2.5 Procurement Strategy

- 2.5.1 In recognition of the work referred to above, and in response to a recommendation from the Council's external Auditor's value for money report, a procurement strategy has been developed for the period 2026-2031 (see Appendix 1).
- 2.5.2 The strategy sets out 6 key themes:
- Delivering Social Value
 - Upholding Ethical Procurement Principles
 - Ensuring Compliance and Good Governance
 - Strengthening Contract and Supplier Management
 - Supporting Financial Sustainability
 - Building a Strong and Diverse Supply Base
- 2.5.3 The strategy is not something that can be delivered solely by the Procurement Team, this needs to be considered as part of the wider commissioning lifecycle and all Services will have a role to play in delivering this activity. The strategy however, helps to frame the key priorities for the Service to better enable this to be understood by Services and the external supply market.

3. Options considered and recommended proposal

- 3.1 No options have been considered, as this is an update report on activity that has taken place, rather than recommended future proposals.

4. Consultation on proposal

- 4.1 No formal consultation has been undertaken on the actions detailed in this report. The Council is legally bound to comply with procurement legislation, and the work undertaken is supporting to the Council to operate compliantly under this legislative regime.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Continued work will take place to continually improve commissioning and procurement activity and ensure compliance with legislation and relevant codes of best practice, which will be reported through Corporate Services DLT and SLT.

6. Financial and Procurement Advice and Implications

- 6.1 There are no direct financial implications from this report and the procurement implications are contained within the main body of this report.

7. Legal Advice and Implications

- 7.1 There are no direct Legal implications arising from this report.

8. Human Resources Advice and Implications

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

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no direct implications arising from the recommendations detailed in this report.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no direct implications arising from the recommendations detailed in this report.

11. Implications for CO₂ Emissions and Climate Change

- 11.1 There are no direct implications arising from the recommendations detailed in this report.

12. Implications for Partners

- 12.1 There are no direct implications arising from the recommendations detailed in this report.

13. Risks and Mitigation

- 13.1 The main risk for the Council is it does not procure activity in compliance with the relevant legislation which will not only a negative reputational impact on the Council but could also lead to contracts being paused with legal challenges take place, which could result in remedies including contracts being set-aside and/or the payment of damages. This risk is being mitigated through escalation processes.

Accountable Officer

Rob Mahon; Service Director – Financial Services
Karen Middlebrook; Head of Procurement

Approvals obtained on behalf of:

Report Author: Karen Middlebrook, Head of Procurement
01709 334755 or karen.middlebrook@rotherham.gov.uk
This report is published on the Council's [website](#).

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PROCUREMENT STRATEGY

2026-2031

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Executive Summary

1. Our Commitment

2. How Procurement Works in Rotherham

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3.3 The Council's Local Policy Framework

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4.1 Delivering Social Value

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4.3 Ensuring Compliance and Good Governance

4.4 Strengthening Contract and Supplier Management

4.5 Supporting Financial Sustainability

4.6 Building a Strong and Diverse Supply Base

5. Governance & Accountability

6. Measuring Success

Executive Summary

Rotherham Council is committed to using its spending power to improve the lives of local people, strengthen the Borough's economy, and ensure that public money is spent responsibly, transparently, and in line with national and local priorities. This Procurement Strategy sets out how the Council will achieve these aims between 2026 and 2031.

The strategy places strong emphasis on **social value, ethical procurement, environmental responsibility, and high-quality contract delivery**. It reflects the Council's structure, where **procurement is delivered through a centralised professional service**, while **contract management is devolved across directorates** to ensure accountability and close oversight of service delivery.

The strategy aligns with the Council Plan, Social Value Policy, Ethical Procurement Policy, Climate Change Action Plan, Medium-Term Financial Strategy, and the Borough's Inclusive Growth ambitions. It also reflects national policy, including the **National Procurement Policy Statement (NPPS)** and the **Procurement Act 2023**.

1. Our Commitment

Rotherham Council spends significant public funds each year on goods, works, and services with external suppliers.

This strategy ensures that for every pound spent through procurement, the Council:



Supports Local Communities

Strengthening local businesses and neighbourhoods



Delivers Value for Money

High-quality services that maximise every pound



Acts Ethically & Sustainably

Meeting the highest environmental and ethical standards



Ensures Compliant & Responsible Activity

Aligned with national legislation and policy



Drives a Better Borough

Creating a fairer, greener, more prosperous future

2. How Procurement Works in Rotherham

The Council operates a centralised procurement function, responsible for:

Policy, Governance & Legal Compliance

Ensuring strong frameworks and regulatory adherence including national legislation and strategic requirements.

Strategic Sourcing

Engaging markets to secure best value and outcomes.

Directorate Support

Providing expert advice, tools, training, guidance and assurance.

Contract management is devolved across the Council, meaning:



Directorate Accountability

Monitoring supplier performance and outcomes.



Service Oversight

Managing delivery, risk, and compliance including, social value.

This model ensures strong governance while keeping contract oversight close to service delivery.

3. National and Local Policy Alignment

The strategy supports and reflects:

3.1 National Procurement Policy Statement (NPPS)

The NPPS sets out national priorities for public procurement. Rotherham Council will embed these priorities by focusing on:

Social Value

Supporting jobs, skills and community wellbeing.

Commercial & Procurement Capability

Ensuring staff have the right skills and tools.

Supplier Resilience

Supporting a diverse and sustainable supply base.



3. National and Local Policy Alignment

The strategy supports and reflects:



3.2 Procurement Act 2023 (and other procurement legislation)

The Council will meet all requirements relating to transparency, fairness, competition and contract publication.

3. National and Local Policy Alignment

The strategy supports and reflects:

3.3 The Council's Local Policy Framework

The strategy support the Council's:

-  Rotherham Council Plan 2025-2030.
-  Financial & Procurement Procedure Rules.
-  Medium-Term Financial Strategy.
-  Ethical Procurement Policy:
 -  Social Value Policy;
 -  Climate Change Action Plan;
 -  Equality, Diversity & Inclusion Framework;
 -  Modern Slavery.



4. Strategic Priorities 2026-2031

4.1 Delivering Social Value

The Council will ensure that procurement delivers benefits such as:

-  Good local jobs and skills development for local people.
-  Strengthened and sustainable community and voluntary organisations.
-  Equality of opportunity for disadvantaged people and communities including disabled people.
-  Young people have the opportunity to develop skills and find worthwhile employment.
-  A strong local economy.
-  Greater environmental sustainability including accessible green public spaces.

4. Strategic Priorities 2026-2031

4.2 Upholding Ethical Procurement Principles:

The Council will ensure that all suppliers:

⚖️ Respect human rights and fair labour standards.

🔗 Prevent modern slavery and exploitation.

🔍 Operate responsibly and transparently.

🌱 Minimise environmental harm.

🛡️ Demonstrate integrity and anti-corruption practices.

Ethical standards will be built into procurement processes and contract terms



4. Strategic Priorities 2026-2031

4.3 Ensuring Compliance and Good Governance:

The Council will:



📄 Maintain clear policies and procedures aligned with national legislation.

🎓 Provide training for staff involved in procurement and contract management.

🔍 Ensure transparency through publication of notices and contract information.

🛡️ Strengthen internal controls through escalation and audit processes.

4. Strategic Priorities 2026-2031

4.4 Strengthening Contract and Supplier Management:

The Council will:

 Monitor performance, risk, social value and ethical compliance.

 Build strong relationships with key suppliers.

 Intervene early where performance issues arise.

 Publicly report supplier performance where required to do so.

 Strengthen internal oversight within the Council through reporting on contract management performance, through to SLT.

 Enhance training and guidance offer available to contract managers to help and promote stronger contract management.

4. Strategic Priorities 2026-2031

4.5 Supporting Financial Sustainability:

The Council will:



 Use category management and market intelligence to secure value for money.

 Challenge demand and reduce duplication.

 Encourage innovation and digital solutions.

 Improve contract performance to reduce avoidable costs.

4. Strategic Priorities 2026-2031

4.6 Building a Strong and Diverse Supply Base:

The Council will seek to:

👉 Engage early with suppliers to shape opportunities.

🏢 Reduce barriers for SMEs and VCSEs.

⚖️ Promote fair competition and responsible supply chains.

📌 Support local businesses to compete for Council contracts.



5. Governance & Accountability

 **Strategic Leadership Team** oversees delivery, risk and compliance.

 **Directorates / Services** responsible for contract performance and social value delivery and effectively planning their future procurement requirements.

 **Procurement Team** provides professional advice and ensures compliance.

 **Internal Audit** provides assurance on governance and ethical standards.

 **Audit Committee** receives an annual update on procurement activity and performance.



6. Measuring Success

Progress will be measured through:

-  Increased spend with local SMEs and VCSEs.
-  Delivery of measurable social value outcomes.
-  Alignment with NNPS priorities.
-  Compliance with procurement legislation and internal rules.
-  Improved contract performance and reduced risk.



Public Report
Audit Committee

Committee Name and Date of Committee Meeting

Audit Committee – 24 September 2025

Report Title

Information Governance Annual Report 2025/26

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

No, but it has been included on the Forward Plan

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s)

Luke Sayers, Service Director- Customer, Information and Digital Services

luke.sayers@rotherham.gov.uk

Sam Ulyatt, Service Manager - Information Management

sam.ulyatt@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This report is an annual report on the Council's compliance with Data Protection and Freedom of Information legislation.

Recommendations

The Audit Committee is asked to:-

1. Note the production of the Data Protection and FOI Annual Report.
2. Note that it is a requirement that the Council continues its maintenance of its Information Governance practices and processes in compliance with legislation.
3. Note that this report will be published online to meet the Council's obligation to annually publish its FOI performance statistics.

List of Appendices Included

Appendix 1 FOI & RoAR Statistics

Appendix 2 Data Breaches

Background Papers

Information Commissioner's Office

<https://ico.org.uk/>

A-Z of Information Management Documents

[Information Management - Home](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

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1. Background

- 1.1 This report is an annual report on the Council's compliance with Data Protection legislation and the Freedom of Information Act 2000 (which for the purpose of this report includes the Environmental Information Regulations 2004).
- 1.2 The Data Protection Act 2018 (DPA) is the UK's implementation of the General Data Protection Regulation (GDPR).
- 1.3 The DPA makes it a legal requirement for organisations to adhere to the 'data protection principles'. Organisations must make sure that information is:
 - 1.3.1 Used fairly, lawfully and transparently;
 - 1.3.2 Used for specified, explicit purposes;
 - 1.3.3 Used in a way that is adequate, relevant and limited to only what is necessary;
 - 1.3.4 Accurate and, where necessary, kept up to date;
 - 1.3.5 Kept for no longer than is necessary; and
 - 1.3.6 Handled in a way that ensures appropriate security, including protection against unlawful or unauthorised processing, access, loss, destruction or damage.
- 1.4 The Act also provides stronger legal protection for more sensitive personal information.
- 1.5 The Freedom of Information Act 2000 (FOI) provides public access to information held by public authorities. It does this in two ways:
 - 1.5.1 Public authorities are obliged to publish certain information about their activities; and
 - 1.5.2 Members of the public are entitled to request information from public authorities.
- 1.6 The FOI Act covers **any recorded** information that is held by a public authority (or by a third party on behalf of the Council).
- 1.7 The Information Commissioner's Office is the UK's independent body set up to uphold information rights and it is responsible for enforcement of the rights and responsibilities set out in the DPA and FOI.
- 1.8 It is obligatory for the Council to undertake an annual registration with the ICO, with the Council's unique reference number being Z5759798 and available on the ICO's registration pages: [Rotherham Metropolitan Borough Council | ICO](#)
- 1.9 Monitoring of the Council's compliance with DPA and FOI is carried out by the Corporate Information Governance Group (CIGG) and is a standing agenda on the Service Directors' Group attended by the Council's Senior Information Risk Officer (SIRO) and the Council's Data Protection Officer (DPO), or a representative from the Council's Information Management Team.

- 1.10 Any risks relating to Information Governance (including GDPR, Data Protection and FOI legislation) are monitored on a regular basis by this group. Risks and actions are logged and reviewed at CIGG meetings and, if necessary, are escalated in line with the Council's risk management processes.

2. Key Issues

2.1 Maintain Compliance:

- 2.1.1 The key issue is to ensure that compliance with data protection and freedom of information legislation is maintained.
- 2.1.2 Compliance with data protection and access to information principles is a continuous project. CIGG fulfils a core function in monitoring and overseeing information risks by regularly monitoring the effectiveness of the council's governance and implementation of its responsibilities for Data Protection and Freedom of Information.
- 2.1.3 CIGG forms part of the SD Group meetings to ensure compliance messages, as well as actions required, are informed to all Directorates.

2.2 Monitor Performance of Freedom of Information and Right of Access Requests:

- 2.2.1 **Freedom of Information Requests:** Public authorities must respond to requests for information promptly and within 20 working days following the date of receipt of the request (subject to legitimate and notified extension).
- 2.2.2 The statutory target is 100%. The Council strives to meet this target but has an in-house target of 92% minimum.
- 2.2.3 The number of requests received during 2025/26 was 1,423 compared to 1,347 in 2024/25. Overall, 97% of Freedom of Information requests were responded to within the statutory time limits (numerically being 1,380 of the 1,423).
- 2.2.4 This is a 1 percentage point decrease in performance compared to the previous year, but a further numerical increase in the number of requests received.
- 2.2.5 Whilst performance for 2025/26 is 97%, being 1 percentage point lower than previous Year 24/25, analysis of the data did not raise any concerns on the year's performance.
- 2.2.6 In 2025/26 there were no requests formally refused as invalid.
- 2.2.7 There is one individual who remains vexatious on a specific line of enquiry. However, should a vexatious request be received it still receives a formal response (i.e. formal refusal) under the Act. The vexatious status is

reviewed on a six-monthly basis to ensure the Council is applying it proportionately.

2.2.8 **Right of Access Requests:** Organisations normally have one calendar month to reply to a valid and verified request.

2.2.9 RoARs are increasing on a year-by-year basis. For example, RoAR numerical volumes in 2022/23 were 214 requests and have gradually increased to 392 requests in 2025/26.

2.2.10 The number of requests received during 2025/26 was 392, which is a substantial and a step-change increase to the numerical volume received in 2024/25 (which was 235). This continues the trend of the volume of RoARs increasing year-on-year.

2.2.11 Despite this increase, performance improved by 4 percentage points compared with the previous year, with 264 (67%) requests processed within the statutory time frame for 2025/26, compared to 149 (63%) in 2024/25.

2.2.12 The performance of requests is reported under the following categories:

- CCTV footage
- Social care
- Housing
- Joint (i.e. spans more than one Directorate)
- Other

Performance has only been reported in this way for a full year since 2025/26, therefore there is no direct comparison available for 2024/25.

2.2.13 RoAR requests for CCTV footage only are deemed as straightforward to extract, validate, review and process. In 2025/26, of the 392 total RoAR received of these, 97 were for only CCTV. Of these, all 97 CCTV requests were completed within the statutory timeframe (being a performance of 100% for CCTV only requests).

2.2.14 The remaining RoARs can vary in size and complexity. Social Care related requests, especially Childrens, tend to remain large and complex. Attempts have been made, without causing an unnecessary administrative burden, to split these requests into sub-sections in an effort to identify potential improvements.

2.2.15 The increase in requests appears to be relatively equal across all types of requests, which includes growth in large and complex requests. The large and complex cases do have a significant impact on capacity.

2.2.16 These large social care related requests are very resource intensive as they involve reviewing large volumes of historical data, linked to various systems and services, with a notable percentage often linked to legal

cases and/or CSE matters. To place this into context, a single request can take an officer several months to review and complete.

2.2.17 Resource was increased within the Information Management Team in the last 24 months to address workflow increases (especially Right of Access) and this has assisted at allowing some improvements and mitigating adverse impacts of increasing volumes. However, new and/or smarter ways of working will need to be considered to counter increasing workloads.

2.2.18 Appendix 1 provides FOI and RoAR performance for the last five financial years.

2.2.19 Performance will continue to be closely monitored with the focus on improving time to completion (i.e. customer wait times) and keeping customers informed.

3. Data Protection Incidents and Breaches

3.1 The Council actively encourages services to report any suspected data incidents, and all reported cases are investigated. Appendix 2 provides a breakdown of the number and classification of incidents.

3.2 Monitoring information security incidents enables the Council to proactively improve the Council's risk profile by learning lessons from an incident and reducing the likelihood of it happening again. By monitoring and responding to incidents within a 'no blame culture' has ensured that even the smallest of concerns are raised.

3.3 Most data breaches are assessed as low risk or below the threshold for statutory reporting.

3.4 Every reported incident is logged, investigated and recommendations are made to the service that will reduce the likelihood of a repeat incident.

3.5 In 2025/26 the Council logged and investigated 223 reports of incidents, of which 167 were recorded as breaches.

3.6 Examples of low-risk breaches remain the same as previous years, such as misdirected emails with limited or no personal data, emails sent with Carbon Copy (CC) instead of Blind Carbon Copy (BCC) exposing email addresses, and Council Tax bills sent to the wrong address. These are also classed as 'disclosed in error' and account for the significant bulk of incidents.

3.7 Disclosed in error breaches accounted for 134 of the 167 total breaches, being a percentage share of 80% of all breaches for 2025/26. In the previous year (2024/25) the equivalent figures were 129 out of 142 breaches, being a percentage share of 91% of all the reported breaches

- 3.8 With the huge volume of emailing and correspondence that the Council undertakes on a daily basis, these types of 'minor' breaches are unwanted, but incredibly challenging to eliminate. The primary cause is human error (e.g. selecting wrong email address) and it can be any employee of the Council.
- 3.9 Serious breaches and/or breaches that cause concern are escalated beyond the Information Management Team and DPO, and up to the SIRO for awareness and action. These can be cases that may have reputational impact for the Council, large scale safeguarding concerns, or cyber security concerns. Such escalations are not recorded, nor are they needed to be recorded; however, this is being referenced to demonstrate escalation route.
- 3.10 Any data breach with specific safeguarding concerns for children and/or adults will engage the relevant Caldicott Guardian, if the matter is deemed a risk by the Information Management Team. Again, such escalations are not recorded, nor are they needed to be recorded; however this is being referenced to demonstrate escalation route
- 3.11 Serious breaches that cause further concern and/or meet ICO's reporting threshold must be reported to the Information Commissioner's Office (ICO). Reporting should be done by the organisation within 72 hours of the issue being identified. Two incidents were reported to ICO in 2024/2025 financial year, where no action was taken by the Information Commissioner, however zero cases were reported for 2025/26.
- 3.12 The Council also monitors non-fault data breaches of its data, where we are advised of any issues. This would be where an organisation processing personal data on behalf of the Council (e.g. a contractor) loses or exposes Rotherham data it is holding. This monitoring is to ensure the Council understands what has occurred, why and what measures are being put in place to resolve and mitigate recurrence. If necessary, it will also be reviewed from a breach of contractual stance from the relevant service.

4. Options considered and recommended proposal

- 4.1 There are no new proposals or recommended options. However, it is a requirement that the council continues the maintenance of its Information Governance processes in compliance with Data Protection and Freedom of Information requirements.
- 4.2 It should be noted that continued compliance to the Data Protection Act 2018 and the Freedom of Information Act 2000 (including Environmental Information Regulations 2004) can only be achieved by the continued support of all Council Staff and Councillors. Key roles such as Information Asset Owners and Data Protection Officer can use existing governance structures to ensure ongoing compliance.

5. Consultation on proposal

5.1 None

6. Timetable and Accountability for Implementing this Decision

6.1 None

7. Financial and Procurement Advice and Implications

7.1 There are no direct financial or procurement implications arising from this report.

8. Legal Advice and Implications

8.1 There are no legal implications arising from this report, except to reiterate that the council has a duty to comply with Data Protection legislation.

9. Human Resources Advice and Implications

9.1 There are no direct implications for HR arising from this report.

10. Implications for Children and Young People and Vulnerable Adults

10.1 There are no direct implications for children and young people or vulnerable adults arising from this report.

11. Equalities and Human Rights Advice and Implications

11.1 There are no direct equalities or human rights implications arising from this report.

12. Implications for Partners

12.1 There are no direct implications for partners arising from this report.

13. Risks and Mitigation

13.1 Risks and mitigation will be managed by CIGG and the council's risk processes.

14. Accountable Officer(s)

Luke Sayers, Assistant Director- Customer, Information and Digital Services
luke.sayers@rotherham.gov.uk

Sam Ulyatt, Service Manager - Information Management
sam.ulyatt@rotherham.gov.uk

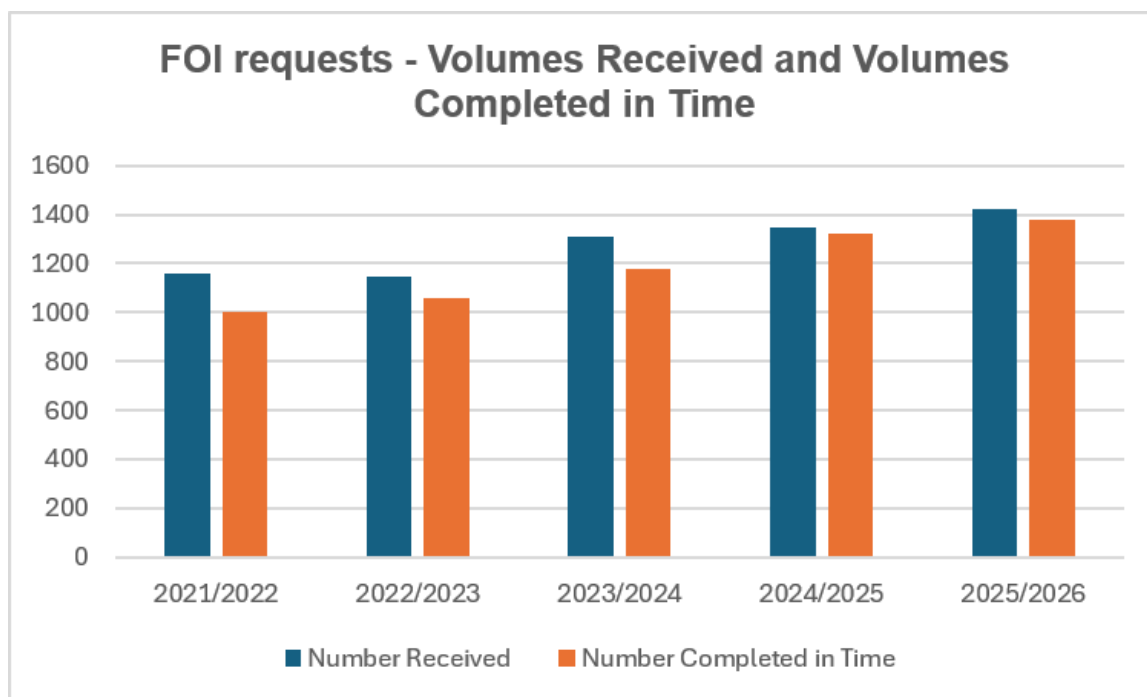
Report Author:

Luke Sayers, Assistant Director- Customer, Information and Digital Services
luke.sayers@rotherham.gov.uk

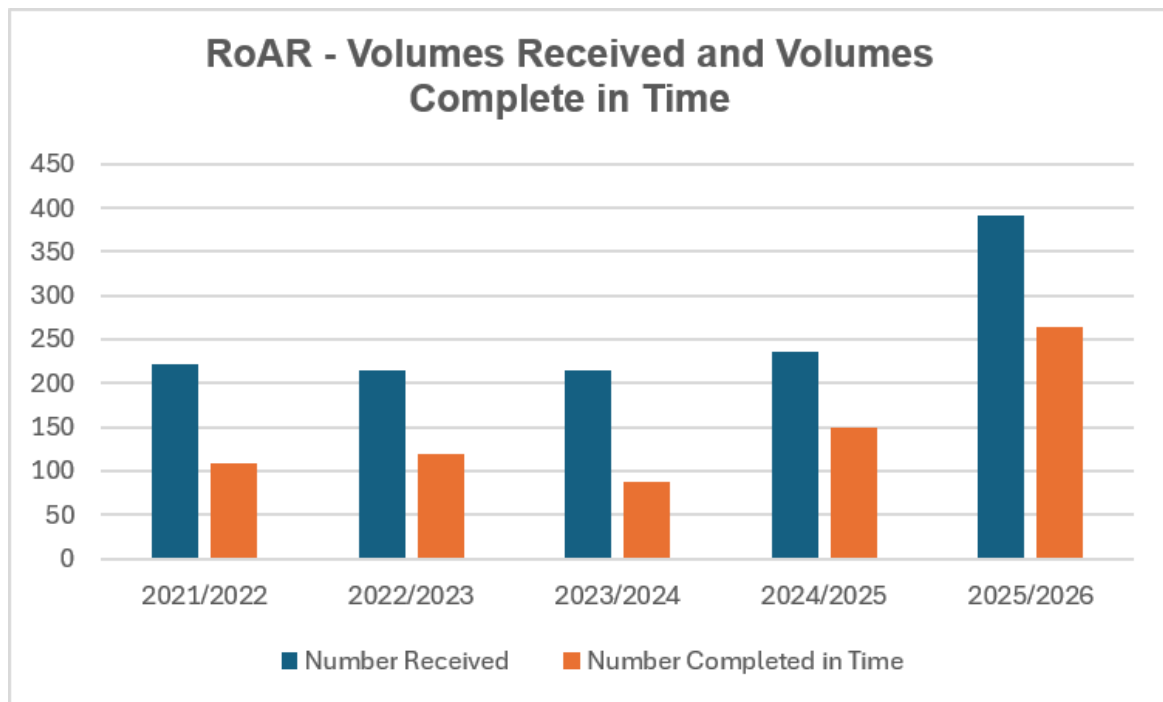
Sam Ulyatt, Service Manager - Information Management
sam.ulyatt@rotherham.gov.uk

Appendix 1: FOI & RoAR Statistics

Freedom of Information (FOI) Requests



Freedom Of Information Requests			
Year	Number Received	Number Completed in Time	% Completed in Time
2021/2022	1160	1002	86%
2022/2023	1145	1060	92%
2023/2024	1307	1177	90%
2024/2025	1347	1323	98%
2025/2026	1423	1380	97%

Right of Access Requests (RoARs)

Right of Access Requests			
Year	Number Received	Number Completed in Time	% Completed in Time
2021/2022	222	109	49%
2022/2023	214	120	56%
2023/2024	214	87	41%
2024/2025	235	149	63%
2025/2026	392	264	67%

Appendix 2: Information Security Incidents (data breaches)

Information Data Incident Stats 2025/26						
Cases Investigated	Total number of incidents	Reported to ICO	Complaints from ICO			
223	167	0	0			
Incident Category	CS	PSE	R&E	PH	CYPS	ACX
Lost or stolen hardware	2	0	0	0	1	1
Lost or stolen paperwork	2	0	0	0	0	0
Disclosed in Error	27	24	14	0	59	10
Uploaded in error	0	0	2	0	5	0
Unauthorised access/disclosure	3	2	1	0	2	1
Non-secure Disposal – paperwork					1	1
Social Media Platforms	0	0	0	0	1	0
IG Other	4	1	1	0	2	0
Totals No of Incidents 25/26	38	27	18	0	71	13

Year	Cases Investigated	Total Number of Incidents	Reported to ICO
2021/2022	179	122	1
2022/2023	173	134	2
2023/2024	201	154	1
2024/2025	195	142	2
2025/2026	223	167	0

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

Committee Name and Date of Committee Meeting:

Audit Committee – 24th September 2026

Report title:

Code of Corporate Governance

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

No

Strategic Director Approving Submission of the Report:

Judith Badger (Executive Director of Corporate Services)

Report Author(s):

Louise Ivens, Head of Internal Audit

Louise.Ivens@rotherham.gov.uk

Katie Stead, Policy, Improvement and Risk Manager

Katie.Stead@rotherham.gov.uk

Ward(s) Affected:

All

Report Summary:

In April 2016 CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) published revised guidance on delivering good governance in local government. The Council's Code of Corporate Governance was rewritten at that time to set out how it would comply with this new guidance. In May 2025 CIPFA issued an addendum to the guidance covering the annual review of governance and the annual governance statement.

It is good practice to review and revise the Council Code on an annual basis, and the revised Code is presented here for consideration by the Audit Committee.

Recommendations:

The Audit Committee is asked to:

1. Consider the refreshed version of the Code of Corporate Governance and;
2. After consideration, advise if any amendments or further development work are deemed necessary.

List of Appendices Included:

Appendix 1 – Code of Corporate Governance with tracked changes.

Background Papers

"Delivering good governance in local government", published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) in April 2016.

"Delivering good governance in local government: framework; Addendum, covering the annual review of governance and the annual governance statement" published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) in May 2025.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

Code of Corporate Governance

1. Background

- 1.1 In April 2016, CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) published revised guidance on delivering good governance in Local government. The Council's Code of Corporate Governance was rewritten to set out how it complied with this new guidance. The new guidance set out seven key principles of good governance and the Council's new Code reflected these principles. The Code was first presented to the Audit Committee in February 2017 with updates provided at each November meeting since then.
- 1.2 In May 2025 CIPFA issued an addendum to the guidance covering the annual review of governance and the annual governance statement. The Code was updated last year to align with the addendum. Changes this year can be seen through the track changes shown in Appendix 1.

2. Key issues

- 2.1 Good governance leads to good management, performance, public engagement, stewardship of public money and, through all this, good outcomes for citizens and service users.
- 2.2 Rotherham Metropolitan Borough Council is committed to ensuring the highest possible standards of governance to fulfil its responsibilities. Integrity, openness, and accountability are fundamental principles by which the Council operates.
- 2.3 The guidance sets out the seven key principles which underpin the governance of each local government organisation. The Council's local Code follows these principles and demonstrates how they are applied and evidenced in practice. The seven key principles are:
 - Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of law
 - Ensuring Openness and comprehensive stakeholder engagement
 - Determining outcomes in terms of sustainable economic, social and environmental benefits
 - Determining the interventions necessary to optimise the achievement of the intended outcomes
 - Developing the Council's capacity, including the capability of its leadership and the individuals within it
 - Managing risks and performance through robust internal control and strong public financial management
 - Implementing good practice in transparency, reporting and audit to deliver effective accountability.
- 2.4 The first two principles underpin the operation of the other five. As can be seen from the list above, the Council's own values align closely to the key principles in the CIPFA/SOLACE code.

2.5 The Council has adopted this approach in producing its Code of Corporate Governance to give citizens and customers a clear understanding of how the Council manages its decision making, service planning, service delivery and accountability processes; how it ensures that the Council sets out its vision and priorities and how it provides effective and efficient outcomes.

2.6 The review of the Council's Code in 2025 addressed any omissions which were highlighted as a result of the addendum. The 2026 review has focussed on updating evidence in line with internal improvements.

3. Options considered and recommended proposal

3.1 "Delivering Good Governance in Local Government", published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) is widely acknowledged as the authoritative guide in this area.

3.2 All Local Authorities within the UK construct their Codes of Corporate Governance utilising the methodology advocated by this guidance. The framework was published in April 2016, and it is important that the Council complies with this Code and the subsequent addendum published in May 2025. An annual review of the Code has been completed by the Corporate Governance Group.

3.3 The Audit Committee is invited to review the attached Code at Appendix A and provide any comments. For ease of reference a version showing tracked changes from the previous year is attached although these changes will be removed with the final version of the Code.

4. Consultation on proposal

4.1 Research has been undertaken into sector codes of governance. The attached Code takes account of current arrangements in the Council.

5. Timetable and Accountability for Implementing this Decision

5.1 The refreshed code is to be presented to the Audit Committee for consideration at its meeting on 24th September 2026.

6. Financial and Procurement Advice and Implications

6.1 There are no immediate financial and procurement implications associated with the refreshed code although, as previously stated, good governance leads to good stewardship of public money.

7. Legal Advice and Implications

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

8. Human Resources Advice and Implications

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

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no immediate implications associated with the proposals.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no immediate implications associated with the proposals.

11. Implications for Partners

- 11.1 There are no immediate implications associated with the proposals.

16. Risks and Mitigation

- 16.1 The implementation of an effective Governance framework is designed to minimise the Authority's exposure to risk.

17. Accountable Officer(s)

Katie Stead, Policy, Improvement and Risk Manager

Approvals Obtained from:-

Executive Director of Corporate Services: Judith Badger

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

Rotherham Metropolitan Borough Council

Code of Corporate Governance

2025~~6~~/26~~7~~

~~November-September 2025~~6

CODE OF CORPORATE GOVERNANCE

Introduction

Governance is about organisations ensuring that they are doing the right things in the correct manner for the right people in a timely, open, honest, inclusive and accountable manner. It follows that good governance leads to good management, performance, public engagement, stewardship of public money and, through all this, good outcomes for citizens and service users.

Good governance enables Rotherham Council to pursue its vision effectively, as well as reinforcing that vision with the mechanisms for control and management of risk.

All of the decisions made by Rotherham Council about the services it delivers, and how to deliver them, are supported by a set of systems and processes which make up the Council's 'governance arrangements'. These include holding meetings where decisions are made, the Council's legal framework, setting out priorities and roles clearly, holding decision makers to account through scrutiny, risk management processes, financial monitoring and ensuring high standards of conduct. Local authorities are encouraged to demonstrate how they ensure effective governance arrangements by setting these out in a local code of governance.

Rotherham Metropolitan Borough Council's 'Code of Corporate Governance' (the Code) is based on the guidance "Delivering Good Governance in Local Government", published in 2016 by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives). The Code has also been informed by the addendum to the guidance published by CIPFA and SOLACE in May 2025 which replaced Chapter 7 of the original Framework publication.

The main principle underpinning the "Delivering Good Governance in Local Government: Framework" continues to be that local government is developing and shaping its own approach to governance, taking account of the environment in which it now operates. The Framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that resources are directed in accordance with agreed policies and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities. A diagram of the Framework from the guidance is copied below:

Delivering Good Governance in Local Government (CIPFA and Solace, 2016)



~~November-September 2025~~6

Principles A and B permeate implementation of principles C to G. The diagram above also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.

The Framework positions the attainment of sustainable economic, societal, and environmental outcomes as a key focus of governance processes and structures. Outcomes give the role of local government its meaning and importance, and it is fitting that they have this central role in the sector's governance. Furthermore, the focus on sustainability and the links between governance and public financial management are crucial – local authorities must recognise the need to focus on the long term.

The Framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. Whatever forms of arrangements are in place, authorities should test their governance structures and partnerships against the principles contained in the Framework by:

- Reviewing existing governance arrangements
- Developing and maintaining an up-to-date code of governance, including arrangements for ensuring ongoing effectiveness
- Reporting publicly on compliance with their own code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes.

To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the core and sub-principles contained in this Framework. It should therefore develop and maintain a local code of governance and governance arrangements reflecting the principles set out.

It is also crucial that the Framework is applied in a way that demonstrates the spirit and ethos of good governance which cannot be achieved by rules and procedures alone. Shared values that are integrated into the culture of an organisation, and are reflected in behaviour and policy, are hallmarks of good governance.

The Council has adopted this Code of Corporate Governance (Code) with the intention of giving citizens and customers a clear understanding of how the Council intends to manage its decision making, service planning, service delivery and accountability processes, how it aims to ensure that the Council sets out its vision and priorities and how it aims to provide effective and efficient outcomes to its citizens and customers.

This Code explains all of the Council's policies and practices in one document, making them open and explicit. Appropriate procedures and processes are being integrated into the Council's Governance Framework to ensure there will be routine application and ongoing review of the arrangements described in the Code.

The Code is subject to annual review to ensure its adequacy, and its effectiveness is assessed as part of a process that leads to the production of the Council's Annual Governance Statement.

Every Council officer and Member has a responsibility to ensure that their personal conduct and the organisation's governance arrangements are always of the highest standard possible.

Senior managers have a responsibility for reviewing governance standards in their areas of responsibility and for identifying and implementing any necessary improvement actions. Improvement actions should be reflected in the appropriate business plans.

The Chief Executive and Leader ensure that an annual review of corporate governance arrangements is completed and give assurances on their adequacy in the published Annual Governance Statement, accompanying the Statement of Accounts.

The Strategic Leadership Team ensures that the Code is reviewed regularly (at least yearly) to reflect ongoing developments and planned improvements to the framework and authorises any amendments.

For the 202~~65~~/~~26~~7 financial year, the Code has once again been amended, where necessary.

How Rotherham Council intends to meet the Principles of Good Corporate Governance

This section sets out how Rotherham Council works according to the principles of good corporate governance.

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

Summary:

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub principles	Actions Demonstrating Good Governance	How this is evidenced
Behaving with integrity	- Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation - Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles). - Leading by example and using the above standard operating principles or values as a framework for decision making and other actions. - Demonstrating, communicating and embedding the standard operating principles	- Member's Code of Conduct - Employees' Code of Conduct - Anti-Fraud and Corruption Policy & Strategy - Dignity at Work Policy - Equal Opportunity in Employment Policy - Inclusion Strategy - Whistle-blowing and Serious Misconduct Policy - Corporate Safeguarding Policy - The Council Plan - The Year Ahead Delivery Plan - LADO (Local Authority Designated Officer) to investigate allegations made against people working with children - Standards and Ethics Committee - Social Value included in procurement through the Social Value Policy

	or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.	• Rotherham Values
Demonstrating strong commitment to ethical values	• Seeking to establish, monitor and maintain the organisation's ethical standards and performance • Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation. • Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values. • Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation.	• Council Plan • The Year Ahead Delivery Plan • Human Resources Policies • Induction Procedures • Registers of Interests • Registers of Gifts and Hospitality • Member's Code of Conduct • Employees' Code of Conduct • Member / Officer Relations Protocol • Standards and Ethics Committee • All Codes of Conduct are regularly reviewed and updated to take account of any issues that arise • <u>The Council's Financial and Procurement Procedure Rules (FPPR's) and standard contractual terms</u> • <u>Whistleblowing Policy</u>
Respecting the rule of law	• Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations. • Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. • Striving to optimise the use of the full powers available for the benefit of citizens, communities and stakeholders.	• Legal (Monitoring) Officer Role • Internal Audit • External Audit • Corporate Complaints Procedure • Standards and Ethics Committee (supporting Members' observation of their Code of Conduct) • Employees' "My Year Ahead Plan" (Personal Development Reviews) • Publicising the process of how to complain about Members' conduct • Publicising the process of how to make a complaint to the Local Government Ombudsman

	• Dealing with breaches of legal and regulatory provisions effectively. • Ensuring corruption and misuse of power are dealt with effectively.	• Overview and Scrutiny functions • Anti-Fraud and Corruption Policy and Strategy • Whistleblowing and Serious Misconduct Policy • Anti-Money Laundering Policy
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Principle B - Ensuring openness and comprehensive stakeholder engagement.

Summary:

Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Sub principles	Actions Demonstrating Good Governance	How this is evidenced
Openness	- Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness. - Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided. - Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. - Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action.	- The Council Plan - The Year Ahead Delivery Plan - Six monthly public Council Plan/Year Ahead Delivery Plan progress reports - The Rotherham Plan - Forward Plan listing key decisions to be made - Council Website - Consultation and Engagement toolkit - Formal consultation arrangements <u>including consultation section in all cabinet reports</u> - Community and voluntary sector representation on Partnership Boards - Freedom of Information publication scheme - Overview and Scrutiny functions - Data Transparency Code - Public meetings open to all (other than for restricted items) and many are webcast and publicly accessible through the internet - Officer decision notices published in advance - Six monthly updates on external inspections, reviews and audits to <u>Strategic Leadership Team and</u> Audit Committee

Engaging comprehensively with institutional stakeholders	• Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably. • Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively • Ensuring that partnerships are based on trust; a shared commitment to change; and a culture that promotes and accepts challenge among partners, and that the added value of partnership working is explicit.	• Formal consultation arrangements • Community and voluntary sector representation on Partnership Boards • Council website • Rotherham Local Safeguarding Children Board • Rotherham Safeguarding Adults Board • Community Safety and Anti-Social Behaviour Unit • Neighbourhood working group • Rotherham Together Partnership • South Yorkshire Mayoral Combined Authority (SYMCA)
Engaging with individual citizens and service users effectively	• Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes. • Ensuring that communication methods are effective, and members and officers are clear about their roles with regard to community engagement. • Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.	• Council Plan, Year Ahead Delivery Plan and six-monthly progress reports published on RMBC website • Key decisions are published at least 28 days prior to consideration at Cabinet • External Auditor provides an annual assessment of the Council's performance through the Value for Money conclusion • Council website • Council minutes and agendas available on website • Officer Decision Reports available on website • Consultation and Engagement toolkit • Inclusion Strategy • Equality Impact Assessments • Formal consultation arrangements

	• Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account. • Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity. • Taking account of the interests of future generations of tax-payers and service users.	• Community and voluntary sector representation on Partnership Boards • Satisfaction Surveys • Freedom of Information publication scheme • Corporate Complaints Procedure. • “Suggest a topic for scrutiny” process enabling individuals to influence the scrutiny agenda. • <u>Extraordinary meeting of Overview and Scrutiny Management Board (OSMB) taken over by Rotherham Youth Cabinet.</u> • <u>Member’s Code of Conduct</u> • <u>Employees’ Code of Conduct</u> • <u>Medium Term Financial Strategy</u>
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Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits.

Summary:

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Sub principles	Actions Demonstrating Good Governance	How this is evidenced
Defining Outcomes	- Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions. - Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer. - Delivering defined outcomes on a sustainable basis within the resources that will be available. - Identifying and managing risks to the achievement of outcomes. - Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.	- The Council Plan - The Year Ahead Delivery Plan - Six monthly Council Plan/Year Ahead Delivery Plan progress reports <u>shared with Cabinet and OSMB</u> - Rotherham Plan - Forward Plan listing key decisions to be taken - Corporate report template requires information explaining the legal and financial implications of decisions - Community Safety Strategy (2025-2028) - Rotherham Housing Strategy 2025-2030 - Rotherham Health and Wellbeing Strategy (2025-2030) - Safer Rotherham Partnership Strategy Plan 2025-2028 Rotherham Economic Growth Plan 2015-2025 - Place Based Investment Strategy - Rotherham Cultural Strategy 2019-2026 - Early Help Strategy for children, young people and families

		• <u>Medium Term Financial Strategy</u> • <u>Workforce Plan 2026-30</u> • <u>Performance Management Framework (under review)</u> • Risk Management Policy • Risk Management Guide • Regular revision and consideration of Strategic Risk Register by Strategic Leadership Team and consideration by Audit Committee including Directorate Risk “deep dives” • Monthly consideration of Directorate Risk Registers by Directorate Leadership Teams • Corporate report template contains ‘risk implications’ section • <u>Audit Committee reviews risks and the risk management process</u> •
Sustainable economic, social and environmental benefits	• Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision. • Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation’s intended outcomes and short-term factors such as the political cycle or financial constraints. • Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.	• The Council Plan • The Year Ahead Delivery Plan • Service Plans <u>and risk registers</u> • Forward Plan listing key decisions to be taken • Receipt of reports from inspectorates and regulators throughout the year and associated regular reporting to <u>Strategic Leadership Team</u> and Audit Committee • Formal consultation arrangements • Consultation and Engagement toolkit • Inclusion Strategy • Employment and Skills Strategy 2025-2030 • Place Based Investment Strategy • Safer Rotherham Partnership Plan 2025-2028 • Rotherham Local Plan Core Strategy 2013-<u>2028</u> • Municipal Waste Management Strategy

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	• Ensuring fair access to services.	• Rotherham Health and Wellbeing Strategy (2025-2028 • <u>Social Value included in procurement</u> • <u>Social Value Policy</u> • <u>Procurement Policy</u> • <u>Contract monitoring reports</u> • <u>All Cabinet Reports require a review of Financial Implications, a Carbon Impact Assessment, an Equality Impact Assessment and a review of risk.</u> • <u>Medium Term Financial Strategy</u> •
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Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes.

Summary:

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Sub principles	Actions Demonstrating Good Governance	How this is evidenced
Determining interventions	- Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved however services are provided. - Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.	- Business decisions are accompanied by a business case and options appraisal - Overview and Scrutiny functions - Corporate report template requires information explaining the legal, <u>and financial resource and risk</u> implications of decisions - Financial, legal and technical advice provided by the s151 Officer, the Monitoring Officer and other officers as required - Council website - Formal consultation arrangements - Consultation and Engagement toolkit
Planning interventions	- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets. - Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.	- The Council Plan - The Year Ahead Delivery Plan <u>Six monthly Council Plan/Year Ahead Delivery Plan progress reports shared with Cabinet and OSMB</u>

	• Considering and monitoring risks facing each partner when working collaboratively including shared risks. • Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances. • Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured. • Ensuring capacity exists to generate the information required to review service quality regularly. • Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan. • Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	• Directorate Service Plans, <u>performance measures and risk registers</u> underpin short term planning and the Year Ahead Delivery Plan • Six monthly Council Plan/Year Ahead Delivery Plan progress reports • Performance Management Framework (<u>under review</u>) • Contract Monitoring Reports • Medium Term Financial Strategy • Capital Programme • Revenue budget process • <u>Value for Money judgement by External Auditor</u> • <u>Workforce Plan 2026-30</u>
Optimising achievement of intended outcomes	• Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints. • Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term. • Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	• Medium Term Financial Strategy • Revenue budget process • Capital Programme • Procurement Policy • Procurement Standing Orders • Action plans developed in response to external audit and inspections • 6 monthly public reporting on completion of inspection and external audit recommendations • Value for Money judgement by external auditor • <u>Social Value in procurement Policy</u> • <u>Workforce Plan 2026-30</u>

	Ensuring the achievement of 'social value' through service planning and commissioning.	
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Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it.

Summary:

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Sub principles	Actions Demonstrating Good Governance	How this is evidenced
Developing the entity's capacity	• Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness. • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently. • Recognising the benefits of partnerships and collaborative working where added value can be achieved. • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources	• The Council Plan • The Year Ahead Delivery Plan • Six monthly Council Plan/Year Ahead Delivery Plan progress reports • Service Plans • Organisational restructures in key service areas to increase capacity (e.g. Health and Safety) • Officer participation in regional groups appropriate to their particular service • Engagement with the South Yorkshire Mayoral Combined Authority (SYMCA) • Benchmarking increasingly used to develop budgets • Local Government Association (LGA) Corporate Peer Challenge in 2023, along with associated action plan and follow up visit • Workforce Plan

Developing the capability of the entity's leadership and other individuals	• Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. • Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body. • Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority. • Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by - Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged.	• The Council Constitution • Scheme of Delegation • Members' Code of Conduct • Member training and seminars • Members' and officers' induction programmes • "My Year Ahead Plan" review for all staff (Personal Development Reviews) • Compliance with the CIPFA Financial Management Code and the CIPFA Statement on the Role of the Chief Financial Officer in Local Government • Statutory Officer Group in place including Chief Executive, Section 151 Officer and Monitoring Officer • Job descriptions and person specifications produced for all posts • Recruitment and appointment policies and procedures • Members' Development Panel • Management Development Programme • Comprehensive training programme for officers • Workforce Development Plan • Workforce Plan <u>2026-30</u> (including employee health & wellbeing) • Staff surveys • Dedicated HR Policies and Guidance page on intranet • Employee Guide to wellbeing
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	- Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis. - Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external. • Ensuring that there are structures in place to encourage public participation. • Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections. • Holding staff to account through regular performance reviews which take account of training or development needs. • Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.	
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Principle F - Managing risks and performance through robust internal control and strong public financial management.

Summary:

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Sub principles	Actions Demonstrating Good Governance	How this is evidenced
Managing risk	- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making. - Implementing robust and integrated risk management arrangements and ensuring that they are working effectively. - Ensuring that responsibilities for managing individual risks are clearly allocated.	- Risk Management Policy in place & Risk Management Guide reviewed regularly<u>annually</u> - Corporate Strategic Risk Register (CSRR) in place and reviewed regularly by Strategic Leadership team and linked to service performance - Directorate and Service level risk registers in place - Corporate report template contains 'risk implications' section - Audit Committee reviews one directorate risk register at each meeting and considers the Strategic Risk Register every six months. - Audit Committee receives an annual Risk Management Report - Risk training for all levels of staff
Managing performance	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review.	Quarterly Performance Monitoring Reports aligned to the Council Plan and Year Ahead Delivery Plan,

	• Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook • Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement. • Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).	with two of the four quarters considered in public session at OSMB and Cabinet • Performance Management Framework <u>(under review)</u> • Contract Monitoring Reports • Corporate report template requires information explaining the legal and financial implications of decisions • Corporate report template contains 'risk implications' section • Overview and Scrutiny functions are in place <u>(effectiveness reviews)</u> • Monthly spend/budget reports available to all budget holders • Officers' make regular budget submissions as part of risk based budget monitoring arrangements • Service Plans for all services
Robust internal control	• Aligning the risk management strategy and policies on internal control with achieving the objectives. • Evaluating and monitoring risk management and internal control on a regular basis. • Ensuring effective counter fraud and anti-corruption arrangements are in place. • Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor. • Ensuring an audit committee or equivalent group or function which is independent of the	• Risk Management Policy & Guide in place and reviewed annually • Strategic Risk Register in place and reviewed regularly by Strategic Leadership team and linked to service performance • Directorate and Service level risk registers in place • Risk Management Meetings consisting of Risk Champions and Insurance staff (with external invitees when relevant) • Anti-Fraud and Corruption Policy & Strategy • Internal Audit annual opinion on governance, risk management and internal control.

	executive and accountable to the governing body provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment, and that its recommendations are listened to and acted upon	• Audit committee meets at least 5 times a year and receives reports from both internal and external audits • Audit Committee reviews risks at each meeting, including each Directorate's Risk Register at least annually, and the Strategy Risk Register twice a year • Corporate Information Governance Group • Consideration of specified Fraud risks by Corporate Risk Champions • Procurement and Asset Management Services in place and monitoring compliance with relevant legal requirements • Internal Audit seeks to comply with the Global <u>Internal Audit</u> Standards and the CIPFA Code of Practice on the Governance of Internal Audit
Managing data	• Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. • Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring. • Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.	• Dedicated Information Governance Unit • Freedom of Information publication scheme • Digital Council Strategy • Ongoing monitoring of Data Protection Act / Freedom of Information compliance • Data Transparency Code • Data Sharing Agreements • <u>GDPR training for staff</u> • <u>Data quality and accuracy included in scope of Internal Audits (where relevant)</u>
Strong public financial management	• Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance. • Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.	• The Council Plan • The Year Ahead Delivery Plan • Medium Term Financial Strategy • Revenue budget process • Procurement Policy • Procurement Standing Orders

		• Value for Money judgement from the External Auditor • External Auditors' Annual Audit letter • The Council complies with the financial management standards as set out within the CIPFA Financial Management Code (FMC). • The Council's Financial and Procurement Procedure Rules (FPPR's) set clear principles as to how the Council manages and controls its financial decision making. These FPPR's are routinely reviewed. • Financial Regulations • Capital Strategy • Treasury Management Strategy
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Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Summary:

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub principles	Actions Demonstrating Good Governance	How this is evidenced
Implementing good practice in transparency	• Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style	• Council website • Meeting papers and minutes published on website • Officer decision records published on website

	appropriate to the intended audience and ensuring that they are easy to access and interrogate. • Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.	• Recordings of public meetings published on website • Budgets and spending published on website • Senior Officer remuneration published on website • Rotherham Partnership annual report and twice-yearly newsletter.
Implementing good practices in reporting	• Reporting at least annually on performance, value for money and the stewardship of resources to stakeholders in a timely and understandable way. • Ensuring members and senior management own the results reported. • Ensuring robust arrangement for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement). • Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate. • Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations.	• Publication of Statement of Accounts on website • Annual Governance Statement produced and published on website • The Head of Internal Audit presents an annual report in public to the Audit Committee to inform members of Internal Audit activity that has taken place during the year • Code of Corporate Governance refreshed annually in accordance with CIPFA/SOLACE principles • Documents are scrutinised and approved by Senior Leadership Team, Cabinet and Audit Committee prior to publication • Performance information and reports are published on the website. Six monthly Council Plan/Year Ahead Delivery Plan progress reports. • VFM judgement by external auditors • Progress reports on all external inspections, reviews and audits are presented to Audit Committee six-monthly and reviewed by the Strategic Leadership Team quarterly to ensure action is taken.
Assurance and effective accountability	• Ensuring that recommendations for corrective action made by external audit are acted upon.	• The external auditors produce an Annual Audit Letter which is presented at Audit Committee and published on the website. The council produces a

	• Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and recommendations are acted upon. • Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. • Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the Annual Governance Statement. • Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.	response to all issues and recommendations contained within. • The Head of Internal Audit presents an annual report to Audit Committee to inform members of Internal Audit activity that has taken place during the year • Audit Committee meets at least five times a year and receives reports from both Internal and External Audit • The authority is subject to regular inspections from regulatory bodies, including Ofsted, Care Quality Commission etc. The outcomes of these inspections, together with the council's responses are made available via the website. • Progress reports on all external inspections, reviews and audits are presented to Audit Committee six-monthly and reviewed by the Strategic Leadership Team quarterly to ensure action is taken. • Annual Governance Statement produced and published on website • The <u>Rotherham Together Partnership</u>, Rotherham Plan and the supporting agreement. The partnership reports publicly periodically on its progress on the Plan and there is an annual delivery plan and updates on its website. • LGA Corporate Peer Challenge.
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Public Report
Audit Committee

Committee Name and Date of Committee Meeting

Audit Committee – 24 September 2026

Report Title

Anti-Money Laundering Policy Review

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

No

Executive Director Approving Submission of the Report

Judith Badger, Executive Director of Corporate Services

Report Author(s)

Louise Ivens, Head of Internal Audit

Tel: 01709 823282 Email: louise.iven@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This report refers to a proposed update to the Council's Anti-Money Laundering Policy. The update follows a review process which is designed to ensure that the Policy is up to date with current best practice and to take into account any changes to the Council's organisation structure. There have been only minor updates to the Policy since the last review.

Recommendations

That the Audit Committee is asked to:

1. Review and comment on the revised Anti-Money Laundering Policy.
2. Note the actions being undertaken to review the Council's anti money laundering arrangements.

List of Appendices Included

Appendix A – Anti Money Laundering Policy 2026

Appendix B – Anti Money Laundering Policy showing tracked changes

Background Papers

N/A

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Anti-Money Laundering Policy Review

1. Background

- 1.1 The Council's last update of its Anti-Money Laundering Policy was in 2024. This report provides an update to the Anti-Money Laundering Policy and gives brief details of a review being undertaken by Internal Audit on the anti-money laundering arrangements in place within the Council.
- 1.2 Public Authorities, (not being regulated businesses as defined within the legislation), are not legally obliged to apply the provisions of all the Money Laundering Regulations unless they are undertaking a service 'by way of business'. This means the provision of a service to a 3rd party for which formal remuneration is received, (for example provision of legal advice / service outside of the authority). The Chartered Institute of Public Finance and Accountancy (CIPFA) have produced guidance which suggests that as responsible bodies, Public Authorities should put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements, designed to enable them to detect and avoid involvement in the crimes described in the legislation and regulations. As a minimum, authorities are recommended to:
 - make those staff most likely to be exposed to or suspicious of terrorist financing or money laundering aware of any requirements and obligations placed on the authority, its staff, and on them as individuals, by the Proceeds of Crime Act 2002 and the Terrorism Act 2000
 - give targeted training to those staff considered to be the most likely to encounter the financing of terrorism and money laundering
 - make arrangements for a nominated officer to receive and manage the concerns of staff, to make internal enquiries, to advise staff who feel they should make a report, and to coordinate Suspicious Activity Reports (SARs) to the National Crime Agency (NCA) where necessary
 - establish appropriate internal procedures which are both proportional and cost effective
- 1.3 The Money Laundering and Terrorist Financing (Amendment) Regulations 2026 (SI 2026/621) came into force on 30th June 2026 and amend The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. The key changes focus on refining due diligence requirements and high-risk country lists; converting EU monetary thresholds into pound sterling equivalents; refining and tightening the Enhanced Due Diligence test (EDD), and new Customer Due Diligence (CDD) obligations for pooled client accounts. There are expanded and clarified information sharing duties between Anti-Money Laundering supervisors, Companies House and other public regulatory bodies to target economic crime intelligence.

2. Key Issues

- 2.1 The Council's updated Anti-Money Laundering Policy is attached at **Appendix A** and the tracked changes version is included at **Appendix B**. The contents have been reviewed with only minor amendments having been made. The changes have been made in accordance with the updated legislation. The amendments do not change any of the underlying responsibilities or requirements of staff.
- 2.2 Alongside the policy review Internal Audit are examining controls within higher risk areas within the council and will assess whether there are appropriate and proportionate anti money laundering arrangements in place. The scope includes staff awareness of the risks, customer due diligence, record keeping, monitoring, reporting lines, and general awareness and training. The outcomes of this review will be included in the Internal Audit Progress Report once the final report is issued.

3. Options considered and recommended proposal

- 3.1 This report is presented to enable the Audit Committee to fulfil its responsibility for ensuring the Council has appropriate arrangements in place for managing the risk of financial crime which includes money laundering.

4. Consultation on proposal

- 4.1 This section is not applicable to this report.

5. Timetable and Accountability for Implementing this Decision

- 5.1 This section is not applicable to this report. The approval of the Anti Money Laundering Policy will be taken by an officer executive decision.

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 legal implications arising from this report.

8. Human Resources Advice and Implications

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

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no immediate implications associated with the proposals.

10. Equalities and Human Rights Advice and Implications

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

11. Implications for CO₂ Emissions and Climate Change

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

12. Implications for Partners

- 12.1 Implementation of the updated Anti-Money Laundering Policy will contribute towards ensuring the Council operates and maintains a culture in which financial crime is understood to be unacceptable.

13. Risks and Mitigation

- 13.1 Failure to refresh the Anti-Money Laundering Policy and associated arrangements could expose the Council to an increased risk of money laundering.

Accountable Officer(s)

Louise Ivens, Head of Internal Audit

Report Author: Louise Ivens, Head of Internal Audit.

Tel 01709 823282 E mail louise.iven@rotherham.gov.uk

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

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ANTI - MONEY LAUNDERING POLICY AND SUPPORTING GUIDANCE

August 2026

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1. INTRODUCTION

WHAT IS MONEY LAUNDERING?

Money Laundering is the process of concealing, disguising, converting, transferring or removing the proceeds of crime.

This can be characterised as making “dirty” money “clean”; i.e. giving it the appearance of having come from a legitimate source.

Money laundering is also linked to terrorist financing, whereby the process can often be reversed; i.e. “clean” money is diverted into “dirty” purposes; e.g. the funding of a terrorist operation.

- 1.1 The primary legislation relating to suspected money laundering is the Terrorism Act 2000 (TA), Proceeds of Crime Act 2002 (POCA), and the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR) and its updates, including the Money Laundering and Terrorist Financing (Amendment) Regulations 2026. The legislation imposes specific obligations on those organisations in the regulated sector and those carrying out what is defined as ‘relevant business’.
- 1.2 Public Authority employees, as members of the public, have a personal duty to comply with specific aspects of the legislation, (noting that Public Authorities and staff are subject to the full provisions of the Terrorism Act 2000). Public Authorities, (not being regulated businesses as defined within the legislation), are not legally obliged to apply the provisions of all the Money Laundering Regulations unless they are undertaking a service ‘by way of business’ i.e. provision of a service to a 3rd party for which formal remuneration is received (provision of legal advice / service outside of the authority). However best practice, including detailed guidance produced by the Chartered Institute of Public Finance & Accountancy, (CIPFA), in 2020 suggests that as responsible bodies they should employ policies and procedures which reflect the essence of the UK’s anti-terrorist financing and anti-money laundering regimes.
- 1.3 As a result, the Council has formal internal policies and procedures to prevent the use of its services for money laundering. It is extremely important that all employees / Members are familiar with their responsibilities. Under the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 there is a requirement for all ‘relevant persons’ to be supervised by an appropriate anti money laundering supervisory authority (i.e. a member of the CCAB, HMRC etc.) However, it should be noted that members of accounting bodies such as CIPFA, CIMA and AAT who are employed by Public Authorities are not required to register for anti-money laundering purposes.

- 1.4 Whilst the full implications of the above legislation are lengthy and complex, this Policy and supporting guidance meets the Council's obligations relating to the legislation, and associated professional good practice, and will be subject to periodic review and revision as deemed appropriate.

2. POLICY STATEMENT AND SCOPE

- 2.1 This Policy and Guidance applies to all Council employees, (including Agency / temporary workers and partners), and elected Members of the Council. It aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering. The Guidance sets out the procedures which must be followed (for example the reporting of suspicions of money laundering activity) to enable the Council's "Responsible Officers" to comply with all legal and professional obligations.

The term "Responsible Officer" refers to all employees and Members to which this document applies as described above.

- 2.2 This Policy sits alongside the Council's Anti-Fraud & Corruption and Whistleblowing Policies and Employee / Member Codes of Conduct as a key document in creating a sound framework to minimise and combat the risk of wrongdoing against the Council.
- 2.3 The Council's aim is to do all it can to prevent wherever possible, taking account of resource implications, the Council and its "Responsible Officers" being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and professional requirements, especially with regard to the reporting of actual or suspected cases. It cannot be stressed too strongly, however, that it is every "Responsible Officer's" duty to be vigilant.
- 2.4 In order to achieve the above aim the following key procedures and actions will be implemented and subject to ongoing review:
- Named officers within the Council will be assigned responsibility to fulfil the role of Money Laundering Reporting Officer, (MLRO) and Deputy MLRO. (Officers details are outlined in Section 5 of this document). Such officers will be responsible for:
 - Producing and revising relevant policies, procedures and guidance which are both proportionate and cost effective;
 - Providing training as deemed appropriate;
 - Receiving and managing concerns of "Responsible Officers", including giving advice as to action required;
 - Co-ordinating Suspicious Activity Reports (SARS) to the National Crime Agency (NCA), where necessary;

- Pro-active management of all risks associated with money laundering activity.
- All senior managers, relevant staff and Members will receive mandatory awareness training on the key principles of Money Laundering.

- 2.5 Any “Responsible Officer” could potentially be caught by the money laundering provisions, if they suspect money laundering and either become involved with it in some way and/or do nothing about it. This Policy sets out how any concerns should be raised.
- 2.6 It is important that all “Responsible Officers” are familiar with their responsibilities as serious criminal sanctions may be imposed for breaches of the legislation. Additionally, failure to comply with the requirements of this Policy could result in an internal disciplinary investigation and action being instigated, in accordance with the Council’s disciplinary procedures.
- 2.7 The key requirement on “Responsible Officers” is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer. If the matter involves a proposed transaction (e.g. the sale of property) you should not proceed with the transaction without approval from the MLRO. You should defer the transaction in such a way as not to alert anyone else to your suspicions.
- 2.8 Not all the Council’s business is relevant for these purposes. It is mainly the accountancy services carried out by Finance and certain financial, company and property transactions carried out by Legal Services. However, the safest way to ensure compliance with the law is to apply it to all areas of work undertaken by the Council. Therefore, all employees are required to comply with the Policy in terms of reporting concerns about possible money laundering.

GUIDANCE SUPPLEMENTING THE POLICY STATEMENT

3. MONEY LAUNDERING – AN EXPANDED DEFINITION

- 3.1 The phrase “money laundering” means the process by which the identity and true ownership of “dirty money”, i.e. the proceeds of any crime, is changed so that these proceeds appear to originate from a legitimate source.
- 3.2 Although the term “money laundering” has traditionally been used when describing the activities of organised crime, for which the regulations were first introduced, to most people who are likely to come across it, or be affected by it, it involves a suspicion that someone they know, or know of, is benefiting from dishonest activity.
- 3.3 Most crime, for example the drugs trade, is almost wholly cash driven. For many years, the most common means of laundering money was to deposit large sums of cash at banks. However, as the high street banks have tightened their controls in

this area, the launderers have turned to more obscure methods, frequently involving buying and selling assets, (including antiques, etc.), property and businesses, to achieve their aims. This has made it much more difficult to detect and prevent money laundering.

3.4 The money laundering process comprises three distinct phases summarised as:

Placement = initial disposal of cash representing proceeds of crime into the system by either deposit at a bank, (or equivalent), purchase of property, shares or other assets;

Layering = breaking any link back to the original proceeds of crime. This includes buying / selling properties, companies or other assets (such as shares, antiques or arts) back-to-back and transferring funds around the world via various accounts. Launderers often use a legitimate front business to hide illegal activities;

Integration = funds coming back to the individual / group to finance a luxurious lifestyle and possibly fund further criminal activity.

3.5 Examples / signs of money laundering activity include transactions where the other party:

- Enters into transactions which make little or no financial sense or which go against normal practice;
- Make large cash payments;
- Is happy to enter into an apparent bad deal for them;
- Is unwilling to explain the purpose of a transaction or refuse to provide information requested without reasonable explanation;
- Suddenly change their pattern of activity;
- Enter into arrangements / possess assets beyond their apparent financial means;
- Take part in transactions across a number of different jurisdictions;
- Use offshore accounts, companies or structures in circumstances where their needs do not support such economic requirements;
- Unnecessarily route funds through third party accounts.

3.6 Some examples of where money laundering activity could take place within the Local Authority environment include:

- Sale of items through auctions, (such as property / land / furniture / antiques), where cash payments are made;
- Large cash payments or private funding in respect of other land / property

transactions;

- Large cash payments to settle debts due to the Council, including Council Tax, NNDR, Benefits overpayments and other high value transactions;
- Overpayment of debts by way of cash, leading to requests for large refunds to be made by way of cheque;
- “Partners” making large contributions towards projects / initiatives in the form of cash / cheque and then shortly after requesting refunds by credit note for part of the contribution;

3.7 In addition to the above, “Responsible Officers” may come across suspicions of money laundering in the form of identifying customers / clients who appear to be “living well above their means”, e.g. property and “luxury items” that does not appear to be in line with their income.

3.8 Within the legislation governing money laundering and terrorist financing there are no de minimis levels as to the value of money or level of conduct involved. This means that any suspicions need to be considered and reported to the MLRO.

4. ANTI-MONEY LAUNDERING PROCEDURES

General Levels

4.1 As referred to earlier in this guidance, within the legislation relating to money laundering and terrorist financing, there are no de minimis financial or activity levels for reporting concerns, **all suspicions should be raised through the MLRO.**

Cash Payments

4.2 To reduce the Council’s exposure to potential money laundering activity, limits have been set for individual financial transactions.

In order to help ensure that the Council does not contravene the requirements of the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, no cash collection point / individual officer, should accept cash payments of £10,000 or more in one transaction.

NB: Cash is defined as including notes, coins or travellers’ cheques in any currency;

The above limits will be subject to review and change in line with best practice / professional advice.

Should any employee be offered a cash payment of £10,000 or more, it should be pointed out that cash can only be accepted up to this limit. Any cash payment below £10,000 should be accepted and receipted in the normal way. Should any employee have suspicion of money laundering activity relating to any transaction involving cash payments, they should

raise it in accordance with the procedure set out in paragraphs 4.3 and 4.4 below.

Reporting suspicions

- 4.3 “Responsible Officers” who suspect any level of money laundering activity must immediately contact the MLRO, or the deputy MLRO if appropriate, to report their suspicion. Following consideration of the matter the MLRO / Deputy MLRO will decide whether the formal referral form, (attached at Appendix 1), should be completed.
- 4.4 The “Responsible Officer” must not disclose or otherwise indicate their suspicions to the person suspected of the money laundering. They must not discuss the matter with others or note on file that a report has been made to the MLRO in case this results in the suspect becoming aware of the situation. This is known as “tipping off” and it is a criminal offence to disclose information, likely to prejudice an investigation, where that information came to the person in the course of business in the regulated sector.
- 4.5 The “Responsible Officer” must follow any subsequent directions of the MLRO or deputy and must not themselves make any further enquiries into the matter. They must not take any further steps in any related transaction without authorisation from the MLRO.
- 4.6 The MLRO or deputy must promptly evaluate any disclosure, to determine whether it should be reported to the National Crime Agency.
- 4.7 The MLRO or deputy must, if they so determine, promptly report the matter to the National Crime Agency on their standard report form and in the prescribed manner.
- 4.8 The MLRO or deputy will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering, and they do not disclose this as soon as practicable to the National Crime Agency.

Exemptions

- 4.9 The requirements of this Policy and associated procedures must be adhered to by all “Responsible Officers” within the Council. There are some exemptions within the legislation, relating to “relevant professional advisers” where information / suspicions come to them in “privileged circumstances”. Such exemptions apply mainly to the legal, external audit / accountants and tax adviser professions and would not normally be relevant to Council “Responsible Officers”.

Record Keeping / Reporting

- 4.10 Where “Responsible Officers” carry out due diligence assessments, records and details of the relevant transaction(s) for that client must be retained for at least five years after the end of the business relationship. Further information relating to the

requirement to maintain records of due diligence assessments, will be communicated to relevant officers outside of this guidance.

- 4.11 An electronic copy of every customer due diligence record must be sent to the MLRO to comply with best practice.
- 4.12 The MLRO will maintain a record of all suspicions of money laundering received and outcomes, including cases reported to the National Crime Agency. Periodic reports will be submitted to senior management and appropriate Members summarising details of the number of money laundering referrals.

5. THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

- 5.1 The officer nominated to receive disclosures about money laundering or terrorist financing activity within the Council is the Head of Internal Audit – Louise Ivens. She can be contacted as follows:

Louise Ivens
Head of Internal Audit
Corporate Services
Rotherham MBC
Wing C - Floor 3
Riverside House
Rotherham
S60 1AE

Telephone: 01709 823282

E Mail: louise.iven@rotherham.gov.uk

- 5.2 In the absence of the MLRO, Principal Auditors Mitch Chapman (Mitch.Chapman@rotherham.gov.uk Tel: 01709 823299), Andy Furniss (Andy.furniss@rotherham.gov.uk Tel: 01709 823294) or Dave Todd (Dave.Todd@rotherham.gov.uk Tel: 01709 254507) at the same address, are authorised to deputise for her.

6. GUIDANCE AND TRAINING

- 6.1 In support of this policy and guidance, the Council will:

- make all “Responsible Officers” aware of the requirements and obligations placed on the Council and on themselves as individuals by the anti-money laundering legislation;
- include reference to the Money Laundering Policy within “Responsible Officer” induction programmes;
- through the MLRO, respond to any requests for further / more detailed guidance or advice on any issue relating to money laundering;
- include a page on the Council’s Internet / Intranet sites containing this

policy and all relevant supporting guidance.

7. KEY RISK CONSIDERATIONS

7.1 In applying the policy and procedures recorded within this document, consideration should be given to the associated risks to the Council and “Responsible Officers”. The key risks are identified as:

- 7.1.1 Failure to identify relevant legislative requirements/ good practice and implement effective anti-money laundering & anti-terrorist financing arrangements within the Council;
- 7.1.2 Failure to effectively communicate the money laundering procedures / requirements to all “Responsible Officers”;
- 7.1.3 Failure to report suspicions of money laundering to the MLRO and / or the National Crime Agency);
- 7.1.4 Failure to protect the personal safety of “Responsible Officers”, who report suspicions of money laundering.

7.2 The above risks, and any others deemed relevant, will be recorded and monitored by the MLRO through inclusion in a Risk Register, within the Council’s formal Risk Management system.

8. FURTHER INFORMATION

8.1 Further information can be obtained from the MLRO and the following sources:

- www.nationalcrimeagency.gov.uk – website of the National Crime Agency.
- www.lawsociety.org.uk – money laundering guidance.
- [HM Treasury - Improving the Effectiveness of Money Laundering Regulations \(consultation response\)](#)
- Money Laundering and Terrorist Financing (Amendment) Regulations 2026 – GOV.UK (www.gov.uk)

APPENDIX 1

CONFIDENTIAL

REPORT TO MONEY LAUNDERING REPORTING OFFICER

Re: Suspected money laundering activity

To: Money Laundering Reporting Officer (MLRO) / Deputy MLRO

From:

[insert name of employee]

Directorate: **Ext/Tel No:**

[insert post title and Service Area]

DETAILS OF SUSPECTED OFFENCE:

Name(s) and address(es) of person(s) involved:

[if a company/public body please include details of nature of business]

Nature, value and timing of activity involved:

[Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:
[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (as far as you are aware)?

[Please tick the relevant box]

Yes

No

If yes, please record details below, including by who, when, how and outcomes:

Have you discussed your suspicions with anyone else?

[Please tick the relevant box]

Yes

No

If yes, please specify below, explaining why such discussion was necessary:

--

Have you consulted any supervisory body for guidance re money laundering? (e.g. the Law Society) <i>[Please tick the relevant box]</i>	Yes	No
--	-----	----

If yes, please specify below:

--

<i>Do you feel you have a reasonable excuse for not disclosing the matter to the National Crime Agency (NCA)? (e.g. are you a lawyer and wish to claim legal professional privilege?)</i> <i>[Please tick the relevant box]</i>	Yes	No
---	-----	----

If yes, please set out full details below:

--

APPENDIX 2

LEGISLATIVE CONTEXT

The key elements of the 3 main acts relating to the offence of money laundering are summarised below.

1 Proceeds of Crime Act 2002 (POCA)

- 1.1 Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland (**section 327**);
- 1.2 Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (**section 328**);
- 1.3 Acquiring, using or possessing criminal property (**section 329**);
- 1.4 Doing something that might prejudice an investigation – for example falsifying a document (**section 342**)

The above offences **apply to all** persons in the UK in both a personal and professional capacity and anyone involved in them risks a criminal conviction.

Other offences under the POCA include:

- 1.5 Failure to disclose money laundering offences (**sections 330 – 332**);
- 1.6 Tipping off a suspect either directly or indirectly (**section 333**).

The above offences **only apply to certain organisations / classes of people** (the regulated sector including Banks, Building Societies, Private Solicitors / Accountants, Casinos) and exclude Local Authorities. However, in line with best practice the Council requires all its “Responsible Officers” to adhere to the principles of each one.

2 Terrorism Act 2000 (TA)

- 2.1 Establishes the offence of money laundering in relation to becoming concerned in an arrangement relating to the retention or control of property, (including finances), likely to be used for the purposes of terrorism, or resulting from acts of terrorism.
- 2.2 All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment, irrespective of the amounts involved.

3 Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR) & its updates including the Money Laundering and Terrorist Financing (Amendment) Regulations 2026

- 3.1 Both POCA 2002 and TA 2000 contain offences which may be committed by individuals or entities, whereas the MLR 2017, whilst re-affirming the key elements of the above legislation, deal with the systems and controls which “Regulated Businesses” are required to have and contain offences which may be committed by businesses as well as the key individuals within them.
- 3.2 The specific requirements of the MLR 2017, outside of the TA 2000 and POCA 2002, do not apply to Local Authorities as they are outside of the definition of “Relevant Persons” undertaking “Regulated Activity”. However, due to the nature of business carried out by Local Authorities and an ethical and professional obligation to help “protect the public purse”, the Council will follow CIPFA Guidance which suggests the principles of the MLR 2017 legislation should be applied within a Local Authority environment, specifically relating to policies and procedures aimed at preventing money laundering covering:
- identification and scrutiny of complex or unusually large transactions, unusual patterns of transactions, with no apparent economic or lawful purpose, or other activity likely to be of a nature of money laundering / terrorist financing;
 - prevention of use of products favouring anonymity;
 - determination of whether a client is a Politically Exposed Person (PEP);
 - customer due diligence, i.e. procedures designed to acquire knowledge about the organisation’s clients and prospective clients and to verify their identity as well as monitor business relationships and transactions;
 - internal reporting, including appointment of a MLRO to receive money laundering reports and a system for making those reports;
 - record keeping, including details of customer due diligence and supporting evidence for business relationships and records of transactions, which need to be kept for 5 years after the end of a relationship;
 - internal control, risk assessment and management, compliance monitoring, management and communication;
 - making relevant employees aware of the law relating to money laundering and terrorist finance, and to train those employees in how to recognise and deal with transactions which may be related to money laundering or terrorist financing.

- 3.3 MLR 2017 covers in some detail and complexity the issue of “Customer Due Diligence”, whereby “Relevant Persons” carrying out certain “Regulated Activities” must take extra care to check the identity of the customer or client.

Whilst these regulations do not apply to Local Authorities due to them not being classed as a “Regulated Body”, the following principles of “Due Diligence” should be applied, on a risk sensitive basis, in relation to existing and prospective clients / customers:

- seeking evidence of identity, for example:
 - checking with the customer’s website to confirm their business address;
 - conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identities of any directors;
 - seeking evidence from the key contact of their personal identity, for example their passport, and position within the organisation.
- In certain circumstances enhanced customer due diligence must be carried out, for example where:
 - the customer has not been physically present for identification;
 - the customer is a politically exposed person, (an individual who at any time in the preceding year has held a prominent public function outside of the UK, and EU or international institution / body, their immediate family members or close associates);
 - there is a beneficial owner who is not the customer – a beneficial owner is any individual who holds more than 25% of the shares, voting rights or interest in a company, partnership or trust.
- Enhanced customer due diligence could include any additional documentation, data or information that will confirm the customer’s identity and / or the source of the funds to be used in the business relationship / transaction. If it is believed that enhanced customer due diligence is required then the MLRO must be consulted prior to carrying it out.



ANTI - MONEY LAUNDERING POLICY AND SUPPORTING GUIDANCE

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1. INTRODUCTION

WHAT IS MONEY LAUNDERING?

Money Laundering is the process of concealing, disguising, converting, transferring or removing the proceeds of crime.

This can be characterised as making “dirty” money “clean”; i.e. giving it the appearance of having come from a legitimate source.

Money laundering is also linked to terrorist financing, whereby the process can often be reversed; i.e. “clean” money is diverted into “dirty” purposes; e.g. the funding of a terrorist operation.

- 1.1 The primary legislation relating to suspected money laundering is the Terrorism Act 2000 (TA), Proceeds of Crime Act 2002 (POCA), and the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR) and its updates, including the [Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019²⁶](#). The legislation imposes specific obligations on those organisations in the regulated sector and those carrying out what is defined as ‘relevant business’.
- 1.2 Public Authority employees, as members of the public, have a personal duty to comply with specific aspects of the legislation, (noting that Public Authorities and staff are subject to the full provisions of the Terrorism Act 2000). Public Authorities, (not being regulated businesses as defined within the legislation), are not legally obliged to apply the provisions of all the Money Laundering Regulations unless they are undertaking a service ‘by way of business’ i.e. provision of a service to a 3rd party for which formal remuneration is received (provision of legal advice / service outside of the authority). However best practice, including detailed guidance produced by the Chartered Institute of Public Finance & Accountancy, (CIPFA), in 2020 suggests that as responsible bodies they should employ policies and procedures which reflect the essence of the UK’s anti-terrorist financing and anti-money laundering regimes.
- 1.3 As a result, the Council has formal internal policies and procedures to prevent the use of its services for money laundering. It is extremely important that all employees / Members are familiar with their responsibilities. Under the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 there is a requirement for all ‘relevant persons’ to be supervised by an appropriate anti money laundering supervisory authority (i.e. a member of the CCAB, HMRC etc.) However, it should be noted that members of accounting bodies such as CIPFA, CIMA and AAT who are employed by Public Authorities are not required to register for anti-money laundering purposes.

- 1.4 Whilst the full implications of the above legislation are lengthy and complex, this Policy and supporting guidance meets the Council's obligations relating to the legislation, and associated professional good practice, and will be subject to periodic review and revision as deemed appropriate.

2. POLICY STATEMENT AND SCOPE

- 2.1 This Policy and Guidance applies to all Council employees, (including Agency / temporary workers and partners), and elected Members of the Council. It aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering. The Guidance sets out the procedures which must be followed (for example the reporting of suspicions of money laundering activity) to enable the Council's "Responsible Officers" to comply with all legal and professional obligations.

The term "Responsible Officer" refers to all employees and Members to which this document applies as described above.

- 2.2 This Policy sits alongside the Council's Anti-Fraud & Corruption and Whistleblowing Policies and Employee / Member Codes of Conduct as a key document in creating a sound framework to minimise and combat the risk of wrongdoing against the Council.
- 2.3 The Council's aim is to do all it can to prevent wherever possible, taking account of resource implications, the Council and its "Responsible Officers" being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and professional requirements, especially with regard to the reporting of actual or suspected cases. It cannot be stressed too strongly, however, that it is every "Responsible Officer's" duty to be vigilant.
- 2.4 In order to achieve the above aim the following key procedures and actions will be implemented and subject to ongoing review:
- Named officers within the Council will be assigned responsibility to fulfil the role of Money Laundering Reporting Officer, (MLRO) and Deputy MLRO. (Officers details are outlined in Section 5 of this document). Such officers will be responsible for:
 - Producing and revising relevant policies, procedures and guidance which are both proportionate and cost effective;
 - Providing training as deemed appropriate;
 - Receiving and managing concerns of "Responsible Officers", including giving advice as to action required;
 - Co-ordinating Suspicious Activity Reports (SARS) to the

National Crime Agency (NCA), where necessary;

- Pro-active management of all risks associated with money laundering activity.
- All senior managers, relevant staff and Members will receive mandatory awareness training on the key principles of Money Laundering.

- 2.5 Any “Responsible Officer” could potentially be caught by the money laundering provisions, if they suspect money laundering and either become involved with it in some way and/or do nothing about it. This Policy sets out how any concerns should be raised.
- 2.6 It is important that all “Responsible Officers” are familiar with their responsibilities as serious criminal sanctions may be imposed for breaches of the legislation. Additionally, failure to comply with the requirements of this Policy could result in an internal disciplinary investigation and action being instigated, in accordance with the Council’s disciplinary procedures.
- 2.7 The key requirement on “Responsible Officers” is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer. If the matter involves a proposed transaction (e.g. the sale of property) you should not proceed with the transaction without approval from the MLRO. You should defer the transaction in such a way as not to alert anyone else to your suspicions.
- 2.8 Not all the Council’s business is relevant for these purposes. It is mainly the accountancy services carried out by Finance and certain financial, company and property transactions carried out by Legal Services. However, the safest way to ensure compliance with the law is to apply it to all areas of work undertaken by the Council. Therefore, all employees are required to comply with the Policy in terms of reporting concerns about possible money laundering.

GUIDANCE SUPPLEMENTING THE POLICY STATEMENT

3. MONEY LAUNDERING – AN EXPANDED DEFINITION

- 3.1 The phrase “money laundering” means the process by which the identity and true ownership of “dirty money”, i.e. the proceeds of any crime, is changed so that these proceeds appear to originate from a legitimate source.
- 3.2 Although the term “money laundering” has traditionally been used when describing the activities of organised crime, for which the regulations were first introduced, to most people who are likely to come across it, or be affected by it, it involves a suspicion that someone they know, or know of, is benefiting from dishonest activity.
- 3.3 Most crime, for example the drugs trade, is almost wholly cash driven. For many

years, the most common means of laundering money was to deposit large sums of cash at banks. However, as the high street banks have tightened their controls in this area, the launderers have turned to more obscure methods, frequently involving buying and selling assets, (including antiques, etc.), property and businesses, to achieve their aims. This has made it much more difficult to detect and prevent money laundering.

3.4 The money laundering process comprises three distinct phases summarised as:

Placement = initial disposal of cash representing proceeds of crime into the system by either deposit at a bank, (or equivalent), purchase of property, shares or other assets;

Layering = breaking any link back to the original proceeds of crime. This includes buying / selling properties, companies or other assets (such as shares, antiques or arts) back-to-back and transferring funds around the world via various accounts. Launderers often use a legitimate front business to hide illegal activities;

Integration = funds coming back to the individual / group to finance a luxurious lifestyle and possibly fund further criminal activity.

3.5 Examples / signs of money laundering activity include transactions where the other party:

- Enters into transactions which make little or no financial sense or which go against normal practice;
- Make large cash payments;
- Is happy to enter into an apparent bad deal for them;
- Is unwilling to explain the purpose of a transaction or refuse to provide information requested without reasonable explanation;
- Suddenly change their pattern of activity;
- Enter into arrangements / possess assets beyond their apparent financial means;
- Take part in transactions across a number of different jurisdictions;
- Use offshore accounts, companies or structures in circumstances where their needs do not support such economic requirements;
- Unnecessarily route funds through third party accounts.

3.6 Some examples of where money laundering activity could take place within the Local Authority environment include:

- Sale of items through auctions, (such as property / land / furniture /

antiques), where cash payments are made;

- Large cash payments or private funding in respect of other land / property transactions;
- Large cash payments to settle debts due to the Council, including Council Tax, NNDR, Benefits overpayments and other high value transactions;
- Overpayment of debts by way of cash, leading to requests for large refunds to be made by way of cheque;
- “Partners” making large contributions towards projects / initiatives in the form of cash / cheque and then shortly after requesting refunds by credit note for part of the contribution;

3.7 In addition to the above, “Responsible Officers” may come across suspicions of money laundering in the form of identifying customers / clients who appear to be “living well above their means”, e.g. property and “luxury items” that does not appear to be in line with their income.

3.8 Within the legislation governing money laundering and terrorist financing there are no de minimis levels as to the value of money or level of conduct involved. This means that any suspicions need to be considered and reported to the MLRO.

4. ANTI-MONEY LAUNDERING PROCEDURES

General Levels

4.1 As referred to earlier in this guidance, within the legislation relating to money laundering and terrorist financing, there are no de minimis financial or activity levels for reporting concerns, **all suspicions should be raised through the MLRO.**

Cash Payments

4.2 To reduce the Council's exposure to potential money laundering activity, limits have been set for individual financial transactions.

In order to help ensure that the Council does not contravene the requirements of the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, no cash collection point / individual officer, should accept cash payments of £10,000 or more in one transaction.

NB: Cash is defined as including notes, coins or travellers' cheques in any currency;

The above limits will be subject to review and change in line with best practice / professional advice.

Should any employee be offered a cash payment of £10,000 or more, it should be pointed out that cash can only be accepted up to this limit. Any cash payment below £10,000 should be accepted and receipted in the normal way. Should any employee have suspicion of money laundering activity relating to any transaction involving cash payments, they should raise it in accordance with the procedure set out in paragraphs 4.3 and 4.4 below.

Reporting suspicions

- 4.3 “Responsible Officers” who suspect any level of money laundering activity must immediately contact the MLRO, or the deputy MLRO if appropriate, to report their suspicion. Following consideration of the matter the MLRO / Deputy MLRO will decide whether the formal referral form, (attached at Appendix 1), should be completed.
- 4.4 The “Responsible Officer” must not disclose or otherwise indicate their suspicions to the person suspected of the money laundering. They must not discuss the matter with others or note on file that a report has been made to the MLRO in case this results in the suspect becoming aware of the situation. This is known as “tipping off” and it is a criminal offence to disclose information, likely to prejudice an investigation, where that information came to the person in the course of business in the regulated sector.
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- 4.6 The MLRO or deputy must promptly evaluate any disclosure, to determine whether it should be reported to the National Crime Agency.
- 4.7 The MLRO or deputy must, if they so determine, promptly report the matter to the National Crime Agency on their standard report form and in the prescribed manner.
- 4.8 The MLRO or deputy will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering, and they do not disclose this as soon as practicable to the National Crime Agency.

Exemptions

- 4.9 The requirements of this Policy and associated procedures must be adhered to by all “Responsible Officers” within the Council. There are some exemptions within the legislation, relating to “relevant professional advisers” where information / suspicions come to them in “privileged circumstances”. Such exemptions apply mainly to the legal, external audit / accountants and tax adviser professions and

would not normally be relevant to Council “Responsible Officers”.

Record Keeping / Reporting

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5. THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

5.1 The officer nominated to receive disclosures about money laundering or terrorist financing activity within the Council is the Head of Internal Audit – Louise Ivens. She can be contacted as follows:

Louise Ivens
Head of Internal Audit
~~Finance~~ and ~~Customer~~
~~Services~~ Corporate Services

Rotherham MBC
Wing C - Floor 3
Riverside House
Rotherham
S60 1AE

Telephone: 01709 823282
E Mail: louise.iven@rotherham.gov.uk

5.2 In the absence of the MLRO, Principal Auditors Mitch Chapman (Mitch.Chapman@rotherham.gov.uk Tel: 01709 823299), Andy Furniss (Andy.furniss@rotherham.gov.uk Tel: 01709 823294) or Dave Todd (Dave.Todd@rotherham.gov.uk) at the same address, are authorised to deputise for her.

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obligations placed on the Council and on themselves as individuals by the anti-money laundering legislation;

- include reference to the Money Laundering Policy within “Responsible Officer” induction programmes;
- through the MLRO, respond to any requests for further / more detailed guidance or advice on any issue relating to money laundering;
- include a page on the Council’s Internet / Intranet sites containing this policy and all relevant supporting guidance.

7. KEY RISK CONSIDERATIONS

7.1 In applying the policy and procedures recorded within this document, consideration should be given to the associated risks to the Council and “Responsible Officers”. The key risks are identified as:

- 7.1.1 Failure to identify relevant legislative requirements/ good practice and implement effective anti-money laundering & anti-terrorist financing arrangements within the Council;
- 7.1.2 Failure to effectively communicate the money laundering procedures / requirements to all “Responsible Officers”;
- 7.1.3 Failure to report suspicions of money laundering to the MLRO and / or the National Crime Agency);
- 7.1.4 Failure to protect the personal safety of “Responsible Officers”, who report suspicions of money laundering.

7.2 The above risks, and any others deemed relevant, will be recorded and monitored by the MLRO through inclusion in a Risk Register, within the Council’s formal Risk Management system.

8. FURTHER INFORMATION

8.1 Further information can be obtained from the MLRO and the following sources:

- www.nationalcrimeagency.gov.uk – website of the National Crime Agency.
- www.lawsociety.org.uk – money laundering guidance.
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APPENDIX 1

CONFIDENTIAL

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To: Money Laundering Reporting Officer (MLRO) / Deputy MLRO

From:

[insert name of employee]

Directorate: **Ext/Tel No:**

[insert post title and Service Area]

DETAILS OF SUSPECTED OFFENCE:

Name(s) and address(es) of person(s) involved:

[if a company/public body please include details of nature of business]

Nature, value and timing of activity involved:

[Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:
[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (as far as you are aware)?

Yes

No

[Please tick the relevant box]

If yes, please record details below, including by who, when, how and outcomes:

Have you discussed your suspicions with anyone else?

[Please tick the relevant box]

Yes

No

If yes, please specify below, explaining why such discussion was necessary:

--

Have you consulted any supervisory body for guidance re money laundering? (e.g. the Law Society) <i>[Please tick the relevant box]</i>	Yes	No
--	-----	----

If yes, please specify below:

--

<i>Do you feel you have a reasonable excuse for not disclosing the matter to the National Crime Agency (NCA)? (e.g. are you a lawyer and wish to claim legal professional privilege?)</i> <i>[Please tick the relevant box]</i>	Yes	No
---	-----	----

If yes, please set out full details below:

--

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The key elements of the 3 main acts relating to the offence of money laundering are summarised below.

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- 1.1 Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland (**section 327**);
- 1.2 Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (**section 328**);
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2 Terrorism Act 2000 (TA)

- 2.1 Establishes the offence of money laundering in relation to becoming concerned in an arrangement relating to the retention or control of property, (including finances), likely to be used for the purposes of terrorism, or resulting from acts of terrorism.
- 2.2 All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment, irrespective of the amounts involved.

3 Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR) & its updates including the Money Laundering and Terrorist Financing (Amendment) Regulations 2019²⁶

3.1 Both POCA 2002 and TA 2000 contain offences which may be committed by individuals or entities, whereas the MLR 2017, whilst re-affirming the key elements of the above legislation, deal with the systems and controls which “Regulated Businesses” are required to have and contain offences which may be committed by businesses as well as the key individuals within them.

3.2 The specific requirements of the MLR 2017, outside of the TA 2000 and POCA 2002, do not apply to Local Authorities as they are outside of the definition of “Relevant Persons” undertaking “Regulated Activity”. However, due to the nature of business carried out by Local Authorities and an ethical and professional obligation to help “protect the public purse”, the Council will follow CIPFA Guidance which suggests the principles of the MLR 2017 legislation should be applied within a Local Authority environment, specifically relating to policies and procedures aimed at preventing money laundering covering:

- identification and scrutiny of complex or unusually large transactions, unusual patterns of transactions, with no apparent economic or lawful purpose, or other activity likely to be of a nature of money laundering / terrorist financing;
- prevention of use of products favouring anonymity;
- determination of whether a client is a Politically Exposed Person (PEP);
- customer due diligence, i.e. procedures designed to acquire knowledge about the organisation’s clients and prospective clients and to verify their identity as well as monitor business relationships and transactions;
- internal reporting, including appointment of a MLRO to receive money laundering reports and a system for making those reports;
- record keeping, including details of customer due diligence and supporting evidence for business relationships and records of transactions, which need to be kept for 5 years after the end of a relationship;
- internal control, risk assessment and management, compliance monitoring, management and communication;
- making relevant employees aware of the law relating to money laundering and terrorist finance, and to train those employees in how to recognise and deal with transactions which may be related to money laundering or terrorist financing.

- 3.3 MLR 2017 covers in some detail and complexity the issue of “Customer Due Diligence”, whereby “Relevant Persons” carrying out certain “Regulated Activities” must take extra care to check the identity of the customer or client.

Whilst these regulations do not apply to Local Authorities due to them not being classed as a “Regulated Body”, the following principles of “Due Diligence” should be applied, on a risk sensitive basis, in relation to existing and prospective clients / customers:

- seeking evidence of identity, for example:
 - checking with the customer’s website to confirm their business address;
 - conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identities of any directors;
 - seeking evidence from the key contact of their personal identity, for example their passport, and position within the organisation.
- In certain circumstances enhanced customer due diligence must be carried out, for example where:
 - the customer has not been physically present for identification;
 - the customer is a politically exposed person, (an individual who at any time in the preceding year has held a prominent public function outside of the UK, and EU or international institution / body, their immediate family members or close associates);
 - there is a beneficial owner who is not the customer – a beneficial owner is any individual who holds more than 25% of the shares, voting rights or interest in a company, partnership or trust.
- Enhanced customer due diligence could include any additional documentation, data or information that will confirm the customer’s identity and / or the source of the funds to be used in the business relationship / transaction. If it is believed that enhanced customer due diligence is required then the MLRO must be consulted prior to carrying it out.

Public Report
Audit Committee

Committee Name and Date of Committee Meeting

Audit Committee – 24 September 2026

Report Title

Counter fraud framework including Anti-Fraud and Corruption Policy and Strategy review

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

No

Executive Director Approving Submission of the Report

Judith Badger, Executive Director of Corporate Services

Report Author(s)

Louise Ivens, Head of Internal Audit

Tel: 01709 823282 Email: louise.iven@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This report refers to a proposed update to the Council's Anti-Fraud and Corruption Policy and Strategy. The update follows an annual review process which is designed to ensure that the Policy and Strategy are up to date with current best practice and to consider any changes to the Council's organisation structure. There have been only minor updates to the Policy and Strategy since the last review. The Fighting Fraud and Corruption Locally checklist has been used to review the council's arrangements against current best practice. The self-assessment against the checklist is included in this report.

This report also includes for the first time additional information on the Council's counter fraud framework including fraud risks and the mitigations in place.

Recommendations

That the Audit Committee is asked to:

1. Review and comment on the revised Anti-Fraud and Corruption Policy.
2. Approve the revised Anti-Fraud and Corruption Strategy.
3. Note the current fraud risks and the ongoing actions taken to strengthen the Council's fraud and corruption arrangements.

List of Appendices Included

Appendix A – Anti Fraud and Corruption Policy 2026

Appendix B – Anti Fraud and Corruption Strategy 2026

Appendix C – Anti Fraud and Corruption Policy showing tracked changes

Appendix D – Anti Fraud and Corruption Strategy showing tracked changes

Appendix E – Self-assessment against the Fighting Fraud and Corruption Locally Checklist

Background Papers

Fighting Fraud and Corruption Locally. A strategy for the 2020's.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Counter fraud framework including Anti-Fraud and Corruption Policy and Strategy review

1. Background

- 1.1 Rotherham Metropolitan Borough Council, like every Local Authority, has a duty to ensure that it safeguards the public money that it is responsible for. It expects the highest standards of conduct and integrity from all who have dealings with it including staff; members; contractors; volunteers and the public. The Council is committed to the elimination of fraud and corruption and to ensuring that all activities are conducted ethically; honestly and to the highest possible standard. Fraud is defined by the Institute of Internal Auditors as “any intentional act characterised by deceit, concealment, dishonesty, misappropriation of assets or information, forgery, or violation of trust perpetuated by individuals or organisations to secure unjust or illegal personal or business advantage”.
- 1.2 The CIPFA (Chartered Institute of Public Finance and Accountancy) Guidance on Audit Committees sets out the role of the Audit Committee regarding ‘countering fraud and corruption’. The role of the Committee is to understand the level of fraud risk to which the authority is exposed, and the implications for the wider control environment. This can be undertaken by having oversight of counter fraud activity. Effective counter fraud arrangements also encompass having ethical standards for members and officers that the public expects. This report has been expanded this year to give members a broad oversight of the fraud risks at the Council, these being the risks that all councils are susceptible to.
- 1.3 The National Anti-Fraud Network (NAFN) Local Authority Counter Fraud Survey (2025) found that the top ten most investigated frauds reported by councils were Council Tax, employment, payroll, grants, procurement, insider fraud, tenancy fraud, blue badge, client monies and investment. The survey found an increase in case volumes with a decline in average case values to £2,708.
- 1.4 The Council’s last update of its Anti-Fraud and Corruption Policy and Strategy was in September 2025. This report provides an update to the Anti-Fraud and Corruption Policy and Strategy. In addition, in accordance with best practice, an annual review of the council’s Anti-Fraud and corruption arrangements has been undertaken against the Fighting Fraud and Corruption Locally Checklist, and the results are included in this report (**Appendix E**).

2. Key Issues

- 2.1 The Council's updated Anti-Fraud & Corruption Policy is attached at **Appendix A** and the updated Strategy is included at **Appendix B**. The contents have been reviewed with only minor changes having been made. The Policy shows the Council's aims and responsibilities while the Strategy shows how those aims are achieved. The tracked changes are shown in **Appendices C and D**.
- 2.2 **Appendix E** is a self-assessment against the Fighting Fraud and Corruption Locally Checklist. This is a review against best practice which demonstrates Rotherham's robust compliance with the arrangements. Areas for enhancement include using data analytics to identify potential fraud and further engagement with services in identifying, assessing and mitigating fraud risks at an operational level.
- 2.3 The Global Internal Audit Standards (GIAS UK Public Sector) set out the requirement for the consideration of fraud risks within the Internal Audit Plan. When scoping audits, auditors should consider specific risks related to fraud. Auditors therefore need to have sufficient knowledge to recognise the probability of fraud. This is addressed by a prompt around considering fraud risk in the audit scoping process, by having four experienced auditors with a variety of fraud qualifications and investigatory experience which is shared with other auditors, and the completion of fraud awareness training by all staff in the Internal Audit Service.
- 2.4 Fraud risks continually evolve. The Council's audit processes therefore include regular horizon scanning, attending regional and national fraud discussions and identification of best practice. The service also regularly receives information on fraud risks and fraud alerts from various organisations.
- 2.5 Within the audit plan, time is set aside for reactive work, to investigate concerns raised by staff or members of the public around potential fraud, theft or corruption. To help to ensure controls are in place to prevent fraud from occurring, Internal Audit also undertake advisory work, attending project boards and groups to provide advice on controls and risks for example where new systems are being procured or implemented.
- 2.6 The Council's system of internal control to prevent and detect fraud is considered to be robust and operating effectively, with only a handful of fraud investigations being undertaken over the last few years. There are four trained fraud investigators within the Internal Audit Service. In addition, a Housing Tenancy Fraud Officer (within Housing Services) undertakes investigations into potential housing and right to buy frauds. A fraud awareness training session is available on the Council's online learning platform for all staff to access and is mandatory for all staff in Finance, Customer Services, Human Resources and officers at M3 grade and above.
- 2.7 In order to continue to highlight the fraud risks throughout the Council, Internal Audit will work with the Policy, Improvement and Risk Manager to raise

awareness of fraud risks and mitigating actions at Risk Management training sessions. The Council's Risk Management Policy and Guide state that risk management is the responsibility of all Council officers. 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.

- 2.8 An overview of the fraud risks to the Council and the mitigating arrangements is summarised from paragraph 2.8 below. This is not a full list of all the frauds that can be committed against the Council, but those frauds that are considered to be of a higher inherent risk. Members should be assured that the Council has robust arrangements in place to reduce the risk of fraud and corruption occurring. There have been no proven fraud cases during 2025/26.

Housing related fraud

- 2.9 It is a criminal offence to commit tenancy fraud under the Prevention of Social Housing Fraud Act 2013. Tenancy fraud includes: -

- Application fraud – not telling the truth when applying for a property, for example about how many people live there.
- Subletting fraud – a property is sublet without permission (this is a criminal offence).
- Succession fraud – living in a property after someone has died without the right to do so.
- Non occupation fraud – the named tenant permanently living somewhere else.
- Right to Buy fraud – false information provided to acquire a property at a discounted price.

- 2.10 The Council has a Tenancy Fraud Officer who is responsible for investigating tenancy related fraud referrals, including Right to Buy. They are also responsible for a housing staff awareness raising and training programme. The work undertaken during 2025/26 resulted in the recovery of 4 properties.

Benefits related fraud

- 2.11 Benefits frauds for the Council mean Housing Benefit frauds rather than any of the other Department of Work and Pension based claimable social benefits. The number of people entitled to legacy benefits like Housing Benefit continues to fall and this is expected to continue. Real time matching initiatives by the Department of Work and Pensions (DWP) are well established to highlight possible frauds. The investigation of frauds in this area, however, is the responsibility of the Single Fraud Investigation Service and not the Council who only administer the benefit on their behalf.

All information provided to the Council is validated against source documents, for example payslips and data held by the DWP. Work in this area is included on the National Fraud Initiative as mandated by the Government.

Council Tax related fraud

2.12 The following frauds can occur:-

- Council Tax Single Person Discount – a tenant claims to be the only adult resident to be eligible for 25% discount when in fact other adults reside in the property.
- Council Tax Reduction Support – where the council taxpayer fails to declare their income correctly.
- Other types of Council Tax fraud – eg claims for exemptions or discounts to which the council taxpayer has no entitlement.

2.13 All information provided to the Council is validated to ensure accuracy. In addition, regular, rolling, reviews of discounts and exemptions are undertaken. Work in this area is included on the National Fraud Initiative as mandated by Government. Where it is subsequently identified a reduction has been awarded in error, the reduction is cancelled from the date it should no longer apply, for example a single parent has a child who turns 18, the discount will be cancelled from their 18th birthday and a revised bill is issued. If the bill is not paid, in line with council tax legislation, action is taken to recover any amounts outstanding.

Business rates fraud

2.14 Business rate fraud may include the fraudulent applications for exemptions and reliefs and unlisted properties. Examples include claiming properties are not in use, claiming fake charity statuses or trying to transfer their liabilities to parties that are fake / do not exist. Legislation however makes it difficult to separate evasion and avoidance.

2.15 The Revenues and Benefits Team are well versed in the tactics used by some ratepayers to avoid business rates. Many mitigation schemes have been legislated by High Court decisions, however, any cases identified are checked to ensure the circumstances claimed to be in operation are actually taking place on the ground. In addition, the Council uses a specialist firm of solicitors who have a significant amount of experience in fighting these cases through a liability order application process. The Council also periodically instructs a third party organisation to identify any properties missing from the rating list.

Bank mandate/creditor payment fraud

2.16 Action fraud defines mandate fraud as 'when someone gets you to change a direct debit, standing order or bank transfer mandate, by purporting to be an organisation you make regular payments to, for example a subscription or membership organisation or your business supplier'. This usually occurs through some form of telephone call, email or letter. Some attempts are made by spoofing contact details, others can be because of cyber-attack on the

customer / supplier. The mandatory publication of payment data makes councils particularly vulnerable to bank mandate fraud. Whilst councils have to publish details of invoices paid of £500+, the introduction of the Procurement Act 2023 also now includes a requirement to publish information on payments £25k+ (net) and these will have to be linked to a specific contract.

- 2.17 Another type of fraud here includes 'whaling' where senior council officers are targeted and impersonated to obtain fraudulent payments. There have been increased instances nationally of hackers gaining access to email accounts of suppliers and using them to attempt to commit mandate fraud.
- 2.18 The Council has strong controls in place to prevent this type of fraud including 3-way matching of invoices (order, receipt, payment). Checks are undertaken independently by Creditors in the supplier set up process and for requests for changes to bank details.

Procurement Fraud

- 2.19 This includes any fraud associated with the false procurement of goods and services for an organisation by an internal or external person or organisations in the purchase to pay or post contract procedure, including contract monitoring. The procurement of goods and services often accounts for a significant proportion of expenditure and is open to a wide range of potential fraud risks. This is because there are usually multiple individuals involved in a process who often do not work closely together i.e. the person requesting the contract/goods/service does not work directly with the people who initiate orders and those responsible for paying. Examples include deliberately duplicated invoices or inflated invoices, to deliberate price fixing between rival suppliers.
- 2.20 The Council has robust controls in place including segregation of duties; contracts are put in place as part of a team rather than by any one individual, and any declarations of interest are logged prior to individuals commencing tender evaluations and/or procurement processes. Contracts are put in place through an open and transparent competitive tender process with clear pricing. A system of 3-way matching of invoices (order, receipt, payment) is in place. Introduction to procurement training is delivered as part of the Council's management development programme.

Cyber Fraud

- 2.21 Cyber fraud is any cyber enabled crime. In this case it is used to refer to the extortion of funds from the Council via malware or trojans, denial of service attacks (where council systems are repeatedly bombarded with traffic to crash them or stall them), phishing, and criminal access to internal systems by 3rd parties for electronic data theft or harvesting.
- 2.22 The Council has a very robust set of controls. The Council's Information and Cyber Security Standards provide details of the Council's approach to

information and cyber security. Mandatory annual training is rolled out to all council employees regarding Cyber Crime and GDPR risks.

- 2.23 An annual IT Health check takes place, with regular patching, isolation of vulnerable systems, IT Security and Compliance; end point security and active scanning (Surecloud).
- 2.24 A number of additional measures have been implemented that increase our security, including the deployment of a number of tools from the National Cyber Security Centre. The Council is Public Services Network (PSN) Certified until January 2027. Salford Technical Audit Services will be undertaking a cyber security audit review during 2026/27.

Social care fraud including financial abuse of vulnerable individuals

- 2.25 Social care fraud occurs in the following circumstances:-
- direct payments are not used to pay for the care of a vulnerable adult or child;
 - care workers claim money for time they had not worked;
 - the allocated budget has been spent inappropriately;
 - individuals make false statements and/or try to conceal their funds to avoid paying for residential or community provision;
 - residential homes continue to claim for customers who are no longer in residence (e.g. after they pass away).
- 2.26 The financial abuse of vulnerable individuals is a risk for all councils. Care and support arrangements or guardianship orders (any arrangements where a child or young person is reliant on any individual), may be exploited by individuals for their own purposes. The Council manages care for some vulnerable residents and for several clients administers their financial affairs. Whilst it is unlikely that any Council employee working in these areas would exploit their clients, it remains a risk to be managed and monitored through appropriate internal controls and reporting.
- 2.27 There is a Direct Payments Section within the Revenues and Benefits Service. They risk assess each (adult) case after the first audit, the lower the risk the less frequent the subsequent audit. They also deal with potentially fraudulent claims and chase any monies owed back to the council. There is a similar section within Children's and Young Peoples Services who deal with all direct payments for young people and perform audits on those receiving the payment. The National Fraud Initiative includes matching on direct payments and residential care homes to the deceased list.

Insurance Fraud

- 2.28 Insurance fraud includes any insurance claim that is proved to be false, made against the organisation or the organisation's insurers e.g. for accidents or damage.
- 2.29 Claims are managed in accordance with the Council's insurance procedures and guidance. The Council Insurance Team reviews all claims and obtains

supporting evidence before settlement. Liability claims are managed through the Council's appointed claims handlers and insurers, with claims monitored throughout their lifecycle. Claims information is reconciled between internal records and claims handling systems to identify discrepancies or duplicate claims. Suspicious, exaggerated or potentially fraudulent claims are challenged and investigated before settlement. Claims trends are monitored and emerging risks are reported to relevant services where preventative action may be required.

Payroll and recruitment fraud

- 2.30 Payroll fraud covers a wide range of areas such as ghost employees on the payroll, diversion of payments into fraudulent accounts, employees set up to receive higher salaries than they are entitled to by either grade or hours worked and false overtime or expenses claims.
- 2.31 Exception reports are produced automatically by the payroll system, i.e. errors and warnings which shows critical errors. These are checked before the payroll is processed. Establishment controls are in place including line managers being asked on a twice-yearly basis to complete the mandatory establishment sign off audit form. Monthly and quarterly additional payment reports which include overtime, mileage and honoraria are sent to managers to check.
- 2.32 Recruitment fraud includes applicants providing false CV's, job histories, qualifications, references, immigration status (i.e. the right to work in the UK) or the use of a false identity to hide criminal convictions or immigration status. An increasingly new risk nationally is around staff not disclosing second/overlapping jobs (polygamous working). There is also an emerging risk of AI in recruitment whereby applicants are using technology to generate application forms.
- 2.33 Strong long standing internal controls are applied to the recruitment processes. This includes obtaining DBS checks and enhanced checks where appropriate, references, evidence of qualifications, and right to work in UK.

3. Options considered and recommended proposal

- 3.1 This report is presented to enable the Audit Committee to fulfil its responsibility for ensuring the Council has appropriate arrangements in place for managing the risk of fraud.

4. Consultation on proposal

- 4.1 This section is not applicable to this report.

5. Timetable and Accountability for Implementing this Decision

- 5.1 This section is not applicable to this report. The approval of the Anti-Fraud and Corruption Policy will be taken by an officer executive decision.

6. Financial and Procurement Advice and Implications

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

7. Legal Advice and Implications

- 7.1 There are no legal implications arising from this report.

8. Human Resources Advice and Implications

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

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no immediate implications associated with the proposals.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no immediate implications associated with this report.

11. Implications for CO₂ Emissions and Climate Change

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

12. Implications for Partners

- 12.1 Implementation of the Anti-Fraud and Corruption Strategy will contribute towards ensuring the Council operates and maintains a culture in which fraud and corruption are understood to be unacceptable.

13. Risks and Mitigation

- 13.1 Failure to refresh the Anti-Fraud and corruption initiatives could expose the Council to increased risk of fraud and corruption as new and emerging risks appear.

Accountable Officer(s)

Louise Ivens, Head of Internal Audit

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

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



Anti-Fraud, & Corruption Policy

Contents.

- 1. Introduction.**
- 2. Policy Context.**
- 3. Anti-Fraud and Corruption Policy.**
- 4. How the Council Currently Manages the Risk of Fraud and Corruption.**

Internal Control Environment
Key Controls
Roles and Responsibilities
Policies, Procedures and Controls
Internal Audit Activity
Review

September 2026

1. Introduction.

Context

- 1.1 Fraud affects the UK across all sectors and causes significant harm. The NAFN (National Anti-Fraud Network) Local Authority Counter Fraud Survey 2025 indicates:-
- National picture for the Public Sector is over 3.3m fraud cases, a rise of 12% year over year, with £1.17bn stolen (UK Finance Annual Report).
 - Fraud represents 41% of all criminality affecting an estimated 4m individuals. (NCA National Strategic Assessment 2025).
 - Based on survey returns, Local Government nationally, £265.1m of fraud was detected from 97,917 cases at an average of £2,708 per case.
 - The average value per fraud case has decreased by 41% whilst case volume has risen by 99%. This represents a shift towards high volume low value frauds.
- 1.2 The Council employs around 6788 staff and spends around £784m per year. The Council both commissions and provides a wide range of services to individuals and households, working with a range of many other private and public and voluntary sector organisations. The size and nature of our services, as with any other large organisation, mean that there is an ever-present risk of loss due to fraud and corruption, from sources both internal and external.
- 1.3 RMBC takes a responsible, long-term view of the need to continuously develop anti-fraud initiatives and maintain its culture of anti-fraud awareness.
- 1.4 The Council expects all Councillors, employees, consultants, contractors and service users to be honest, and to provide any information, help and support the Council needs to prevent and detect fraud and corruption.

Links to Strategic Objectives

- 1.5 The Council developed a Council Plan for 2025/2030 and the Cabinet continues to work to ensure Council decisions reflect the concerns of local people and the needs of local communities.
- 1.6 An effective Anti-Fraud and Corruption Policy and Strategy is a critical component of the Council's scrutiny and governance framework and will support partnership objectives to create safe and healthy communities.
- 1.7 The Council recognises that it is important that its policy is deliverable and clearly links to operational considerations. Our approach is articulated in the Council's Anti-Fraud and Corruption Strategy, which is focused on identifying, delivering and monitoring outcomes, and an action plan which includes practical measures which ensures the Council's Policy is turned into practice.

2. Background – Principles of Public Life.

2.1 The Nolan Report relating to the Principles of Public Life published in 1997 defined seven general principles that should underpin public life. These were subsequently incorporated by the Government into the “Relevant Authorities (General Principles) Order 2001”. The Council expects both members and employees to follow these principles when carrying out their roles and responsibilities:-

- **Selflessness.** Holders of public office should act solely in terms of the public interest.
- **Integrity.** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- **Objectivity.** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- **Accountability.** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness.** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty.** Holders of public office should be truthful.
- **Leadership.** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

2.2 The Council is fully committed to ensuring that it carries out its day-to-day operations in accordance with the principles of good Corporate Governance, including integrity, openness and accountability. These principles require a culture within the Council that is based upon honesty, where accountability is clear and where decisions and behaviours can be challenged.

2.3 An Anti-Fraud and Corruption Policy is an essential element of such a culture and signifies the Council’s expectation that elected Members and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

3. Anti-Fraud and Corruption Policy.

3.1 The Council is determined to prevent and eliminate all fraud and corruption affecting itself, regardless of whether the source is internally or externally based. Our strategy to reduce fraud is based on deterrence, prevention, detection, investigation, sanctions and redress within an over-riding anti-fraud

culture. We will promote this culture across all our service areas and within the community as a whole. One pound lost to fraud means one pound less for public services. Fraud is not acceptable and will not be tolerated.

- 3.2 The Council takes a holistic approach to anti-fraud measures. Fraud prevention and system security is an integral part of the development of new systems and ongoing operations. Managers will consider the fraud threats and take advice where appropriate when implementing any financial or operational system.
- 3.3 To achieve this aim the Council will:-
- Identify the procedures to encourage Members, employees and the general public to report any suspicions of fraud and corruption in the knowledge that such reports will be treated confidentially and not result in discrimination against the person providing the information.
 - Identify procedures and policies within the Council to encourage prevention.
 - Promote detection.
 - Determine the procedure for investigation and subsequent actions required following the conclusion of the investigation.
- 3.4 The Policy is designed to supplement existing Council policies and procedures including Financial and Procurement Procedure Rules, Codes of Conduct (Employees and Members) and the Disciplinary Procedure.

4. How the Council Manages the Risk of Fraud and Corruption.

- 4.1 The Council continues to experience a relatively low level of detected fraudulent and corrupt activity. Where such activity has been identified, prompt action has been taken to investigate and seek sanctions and redress. In its policies and procedures, the Council gives out the clear message that it will not tolerate any impropriety by employees, Members, consultants, contractors and service users.
- 4.2 The Council manages the risk of fraud and corruption in a number of ways:-

Internal Control Environment

- 4.3 The Council revises its Constitution annually incorporating responsibilities for decision making and rules of procedure. These procedures, together with detailed Financial and Procurement Procedure Rules, act as the framework for financial control within the Council. All officers are required to act in accordance with these rules and regulations when carrying out their duties.
- 4.4 The Council aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with service managers with support provided by the Council's Internal Audit function.

Key Controls

4.5 Corporate Governance best practice specifies that the following key controls should exist within an Authority committed to the prevention of financial irregularities:

- The Authority has an effective Anti-Fraud and Corruption policy and maintains a culture that will not tolerate fraud or corruption.
- All Members and employees act with integrity and lead by example.
- Senior Managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Authority or who are corrupt.
- High standards of conduct are promoted amongst Members by the Standards Committee, including the provision of advice and relevant training on matters relating to the Code of Conduct.
- A Corporate, electronic Register of Interests is maintained to enable Members and employees to record any financial or non-financial interests that may bring about conflict with the Authority's interests.
- A Corporate, electronic, Register of Gifts and Hospitality is maintained to enable employees to record gifts and hospitality either received, or offered and declined, from the Authority's contractors and suppliers.
- Confidential Reporting ("Whistleblowing") procedures are in place and operate effectively.
- All relevant legislation is adhered to.

The risk of theft, fraud and corruption is specifically considered as part of the Council's risk management processes.

4.6 The Council is fully committed to ensuring that the examples of best practice indicated above are an integral part of its operations.

Roles and Responsibilities

4.7 Members should:

- Be aware of situations of potential conflict of interest and should always declare any interests and the receipt of gifts and hospitality valued in excess of £50 that are in any way related to the performance of their duties as an elected member of the Council. Examples of situations of potential conflict include letting of contracts to external suppliers, planning and land issues. Declarations should be made on the on-line form which is managed centrally by the Member and Civic Support Unit. Members' conduct and decisions should always be seen to be impartial together with an obligation to ensure that confidential information is not improperly disclosed to others.

4.8 Executive Directors will:

- Ensure that all suspected financial irregularities or financial impropriety that are brought to their attention are reported to the Head of Internal Audit.
- Instigate the Authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- Ensure that all Declarations of Interest and entries in the Gifts and Hospitality Register are reviewed (and where applicable, a risk assessment has been undertaken) by Line Managers / Senior Managers.

- Ensure staff dealing with financial systems including cash handling and payment systems (cashier / payroll / creditors etc) are appropriately trained.
- Ensure that as far as possible all new employees, regardless of type of employment contract, have their honesty and integrity verified by authenticated written references and qualifications checks. In circumstances where potential employees are working with children and vulnerable members of society that Disclosure and Barring Service [DBS] checks are undertaken.

4.9 The Head of Internal Audit will:

- Develop and maintain an Anti-Fraud and Corruption Policy and Strategy.
- Evaluate and give an annual opinion on the adequacy and effectiveness of internal control arrangements.

4.10 Employees should:

- Always be alert to the possibility of theft, fraud and corruption occurring in the workplace and be aware of the mechanisms available for reporting such issues to management within the Authority.
- Comply with the Council's Code of Official Conduct together with any additional code relating to their professional qualifications.
- Act in accordance with Financial and Procurement Procedure Rules. Declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the Council. Both the Register of Interests and Gifts and Hospitality Register are electronic and they are managed corporately.

Policies, Procedures and Codes

4.11 This Policy is designed to supplement existing Council policies, which form the key building block in the Council's anti-fraud and corruption governance arrangements:

- Financial and Procurement Procedure Rules
- Anti-Money Laundering Policy
- Whistleblowing and Serious Misconduct Policy
- Employee Code of Conduct
- Members Code of Conduct.
- Regulation of Investigatory Powers Act Policy

4.12 These policies provide a framework within which the organisation operates. Having clear policies ensures clarity about the appropriate course of action in any given event. The policies ensure that a consistent and fair approach is taken during any investigations regarding suspected fraud or corruption; this is of particular importance where referral to the Police and Crown Prosecution Services is deemed appropriate.

Internal Audit Activity

- 4.13 The audit plan provides for reviews of financial and management systems, whether computerised or manual, on a risk assessed basis. Auditors are required to always be alert to the risk of fraud in all their work.
- 4.14 The plan includes provision for Anti-Fraud proactive work and investigations into suspected fraud to be carried out.
- 4.15 Internal Audit co-ordinates the National Fraud Initiative (NFI) exercise within RMBC. This is a biennial data-matching exercise that helps detect and prevent fraud and overpayments from the public purse across the UK. The NFI matches data across organisations and systems to help public bodies identify fraud and overpayments. In addition, there are annual exercises examining the Electoral Roll and Single Person Discounts.
- 4.16 Internal Audit meet with other South and West Yorkshire local authorities to share information on fraud risks and best practice.

Review

- 4.17 The Council's arrangements are kept up to date by checking against best practice guidance including the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption and Fighting Fraud and Corruption Locally.



Anti-Fraud & Corruption Strategy

A guide to the Council's approach to preventing fraud and corruption and investigating any suspected cases.

September 2026

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2. What is Fraud and Corruption?

Fraud

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Corruption

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3. Objectives of the Strategy

4. Keeping Ahead

5. Reporting of Suspected Fraud and Corruption

6. Whistleblowing Arrangements

7. Investigation of Suspected Fraud and Corruption

1. Purpose and Objectives of this Document.

- 1.1 The purpose of this document is to outline the strategy for counter fraud and corruption work within RMBC. Whilst the term 'anti-fraud' is used in the document, the strategy also covers anti-theft and anti-corruption measures, including bribery.
- 1.2 The key objectives of this anti-fraud strategy are to maintain minimal losses through fraud and corruption and embed the management of fraud risk within the culture of the organisation. These objectives will be achieved by ongoing revision and implementation of a plan of action, based on a fraud self-assessment against the Fighting Fraud and Corruption Locally checklist.

2. What is Fraud and Corruption?

Fraud

- 2.1 The Fraud Act 2006 came into force on 15th January 2007 as a response to the recommendations of the Law Commission Report 'Fraud' published in 2002. The Act repeals the deception offences enshrined in the 1968 and 1978 Theft Acts and replaces them with a single offence of fraud which can be committed in three separate ways: -

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

The Act also created four new offences of: -

- Possession of articles for use in fraud.
- Making or supplying articles for use in fraud.
- Obtaining services dishonestly.
- Participating in fraudulent business.

- 2.2 CIPFA defines fraud as "the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain".

Theft

- 2.3 Theft is defined in the 1968 Theft Act:-

'A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.

Corruption

- 2.4 The HM Government Anti-Corruption Strategy states that there is no universally accepted definition of corruption, but it is generally understood to involve the abuse of office and position to benefit a third party (an individual, business or other organisation), in return for payment or other reward. These features are captured in Transparency International's definition: *"The misuse of entrusted power for personal gain."*

Bribery

2.5 A bribe is:

“A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity” [CIPFA].

2.6 The Bribery Act 2010 replaced the common law offences of offering or accepting a bribe with two statutory offences (S1 and S2). The Act also created two further offences: namely that of bribing or attempting to bribe a foreign official (S6) and being a commercial organisation failing to prevent bribery (S7). An S7 offence can only be committed by a commercial organisation.

2.7 The ‘Corruption Acts 1889 to 1916’ were repealed in their entirety. Wider offences were created by the Act which mean that the more specific offences created by the old Acts serve no practical purpose. Other statutes less relevant to Local Authorities were repealed or amended by the Act and a full list is in one of the schedules of the Act.

3. Objectives of the Strategy

3.1 The Council’s objectives for its Anti-Fraud and Corruption Strategy are to maintain minimal losses through fraud and corruption and further embed management of fraud risk within the culture of the organisation. The intention is to achieve this by implementing the CIPFA Code of Practice for Managing the Risk of Fraud and Corruption which states that the foundations of an effective anti-fraud framework comprise five key elements:

- Acknowledge the responsibility for counter fraud and corruption.
- Identify the fraud and corruption risks.
- Develop an appropriate counter fraud and corruption strategy.
- Provide resources to implement the strategy.
- Take action in response to fraud and corruption.

3.2 Internal Audit completes an annual self-assessment against the CIPFA supported Fighting Fraud & Corruption checklist. A fraud and corruption action plan is then produced to indicate actions that will be taken to ensure compliance with the checklist. Completion of the self-assessment exercise helps the Council demonstrate substantial compliance with best practice, as well as providing a framework upon which to further develop its Anti-Fraud and Corruption Strategy.

4. Keeping Ahead

- 4.1 In order to try and stay one step ahead of the fraud to which the Council may be exposed, it is necessary to undertake a regular review of national developments and strengthen systems and procedures. Key sources of information that are used to inform the ongoing continuous improvement of the Anti-Fraud Strategy are:
- National Audit Office Publications
 - HM Treasury Publications
 - National Anti-Fraud Network
 - South and West Yorkshire Fraud Group.
- 4.2 The Council takes part in the National Fraud Initiative, as required under Part 6 of the Local Audit and Accountability Act 2014. This involves submitting data from the Council's systems to the Public Sector Fraud Authority, where it is matched against data from other public bodies to help detect potential fraud.
- 4.3 The Public Sector Fraud Authority returns matched data to the Council, which is then reviewed to identify and address any instances of fraud, overpayment or error.

5. Reporting of Suspected Fraud and Corruption

- 5.1 This strategy is incorporated into all employees' terms of employment and specified in Appendix 5a of the Employees Code of Official Conduct.
- 5.2 Anyone who suspects a fraud in the workplace, including fraud perpetrated by Council contractors, or who receives information from an external source regarding fraud, should **make an immediate note of all relevant details, including:**
- ✓ The date and time of the event.
 - ✓ A record of conversations relating to the issue (including telephone conversations).
 - ✓ The names of persons present (or description if the name is not known).
 - ✓ Other details as appropriate, for example for vehicles the type, colour, registration etc.

They should also:

- ✓ Report any suspicions as rapidly as possible together with the relevant details to an appropriate level of authority and experience. This can either be
 - a line manager **OR**
 - the Internal Audit Service on Ext 23282 **OR**
 - the s151 Officer on Ext 22046 **OR**
 - the Head of Legal Services on Ext 23661 **OR**
 - the Chief Executive on Ext 22770.

Alternatively, any suspicions may be put in writing to the **Head of Internal Audit, Riverside House, Main Street, Rotherham, S60 1AE**, with the envelope marked **"CONFIDENTIAL – TO BE OPENED BY THE ADDRESSEE ONLY"**.

Anyone suspecting fraud **should not:**

- ✗ Confront or accuse any suspected culprit directly.
- ✗ Try to investigate the matter themselves.
- ✗ Discuss their suspicions with anyone else other than the appropriate level of authority
- ✗ Be afraid to report a matter on the basis that any suspicions may be groundless; all reports will be treated on the basis that they are made in good faith.

6. Whistleblowing Arrangements

- 6.1 The best fraud fighters are the staff and clients of local authorities. To ensure that they are supported to do the right thing, a comprehensive, management led, anti-fraud and corruption culture needs to be maintained, including clear whistleblowing arrangements. The Council has a Whistleblowing and Serious Misconduct Policy which includes details of a confidential email address and phone hotline, so that staff can report any concerns.
- 6.2 A person who wishes to report a suspected serious wrongdoing under the whistleblowing policy should do so by:-

E-mail to: whistleblowing@rotherham.gov.uk

Telephone: Whistleblowing Hotline 01709 822400 where a recorded message can be left.

Post to:- Whistleblowing,
c/o Head of Legal Services,
Rotherham Metropolitan Borough Council,
Riverside House,
Main Street,
ROTHERHAM
S60 1AE

Setting out the following information:-

- Name: (unless they wish to be anonymous)
- Contact details (unless they wish to be anonymous)
- Details of who has committed the alleged serious wrongdoing
- Details regarding the nature of the alleged serious wrongdoing

Alternatively, a person wishing to report any suspected wrong doing may contact any of the four Whistleblowing Officers who are:

- Head of Legal Services – Bal Nahal Tel: 01709 823661,
bal.nahal@rotherham.gov.uk
- S151 Officer – Judith Badger Tel: 01709 822046,
judith.badger@rotherham.gov.uk

- Head of Internal Audit – Louise Ivens Tel: 01709 823282, louise.iven@rotherham.gov.uk
- Service Director Human Resources & Organisational Development – Lynsey Linton Tel: 01709 914290, lynsey.linton@rotherham.gov.uk

The Whistleblowing Officers are responsible for the oversight and operation of the Whistleblowing Policy, once a disclosure has been received by the Council.

Further, a person wishing to report any suspected wrongdoing may do so by contacting the Chief Executive as below, providing the information as set out above:

- Chief Executive – Tel: 01709 822770
- 6.3 Council employees are also entitled to make a Protected Disclosure, under the Council's Whistleblowing Policy, through their manager, if they feel confident in approaching their manager to report a concern or allegation of serious wrongdoing that falls under this policy. The manager must follow confidentiality protocols, and must, as soon as possible, and no later than 2 working days after receiving the Protected Disclosure, make a note of the disclosure in accordance with 5.2 above. Confirmation should be sent to the employee concerned, in writing or email, that this matter has been recorded.
- 6.4 The Council prefers anyone raising any suspicions not to provide information anonymously as it may be necessary to contact them to ask if they can provide further information. However, all anonymous information that is received will be investigated and all reported suspicions will be dealt with sensitively and confidentially.
- 6.5 In the event that an employee does not feel comfortable in making a disclosure internally to Council officers, they are entitled to also make a Protected Disclosure in a number of other different ways:-
- Local Councillors - Details of how to contact them and surgery hours are on the Council's website www.rotherham.gov.uk;
 - Grant Thornton - the Council's External Auditors. They are completely independent from the Council and can be contacted on 0113 245 5514 or by writing to them at:-

Grant Thornton UK LLP,
11th Floor Landmark St. Peter's Square
1 Oxford Street
Manchester
M1 4PB
- Relevant professional bodies;
 - Solicitors;
 - South Yorkshire Police - Telephone: 101;
 - PROTECT - An independent authority which seeks to ensure that concerns about malpractice are properly raised and addressed in the workplace. PROTECT can provide confidential advice at any stage about how to raise a concern about fraud or other serious malpractice in the workplace. PROTECT

can be contacted by telephone on 020 3117 2520. Contact details are on their website at <https://protect-advice.org.uk/>

- By contacting the relevant prescribed person on the list at:
[Whistleblowing: list of prescribed people and bodies - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/whistleblowing-list-of-prescribed-people-and-bodies)

- 6.6 Concerns about a child safeguarding issue, e.g. that a child may have suffered harm, neglect or abuse, can be reported to the Children's Social Care Service on 01709 336080; or in an emergency contact South Yorkshire Police direct.
- 6.7 Adult safeguarding concerns can be reported to the Adult Care Service on 01709 822330, or in an emergency contact South Yorkshire Police direct.

7. Investigation of Suspected Fraud and Corruption

- 7.1 The responsibility for the prevention of fraud, other irregularities and error rests with management. Internal Audit is responsible for reporting to management on areas of weakness and deficiencies in internal controls and financial systems, together with investigating circumstances where occurrence of fraud is suspected.
- 7.2 Once management has discovered, or suspected, a fraud Internal Audit should be notified immediately.
- 7.3 When Internal Audit discovers or suspects a fraud, management of the relevant department will be contacted to discuss and agree on how the matter will be investigated. The Executive Director Corporate Services will be notified of all frauds and the Chief Executive briefed regarding significant issues.
- 7.4 Where the matter involves employees of the Council it will be necessary to tie the investigation into the Council's Disciplinary Procedure and it will be appropriate to consult with a Human Resource Service Manager to discuss procedures for possible suspension of the employee pending further investigation.
- 7.5 Members shall be informed of any investigation into Council affairs that requires reporting to the External Auditor as soon as is practical without prejudicing the investigation.
- 7.6 The objectives of any investigation shall be to:
- ✓ Prove or disprove the original suspicions of fraud.
 - ✓ Provide evidence in an appropriate format to substantiate proven cases of fraud.
 - ✓ Implement appropriate controls to prevent a recurrence of the incident.
- 7.7 The investigation should be conducted by Internal Audit in conjunction with management of the department in the following manner:
- ✓ Secrecy and confidentiality shall be maintained at all times.
 - ✓ An early decision may be required, in consultation with Human Resources, on whether to suspend an employee to ensure evidence is not tampered with,

subject to the proviso that the suspension does not prejudice the outcome of the investigation.

- ✓ All documentation and evidence that is relevant to the investigation should be requisitioned and secured at an early stage by either management or Internal Audit. Evidence and relevant information should be properly documented, considered and evaluated and returned on the conclusion of the investigation.

7.8 Interviews with potential perpetrators of fraud will normally be held both at the beginning and at the end of an investigation. However, this procedure may be subject to alteration dependent upon circumstances. Interviews will be held in accordance with the Council's disciplinary procedure and, in cases where the person(s) under investigation are employees of the Council, they will be allowed to have a work colleague, friend, or trade union representative present.

7.9 Once a decision has been reached after interviewing the suspect, the following further matters will need to be considered:

- Involvement of Police: the Council should always have a consistent and fair approach to the involvement of the Police in proven cases of fraud and corruption. The question of Police involvement should be discussed by the relevant Executive Director, the Executive Director Corporate Services, the Head of Internal Audit and the Service Director Human Resources & Operational Development. The Chief Executive should then be informed of the decision reached. In appropriate cases the Police will be notified, in order for them to investigate and determine with the Crown Prosecution Service whether any prosecution will take place.
- Informing the External Auditor: the External Auditor should always be informed of the outcome of all fraud investigations as required to fulfil their role relating to fraud.
- Review of Systems - where a fraud has occurred because of weaknesses in existing systems, then steps must be taken to remedy the problem to prevent recurrence.
- Insurance / Recovery of Losses incurred: Chief Officers shall take appropriate action to ensure that the losses incurred by the Council are minimised including:
 - (i) Recovering losses directly from the perpetrator of the fraud.
 - (ii) Recovery from an employee's contributions to the Superannuation Fund, where appropriate.
 - (iii) Claiming against the Council's insurance policy.

7.10 Attempts of cyber-crime or fraud by organised criminals are investigated nationally by the Police and reported to Action Fraud by Internal Audit. Action Fraud Alerts are provided to the Council by the National Fraud Intelligence Bureau which is run by the City of London Police as a national service.

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Anti-Fraud, & Corruption Policy

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- 2. Policy Context.**
- 3. Anti-Fraud and Corruption Policy.**
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1. Introduction.

Context

1.1 Fraud affects the UK across all sectors and causes significant harm. The NAFN (National Anti-Fraud Network) Local Authority Counter Fraud Survey 2025 indicates:-

- National picture for the Public Sector is over 3.3m fraud cases, a rise of 12% year over year, with £1.17bn stolen (UK Finance Annual Report).
- Fraud represents 41% of all criminality affecting an estimated 4m individuals. (NCA National Strategic Assessment 2025).
- Based on survey returns, Local Government nationally, £265.1m of fraud was detected from 97,917 cases at an average of £2,708 per case.
- The average value per fraud case has decreased by 41% whilst case volume has risen by 99%. This represents a shift towards high volume low value frauds. The Annual Fraud Indicator 2023 published by Peters & Peters Solicitors in conjunction with national audit, tax advisory and risk firm Crowe and the University of Portsmouth Centre for Cybercrime and economic Crime, indicated:-

Private sector losses are estimated at £157.8 billion, from just £14 billion in 2017

Public sector fraud losses amount to about £50.2 billion

Frauds committed directly against individuals, including marketing fraud and identity fraud, is around £8.3 billion

The total cost of fraud has risen from about £190 billion in 2017 to almost £219 billion in 2023.

1.2 The Council employs around 6788 6800 staff and spends around £784m £849m per year. The Council both commissions and provides a wide range of services to individuals and households, working with a range of many other private and public and voluntary sector organisations. The size and nature of our services, as with any other large organisation, mean that there is an ever-present risk of loss due to fraud and corruption, from sources both internal and external.

1.3 RMBC takes a responsible, long-term view of the need to continuously develop anti-fraud initiatives and maintain its culture of anti-fraud awareness.

1.4 The Council expects all Councillors, employees, consultants, contractors and service users to be honest, and to provide any information, help and support the Council needs to prevent and detect fraud and corruption.

Links to Strategic Objectives

1.5 The Council developed a Council Plan for 2025/2030 and the Cabinet continues to work to ensure Council decisions reflect the concerns of local people and the needs of local communities.

- 1.6 An effective Anti-Fraud and Corruption Policy and Strategy is a critical component of the Council's scrutiny and governance framework and will support partnership objectives to create safe and healthy communities.
- 1.7 The Council recognises that it is important that its policy is deliverable and clearly links to operational considerations. Our approach is articulated in the Council's Anti-Fraud and Corruption Strategy, which is focused on identifying, delivering and monitoring outcomes, and an action plan which includes practical measures which ensures the Council's Policy is turned into practice.

2. Background – Principles of Public Life.

- 2.1 The Nolan Report relating to the Principles of Public Life published in 1997 defined seven general principles that should underpin public life. These were subsequently incorporated by the Government into the "Relevant Authorities (General Principles) Order 2001". The Council expects both members and employees to follow these principles when carrying out their roles and responsibilities:-
 - **Selflessness.** Holders of public office should act solely in terms of the public interest.
 - **Integrity.** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
 - **Objectivity.** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
 - **Accountability.** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
 - **Openness.** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
 - **Honesty.** Holders of public office should be truthful.
 - **Leadership.** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.
- 2.2 The Council is fully committed to ensuring that it carries out its day-to-day operations in accordance with the principles of good Corporate Governance, including integrity, openness and accountability. These principles require a

culture within the Council that is based upon honesty, where accountability is clear and where decisions and behaviours can be challenged.

- 2.3 An Anti-Fraud and Corruption Policy is an essential element of such a culture and signifies the Council's expectation that elected Members and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

3. Anti-Fraud and Corruption Policy.

- 3.1 The Council is determined to prevent and eliminate all fraud and corruption affecting itself, regardless of whether the source is internally or externally based. Our strategy to reduce fraud is based on deterrence, prevention, detection, investigation, sanctions and redress within an over-riding anti-fraud culture. We will promote this culture across all our service areas and within the community as a whole. One pound lost to fraud means one pound less for public services. Fraud is not acceptable and will not be tolerated.
- 3.2 The Council takes a holistic approach to anti-fraud measures. Fraud prevention and system security is an integral part of the development of new systems and ongoing operations. Managers will consider the fraud threats and take advice where appropriate when implementing any financial or operational system.
- 3.3 To achieve this aim the Council will:-
- Identify the procedures to encourage Members, employees and the general public to report any suspicions of fraud and corruption in the knowledge that such reports will be treated confidentially and not result in discrimination against the person providing the information.
 - Identify procedures and policies within the Council to encourage prevention.
 - Promote detection.
 - Determine the procedure for investigation and subsequent actions required following the conclusion of the investigation.
- 3.4 The Policy is designed to supplement existing Council policies and procedures including Financial and Procurement Procedure Rules, Codes of Conduct (Employees and Members) and the Disciplinary Procedure.

4. How the Council Manages the Risk of Fraud and Corruption.

- 4.1 The Council continues to experience a relatively low level of detected fraudulent and corrupt activity. Where such activity has been identified, prompt action has been taken to investigate and seek sanctions and redress. In its policies and procedures, the Council gives out the clear message that it will not tolerate any impropriety by employees, Members, consultants, contractors and service users.
- 4.2 The Council manages the risk of fraud and corruption in a number of ways:-

Internal Control Environment

- 4.3 The Council revises its Constitution annually incorporating responsibilities for decision making and rules of procedure. These procedures, together with detailed Financial and Procurement Procedure Rules, act as the framework for financial control within the Council. All officers are required to act in accordance with these rules and regulations when carrying out their duties.
- 4.4 The Council aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with service managers with support provided by the Council's Internal Audit function.

Key Controls

- 4.5 Corporate Governance best practice specifies that the following key controls should exist within an Authority committed to the prevention of financial irregularities:
- The Authority has an effective Anti-Fraud and Corruption policy and maintains a culture that will not tolerate fraud or corruption.
 - All Members and employees act with integrity and lead by example.
 - Senior Managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Authority or who are corrupt.
 - High standards of conduct are promoted amongst Members by the Standards Committee, including the provision of advice and relevant training on matters relating to the Code of Conduct.
 - A Corporate, electronic Register of Interests is maintained to enable Members and employees to record any financial or non-financial interests that may bring about conflict with the Authority's interests.
 - A Corporate, electronic, Register of Gifts and Hospitality is maintained to enable employees to record gifts and hospitality either received, or offered and declined, from the Authority's contractors and suppliers.
 - Confidential Reporting ("Whistleblowing") procedures are in place and operate effectively.
 - All relevant legislation is adhered to.

The risk of theft, fraud and corruption is specifically considered as part of the Council's risk management processes.

- 4.6 The Council is fully committed to ensuring that the examples of best practice indicated above are an integral part of its operations.

Roles and Responsibilities

- 4.7 Members should:
- Be aware of situations of potential conflict of interest and should always declare any interests and ~~also~~ the receipt of gifts and hospitality valued in

excess of £50 that are in any way related to the performance of their duties as an elected member of the Council. Examples of situations of potential conflict include letting of contracts to external suppliers, planning and land issues. Declarations should be made on the on-line form which is managed centrally by the [Member and Civic Support Corporate Support](#) Unit. Members' conduct and decisions should always be seen to be impartial together with an obligation to ensure that confidential information is not improperly disclosed to others.

4.8 [Executive Strategic](#) Directors will:

- Ensure that all suspected financial irregularities or financial impropriety that are brought to their attention are reported to the Head of Internal Audit.
- Instigate the Authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- Ensure that all Declarations of Interest and entries in the Gifts and Hospitality Register are reviewed (and where applicable, a risk assessment has been undertaken) by Line Managers / Senior Managers.
- Ensure staff dealing with financial systems including cash handling and payment systems (cashier / payroll / creditors etc) are appropriately trained.
- Ensure that as far as possible all new employees, regardless of type of employment contract, have their honesty and integrity verified by authenticated written references and qualifications checks. In circumstances where potential employees are working with children and vulnerable members of society that Disclosure and Barring Service [DBS] checks are undertaken.

4.9 The Head of Internal Audit will:

- Develop and maintain an Anti-Fraud and Corruption Policy and Strategy.
- [Evaluate](#) and give an annual opinion on the adequacy and effectiveness of internal control arrangements.

4.10 Employees should:

- Always be alert to the possibility of theft, fraud and corruption occurring in the workplace and be aware of the mechanisms available for reporting such issues to management within the Authority.
- Comply with the Council's Code of Official Conduct together with any additional code relating to their professional qualifications.
- Act in accordance with Financial and Procurement Procedure Rules. Declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the Council. Both the Register of Interests and Gifts and Hospitality Register are electronic and they are managed corporately.

Policies, Procedures and Codes

4.11 This Policy is designed to supplement existing Council policies, which form the key building block in the Council's anti-fraud and corruption governance arrangements:

- Financial and Procurement Procedure Rules
- Anti-Money Laundering Policy
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Anti-Fraud & Corruption Strategy

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September 2025⁵⁶

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The Act also created four new offences of: -

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- Making or supplying articles for use in fraud.
- Obtaining services dishonestly.
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“A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity” [CIPFA].

2.6 The Bribery Act 2010 replaced the common law offences of offering or accepting a bribe with two statutory offences (S1 and S2). The Act also created two further offences: namely that of bribing or attempting to bribe a foreign official (S6) and being a commercial organisation failing to prevent bribery (S7). An S7 offence can only be committed by a commercial organisation.

2.7 The ‘Corruption Acts 1889 to 1916’ were repealed in their entirety. Wider offences were created by the Act which mean that the more specific offences created by the old Acts serve no practical purpose. Other statutes less relevant to Local Authorities were repealed or amended by the Act and a full list is in one of the schedules of the Act.

3. Objectives of the Strategy

3.1 The Council’s objectives for its Anti-Fraud and Corruption Strategy are to maintain minimal losses through fraud and corruption and further embed management of fraud risk within the culture of the organisation. The intention is to achieve this by implementing the CIPFA Code of Practice for Managing the Risk of Fraud and Corruption which states that the foundations of an effective anti-fraud framework comprise five key elements:

- Acknowledge the responsibility for counter fraud and corruption.
- Identify the fraud and corruption risks.
- Develop an appropriate counter fraud and corruption strategy.
- Provide resources to implement the strategy.
- Take action in response to fraud and corruption.

3.2 Internal Audit completes an annual self-assessment against the CIPFA supported Fighting Fraud & Corruption checklist. A fraud and corruption action plan is then produced to indicate actions that will be taken to ensure compliance with the checklist. Completion of the self-assessment exercise helps the Council demonstrate substantial compliance with best practice, as well as providing a framework upon which to further develop its Anti-Fraud and Corruption Strategy.

4. Keeping Ahead

- 4.1 In order to try and stay one step ahead of the fraud to which the Council may be exposed, it is necessary to undertake a regular review of national developments and strengthen systems and procedures. Key sources of information that are used to inform the ongoing continuous improvement of the Anti-Fraud Strategy are:
- National Audit Office Publications
 - HM Treasury Publications
 - National Anti-Fraud Network
 - South and West Yorkshire Fraud Group.
- 4.2 The Council takes part in the National Fraud Initiative, as required under Part 6 of the Local Audit and Accountability Act 2014. This involves submitting data from the Council's systems to the Public Sector Fraud Authority, where it is matched against data from other public bodies to help detect potential fraud.
- 4.3 The Public Sector Fraud Authority returns matched data to the Council, which is then reviewed to identify and address any instances of fraud, overpayment or error.

5. Reporting of Suspected Fraud and Corruption

- 5.1 This strategy is incorporated into all employees' terms of employment and specified in Appendix 5a of the Employees Code of Official Conduct.
- 5.2 Anyone who suspects a fraud in the workplace, including fraud perpetrated by Council contractors, or who receives information from an external source regarding fraud, should **make an immediate note of all relevant details, including:**
- ✓ The date and time of the event.
 - ✓ A record of conversations relating to the issue (including telephone conversations).
 - ✓ The names of persons present (or description if the name is not known).
 - ✓ Other details as appropriate, for example for vehicles the type, colour, registration etc.

They should also:

- ✓ Report any suspicions as rapidly as possible together with the relevant details to an appropriate level of authority and experience. This can either be
 - a line manager **OR**
 - the Internal Audit Service on Ext 23282 **OR**
 - the s151 Officer on Ext 22046 **OR**
 - the Head of Legal Services on Ext 23661 **OR**
 - the Chief Executive on Ext 22770.

Alternatively, any suspicions may be put in writing to the **Head of Internal Audit, Riverside House, Main Street, Rotherham, S60 1AE**, with the envelope marked **"CONFIDENTIAL – TO BE OPENED BY THE ADDRESSEE ONLY"**.

Anyone suspecting fraud **should not:**

- ✗ Confront or accuse any suspected culprit directly.
- ✗ Try to investigate the matter themselves.
- ✗ Discuss their suspicions with anyone else other than the appropriate level of authority
- ✗ Be afraid to report a matter on the basis that any suspicions may be groundless; all reports will be treated on the basis that they are made in good faith.

6. Whistleblowing Arrangements

- 6.1 The best fraud fighters are the staff and clients of local authorities. To ensure that they are supported to do the right thing, a comprehensive, management led, anti-fraud and corruption culture needs to be maintained, including clear whistleblowing arrangements. The Council has a Whistleblowing and Serious Misconduct Policy which includes details of a confidential email address and phone hotline, so that staff can report any concerns.
- 6.2 A person who wishes to report a suspected serious wrongdoing under the whistleblowing policy should do so by:-

E-mail to: whistleblowing@rotherham.gov.uk

Telephone: Whistleblowing Hotline 01709 822400 where a recorded message can be left.

Post to:- Whistleblowing,
c/o Head of Legal Services,
Rotherham Metropolitan Borough Council,
Riverside House,
Main Street,
ROTHERHAM
S60 1AE

Setting out the following information:-

- Name: (unless they wish to be anonymous)
- Contact details (unless they wish to be anonymous)
- Details of wWho has committed the alleged serious wrongdoing?
- Details regarding ~~What is~~ the nature of the alleged serious wrongdoing?

Alternatively, a person wishing to report any suspected wrong doing may contact any of the four Whistleblowing Officers who are:

- Head of Legal Services – Bal Nahal Tel: 01709 823661,
bal.nahal@rotherham.gov.uk
- S151 Officer – Judith Badger Tel: 01709 822046,
judith.badger@rotherham.gov.uk

- Head of Internal Audit – Louise Ivens Tel: 01709 823282, louise.iven@rotherham.gov.uk
- ~~Service Director Human Resources & Organisational Development – Lynsey Linton Tel: 01709 914290, Assistant Director of Human Resources,~~
lynsey.linton@rotherham.gov.uk

The Whistleblowing Officers are responsible for the oversight and operation of the Whistleblowing Policy, once a disclosure has been received by the Council.

Further, a person wishing to report any suspected wrongdoing may do so by contacting the Chief Executive as below, providing the information as set out above:

- Chief Executive – Tel: 01709 822770

6.3 Council employees are also entitled to make a Protected Disclosure, under the Council's Whistleblowing Policy, through their manager, if they feel confident in approaching their manager to report a concern or allegation of serious wrongdoing that falls under this policy. The manager must follow ~~the obligation of confidentiality protocols, and but~~ must, as soon as possible, and no later than 2 working days after receiving the Protected Disclosure, ~~make a note of log~~ the disclosure in accordance with 5.2 above, ~~and then e~~Confirmation should be sent to the employee concerned, in writing or email, that this matter has been recorded.

6.4 The Council prefers anyone raising any suspicions not to provide information anonymously as it may be necessary ~~to contact them to ask if they can~~ ~~for them to~~ provide further information. However, all anonymous information that is received will be investigated ~~and~~ ~~All~~ reported suspicions will be dealt with sensitively and confidentially.

6.5 In the event that an employee does not feel comfortable in making a disclosure internally to Council officers, they are entitled to also make a Protected Disclosure in a number of other different ways:-

- Local Councillors - Details of how to contact them and surgery hours are on the Council's website www.rotherham.gov.uk;
- Grant Thornton - the Council's External Auditors. They are completely independent from the Council and can be contacted on 0113 245 5514 or by writing to them at:-

Grant Thornton UK LLP,
~~No 1 Whitehall Riverside~~
~~Whitehall Road~~
~~Leeds~~
~~LS1 4BN~~
11th Floor Landmark St. Peter's Square
1 Oxford Street
Manchester
M1 4PB

- Relevant professional bodies;
- Solicitors;
- South Yorkshire Police - Telephone: 101;

- PROTECT - An independent authority which seeks to ensure that concerns about malpractice are properly raised and addressed in the workplace. PROTECT can provide confidential advice at any stage about how to raise a concern about fraud or other serious malpractice in the workplace. PROTECT can be contacted by telephone on 020 3117 2520. Contact details are on their website at <https://protect-advice.org.uk/>
 - By contacting the relevant prescribed person on the list at:
[Whistleblowing: list of prescribed people and bodies - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/whistleblowing-list-of-prescribed-people-and-bodies)
- 6.6 Concerns about a child safeguarding issue, e.g. that a child may have suffered harm, neglect or abuse, can be reported to the Children's Social Care Service on 01709 336080; or in an emergency contact South Yorkshire Police direct.
- 6.7 Adult safeguarding concerns can be reported to the Adult Care Service on 01709 822330, or in an emergency contact South Yorkshire Police direct.

7. Investigation of Suspected Fraud and Corruption

- 7.1 The responsibility for the prevention of fraud, other irregularities and error rests with management. Internal Audit is responsible for reporting to management on areas of weakness and deficiencies in internal controls and financial systems, together with investigating circumstances where occurrence of fraud is suspected.
- 7.2 Once management has discovered, or suspected, a fraud Internal Audit should be notified immediately.
- 7.3 When Internal Audit discovers or suspects a fraud, management of the relevant department will be contacted to discuss and agree on how the matter will be investigated. The ~~Executive Strategic~~ Director Corporate Services Finance and Customer Services will be notified of all frauds and the Chief Executive briefed regarding significant issues.
- 7.4 Where the matter involves employees of the Council it will be necessary to tie the investigation into the Council's Disciplinary Procedure and it will be appropriate to consult with a Human Resource Service Manager to discuss procedures for possible suspension of the employee pending further investigation.
- 7.5 Members shall be informed of any investigation into Council affairs that requires reporting to the External Auditor as soon as is practical without prejudicing the investigation.
- 7.6 The objectives of any investigation shall be to:
- ✓ Prove or disprove the original suspicions of fraud.
 - ✓ Provide evidence in an appropriate format to substantiate proven cases of fraud.
 - ✓ Implement appropriate controls to prevent a recurrence of the incident.
- 7.7 The investigation should be conducted by Internal Audit in conjunction with management of the department in the following manner:

- ✓ Secrecy and confidentiality shall be maintained at all times.
- ✓ An early decision may be required, in consultation with Human Resources, on whether to suspend an employee to ensure evidence is not tampered with, subject to the proviso that the suspension does not prejudice the outcome of the investigation.
- ✓ All documentation and evidence that is relevant to the investigation should be requisitioned and secured at an early stage by either management or Internal Audit. Evidence and relevant information should be properly documented, considered and evaluated and returned on the conclusion of the investigation.

7.8 Interviews with potential perpetrators of fraud will normally be held both at the beginning and at the end of an investigation. However, this procedure may be subject to alteration dependent upon circumstances. Interviews will be held in accordance with the Council's disciplinary procedure and, in cases where the person(s) under investigation are employees of the Council, they will be allowed to have a work colleague, friend, or trade union representative present.

7.9 Once a decision has been reached after interviewing the suspect, the following further matters will need to be considered:

- Involvement of Police: the Council should always have a consistent and fair approach to the involvement of the Police in proven cases of fraud and corruption. The question of Police involvement should be discussed by the relevant ~~Executive Strategic~~ Director, the ~~Executive Strategic~~ Director ~~Corporate Finance and Customer~~ Services, the Head of Internal Audit and the ~~Service Director Human Resources & Operational Development~~ Assistant Director ~~HR and OD~~. The Chief Executive should then be informed of the decision reached. In appropriate cases the Police will be notified, in order for them to investigate and determine with the Crown Prosecution Service whether any prosecution will take place.
- Informing the External Auditor: the External Auditor should always be informed of the outcome of all fraud investigations as required to fulfil their role relating to fraud.
- Review of Systems - where a fraud has occurred ~~as a result of~~ because of weaknesses in existing systems, then steps must be taken to remedy the problem to prevent recurrence.
- Insurance / Recovery of Losses incurred: Chief Officers shall take appropriate action to ensure that the losses incurred by the Council are minimised including:
 - (i) Recovering losses directly from the perpetrator of the fraud.
 - (ii) Recovery from an employee's contributions to the Superannuation Fund, where appropriate.
 - (iii) Claiming against the Council's insurance policy.

7.10 Attempts of cyber-crime or fraud by organised criminals are investigated nationally by the Police and reported to Action Fraud by Internal Audit. Action Fraud Alerts ~~s are~~ is provided to the Council by the National Fraud Intelligence Bureau which is run by the City of London Police as a national service.

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Self-Assessment against the Fighting Fraud and Corruption Locally Checklist (FFCL) 2026/27

	Checklist	Details of Compliance
1	The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members.	The fraud risk assessment has been updated and discussed at the risk champions meeting and with relevant members of staff. This sets out the mitigating actions and assurances through various mechanisms, for example those routine controls operated by directorates in addition to Internal Audits and the National Fraud Initiative etc. Areas for enhancement include using data analytics to identify potential fraud and further engagement with services in identifying, assessing and mitigating fraud risks at an operational level. Internal Audit will take these areas forward during the forthcoming year.
2	The local authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. This assessment includes the understanding of the harm that fraud may do in the community.	The fraud risk assessment has been updated. Internal Audit considers all risks while developing the audit plan, which includes considerations of fraud risks and discussions with all Council directorates. Horizon scanning is continuous during the planning and scoping of individual audits. Internal Audit are a member of the Yorkshire Fraud Investigators Group where fraud risks and developments are discussed. Internal Audit receives National Anti-Fraud Network (NAFN) fraud notifications and monthly Credit Industry Fraud Avoidance System (CIFAS) threat alerts. (CIFAS is a not-for-profit fraud prevention service who operate a national fraud database to share data and protect individuals from identity theft and financial crime). Two members of staff have recently completed CIPFA's Fraud risk management course. These members of staff have used the knowledge

	Checklist	Details of Compliance
		gained during the training to discuss fraud risks with relevant services and aid any assessment. Directorates are responsible for their own risk assessments, in line with the Risk Management Policy and Guide.
3	There is an annual report to the audit committee, or equivalent detailed assessment, to compare against FFCL 2020 and this checklist.	An annual report is presented to Audit Committee and findings from the comparison against the FFCL checklist will generate appropriate actions.
4	The relevant portfolio holder has been briefed on the fraud risks and mitigation.	The Audit Committee receives the annual Audit Fraud & Corruption Report. The Cabinet member for Finance is briefed on the Anti-Fraud and Corruption Policy and Strategy.
5	The Audit Committee supports counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources.	The Audit Committee annually review the Anti-Fraud and Corruption Strategy and Policy and the assessment of the Council's arrangements against best practice. The Counter Fraud Plan is included within the Internal Audit plan which is approved by the Audit Committee.
6	There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance.	The Policy and Strategy are discussed annually at the Audit Committee. A copy of the Policy and Strategy is held on the intranet and is available to all Council staff. We remind staff of the Anti-Fraud and Corruption Strategy and Policy annually via the Councils internal communications, timed to coincide with Fraud Awareness week in November.
7	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	This is the Anti-Fraud and Corruption Strategy and Policy and supporting arrangements.

	Checklist	Details of Compliance
8	The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	Fraud risks are routinely considered by Directorate Risk Champions whilst conducting individual Directorates risk management processes. Directorate and service risk registers are utilised to prepare the Internal Audit plan.
9	Counter fraud staff are consulted to fraud- proof new policies, strategies and initiatives across departments and this is reported upon to committee.	Internal Audit are invited to attend Project Boards / Groups to offer advice on guidance where new systems / procedural changes are being discussed. Details of this type of advisory work is included in the Internal Audit progress reports which are presented quarterly to the Audit Committee.
10	Successful cases of proven fraud / corruption are routinely publicised to raise awareness.	Proven cases are rare within the Council, however, any cases proven in a court of law will be publicised via the communication channels where appropriate.
11	The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	These arrangements are detailed in the Anti-Fraud, and Corruption Policy at Section 4. Internal Audit investigation outcomes are reported to Audit Committee upon their conclusion.
12	The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: • codes of conduct (including behaviour for counter fraud, anti-bribery and corruption) • register of interests • register of gifts and hospitality.	There are policies and procedures covering these areas and Internal Audit's annual audit planning processes includes risk assessing these areas and periodically includes audits in these areas.
13	The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL	HR policies and procedures are in place to ensure pre-employment checks are carried out and Internal Audit's annual audit planning processes includes risk assessing these areas and periodically includes audits in these areas.

	Checklist	Details of Compliance
	2020 to prevent potentially dishonest employees from being appointed.	
14	Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business interests. This is checked by auditors and reported to committee.	There are specific policies and procedures to address gifts and hospitality and business interests. Internal Audit's annual audit planning processes includes risk assessing these areas and periodically includes audits in these areas.
15	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	The Audit Plan and Counter Fraud Plan is delivered by experienced Internal Audit Staff. 4 staff have fraud qualifications including fraud risk management. The Council also has a Housing Tenancy Fraud Officer with responsibility for investigating fraud concerns within Housing Services. Fraud awareness training is available for all staff and is mandatory for senior officers and staff within Finance, Customer Services and HR.
16	There is an independent and up-to-date Whistleblowing Policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	There is a Whistleblowing Policy and processes in place to monitor action taken on referrals received. The Anti-Fraud and Corruption Strategy Section 6 and Anti-Fraud and Corruption Policy Section 4.11 reference the Whistleblowing Policy.
17	Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers.	Council contracts require contractors to sign that they will adhere to the Council's Whistleblowing Policy. Section 3.2.7 in the contract document. The Whistleblowing Policy sets out that the Council is committed to preventing any harassment, victimisation or unfair treatment of any person arising from their whistleblowing, and where appropriate, take disciplinary action against any member of staff responsible for such harassment, victimisation or unfair treatment against a Whistleblower.

	Checklist	Details of Compliance
18	Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	Internal Audit's Annual Report details current resources within the Internal Audit Service and gives an opinion on whether resources are adequate to provide an annual audit opinion. The Council also has a Tenancy Fraud Officer within Housing Services.
19	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	The Counter Fraud Plan is included within the Internal Audit Plan which considers all risks, including that of fraud and corruption, across all directorates in the Council. Available resources are mapped against individual audits. The plan is approved by the Audit Committee. Resources are specifically allocated to Investigations; Anti-Fraud and Corruption Policy updates; proactive work and the National Fraud Initiative (NFI). The NFI being a proactive national data matching exercise to highlight possible fraud and corruption at an early stage.
20	Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	The Internal Audit Annual Report gives a summary of all Anti-Fraud and Corruption work conducted throughout the year including data on the outcomes from the National Fraud Initiative mandatory data matching exercise. The quarterly Internal Audit Progress reports to the Audit Committee include details of any reports issued that relate to Anti-Fraud and Corruption investigations and progress with reviewing the National Fraud Initiative matches and any outcomes. The Council continues to experience low levels of suspected fraud. The outcomes from fraud investigations will continue to be reported to the Audit Committee.
21	Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	As per FFPRs Section 27.4, auditors have unfettered access to everything they require for the purposes investigating fraud and corruption.

	Checklist	Details of Compliance
22	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communications team.	The Council adopts a zero-tolerance stance to fraud and corruption, which is clearly conveyed in the Anti-Fraud and Corruption Policy (Section 3) and Anti-Fraud and Corruption Strategy (Section 3). Proven cases are rare within the Council, however, any cases proven in a court of law will be publicised via the Council's communications where appropriate.
23	All allegations of fraud and corruption are risk assessed.	Allegations of fraud & corruption are not risk assessed; it is the Council's policy to investigate all such cases.
24	The fraud and corruption response plan covers all areas of counter fraud work: – prevention – detection – investigation – sanctions – redress.	The areas of counter fraud work are included in Section 3 of the Councils Anti-Fraud and Corruption Strategy.
25	The fraud response plan is linked to the audit plan and is communicated to senior management and members.	The fraud plan is included in the Internal Audit plan, which is discussed and agreed at SLT and Audit Committee. All cases of suspected fraud are investigated.
26	Asset recovery and civil recovery are considered in all cases.	Asset and civil recovery are included in the Anti-Fraud and Corruption Strategy Section 7.9.
27	There is a zero-tolerance approach to fraud and corruption that is defined and monitored; and which is always reported to committee.	Anti-Fraud and Corruption Policy and Strategy support the zero-tolerance approach. All Internal Audit investigation outcomes are reported to the Audit Committee.
28	There is a programme of proactive counter fraud work which covers risks identified in assessment.	Resources are allocated in the Audit Plan for Counter Fraud work i.e. NFI and proactive pieces of work.

	Checklist	Details of Compliance
29	The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	Internal Audit work where appropriate with the Police, Competition and Markets Authority (CMA), the National Anti-Fraud Network and other Local Authorities.
30	The local authority shares data across its own departments and between other enforcement agencies.	Where appropriate data is shared across directorates for example as part of the National Fraud Initiative, and with enforcement agencies. Information is shared at meetings with the Yorkshire Audit Groups to ensure any potential frauds/risk areas are identified and mitigated appropriately.
31	Prevention measures and projects are undertaken using data analytics where possible.	We will continue to explore the use of data analytics and grow our knowledge and abilities in this area. We will continue to keep the Audit Committee appraised of our progress.
32	The counter fraud team has registered with the Knowledge Hub so it has access to directories and other tools.	Members of the Internal Audit Team have registered with the Knowledge Hub.
33	The counter fraud team has access to the FFCL regional network.	Members of the Internal Audit Team have access to information through the Yorkshire Fraud Investigators Group and the Yorkshire Heads of Internal Audit Group. In addition, the Head of Audit has access to information via the Public Sector Fraud Authority Community of Practice group, which is made up of central and local government fraud representatives.

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Public Report
Audit Committee

Committee Name and Date of Committee Meeting

Audit Committee – 24 September 2026

Report Title

Internal Audit Progress Report for the period 1st May to 31st July 2026

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

No

Executive Director Approving Submission of the Report

Judith Badger, Executive Director of Corporate Services

Report Author(s)

Louise Ivens, Head of Internal Audit

Tel: 01709 823282 Email: louise.iven@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This Progress Report provides the Committee with an up-to-date position on the Internal Audit Plan, a summary of Internal Audit work completed during the period 1st May to 31st July 2026 and the key issues that have arisen from it, along with the status of actions arising from audits. It also provides information regarding the performance of the Internal Audit function during the period.

Recommendations

That the Audit Committee is asked to:

1. Note the Internal Audit work undertaken since the last Audit Committee, 1st May to 31st July 2026, and the key issues that have arisen from it.
2. Consider and advise of any amendments to the proposed performance objectives and note the actions being taken by audit management in respect of meeting the current performance objectives.

List of Appendices Included

Appendix A – Internal Audit Progress Report

Appendix B – 2026/27 Audit Plan progress

Appendix C – Summary of work completed since the last meeting

Appendix D – Internal Audit Performance Dashboard

Appendix E – Post audit questionnaire results

Appendix F – Quality Assurance and Improvement Action Plan

Appendix G – Investigation outcome summary

Background Papers

Accounts and Audit (England) Regulations 2015

Global Internal Audit Standards

Global Internal Audit Standards in the UK Public Sector (Application Note)

Code of Practice for the Governance of Internal Audit in UK Local Government

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

Appendix G Partially exempt

An exemption is sought for Appendix G under Paragraph 7 (Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime).

Internal Audit Progress Report for the period 1st May to 31st July 2026

1. Background

- 1.1 CIPFA guidance for Audit Committees in Local Authorities gives the Audit Committee a clear role in supporting the effectiveness of the Internal Audit process. This role is reflected in the Terms of Reference of the committee. To fulfil this role the committee receives updates on the work of Internal Audit including key findings, issues of concern and action in hand as a result of Internal Audit work. In addition, it receives information on performance relative to the Audit Plan.
- 1.2 The Global Internal Audit Standards (UK Public Sector) require that the Head of Internal Audit reports periodically to the Audit Committee. This is reflected in the Audit Charter which provides for Progress Reports to be presented to the Audit Committee regarding the Audit Plan and progress against it; resource requirements; the results of audit activities; the tracking of audit recommendations; and the performance of the audit team.
- 1.3 This report includes the position up to the end of July 2026 on the progress of the 2026/27 audit plan, the reports finalised between May and July 2026 and performance indicators for the team.

2. Key Issues

- 2.1 Internal Audit produced a risk-based Audit Plan for 2026/27 and presented it to the Audit Committee at its meeting on 17th March 2026. The Internal Audit Progress Report which gives an update on the work undertaken over the period is included at **Appendix A**. The Audit Plan is included at **Appendix B**.
- 2.2 Audit opinions and a brief summary of all audit work concluded since the last Audit Committee are set out in **Appendix C**. Fourteen audits have been finalised since the last Audit Committee. The performance indicators are included at **Appendix D**. Post audit questionnaires and results have been included in **Appendix E**. The Quality, Assurance and Improvement Action Plan is attached at **Appendix F**. An investigation outcome summary is attached at **Appendix G**.

3. Options considered and recommended proposal

- 3.1 This report is presented to enable the Audit Committee to fulfil its responsibility for overseeing the work of Internal Audit. It provides a summary of Internal Audit work completed and the key issues arising from it for the period from 1st May to 31st July 2026 and information about the performance of the Internal Audit function during this period.

4. Consultation on proposal

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

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Audit Committee is asked to receive this report at its 24th September 2026 meeting.

6. Financial and Procurement Advice and Implications

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

7. Legal Advice and Implications

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

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

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

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

8. Human Resources Advice and Implications

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

9. Implications for Children and Young People and Vulnerable Adults

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

10. Equalities and Human Rights Advice and Implications

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

11. Implications for CO₂ Emissions and Climate Change

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

12. Implications for Partners

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

13. Risks and Mitigation

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

Accountable Officer(s)

Louise Ivens, Head of Internal Audit

Report Author: Louise Ivens, Head of Internal Audit.

Tel 01709 823282 E mail louise.iven@rotherham.gov.uk

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

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Internal Audit Progress Report

1st May – 31st July 2026

1. Internal Audit Annual Plan

- 1.1 Internal Audit produced a risk-based Audit Plan for 2026/27 and presented it to the Audit Committee at its meeting on 17th March 2026. The plan is included at **Appendix B**.
- 1.2 As the year progresses, changes are made to the plan to reflect emerging risks and changing priorities. Additional work requested is added to the plan and is resourced either through contingency or through the removal or deferral of lower risk audits. The audits from the 2025/26 plan that have not yet been finalised have been included in the current plan. There have been no other changes to the plan during this period.

2. Audit work undertaken during the period resulting in an assurance opinion

- 2.1 Internal Audit provides an opinion on the control environment for systems or services which are subject to audit review. These are taken into consideration when forming our overall annual opinion on the Council's control environment. There are four possible levels of assurance for any area under examination, these being "substantial assurance", "reasonable assurance" "partial assurance" and "no assurance". Audit opinions and a brief summary of all audit work concluded since the last Audit Committee are set out in **Appendix C**. 14 audits have been finalised since the last Audit Committee.

3. Details of other Internal Audit activities undertaken not resulting in an assurance opinion

- 3.1 The table below sets out the work undertaken where audit have not issued an audit report with an opinion. This highlights the range of activities that Internal Audit have also undertaken in the period.

Audit Work Completed	Details of Work Undertaken, and Assurance Provided
Customer Services Liaison meeting	Participation in this regular meeting helps to ensure audit are informed of the latest areas that Customer Services are working on, and where audit may wish to focus on at an early stage before changes to systems or ways of working are implemented.
Audit Queries and Advice	Several schools' queries have been received, mainly regarding financial, asset management (inventory) and procurement processes and procedures. Internal Audit attended the Trade Rotherham meeting (schools buy-in system for RMBC services) where audit contributed to discussions on how schools will purchase services from RMBC in the future.

4. Anti-fraud and corruption work and investigations

- 4.1 In addition to the planned audit assurance work, Internal Audit also carries out unplanned responsive work and investigations into any allegations of fraud, corruption or other irregularity. One investigation has been closed in the period.

Please see **Appendix G** for the outcome of this investigation. There are no other investigations ongoing.

- 4.2 The National Fraud Initiative (NFI) is a biannual data matching exercise conducted by the Cabinet Office. No overpayments or fraud were identified from the 2024/25 exercise. Preparation for the next data submission in Autumn 2026 is ongoing in accordance with the national timetable.

5. Internal Audit Performance Indicators, Post Audit Questionnaires and the Quality Improvement and Performance Plan (QAIP)

- 5.1 The performance indicator results for the period are highlighted in **Appendix D**. These demonstrate good performance over all three indicators. Audit management continue to monitor the timeliness of reports issued following discussion with the relevant services. The number of audits finalised during the 2025/26 year is slightly behind that planned, largely due to the retirement of a member of staff in January and the difficulties in recruiting to this post. The new member of staff will commence in August. In addition, there is an ongoing sickness absence which is affecting audit plan delivery.
- 5.2 The results from the post audit questionnaires received over the period have been positive (**Appendix E**).
- 5.3 The updated QAIP Action Plan is attached at **Appendix F**. Good progress has been made implementing the improvement actions.

6. Management Response to Audit Reports

- 6.1 Following the completion of audit work, draft reports are sent to or discussed with the responsible managers to obtain their agreement to the report and commitment to the implementation of recommendations. This results in the production of agreed action plans, containing details of implementation dates and the officers responsible for delivery. Draft reports are copied to the relevant Head of Service and Service Director, and final reports are also sent to the Executive Director, Chief Executive and the Leader.
- 6.2 Confirmation of implementation of audit recommendations is sought from service managers when the implementation date is reached. This is an automated reminder from the audit system, with alerts being sent out a week before the due date to the responsible manager and Head of Service. Overdue alerts are sent out weekly, copied into the Service and Executive Director. Managers should access the audit system and provide an update on the action – either implemented (with evidence) or deferred.
- 6.3 Summary reports of outstanding actions are produced monthly and distributed to Executive Directors. The status of all open recommendations is tabulated below:

	Open Recommendations & Priority			Total as of 31 July 2026	Total Deferred
Directorate	High	Medium	Low		
Adults, Housing and Public Health		1	2	3	
Children and Young People		1	3	4	
Corporate Services		7	9	16	3
Policy, Strategy and Engagement	1	4	2	7	2
Regeneration and Environment	1	5	6	12	
Total	2	18	22	42	5

6.4 The following table shows the movement between periods.

Directorate	Total as of 30 April 2026	Recommendations opened in period	Recommendations closed in period	Total as of 31 July 2026
Adults, Housing & Public Health	3	3	3	3
Children and Young People	9		5	4
Corporate Services	19	14	17	16
Policy, Strategy and Engagement	8		1	7
Regeneration & Environment	7	7	2	12
Total	46	24	28	42

7. Review of Internal Audit performance objectives/indicators

- 7.1 CIPFA's external review advised Internal Audit to work with senior managers and the Audit Committee to update the performance measures. The audit standards state that there should be a comprehensive set of targets which between them encompass all significant internal audit activities which includes obtaining stakeholder feedback.
- 7.2 Balanced scorecards are becoming an increasingly well-established means for reporting quantitative and qualitative Key Performance Indicators (KPI's) to audit committees. Balanced scorecards align Internal Audit Strategy with broader organisational goals, using targeted KPI's to measure performance and demonstrate the function's value to senior management and the Audit Committee. A review of the current KPI's has been undertaken, together with a review of guidance issued by the Institute of Internal Auditors on performance measurement and those being reported in other local authorities. The proposed approach moving forwards is documented below for discussion with Audit Committee members.

Internal Audit balanced scorecard reporting

Measure	Mechanism	Target
Partnering with the Audit Committee		
Audit Committee expectations met (Annual)	Annual satisfaction survey to all members of the Audit Committee. The survey will indicate the level of satisfaction with quality, type and volume of information presented and reported.	Satisfaction rating for each part of the survey to be scored on average as 3.5 or higher on a scale of 1 (lowest) to 5 (highest).
Audit plan progress (Quarterly by number of audits & Annual by days delivered against plan)	A table at Appendix D shows the progress of the Internal Audit plan delivery analysed by the number of plan assignments by directorate. These are assignments where a report is expected to be produced or where we are certifying grant claims. It does not include any consultative work, such as attending boards, that is reported in the other assurance work at section 3.1. It is proposed to retain the table setting out audit plan progress but without turning this into a KPI. The number of days delivered against those planned is reported to the Audit Committee in the Annual Report. The plan and the timing of audits should remain flexible to meet the needs of stakeholders.	
Supporting senior management		
Client satisfaction goal – value added (Quarterly)	Client satisfaction survey issued to relevant stakeholders after each audit.	Average rating of 3.5 or higher on a scale of 1 (lowest) to 5 (highest) for relevant question on the survey.
Client satisfaction goal – usefulness of recommendations (Quarterly)	Client satisfaction survey issued to relevant stakeholders after each audit.	Average rating of 3.5 or higher on a scale of 1 (lowest) to 5 (highest) for relevant question on the survey.
Senior management expectations met (Annual)	Annual satisfaction survey to Strategic Leadership Team and Service Directors. The survey will indicate the level of satisfaction with the audit service over a number of areas, including communication, findings and recommendations, and value added.	Satisfaction rating for each part of the survey to be scored on average as 3.5 or higher on a scale of 1 (lowest) to 5 (highest).

Managing Internal Audit Processes		
Draft reports issued within 15 working days of fieldwork being completed (Quarterly)	Retain this indicator. This is a good indicator of how promptly the audit report has been compiled following the completion of audit testing and is important to ensure that any actions identified are highlighted to management in a timely manner.	2025/26 Target 90% Actual 93% The target has been increased to 95%.
Final reports issued within 5 working days of customer response (Quarterly)	Retain this indicator. This measures the timeliness between receiving final comments from the draft report and the issue of the final report. This is important to ensure that the final report is issued on a timely basis so that audit findings remain relevant and that the service can begin implementation of any action plans promptly.	2025/26 Target 90% Actual 100% The target has been increased to 95%.
Audits completed within planned time (Quarterly)	Retain this indicator. This is a good indicator of performance in completing the audit work to the agreed time budget. Failure to achieve audits to planned timescales will increase the risk of non-completion of the wider assurance plan.	2025/26 Target 90% Actual 93%
Maintain conformance with the Global Internal Audit Standards (GIAS) UK Public Sector (Annual)	Propose this is reported on annually following the self-assessment (and/or the 5 yearly external assessment) against the GIAS UK Public Sector. The progress against the Quality Assurance and Improvement Action Plan will continue to be reported to Audit Committee on a quarterly basis.	Retain overall general conformance.

Internal Audit Plan 2026/27

Risk Register Ref	Council Plan Theme ref	Title	Brief Description	Progress/ Qtr planned
Adult Care, Housing and Public Health 140 days				
HR29	1	Handover arrangements of new build homes 2025/26	Assurance that all areas of H&S have been checked and addressed where appropriate before handing over the property to tenants.	In progress
ACHPH-R21 SLT 38	1, 3	Rothercare Follow Up including assistive technology (PSTN) 2025/26	Follow up of partial opinion and assurance on new service delivery model. Review progress against the PSTN project implementation plan.	Draft Report
ACI-R22	1	Community Dols 2025/26	To provide assurance on the management of Dols cases following the increase in demand.	In progress
ACHPH - R49 ACI R37	4	Working age project	Review implementation of findings from the project in terms of outcomes/efficiencies/recommendation implementation.	Q4
ACI – R50	4	Enablement	Review the process from inception through to delivery of the service, including contact time with individuals, efficiency/effectiveness of the process including the operation of the new case management system.	Q2
N/A	4	Personal Budgets/Direct Payments	Review to ensure that monies are being spent in accordance with the agreement, arrangements are in place to review users needs, any personal contributions are being received, and there is a process to recover any misused funds.	Q3
SLT 40 ACHPH-R50 H- R20	1, 4	Health and Safety - Gas Servicing	Review of the gas servicing arrangements. This would include compliance with legal requirements, maintenance of correct and accurate records and provision of performance and management information.	In progress
SLT 40 ACHPH-R50 H- R20	1, 4	Health and Safety - Electrical Safety	Review of the electrical safety arrangements. This would include compliance with legal requirements, maintenance of correct and accurate records and provision of performance and management information.	Q2

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ACHPH – R31	4	Homelessness and temporary accommodation management	A review of homelessness prevention and support to those who become homeless to find housing as quickly as possible.	In progress
H-R31 & H 32			Temporary Accommodation Management - To review the controls for the initial triage and acceptance into temporary accommodation and 'move on' actions.	
H – R16	4	Awaab's Law	Review compliance with the Regulations specifically relating to response to:- Emergency Hazards, Significant Hazards (Damp and Mould), undertaking repairs, reporting to the tenant and provision of alternative accommodation.	Q4
Childrens and Young People's Services 95 Days				
N/A	3	Aspire/Pru Follow Up	Follow up of partial assurance opinion	Final Report
N/A	3	Section 17 Follow Up	Follow up of partial assurance opinion	In progress
N/A	3	Kinship Care	Review compliance with the Local Offer for Kinship Carers.	Q4
N/A	3	School attendance interventions/ exclusions	Review of the Local Authority monitoring and reporting arrangements and compliance with government statutory guidance.	Q3 or 4
EI 06	3	Early Years Federation	Review of the governance and financial management arrangements.	Draft report
EI 10	3	Schools assurance	Assurance on key financial and governance arrangements at a sample of schools.	Q4
FH 11	3	Youth Justice Service	Scope to be determined with management. This could include service compliance with HMIP requirements together with a vfm element of interventions.	Q2
Corporate Services 199 Days				
N/A	6	Treasury Management and Prudential Indicators 2025/26	Review compliance with CIPFA Treasury Management Code, Prudential Code and authorisation controls for investments & loans.	In progress
N/A	5	Land and Property Acquisitions Follow Up	Follow up audit as partial opinion issued.	In progress
FCS 23	5	Riverside House Building Security and ID Cards Follow Up	Follow up audit as partial opinion issued.	Q4

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N/A	5	Revenues and Benefits Business Continuity and Disaster Recovery Plan	Review of the robustness of the business continuity arrangements and the disaster recovery plan in the event of an IT failure.	In progress
N/A	5	Assessment and payment of Council Tax Support and Housing Benefits	Review the controls surrounding the assessment, administration, payment and recovery of benefit claims.	Q3
FCS 14	5	Cyber Security	Review adequacy of the arrangements for security event monitoring. This would include controls over the detection of potential cyber incidents across the RMBC IT estate, triage and prioritisation of potential incidents; and the response to identified incidents.	Q3
N/A	5	Service desk management	Ensure effective delivery to core service management areas (monitoring of user access and user accounts).	Q4
FCS 24	5	Health and Safety - Gas Servicing	Review of the gas servicing arrangements. This would include compliance with legal requirements, maintenance of correct and accurate records and provision of performance and management information.	Q2
FCS 24	5	Health and Safety - Electrical Safety	Review of the electrical safety arrangements. This would include compliance with legal requirements, maintenance of correct and accurate records and provision of performance and management information.	Q2
FCS 28	5	Schools Business Services (cleaning/caretaking, catering, repairs and maintenance)	Review to be confirmed with management but this would look at Value for Money, financial and contract management.	Q4
SLT 27 FCS 19 FCS 20	5	Stock Condition Surveys Corporate Landlord Properties and Maintained Schools	The audit would include review of the survey scope, the robustness of the surveyor's report to enable decision making on the asset, and tracking of actions and prioritisation following receipt of the survey.	Q4
HR 16	5	Corporate Health and Safety	Scope to be determined with management. This would include reviewing the new arrangements for managing and reporting on health and safety incidents following the updated policy being issued.	Q3/4
HR05	5	Payroll	Specific aspects to be agreed – based on audit coverage in previous years.	In progress
N/A	5	Customer Complaints	Review of the complaints process including lessons learnt from complaints (including ombudsman outcomes).	Q3/4
Policy, Strategy and Engagement 5 Days				

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N/A	5	Contract monitoring and Social Value follow up.	Follow up audit as partial opinion issued.	Q4
Contingency time has been reserved for this directorate. Audits will be identified later in the year. The customer complaints audit that was originally included in this directorate has now moved to the Corporate Services Directorate above in accordance with changed reporting lines.				
Regeneration and Environment 80 Days				
N/A	3	Section 106 2025/26	A review of the management and outcomes to ensure that the S106 process is robust.	In progress
CST 71	3	Music Service Follow Up	Follow up of partial assurance opinion.	Q4
RE 51 PRT 53	1	Highways Structures Follow Up	Follow up of partial assurance opinion.	Q2
RE 9 & CSS 28	3	Home to School Transport	Incident handling and reporting, review of changes to DBS process, contract management and safeguarding training.	Q3
CST 40 CST 69 PRT 7	1 & 5	Rother Valley Country Park Café and security and Thrybergh Country Park security	Review the robustness of controls relating to operations at the waterfront café and general security at Rother Valley Country Park and Thrybergh Country Park.	Q2
RE66 CSS 65	1	Waste Transformation Project	Review the outcomes of the project in relation to agency management practices, time management of staff, working location and access to welfare facilities.	Q3/4
Corporate/Crosscutting reviews				
Total number of days 304				
Title		Brief Description		
Council's arrangements for managing CCTV 2025/26		Review to confirm compliance with GDPR, RIPA, any other relevant best practice guidance and legislation including the CCTV Policy. This will consider the overall responsibilities for CCTV management and monitoring arrangements.		
Application review – Liquid logic (ACHPH) Salford IT Review (CYPS covered in 2025/26)		The audit will include maintenance and support controls, including supplier management and roadmap prioritisation; Application access controls assessing controls over both general and privileged level access; Audit trail management covering monitoring of users accessing the system, particularly in relation to users with high level access or processing of 'critical' transactions; System availability and continuity covering system performance management, availability, capacity and continuity management.		
Project/programme management Including the Markets/Libraries redevelopment		Review of a sample of Council led projects. Review the templates/methodology used and ascertain whether there is consistency in managing projects or programmes, or services where		

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	the council can benefit from a corporate approach eg shared templates/learning/best practice. This will include the markets/libraries redevelopment.
Contract management	Review contract management arrangements. Including whether there is a clear list of contracts held and designated managers for each contract and that contract managers have received training.
Historic/Heritage Sites (Health and Safety)	A review of the management of health & safety of historic sites. Including governance arrangements and strategy, compliance with statutory duties, asset management (inspections and surveys), risk registers, reporting and action planning. This audit crosses over between the Culture, Sport and Tourism Service and Property and Facilities Management.
Anti-Fraud and Corruption and Anti Money Laundering	
Total number of days 220	
Title	Brief Description
Investigations	Time set aside for investigation of whistleblowing and other referrals received.
Anti-Fraud and Corruption Policy Updates	Review and update of Anti Fraud and Corruption Policies • Anti-Money Laundering (AML) Policy • Anti-Fraud and Corruption Policy and strategy and assessment against best practice
Anti-Fraud and Corruption Proactive Work	Risk-based work to prevent and detect fraud including:- • Review and investigation of NFI matches • Awareness raising and communication of fraud risks and internal reporting arrangements to employees. This includes liaison with risk champions supporting fraud risk development across the council.
Anti Money Laundering Assurances	Testing on key systems/controls to gain assurance on Anti Money Laundering arrangements (Land and Property transactions).
Total number of days 1038	

Key:- Council Plan Themes

- 1- Places are thriving, safe and clean
- 2- An economy that works for everyone
- 3- Children and young people achieve
- 4- Residents live well
- 5- One Council that listens and learns

Summary of reports issued during the period May to July

Audit Area & overall opinion	Assurance Objective	Summary of findings
Adult Care, Housing and Public Health		
Safeguarding Substantial assurance	The overall objective of the audit was to provide assurance on the processes for the receipt, triage and investigation of safeguarding enquiries from all sources.	The Council's Adult Safeguarding roles and responsibilities comply with its legislative requirements and utilise best practice from accredited sources, for example the Association of Directors of Adult Social Services (ADASS). Testing of cases recorded on the Liquid Logic Adults software (LAS) provided evidence of the correct and complete use of the Safeguarding Pathway and management oversight of cases. This testing confirmed the correct use of the concerns forms by outside agencies such as residential care homes and home care providers. The Council in its role as the lead safeguarding authority for the Rotherham Adult Safeguarding Partnership Board (RSAB) demonstrates effective partnership working. There is evidence from performance reports produced by the RSAB of prompt responses to safeguarding enquiries by this Council.
Childrens and Young Peoples' Services		
Educational establishment follow up Substantial assurance	To consider the degree of implementation of agreed actions arising from the previous audit.	The follow-up audit confirmed that all nine recommendations have been fully implemented, demonstrating strong progress in strengthening governance, financial management, operational procedures, and information security. • Financial Planning: Improved funding arrangements have strengthened the financial position, removing the need for a deficit recovery plan. • Financial Procedures: The Financial Procedures Manual has been updated, approved by the Finance Sub-Committee, and reflects established processes and controls. • Staff Training: Finance and administration staff have received training on key financial controls and procedures. • Governance: A formal Scheme of Delegation has been approved and will be reviewed annually. Committee minute-signing arrangements have also been strengthened. • Financial Controls: Insurance records, petty cash arrangements, and asset management records have been reviewed and updated to ensure accuracy and accountability.

Audit Area & overall opinion	Assurance Objective	Summary of findings
		Information Security: BitLocker encryption has been enabled on all compatible devices, with plans to replace unsupported equipment over time.
Corporate Services		
Insurance Reasonable assurance	To provide assurance that the Insurance Service is fulfilling its requirements to the Council by reviewing the end-to-end processes from receipt of requests through to conclusion, including liaison with relevant services, to identify trends in claims and any necessary preventative action.	Relevant procedures and guidance are in place for both self-funded claims and those managed by external claims handlers, with only one exception noted. Self-funded claims are effectively monitored, with the Insurance Team providing timely and appropriate support to services. Claims referred to external handlers are also actively tracked by the Council Insurance Team, which supplies the required information and assistance and continues to monitor progress throughout the lifecycle of each claim. The Insurance Team proactively communicates emerging risks and monitors claims trends, notifying services of any significant changes or increases. Overall, the control environment is operating effectively, with opportunities to further strengthen the process.
Agency Staffing Reasonable assurance	To provide assurance that approval is sought for agency appointments in line with policy and procedure and agency spend is controlled, monitored and reviewed.	The Council has a comprehensive Temporary Agency Workers Policy in place, supported by clear guidance and regular financial monitoring. Agency spend is managed through the appointed Managed Service Provider, with appropriate use of exemptions when required. Testing identified weaknesses in compliance, regarding the attachment, of approved business cases when procuring the agency member of staff. Before any agency staff can be employed a Business Case must be completed and approved at DLT. The business case should then be attached to the requisition/purchase order. These were not attached to the purchase order in accordance with the policy.

Audit Area & overall opinion	Assurance Objective	Summary of findings
		To gain assurance that DLT tracking was operating correctly, an examination of all DLT information relating to agency staff during 2025/2026 was carried out. These totalled 17 agency business cases. All were confirmed to be completed and approved at DLT as per policy. The arrangements in place provide a good level of assurance over the monitoring of agency spend. Effective management oversight is demonstrated through regular monthly review of management information by the Head of Human Resources, with information cascaded to HR Business Partners, HR Consultants and service areas. A briefing will be issued to all staff reminding them of the requirement to attach a business case to the requisition, and to managers reminding them to check the business case is attached before approving the requisition.
Purchase Cards Reasonable assurance	To provide assurance regarding compliance with the system of controls for issuing; use and authorisation of purchasing cards and transactions; including the appropriateness and evidence of expenditure.	Procedures relating to Purchase Cards are established and up to date, with key controls generally operating effectively. Processes for new cardholders are supported by appropriate documentation, spending limits are evidenced, and sample testing confirmed that cards are held securely. However, annual reviews of cardholder limits are not consistently undertaken and transaction testing highlighted instances of missing receipts, approvals without receipts, and cases where VAT was not recorded in the SDOL system. Exceptions were also noted in relation to new cardholder's acceptance / approver documentation. Several transactions remained unreviewed or unapproved for extended periods, despite regular reminders. While leaver controls are largely effective, delays in notification and approval of transactions were identified, along with some activity during periods when cardholders were not at work, which were explained during the audit. Overall, a framework is in place, however, improvements are required to strengthen compliance, oversight, and adherence to established procedures.
Water safety (Legionella) compliance	The overall objective of the audit was to provide a follow up review to	The follow-up audit shows substantial improvement, with most recommendations fully implemented and effective controls now in place. Controls are now largely effective, but

Audit Area & overall opinion	Assurance Objective	Summary of findings
across corporate landlord properties – Follow Up Substantial assurance	consider the degree of implementation of agreed actions arising from the previous audit.	sustained focus on contractor performance and clearing outstanding remedial actions is required to fully mitigate risk. Strengths: • A robust Water Safety Management Plan and clear compliance framework are established. • Asset reviews, Legionella Risk Assessments (LRAs), and monitoring processes are comprehensive and centrally tracked. • Stronger governance, training, and documentation, including accessible LRAs at all sites. • Improved oversight of contractor performance and data quality checks. Key risks / gaps: • One outstanding issue with flushing regimes at a single site. • Remedial actions have plateaued (~570 outstanding), with a noted decline in contractor performance.
Network access management Substantial assurance (Salford Technical Audit Services score 8 out of 10)	The audit focussed on the following areas in network access management: processes for controlling and monitoring access to the network, starters and leavers processes, and processes governing authentication arrangements for third party access.	Network Access Management is the set of procedures to issue and manage digital identities of people and systems so that they can be uniquely authenticated (identified) before being granted online access to the corporate network. Processes involve the establishment and maintenance of user identities (IDs), associated authentication and user permissions that provide access to Council resources and systems, to provide assurance that only authorised users have access to sensitive business applications, information and operating environments. The impact on the business and the accompanying risk is significant. Inappropriate or unauthorised access can result in IT assets being compromised, distribution of sensitive data and information, loss of data integrity or business disruption. The impacts can lead to reputational damage, regulatory breaches and financial loss.

Audit Area & overall opinion	Assurance Objective	Summary of findings
		Network Access Management seeks to minimise risk by establishing secure access controls, with appropriate reporting and actions to remediate unauthorised access. Overall, the controls for Network Access Management are very effective, with a high level of key controls in place to mitigate the key risks. Three advisory improvements were suggested in policy alignment, privileged access management, and HR integration to further reduce residual risk.
Building Security Follow Up Reasonable Assurance	The objective of the audit was to provide assurance that the Agreed Actions arising from the previous audit of 'Building Security Follow Up' have been implemented.	Improvements have been made to the recording of building inspections, with inspection records now available within the Infoshare+ Asset Manager system. Where records were not held in Infoshare+ Asset Manager, inspection details were evidenced through a Monthly Portfolio Visit Spreadsheet, used by the teams to manage their visit of inspection activities. However, a few exceptions were identified relating to the completeness and consistency of records. No evidence was provided to demonstrate that Quality Assurance (QA) checks had been undertaken; the officer responsible for QA checks has recently left the role with responsibility for QA checks allocated to another officer.
Regeneration and Environment		
Hellaby Stores Reasonable assurance	The overall objective of the audit was to perform a review of stock control arrangements following introduction of the new stock software system.	Core controls for identifying, recording and counting stock are operating and were evidenced. System use and access arrangements were appropriate, and reporting supports operational recharging and fuel oversight. Physical and procedural security arrangements were confirmed as adequate. The main residual risks relate to fuel access & accountability; leaver deactivation gaps and weak user accountability which increase the risk of unauthorised fuel draw and data quality (odometer readings); and poor data limits exception reporting and management oversight. Recommendations were raised to improve processes, such as prompt receipt of leavers reports and checks on records of fuel drawn to improve the controls moving forwards.
BDR Waste Substantial assurance	The overall objective of the audit was to assess the adequacy of the internal control arrangements	The BDR client function has generally robust arrangements in place for governance, contract management, performance monitoring, financial management, compliance oversight, risk management and stakeholder engagement.

Audit Area & overall opinion	Assurance Objective	Summary of findings
	surrounding the BDR client function.	Controls were evidenced through regular Joint Waste Board, Steering Committee, BDR Operating Company (OpCo), Health and Safety, Liaison Committee and Joint Waste Team meetings, supported by documented agendas, reports, action logs, risk registers and contract monitoring records. Testing confirmed that contract performance is actively monitored, deductions are calculated and applied where required, monthly invoices are accurate and supported, environmental and health and safety matters are reported through established governance routes, and complaints are logged, investigated and reported. Emergency Disaster Recovery and Business Continuity Plans are in place and are reviewed annually.
Cross cutting/Corporate reviews		
16-17 Year old Homelessness Substantial assurance	To provide assurance that the Council is meeting the needs of 16/17 year olds who present as being homeless to Children's Social Care and Housing Services.	16/17-Year-Old Homeless young people present a complex array of needs that are difficult to predict. Responding to their needs is delivered by joint working across directorates. The 'Prevention of homelessness and provision for 16 and 17-year-old young people who may be homeless and/or require accommodation' pathway shows how these needs are to be met. The challenges in responding to these circumstances include: • suitable accommodation available at all times, and for all needs, • support for the young person to make the most informed decision they can at a traumatic time in their lives. The evidence from case files showed CYPS, the Homelessness Team and support staff from the provider are working together to help young people through the challenges that they face. Minor recommendations were raised to enhance the record keeping arrangements in both directorates.
Procurement Governance Follow Up (x 3)	The overall objective of the audit was to provide a follow up review to consider the degree of	The follow-up audit found that all agreed actions have been implemented, resulting in a significant improvement in procurement governance across the three directorates. Controls are now substantially improved and are operating effectively, but further focus

Audit Area & overall opinion	Assurance Objective	Summary of findings
Adult Care, Housing & Public Health, Corporate Services and, Regeneration & Environment Reasonable assurance	implementation of agreed actions arising from the audit of Procurement Governance within Corporate Services.	is needed to ensure consistent practice, communication of responsibilities and robust strategic planning. Strengths: • Stronger ownership of contract documentation, with most contract managers holding required records. • Consistent use of templates and processes, improving documentation quality. • Inclusion of social value commitments in procurement activity. • Improved contract oversight, with up-to-date contract ownership and clear procurement handover processes. The ACHPH Directorate is better able to share accurate procurement knowledge as it has its own strategic commissioning team with officers holding public sector procurement qualifications. Key risks/ gaps: • Training gaps exist and reliance is generally based on informal knowledge. • Inconsistencies in understanding roles and responsibilities persist. • Some gaps in document retention remain • Communication of procurement handover processes. • High volumes of procurement activity require improved prioritisation and forward planning at Directorate level.

Rating	Definition
Substantial Assurance	Substantial assurance that the system of internal control is designed to achieve the service's objectives and this minimises risk. The controls tested are being consistently and effectively applied. Recommendations, if any, are of an advisory nature to further strengthen control arrangements.

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

Internal Audit Performance Dashboard

Key Performance Indicators

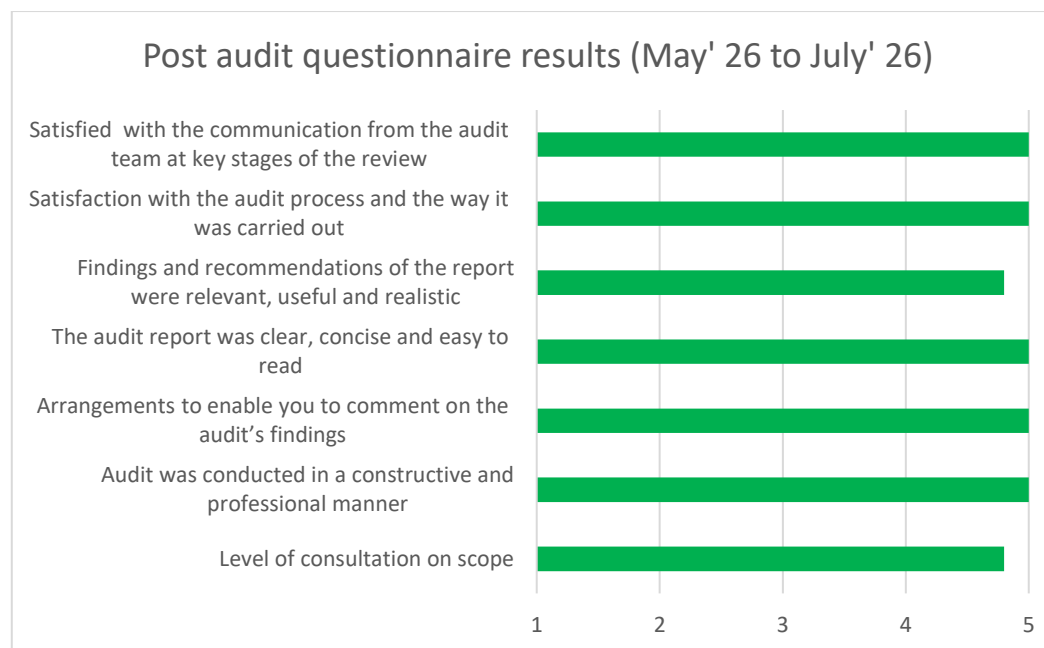
Performance Indicator	Target	April - July	Aug - Oct	Nov - Jan	Feb - Mar
Draft reports issued within 15 working days of field work being completed	95%	88%			
Final reports issued within 5 working days of customer response to the draft report	95%	88%			
Audits completed within planned time	90%	94%			

Audit Plan Progress

Assurance Type/ Directorate	2026/27 Plan	Completed	In progress	Not started
Adult Care, Housing and Public Health	7	0	2	5
Childrens and Young Peoples Services	7	1	2	4
Corporate Services	13	0	3	10
Policy, Strategy and Engagement	1	0	0	0
Regeneration and Environment	5	0	0	0
Crosscutting	4	0	0	0
Grants	6	0	2	4

Post Audit Questionnaires

5 questionnaires were received during the period. The graph below illustrates the average responses to each question on a scale of 1-5, 5 being the highest level of satisfaction.



"Excellent engagement throughout the audit."

"The audit was conducted professionally, the auditor had prior knowledge of the service area"

"Open and honest. Supportive colleagues that were invested and non-judgemental."

Quality Assurance and Improvement Programme Action Plan		
Action	Position statement	Target completion date
<i>Action from the self-assessment against fraud checklist.</i> Update the directorate and corporate wide fraud risk assessment and examine the results as part of the annual Internal Audit planning exercise.	The fraud risk assessment approach has been discussed at Risk Champions meetings. Services have now reviewed, updated and incorporated fraud risks where relevant and in accordance with the Risk Management Policy and Guide, into their respective risk registers.	Complete
<i>Action from the self-assessment against fraud checklist</i> The reporting of the fraud risks and mitigation will be strengthened over the year and a more comprehensive report will be brought to the Audit Committee.	The reporting of fraud risks and mitigations has been considered, and an enhanced report is brought to the September Audit Committee.	Complete
Audit Strategy 2025/28 actions scheduled for 2026/27		
Develop agile and data driven approaches to auditing		
Explore the potential use of a dashboard for audit reporting and seek stakeholder feedback.	This action will commence during the second half of the financial year.	Q3 & 4 2026/27
Participate in data analytics Internal Audit groups and regional discussions to enhance knowledge and understanding of audit developments and techniques.	Learning from other authorities will continue and a watching brief will be maintained for any new training or groups to participate in.	2026/27
Work with other service areas in the council for example the business and intelligence team to trial the use of data for continuous audit in key areas of risk, expenditure or potential fraud.	This work will commence in the second half of the year.	Q3 & Q4 2026/27 & 2027/28

Workforce planning and professional development		
Ensure that we have up to date awareness of current training available for auditors on topical subject areas through auditor subgroup attendance and active scanning of relevant websites. Identify and provide opportunities for specialist training/knowledge for staff to minimise gaps, for example Anti-Fraud/investigations, data analysis and AI.	Training in key areas for auditors is reviewed on an ongoing basis. Participation in local audit groups helps to identify any training undertaken by other audit services which would be of value. This is an area of constant development and will be kept under continual review to ensure we remain up to date with the latest audit developments and relevant areas will be added to the Training and Development Plan and so this action will be removed from this action plan. Fraud risk training and use of AI were identified as priorities for team training during the first quarter of 2026/27. This learning has now taken place and been shared with team.	Complete
Review staff development plans and provide opportunities for staff seeking progression to learn from others in the team (eg peer reviews, investigations).	This is undertaken formally following the Year Ahead Development Plan process and mid-year reviews. This is also discussed during weekly 1:1's and ongoing development of the team is kept under review when allocating audits during the year. Appropriate actions have been included in staff development plans.	Complete
Developing the assurance framework		
Identify key external assurance providers and reporting mechanisms into the Council. Review external assurance outputs and review opportunities for collaborative working. Further integrate the assurance into audit planning in 2026/27 and future years. (Linked to Action point 3 below)	This work has commenced in liaison with the Policy, Strategy and Engagement Directorate.	2026/27
Global Internal Audit Standards (UK Public Sector) External Assessment Action Plan		
Action point 4	A review has been arranged with a neighbouring Council, which is currently underway.	30 September 2026

(Std 7.1) The board and senior management should ensure implementation of clear, robust safeguards over the HIA's whistleblowing and also the HIA's broader responsibilities for AFC. This should include prompt review of the HIA's dual responsibilities as the Whistleblowing Officer and investigator for fraud and corruption cases, as combining these roles risks impairing independence. Consideration should be given to implementing a separate, independent assurance mechanism specifically tasked with providing assurance over the HIA's involvement in the whistleblowing process and the HIA's wider AFC responsibilities. (High priority)		
Action point 3 (Std 6.1) It is recommended that senior management strengthen assurance mapping; whilst this is not the responsibility of the internal audit function they can support, advise and contribute to this activity. Comprehensive assurance mapping should include both internal and external assurance providers, thereby facilitating improved coordination, avoiding duplication, and enabling the board and senior management to accurately determine the optimal scope and types of internal audit services required. (Medium Priority)	Developing the assurance framework is included in the IA Strategy with three strategic initiatives and actions assigned for development during 2026/27 and 2027/28. Actions for 2026/27 in the IA Strategy were:- Engage with risk management, governance and business intelligence colleagues to enhance understanding of current sources of assurance (both internal assurance providers and external). Identify key external assurance providers and reporting mechanisms into the Council. Review external assurance outputs and review opportunities for collaborative working. Further integrate the assurance into audit planning in 2026/27 and future years. Work on the above has commenced with the Performance, Strategy and Engagement Directorate.	31 March 2027

Action point 1 (Std 3.2) We recommend strengthening internal auditors' mandatory recording and retention of all Continuing Professional Development (CPD) records to ensure the documentation comprehensively supports training undertaken. (Low priority)	The importance of keeping CPD records up to date has been re-enforced in a team meeting. CPD records have been reviewed as part of the My Year Ahead Plan six monthly reviews.	Complete
Advisory point 5 (Std 9.1) Ensure annual training updates for internal auditors incorporate value for money (VFM) topics, ideally expanded to include comprehensive VFM audit methodology training. (Advisory)	This had already been identified as an action via our self-assessment. This has been included in the 2026/27 Training and Development Plan and will be undertaken during the year.	31 March 2027
Advisory point 7 (Std 12.2) The HIA, collaborating with the audit committee and senior management should consider conducting a strategic review to strengthen the Internal Audit function's Key Performance Indicators (kpis) metrics, moving beyond solely delivery metrics to adopt a balanced scorecard approach incorporating Quality and Conformance, and Value for Money (VFM). These updated kpis should be sufficiently challenging yet pragmatic, aligning with the strategic focus areas defined by those charged with governance to effectively monitor the function's performance and continuous improvement. (Advisory)	A comprehensive review of KPI's has been undertaken, in consultation with senior management and included in the progress report to the Audit Committee.	Will be complete at the 24 September 2026 Audit Committee
Advisory point 4 (Code 2.1) To ensure the audit committee's official documentation aligns with best governance practice and the Code, update the audit committee Terms of Reference (TOR) to formally incorporate the committee's duties to provide feedback on the HIA's	The Executive Director of Corporate Services will ensure input from the Chair of Audit Committee is included in the HIA's MYAP/PDR process. The current arrangements with regards to the recruitment of the Head of Internal Audit will be retained. The job description will be reviewed by Human Resources in line with Council procedures prior to advertisement. It would be expected that the recruitment panel would comprise the	30 September 2026

proposed job description and contribution, by the Audit Chair, to the annual performance evaluation of the HIA. (Advisory)	Executive Director of Customer Services and the Service Director – Legal Services, in line with previous arrangements.	
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By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Public Report
Audit Committee

Committee Name and Date of Committee Meeting

Audit Committee – 24 September 2026

Report Title

Audit Committee Forward Work Plan

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

No

Executive Director Approving Submission of the Report

Judith Badger, Executive Director of Corporate Services

Report Author(s)

Louise Ivens, Head of Internal Audit

Tel: 01709 823282 Email: louise.iven@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 CO₂ Emissions and Climate Change

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

12. Implications for Partners

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

13. Risks and Mitigation

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

Accountable Officer(s)

Louise Ivens, Head of Internal Audit

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

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

Audit Committee Forward Work Plan

Meeting Date	Key Responsibility	Agenda Item	Author
November 2026	Financial Reporting	Audited Final Statement of Accounts	Rob Mahon
	Governance Risk and Control	Audited Final AGS	Judith Badger
	External Audit	External Audit Findings (ISA 260)	Grant Thornton / Rob Mahon
	Treasury Management	Mid-Year Report on Treasury Management and quarterly update	Rob Mahon
	Governance Risk and Control	Risk Management Guide	Katie Stead
	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	Governance Risk and Control	Chief Executive Presentation	John Edwards
	Financial Reporting	Final Accounts closedown and accounting policies	Rob Mahon
	Governance Risk and Control	External Audit and Inspection recommendations	Katie Stead

	Governance Risk and Control	Strategic Risk Register	Katie Stead
	Governance, Risk and Control	Risk Management Directorate Presentation - Corporate Services Directorate	Judith Badger
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens
March 2027	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 Self 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 2027	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 2027	External Audit	External Audit Progress Report	Grant Thornton
	Treasury Management	Treasury Management Quarterly Update	Rob Mahon
	Governance Risk and Control	Risk Management Annual Report and Corporate Strategic Risk Register	Katie Stead
	Governance Risk and Control	External Audit and Inspection Recommendations	Katie Stead
	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 2027	Governance Risk and Control	Information Governance Annual Report	Luke Sayers
	Internal Audit / Governance Risk and Control	IA Progress Report	Louise Ivens
	Governance Risk and Control	Risk Management Directorate Presentation - Policy, Strategy and Engagement	Katie Stead
	Governance Risk and Control	Code of Corporate Governance	Katie Stead
	Governance Risk and Control	Anti-Fraud and Corruption Policy and Strategy review and update	Louise Ivens
	Audit Committee Accountability	Audit Committee Forward Work Plan	Louise Ivens

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